Hutchison Whampoa Limited

stock code: 13

Reaching New Heights

2013 Annual Report

Corporate Information

Hutchison Whampoa Limited

BOARD OF DIRECTORS

Chairman

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

Deputy Chairman

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

Group Managing Director

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

Executive Directors

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

Frank John SIXT, MA, LLL
Group Finance Director

LAI Kai Ming, Dominic, BSc, MBA

KAM Hing Lam, BSc, MBA

Non-executive Directors

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

George Colin MAGNUS, OBE, BBS, MA

Independent Non-executive Directors

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

Holger KLUGE, BCom, MBA

LEE Wai Mun, Rose, BBA

William Elkin MOCATTA, FCA
Alternate to Michael David Kadoorie

William SHURNIAK, SOM, LLD (Hon)

WONG Chung Hin, CBE, JP

AUDIT COMMITTEE

WONG Chung Hin *(Chairman)*

Holger KLUGE

William SHURNIAK

REMUNERATION COMMITTEE

WONG Chung Hin *(Chairman)*

LI Ka-shing

Holger KLUGE

COMPANY SECRETARY

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

AUDITOR

PricewaterhouseCoopers

BANKERS

The Hongkong and Shanghai Banking Corporation Limited

Standard Chartered Bank (Hong Kong) Limited

Bank of China (Hong Kong) Limited

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Corporate Profile

Hutchison Whampoa Limited (the "Group") is a renowned multinational conglomerate committed to development, innovation and technology in many different sectors. We operate a variety of businesses in 52 countries across the world with over 260,000 employees. We have a strong commitment to the highest standards of corporate governance, transparency and accountability, which has been recognised by numerous international awards and commendations. Our operations consist of six core businesses – ports and related services, property and hotels, retail, infrastructure, energy, and telecommunications.

Ports and Related Services

We are one of the world's largest privately owned container terminal operators, holding interests in 52 ports comprising 278 operational berths in 26 countries, including container terminals operating in five of the 10 busiest container ports in the world. In 2013, our ports handled a total throughput of 78.3 million twenty-foot equivalent units ("TEUs"). We also engage in mid-stream operations, river trade, cruise terminal operations and ports related logistics services.

Property and Hotels

We develop and invest in leading real estate projects, ranging from landmark office buildings to luxury residential properties. We hold a rental property portfolio of approximately 14.0 million square feet of office, commercial, industrial and residential premises, primarily in Hong Kong, as well as interests in a number of joint-venture developments in Mainland China and selective overseas markets. We also have ownership interests in 11 premium hotels in Hong Kong, the Mainland and the Bahamas.

Retail

The Group's retail division is one of the world's leading health and beauty retailers with over 10,500 retail stores in 25 markets worldwide. Its diverse retail portfolio comprises health and beauty products, supermarkets, consumer electronics and electrical appliances, and airport retailing. It also manufactures and distributes bottled water and beverage products in Hong Kong and the Mainland.

Energy

The Group's investments in energy are principally in Canada, the United States, the Mainland, Taiwan, Greenland and Indonesia. Husky Energy Inc ("Husky Energy") is a listed Canadian-based integrated energy and energy related company.

Infrastructure

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

Telecommunications

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

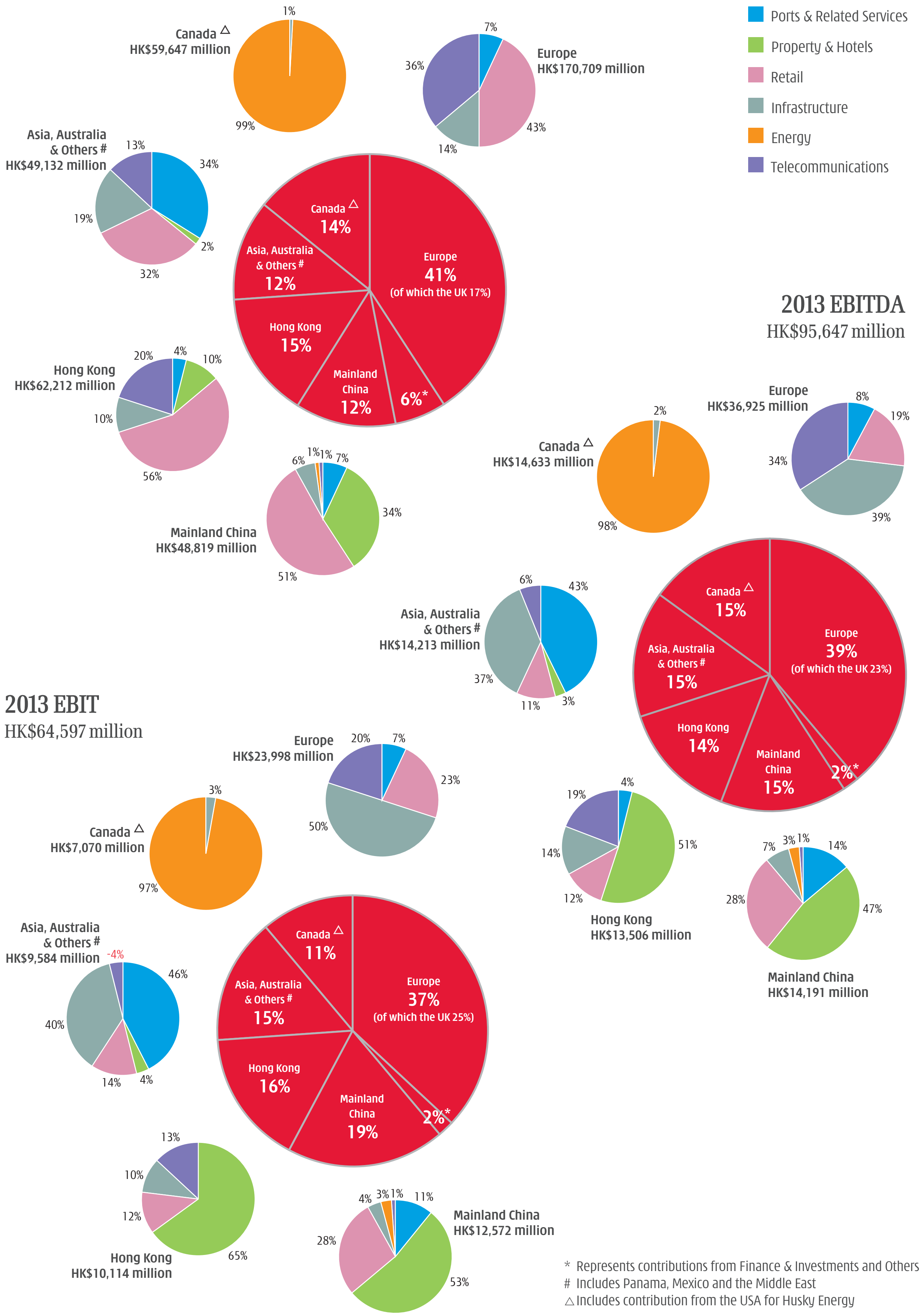
Analyses of Core Business Segments by Geographical Location

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

2013 Total Revenue
HK$412,933 million

2013 EBITDA
HK$95,647 million

2013 EBIT
HK$64,597 million



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

Analyses by Core Business Segments

	2013 HK$ millions	%	2012 Restated [1] HK$ millions	%	Change
Total Revenue [2]					
Ports and related services	**34,119**	**8%**	32,941	8%	+4%
Hutchison Ports Group other than HPH Trust	*31,360*	*7%*	*30,208*	*7%*	*+4%*
HPH Trust [2]	*2,759*	*1%*	*2,733*	*1%*	*+1%*
Property and hotels	**24,264**	**6%**	19,970	5%	+22%
Retail [4]	**149,147**	**36%**	138,519	35%	+8%
Cheung Kong Infrastructure	**42,460**	**10%**	39,693	10%	+7%
Husky Energy	**59,481**	**14%**	58,744	15%	+1%
3 Group Europe	**61,976**	**15%**	58,708	15%	+6%
Hutchison Telecommunications Hong Kong Holdings	**12,777**	**3%**	15,536	4%	-18%
Hutchison Asia Telecommunications	**6,295**	**2%**	4,452	1%	+41%
Finance & Investments and Others [4]	**22,414**	**6%**	21,700	5%	+3%
Finance & Investments	*2,321*	*1%*	*2,388*	–	*-3%*
Others	*20,093*	*5%*	*19,312*	*5%*	*+4%*
Total Comparable Revenue [3]	**412,933**	**100%**	390,263	98%	+6%
Reconciliation item [3]	**–**	**–**	7,648	2%	-100%
Total Reported Revenue	**412,933**	**100%**	397,911	100%	+4%
EBITDA [2]					
Ports and related services	**11,447**	**12%**	11,343	13%	+1%
Hutchison Ports Group other than HPH Trust	*10,060*	*11%*	*9,893*	*11%*	*+2%*
HPH Trust [2]	*1,387*	*1%*	*1,450*	*2%*	*-4%*
Property and hotels	**13,995**	**15%**	10,887	12%	+29%
Retail [4]	**14,158**	**15%**	12,779	15%	+11%
Cheung Kong Infrastructure	**22,841**	**24%**	21,405	25%	+7%
Husky Energy	**14,779**	**15%**	14,889	17%	-1%
3 Group Europe	**12,671**	**13%**	9,213	11%	+38%
Hutchison Telecommunications Hong Kong Holdings	**2,758**	**3%**	3,050	3%	-10%
Hutchison Asia Telecommunications	**819**	**1%**	423	–	+94%
Finance & Investments and Others [4]	**2,179**	**2%**	2,479	3%	-12%
Finance & Investments	*2,808*	*3%*	*3,004*	*4%*	*-7%*
Others	*(629)*	*-1%*	*(525)*	*-1%*	*-20%*
Comparable EBITDA before profits on disposal of investments & others and property revaluation [3]	**95,647**	**100%**	86,468	99%	+11%
Reconciliation item [3]	**–**	**–**	868	1%	-100%
Reported EBITDA before profits on disposal of investments & others and property revaluation	**95,647**	**100%**	87,336	100%	+10%
EBIT [2]					
Ports and related services	**7,358**	**12%**	7,681	13%	-4%
Hutchison Ports Group other than HPH Trust	*6,573*	*11%*	*6,806*	*12%*	*-3%*
HPH Trust [2]	*785*	*1%*	*875*	*1%*	*-10%*
Property and hotels	**13,659**	**21%**	10,521	18%	+30%
Retail [4]	**11,771**	**18%**	10,357	18%	+14%
Cheung Kong Infrastructure	**17,528**	**27%**	16,643	29%	+5%
Husky Energy	**7,208**	**11%**	7,427	13%	-3%
3 Group Europe	**4,856**	**8%**	3,145	5%	+54%
Hutchison Telecommunications Hong Kong Holdings	**1,367**	**2%**	1,744	3%	-22%
Hutchison Asia Telecommunications	**(409)**	**-1%**	(846)	-1%	+52%
Finance & Investments and Others [4]	**1,259**	**2%**	1,914	3%	-34%
Finance & Investments	*2,808*	*4%*	*3,004*	*5%*	*-7%*
Others	*(1,549)*	*-2%*	*(1,090)*	*-2%*	*-42%*
Comparable EBIT before profits on disposal of investments & others and property revaluation [3]	**64,597**	**100%**	58,586	101%	+10%
Reconciliation item [3]	**–**	**–**	(567)	-1%	+100%
Reported EBIT before profits on disposal of investments & others and property revaluation	**64,597**	**100%**	58,019	100%	+11%
Interest expenses and other finance costs [2]	**(14,159)**		(16,359)		+13%
Profit before tax	**50,438**		41,660		+21%
Tax [2]					
Current tax	**(10,972)**		(8,643)		-27%
Deferred tax	**(770)**		(1)		-76,900%
Profit after tax	**38,696**		33,016		+17%
Non-controlling interests and perpetual capital securities holders' interests	**(7,668)**		(6,429)		-19%
Profit attributable to ordinary shareholders before profits on disposal of investments & others and property revaluation	**31,028**		26,587		+17%
Property revaluation, after tax	**32**		1,113		-97%
Profits on disposal of investments & others, after tax	**52**		(1,803)		+103%
Profit attributable to ordinary shareholders	**31,112**		25,897		+20%

Note 1: The comparatives have been restated to reflect the effect of adoption of new and revised accounting policies in 2013. See Note 1 to the accounts. Total revenue in 2012 has been reduced by HK$480 million due to reclassification adjustment made by Husky Energy to its 2012 reported revenue and cost of sales.

Note 2: 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 have been 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 3: To enable a better comparison of underlying performance, the comparable revenue, EBITDA and EBIT excludes the reconciliation item below:

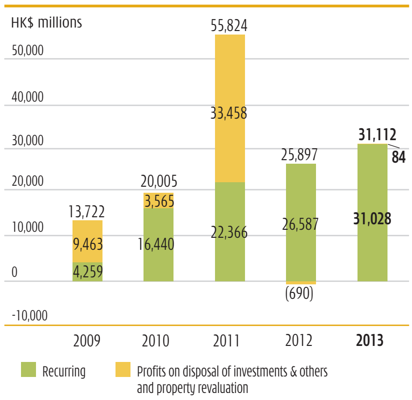
The reconciliation item represents the results of HTAL and its share of results of VHA for the first half of 2012. VHA's operating losses in 2013 and the second half of 2012 and restructuring charges in the second half of 2012 are included as a charge under "profits on disposal of investments & others, after tax".

Note 4: Pursuant to the strategic review of the retail division which is still ongoing, results of the Marionnaud business are included in the Finance & Investments and Others segment and the 2012 results have been reclassified for comparative purposes.

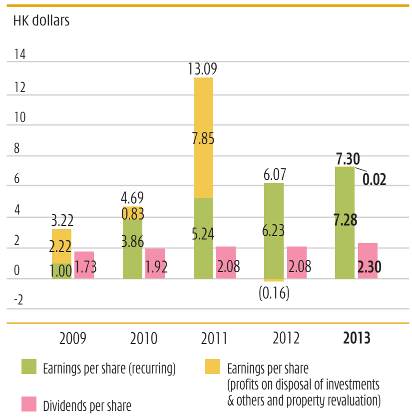
Key Financial Information

	2013 HK$ millions	2012 Restated [1] HK$ millions	Change
Reported profit attributable to ordinary shareholders of the Company	**31,112**	25,897	+20%
Reported earnings per share (HK$)	**7.30**	6.07	+20%
Recurring profit attributable to ordinary shareholders of the Company	**31,028**	26,587	+17%
Recurring earnings per share (HK$)	**7.28**	6.23	+17%
Dividends per share (HK$)	**2.30**	2.08	+10.6%
Total assets	**815,522**	803,871	+1%
Net assets	**476,232**	438,541	+9%
Net assets attributable to shareholders of the Company per ordinary share (HK$)	**90.6**	86.3	+5%
Funds from operations before capital expenditures and working capital changes ("FFO")	**49,390**	36,099	+37%
Proceeds on disposal of subsidiary companies	**3,149**	691	+356%
Capital expenditures – Fixed assets, investment properties and others	**23,665**	26,685	-11%
Capital expenditures – Telecommunications licences	**6,828**	2,422	+182%
Total cash, liquid funds and other listed investments	**102,787**	131,447	-22%
Total principal amount of bank and other debts	**223,822**	256,152	-13%
Net debt [5]	**121,035**	124,705	-3%
Net debt to net total capital ratio [5]	**20.0%**	21.9%	-1.9%-pt
Credit rating:			
Moody's	**A3**	A3	
Standard & Poor's	**A-**	A-	
Fitch	**A-**	A-	

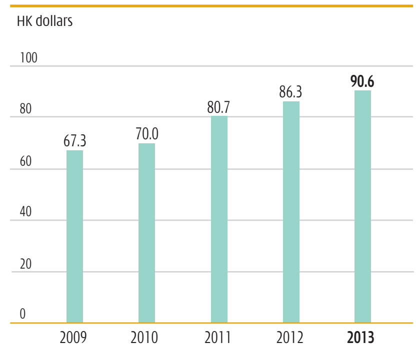
Profit Attributable to Ordinary Shareholders [1]



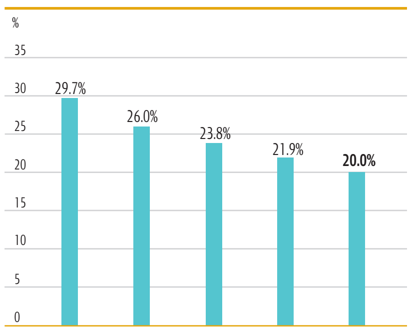
Earnings and Dividends per Ordinary Share [1]



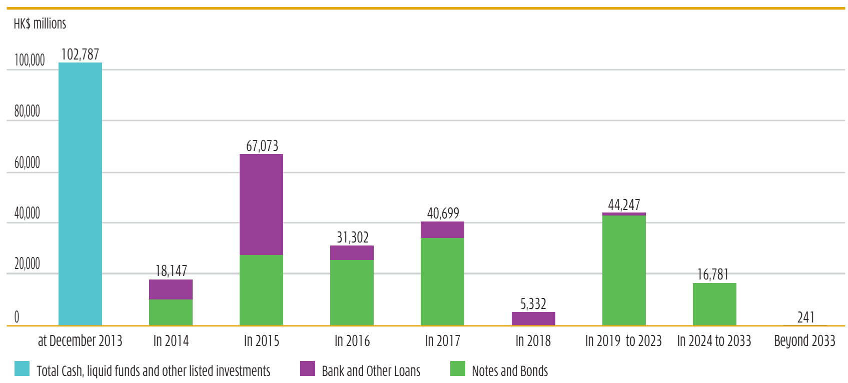
Net Assets Attributable to Shareholders of the Company per Ordinary Share



Net Debt to Net Total Capital Ratio



Debt Maturity Profile at 31 December 2013



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

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

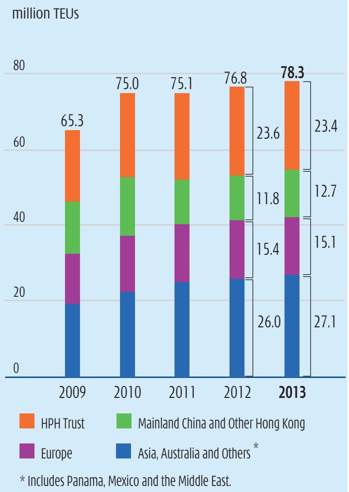
Note 7: Oil and gas reserves disclosures for 2010 to 2013 have been prepared in accordance with Canadian Securities Administrators' National Instrument 51-101 "Standards of Disclosure for Oil and Gas Activities" ("NI 51-101") effective 31 December 2010 ("Canadian method"). In prior years, Husky Energy applied for and was granted an exemption from certain of the provisions of NI 51-101, which permitted Husky Energy to present oil and gas reserves disclosures in accordance with the rules of the United States Securities and Exchange Commission guidelines and the United States Financial Accounting Standards Board ("SEC method"). The guidance was effective from 31 December 2010. Accordingly, the 2010 to 2013 figures are shown under the Canadian method, while 2009 are shown under the SEC method.

Key Business Indicators

Ports and Related Services

"Annual throughput totalled 78.3 million twenty-foot equivalent units."

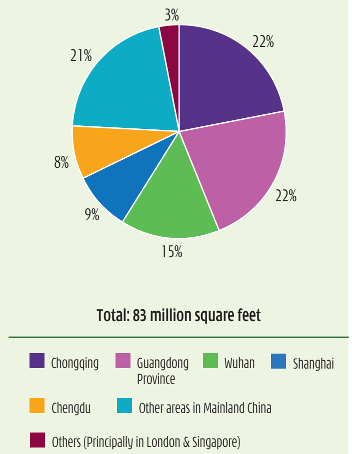
Total Container Throughput by Subdivision



Property and Hotels

"Current attributable landbank is approximately 83 million square feet. Mainland China average land cost is approximately RMB240 per square foot." (6)

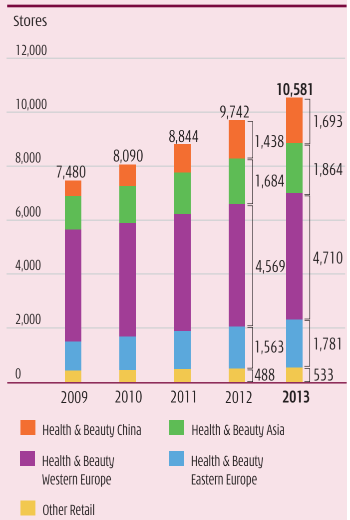
Gross Floor Area of Development Projects by Geographical Location



Retail

"Over 10,500 retail stores worldwide in 25 markets."

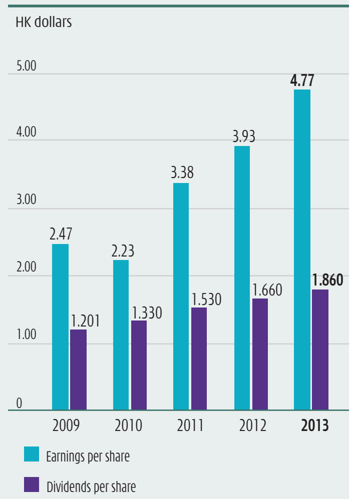
Total Retail Store Numbers by Subdivision



Infrastructure

"Stable profit contribution and announced total dividend for the year of HK$1.860 per share."

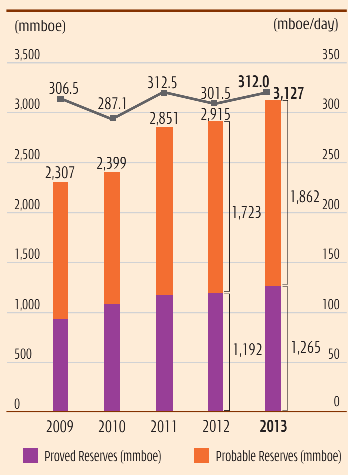
Earnings and Dividends per Share



Energy

"Proved and probable reserves of 3,127 mmboe and strong production in 2013 at an average of 312.0 mboe/day." (7)

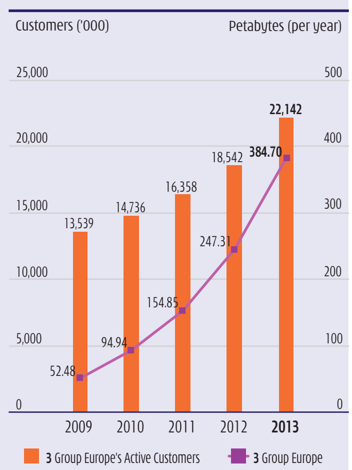
Proved and Probable Reserves & Production



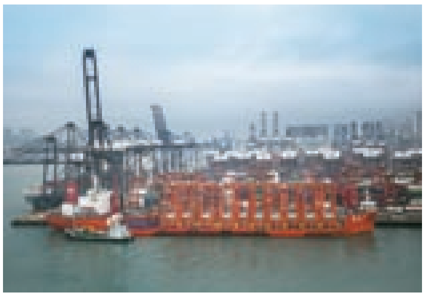
Telecommunications

"Active customer base total over 22.1 million with data consumption exceeding 384 petabytes in 2013."

3 Group Europe's Active Customers and Data Usage



Business Highlights



- CKI expands into integrated waste management infrastructure by acquiring a 100% stake in Enviro Waste Services Limited in New Zealand for NZ$490 million.
- Hutchison Port Holdings Trust acquires a 100% stake in its neighboring Asia Container Terminals Holdings Limited at Kwai Chung for a total consideration of HK$3.9 billion.
- Yantian International Container Terminals handles its 100 millionth TEU, a remarkable record achieved in less than two decades.
- Husky Energy's Atlantic Region produced the 200 millionth barrel of oil from the White Rose Area.
- **3** celebrates its 10th year of mobile broadband service in Austria, Denmark, Hong Kong, Ireland, Italy, Sweden and the UK.
- **3** Austria completes its acquisition of Orange Austria.
- **3** Ireland enters into an agreement with Telefonica to buy its O_2 business in Ireland for €780 million, with an additional deferred payment of €70 million payable dependent upon achievement of agreed financial targets. The completion of this transaction is subject to regulatory approval. Should the acquisition be completed, **3** Ireland would become the second largest mobile operator in the country.
- **3** Hong Kong, through a 50% owned joint venture, acquires a block of 5 MHz paired spectrum in the 2500/2600 MHz band in March for HK$290 million, and begins its 4G (LTE) deployment in June.
- **3** UK acquires one block of 5 MHz paired spectrum in the 800 MHz band for £225 million.
- A consortium led by CKI acquires AVR-Afvalverwerking BV, the largest "energy-from-waste" business in the Netherlands, at an enterprise value of €940 million.
- CKI's wholly owned subsidiary, Green Island Cement, commences full-scale operations at its new flagship cement production facility in Yunfu, Guangdong Province, China.
- Power Assets announces the separate listing of its Hong Kong electricity business on the Main Board of the Stock Exchange of Hong Kong, which is completed in 2014.

- Sydney International Container Terminals begins commercial operations.
- The Port of Felixstowe handles the 70 millionth TEU, achieving another milestone.
- Husky Energy, and its partner Statoil, conduct a successful exploration programme in the Flemish Pass Basin, offshore East Coast Canada, including three significant discoveries at Bay du Nord, Harpoon and Mizzen. Husky Energy holds a 35% working interest in all three discoveries.
- Husky Energy completes one of the world's largest float-over installations in the Liwan Gas Project.
- ASW opens its 1,600th store in the Mainland, while Rossmann reaches the 800 stores' milestone in Poland and 1,800 stores in Germany.
- Chelsea Waterfront, a riverside property project developed by Hutchison Whampoa Property on London's North Bank, breaks ground. When complete, the scheme will deliver 706 new homes.
- **3** UK rolls out 4G (LTE) service using the 1800 MHz spectrum acquired from Everything Everywhere, secured ahead of the latest spectrum auction.
- **3** Austria acquires one block of 5 MHz paired spectrum in the 900 MHz band and four blocks of 5 MHz paired spectrum in the 1800 MHz band in October.
- **3** Denmark reaches its one millionth customer milestone in November.
- Sorek Desalination in Israel, 49% owned by Hutchison Water, completes in November the construction of a sea water desalination plant with capacity of 150 million cubic metres per year under a 26.5-year Build-Operate-Transfer agreement.
- Hutchison China MediTech announces the establishment of a new joint venture with Sinopharm Group Co Ltd, China's largest distributor of pharmaceutical and healthcare products, to provide distribution and marketing services, in the Mainland.
- Guangzhou Aircraft Maintenance and Engineering Company inaugurates its new Phase II Hangar.

Chairman's Statement

In 2013, the Group achieved solid earnings growth. Despite operating in some challenging markets around the world, overall our businesses in 52 countries continue to deliver solid performance.

Results

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$31,028 million, a 17% increase from HK$26,587 million in 2012. Recurring earnings per share increased by 17% to HK$7.28 from HK$6.23 in 2012.

The Group also reported profit on investment property revaluation after tax in 2013 of HK$32 million as compared to HK$1,113 million in 2012. Profits on disposal of investments and others after tax in 2013 of HK$52 million includes the gain arising from the Initial Public Offering of Westports in Malaysia of HK$1,056 million, the one-time net gain on the completion of the Orange Austria acquisition transaction of HK$958 million, partly offset by Hutchison Telecommunications (Australia) ("HTAL")'s 50% share of Vodafone Hutchison Australia ("VHA") operating losses of HK$1,458 million and the Group's share of Husky Energy ("Husky")'s impairment charge on certain natural gas assets in Western Canada. This compares to a charge of HK$1,803 million in 2012, comprising HTAL's 50% share of VHA's operating losses and restructuring charges in the second half of that year.

Profit attributable to ordinary shareholders reported for the year was HK$31,112 million, a 20% increase compared to HK$25,897 million for 2012.

Dividends

The Board recommends the payment of a final dividend of HK$1.70 per share (2012: HK$1.53 per share) payable on 3 June 2014 to those persons registered as shareholders of the Company on 22 May 2014, being the record date for determining the shareholders' entitlement to the proposed final dividend. Combined with the interim dividend of HK$0.60 per share (2012: HK$0.55 per share), the full year dividend amounts to HK$2.30 per share (2012: HK$2.08 per share).

Ports and Related Services

The ports and related services division's throughput grew 2% to 78.3 million twenty-foot equivalent units ("TEU") in 2013. Total revenue of HK$34,119 million was 4% higher than last year reflecting throughput growth and higher average revenue per TEU. This increase was partly offset by higher operating costs and the division reported EBITDA of HK$11,447 million, which was 1% higher than last year. EBIT of HK$7,358 million was 4% lower than 2012 mainly due to higher depreciation charges of HK$427 million including accelerated depreciation of certain assets at London Thamesport as well as charges for new ports and expanded port facilities brought into operation during the year that, in the ordinary course, can be expected to grow volumes and contribution over the next two to three years.

In March 2013, HPH Trust acquired 100% interest in Asia Container Terminals ("ACT HK"), located at Terminal 8 in Hong Kong's Kwai Tsing Port. In October 2013, Westports Holdings Bhd. in Malaysia listed its shares on the Malaysia Stock Exchange. During the year, the division brought seven additional berths into service, of which two berths through acquisition of ACT HK by HPH Trust, two berths at Sydney Australia and one berth each at Westports in Malaysia, Lazaro Cardenas in Mexico and Huizhou in the Mainland, while five existing berths were returned to the Port Authorities at Barcelona in Spain and Busan in Korea.

The division targets increasing the number of operating berths from 278 at the end of 2013 to 284 by the end of 2014 with a net addition of six berths at Westports Malaysia, Brisbane Australia, Dammam Saudi Arabia and Sohar Oman this year. Continuing economic recovery in the United States and Europe combined with the Mainland's commitment to stability are providing a constructive outlook for the sector in 2014. Consequently, the division is expected to grow volumes during the year and 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$24,264 million, a 22% increase compared to 2012. EBITDA and EBIT increased 29% and 30% to HK$13,995 million and HK$13,659 million respectively.

The division's 11.8 million square foot portfolio of rental properties in Hong Kong, together with our attributable share of 2.2 million square foot portfolio in the Mainland and overseas, reported higher occupancy and steady rental growth. Reported rental income improved 12% to HK$4,259 million from last year primarily due to higher rental renewal rates and occupancy. Our portfolio is of a high quality, is well located and is expected to continue performing well in 2014.

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$1,036 million which was flat compared to 2012.

Our current property development activities are principally focused on the Mainland and Singapore. During the year, we completed the construction of an attributable share of gross floor area of approximately 9.0 million square feet of residential and commercial properties, and recognised sales on an attributable interest of approximately 7.8 million square feet of developed properties, primarily in the Mainland. The division's current attributable interest in landbank is approximately 83 million developable square feet, largely held through joint ventures with Cheung Kong (Holdings) Ltd. Market conditions permitting, we expect to complete an attributable share of approximately 8.3 million square feet gross floor area of residential and commercial properties during 2014.

Retail [1]

The retail division (excluding Marionnaud [1]), with over 10,500 stores in 25 markets, delivered another year of strong revenue, cash generation and earnings growth in 2013. Total revenue of HK$149,147 million, EBITDA of HK$14,158 million and EBIT of HK$11,771 million, were 8%, 11% and 14% higher respectively than last year. Excluding the impact attributable to the expiration of Nuance-Watson's two core concession licences at Hong Kong International Airport in late 2012, total revenue, EBITDA and EBIT grew by 9%, 13% and 16% respectively. The division reported like-for-like sales growth of 2.2%, with 1.4% in Asia and 2.9% in Europe in 2013.

Despite the difficult retail environment in several European economies, the division's European operations overall were able to increase earnings contribution with EBITDA and EBIT growth of 15% and 22% respectively, primarily due to the strong performance of the Health and Beauty Western Europe subdivision.

Health and beauty operations in the Mainland grew total revenue by 17% as new store openings continued to perform well, more than offsetting slowing comparable store sales growth. This business unit has the highest profit growth within the retail division as a whole, with EBITDA and EBIT growth at 18% and 16% respectively in 2013.

Recovering consumption economies in Europe and an overall stable outlook for the Mainland and most countries in which we operate in Asia provide a positive outlook for the retail division's businesses, which should continue to expand rapidly in 2014.

Cheung Kong Infrastructure

Cheung Kong Infrastructure Holdings Limited ("CKI"), our Hong Kong listed subsidiary, announced profit attributable to shareholders of HK$11,639 million, a growth of 23% over last year.

CKI continued to invest in earnings accretive businesses during the year, acquiring Enviro Waste Services Limited, an integrated waste management business in New Zealand and, through a consortium led by CKI, AVR-Afvalverwerking B.V., the largest "energy-from-waste" business in the Netherlands.

In January 2014, CKI's 38.87%-owned associate, Power Assets Holdings Limited completed the separate listing of its Hong Kong electricity business on the Main Board of the Stock Exchange of Hong Kong Limited and currently holds 49.9% of the separate listed entity.

Note 1 : The Marionnaud business has been excluded from the retail division and included under "Others" pursuant to the strategic review of the retail division which is still ongoing.

Husky Energy

Husky Energy, our associated company listed in Canada, announced profit from operations attributable to shareholders of C$1,829 million, including an after tax impairment charge of C$204 million on certain natural gas assets in Western Canada. Excluding this impairment charge, profit from operations attributable to shareholders increased 1% over last year. Average production in 2013 was 312,000 barrels of oil equivalent per day ("BOEs per day") compared to 301,500 BOEs per day in 2012.

Husky Energy has achieved several milestones in key development projects in 2013 and is progressing well on two very substantial capital projects, the Liwan deep-water natural gas development ("Liwan Project") located in the South China Sea and the Sunrise Energy oil sands development ("Sunrise Project") in Canada. The Liwan Project is expected to begin production in early 2014 and the first phase of the Sunrise Project is advancing towards first production in late 2014.

3 Group Europe

The Group's registered 3G customer base in Europe increased 13% during the year and totals over 26.6 million customers, of which over 83% are active. **3** Group Europe reported total revenue of HK$61,976 million, a 6% increase over last year. EBITDA and EBIT grew by 38% and 54% to HK$12,671 million and HK$4,856 million respectively. **3** Group Europe has achieved another important milestone and reported positive EBITDA less capex for the year. This encouraging performance reflects the Group's strong market position in the smartphone and mobile data segments, the increased contribution from **3** Austria upon the completion of the acquisition of Orange Austria in January 2013, and a well-disciplined operating and capital expenditure profile. In June 2013, **3** Ireland entered into an agreement with Telefonica to acquire O_2, Telefonica's mobile business in Ireland, for €780 million with an additional deferred payment of €70 million payable dependent upon achievement of agreed financial targets. The completion of this transaction, which is subject to regulatory approval, is expected in the second quarter of 2014. **3** Group Europe also completed spectrum acquisitions required to support 4G (LTE) rollouts, which will continue in all of its major markets in 2014.

The transition to a non-subsidised handset model in **3** Group Europe's customer base was completed in 2013. European mobile termination regimes have also largely stabilised. Accordingly, with highly competitive network assets and service offerings as well as an industry leading cost structure, this division is expected to continue to increase its contribution to the Group in 2014.

Hutchison Telecommunications Hong Kong

Hutchison Telecommunications Hong Kong Holdings ("HTHKH"), our Hong Kong listed telecommunications subsidiary operating in Hong Kong and in Macau announced revenue of HK$12,777 million, a decrease of 18% over last year. EBITDA of HK$2,758 million and EBIT of HK$1,367 million, decreased 10% and 22% respectively over last year. The announced profit attributable to shareholders was HK$916 million and earnings per share was 19.01 HK cents, a decrease of 25% compared to last year. As of 31 December 2013, active mobile customers were maintained at approximately 3.8 million in Hong Kong and Macau.

Hutchison Asia Telecommunications

As of 31 December 2013, Hutchison Asia Telecommunications ("HAT") had an active customer base of approximately 43.5 million and reported total revenue of HK$6,295 million, EBITDA of HK$819 million and LBIT of HK$409 million, an improvement of 41%, 94% and 52% respectively compared to last year.

In 2014, HAT will continue to focus on growing its business in Indonesia, where major network rollout activities were completed in the third quarter of 2013.

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 2013, the Group raised HK$46,044 million from the debt and capital markets and repaid debts as they matured and repaid early certain long-term borrowings and notes of HK$61,822 million. As a result of refinancing at lower interest rates, the Group's weighted average cost of debt reduced from 3.4% for 31 December 2012 to 3.1% for the year. At 31 December 2013, the Group's consolidated cash and liquid investments totalled HK$102,787 million and consolidated debt amounted to HK$223,822 million, resulting in consolidated net debt of HK$121,035 million and net debt to net total capital ratio of 20.0%. The Group's consolidated cash and liquid investments as at 31 December 2013 were sufficient to repay all outstanding consolidated Group debt maturing through 2015 and approximately 56% of the maturities in 2016.

The Group will continue to closely monitor its liquidity and debt profile and expects its consolidated Group net debt to net total capital ratio to remain less than 25% for the foreseeable future.

Outlook

In 2013, economic uncertainty continued to affect several markets and geographies in which the Group operates. However, with the exception of certain emerging markets, trends in the second half of 2013 generally showed improvement, leading to a constructive outlook for the Group's businesses overall in 2014.

Adhering to the Group's fundamental principle of always acting in the best long-term interest of our Shareholders and taking into consideration relevant economic and political factors, the Group will continue with the strategy of "Advancing with Stability" in the ongoing investment for growth in our core businesses. Achieving sustainable recurring earnings growth and maintaining a strong financial profile will continue to be the key objectives of the Group. Barring unforeseen material adverse external developments, I expect that the Group will continue to meet these objectives in 2014. I remain prudently optimistic about the Group's 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, 28 February 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 2013 Highlights

	2013 HK$ millions	2012 Restated [(1)] HK$ millions	Change
Total Revenue [(2)]	**412,933**	397,911	+4%
EBITDA [(2)]	**95,647**	87,336	+10%
EBIT [(2)]	**64,597**	58,019	+11%
Profit attributable to ordinary shareholders, before property revaluation and profits on disposal of investments and others	**31,028**	26,587	+17%
Property revaluation after tax	**32**	1,113	-97%
Profits on disposal of investments and others after tax	**52**	(1,803)	+103%
Profit attributable to ordinary shareholders	**31,112**	25,897	+20%
Earnings per share	**HK$7.30**	HK$6.07	+20%
Recurring earnings per share [(3)]	**HK$7.28**	HK$6.23	+17%
Final dividend per share	**HK$1.70**	HK$1.53	+11.1%
Full year dividend per share	**HK$2.30**	HK$2.08	+10.6%

The Group reported total revenue, including the Group's share of associated companies' and joint ventures' revenue, of HK$412,933 million, an increase of 4% compared to 2012. EBITDA and EBIT, before property revaluation and profits on disposal of investments and others, were HK$95,647 million and HK$64,597 million respectively, an increase of 10% and 11% compared to 2012.

Total recurring profit attributable to ordinary shareholders, before property revaluation and profits on disposal of investments and others, after tax for the year were HK$31,028 million, a 17% increase compared to last year's profit of HK$26,587 million.

The Group also reported profit on investment properties revaluation after tax of HK$32 million (2012: HK$1,113 million). Profits on disposal of investments and others after tax in 2013 of HK$52 million includes the gain arising from the Initial Public Offering ("IPO") of Westports in Malaysia of HK$1,056 million, the one-time net gain recognised on the completion of the Orange Austria acquisition transaction, net of certain restructuring provision, of HK$958 million, partly offset by Hutchison Telecommunications (Australia) ("HTAL")'s 50% share of Vodafone Hutchison Australia ("VHA") operating losses of HK$1,458 million and the Group's share of Husky Energy ("Husky")'s impairment charge of HK$504 million on certain natural gas assets in Western Canada. This compares to a charge of HK$1,803 million in 2012, comprising HTAL's 50% share of VHA's operating losses and restructuring charges in the second half of that year.

Profit attributable to ordinary shareholders reported for the year was HK$31,112 million as compared to HK$25,897 million in 2012.

Note 1: The comparatives have been restated to reflect the effect of adoption of new and revised accounting policies in 2013. See Note 1 to the accounts. Total revenue in 2012 has been reduced by HK$480 million due to reclassification adjustment made by Husky Energy to its 2012 reported revenue and cost of sales.

Note 2: 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 have been 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 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: To enable a better comparison of underlying performance, the comparable revenue, EBITDA and EBIT excludes the reconciliation item below:

The reconciliation item represents the results of HTAL and its share of results of VHA for the first half of 2012. VHA's operating losses in 2013 and the second half of 2012 and restructuring charges in the second half of 2012 are included as a charge under "profits on disposal of investments & others, after tax".

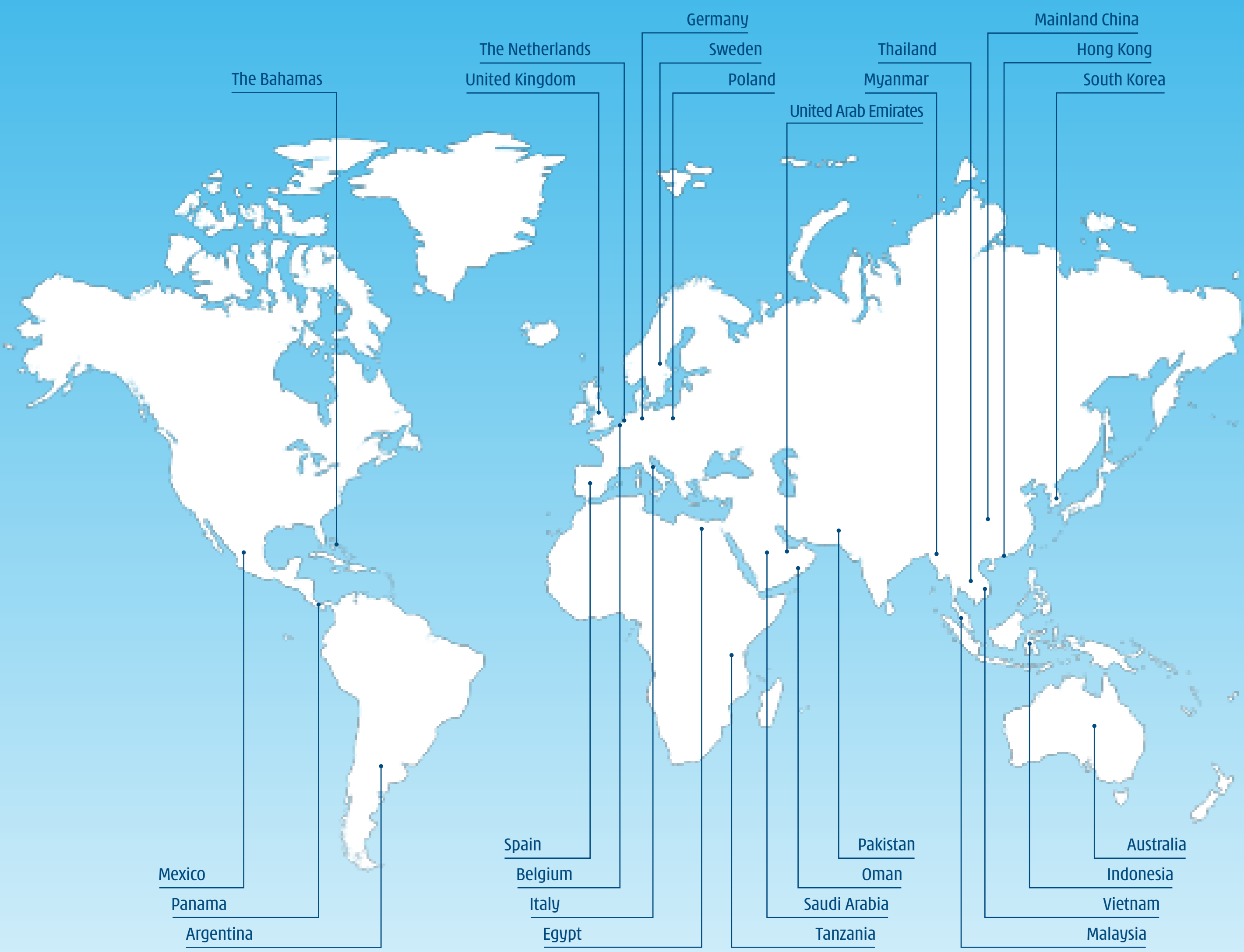
Note 5: Pursuant to the strategic review of the retail division which is still ongoing, results of the Marionnaud business are included in the Finance & Investments and Others segment and the 2012 results have been reclassified for comparative purposes.

Financial Performance Summary

	2013 HK$ millions	%	2012 Restated [(1)] HK$ millions	%	Change
Total Revenue [(2)]					
Ports and related services	**34,119**	**8%**	32,941	8%	+4%
Hutchison Ports Group other than HPH Trust	*31,360*	*7%*	*30,208*	*7%*	*+4%*
HPH Trust [(2)]	*2,759*	*1%*	*2,733*	*1%*	*+1%*
Property and hotels	**24,264**	**6%**	19,970	5%	+22%
Retail [(5)]	**149,147**	**36%**	138,519	35%	+8%
Cheung Kong Infrastructure	**42,460**	**10%**	39,693	10%	+7%
Husky Energy	**59,481**	**14%**	58,744	15%	+1%
3 Group Europe	**61,976**	**15%**	58,708	15%	+6%
Hutchison Telecommunications Hong Kong Holdings	**12,777**	**3%**	15,536	4%	-18%
Hutchison Asia Telecommunications	**6,295**	**2%**	4,452	1%	+41%
Finance & Investments and Others [(5)]	**22,414**	**6%**	21,700	5%	+3%
Finance & Investments	*2,321*	*1%*	*2,388*	–	*-3%*
Others	*20,093*	*5%*	*19,312*	*5%*	*+4%*
Total Comparable Revenue [(4)]	**412,933**	**100%**	390,263	98%	+6%
Reconciliation item [(4)]	**–**	**–**	7,648	2%	-100%
Total Reported Revenue	**412,933**	**100%**	397,911	100%	+4%
EBITDA [(2)]					
Ports and related services	**11,447**	**12%**	11,343	13%	+1%
Hutchison Ports Group other than HPH Trust	*10,060*	*11%*	*9,893*	*11%*	*+2%*
HPH Trust [(2)]	*1,387*	*1%*	*1,450*	*2%*	*-4%*
Property and hotels	**13,995**	**15%**	10,887	12%	+29%
Retail [(5)]	**14,158**	**15%**	12,779	15%	+11%
Cheung Kong Infrastructure	**22,841**	**24%**	21,405	25%	+7%
Husky Energy	**14,779**	**15%**	14,889	17%	-1%
3 Group Europe	**12,671**	**13%**	9,213	11%	+38%
Hutchison Telecommunications Hong Kong Holdings	**2,758**	**3%**	3,050	3%	-10%
Hutchison Asia Telecommunications	**819**	**1%**	423	–	+94%
Finance & Investments and Others [(5)]	**2,179**	**2%**	2,479	3%	-12%
Finance & Investments	*2,808*	*3%*	*3,004*	*4%*	*-7%*
Others	*(629)*	*-1%*	*(525)*	*-1%*	*-20%*
Comparable EBITDA before profits on disposal of investments & others and property revaluation [(4)]	**95,647**	**100%**	86,468	99%	+11%
Reconciliation item [(4)]	**–**	**–**	868	1%	-100%
Reported EBITDA before profits on disposal of investments & others and property revaluation	**95,647**	**100%**	87,336	100%	+10%
EBIT [(2)]					
Ports and related services	**7,358**	**12%**	7,681	13%	-4%
Hutchison Ports Group other than HPH Trust	*6,573*	*11%*	*6,806*	*12%*	*-3%*
HPH Trust [(2)]	*785*	*1%*	*875*	*1%*	*-10%*
Property and hotels	**13,659**	**21%**	10,521	18%	+30%
Retail [(5)]	**11,771**	**18%**	10,357	18%	+14%
Cheung Kong Infrastructure	**17,528**	**27%**	16,643	29%	+5%
Husky Energy	**7,208**	**11%**	7,427	13%	-3%
3 Group Europe	**4,856**	**8%**	3,145	5%	+54%
Hutchison Telecommunications Hong Kong Holdings	**1,367**	**2%**	1,744	3%	-22%
Hutchison Asia Telecommunications	**(409)**	**-1%**	(846)	-1%	+52%
Finance & Investments and Others [(5)]	**1,259**	**2%**	1,914	3%	-34%
Finance & Investments	*2,808*	*4%*	*3,004*	*5%*	*-7%*
Others	*(1,549)*	*-2%*	*(1,090)*	*-2%*	*-42%*
Comparable EBIT before profits on disposal of investments & others and property revaluation [(4)]	**64,597**	**100%**	58,586	101%	+10%
Reconciliation item [(4)]	**–**	**–**	(567)	-1%	+100%
Reported EBIT before profits on disposal of investments & others and property revaluation	**64,597**	**100%**	58,019	100%	+11%
Interest expenses and other finance costs [(2)]	**(14,159)**		(16,359)		+13%
Profit before tax	**50,438**		41,660		+21%
Tax [(2)]					
Current tax	**(10,972)**		(8,643)		-27%
Deferred tax	**(770)**		(1)		-76,900%
Profit after tax	**38,696**		33,016		+17%
Non-controlling interests and perpetual capital securities holders' interests	**(7,668)**		(6,429)		-19%
Profit attributable to ordinary shareholders before profits on disposal of investments & others and property revaluation	**31,028**		26,587		+17%
Property revaluation, after tax	**32**		1,113		-97%
Profits on disposal of investments & others, after tax	**52**		(1,803)		+103%
Profit attributable to ordinary shareholders	**31,112**		25,897		+20%

Ports
and Related Services

Shenzhen's Yantian International Container Terminals breaks the world record by moving its 100 millionth TEU within only 18.5 years.



- Total revenue increased 4% to HK$34,119 million.
- EBITDA increased 1% to HK$11,447 million.
- EBIT decreased 4% to HK$7,358 million.
- Annual throughput increased 2% to 78.3 million twenty-foot equivalent units.

1

1. The jacking frame (in red) heightens Quay Cranes at HIT by three metres.

2. Europe Container Terminals receives a "Lean and Green Star" for its environmental vigilance.

2

3

3. The Port of Cristobal in Panama.
4. The opening of the North Rail Terminal at UK's Port of Felixstowe increases its handling capacity considerably.
5. Sydney International Container Terminals, the Group's second port operation in Australia, commences operations.

4

5

This division is one of the world's leading port investors, developers and operators, and has interests in 52 ports comprising 278 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 78.3 million twenty-foot equivalent units ("TEUs") in 2013.

	2013 HK$ millions	2012 (1) HK$ millions	Change
Total Revenue (2)	**34,119**	32,941	+4%
EBITDA (2)	**11,447**	11,343	+1%
EBIT (2)	**7,358**	7,681	-4%
Throughput (million TEUs)	**78.3**	76.8	+2%

Note 1: 2012 EBITDA and EBIT have been restated to reflect the effect of the adoption of amendments to HKAS19 in 2013.

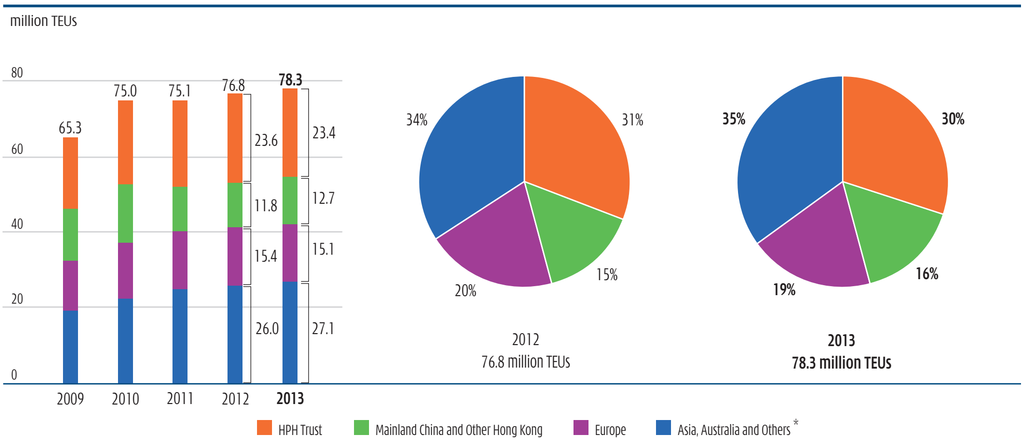
Note 2: Total revenue, EBITDA and EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust.

This division comprises of four segments: HPH Trust; Mainland China and other Hong Kong; Europe; and Asia, Australia and others.

In local currencies, total revenue and EBITDA of the division increased 3% and 0.4% respectively, but EBIT decreased 5% from last year. The lower EBIT reflected higher depreciation charges of HK$427 million including accelerated depreciation of certain assets at London Thamesport as well as charges for new ports and expanded facilities brought into operation during the year that, in ordinary course, can be expected to grow volumes and contribution over the next two to three years. This division contributed 8%, 12% and 12% respectively to the total revenue, EBITDA and EBIT of the Group's businesses.

Overall throughput increased 2% to 78.3 million TEUs in 2013, reflecting a steady market growth in most geographical locations during the year, except HPH Trust where volumes at Kwai Tsing were adversely impacted by an industrial action in the second quarter and in parts of the Europe segment where economic recovery was slower. Recovery generally on the European segment improved in the second half of the year.

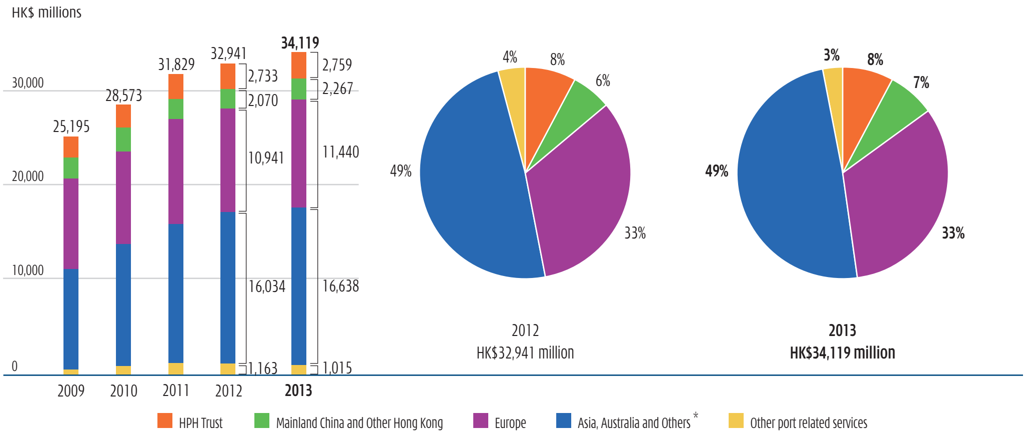
Total Container Throughput (+2%)
by Subdivision



* Includes Panama, Mexico and the Middle East.

Total revenue increased 4% in 2013 primarily driven by higher contributions from Europe Container Terminals ("ECT") in Rotterdam, ports in Shanghai, Thailand and Mexico, as well as favourable foreign exchange movement. In local currencies, total revenue increased 3%.

Total Revenue (3) (+4%)
by Subdivision

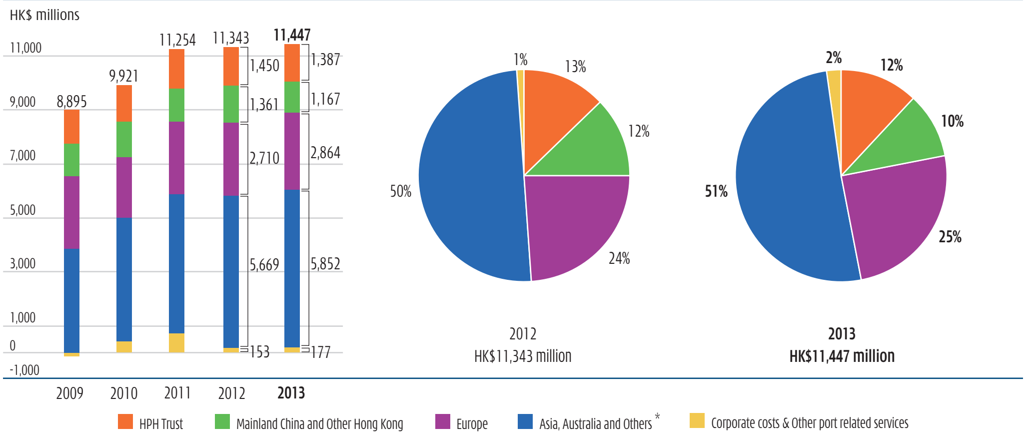


* Includes Panama, Mexico and the Middle East.

Note 3: Total revenue was adjusted to exclude non-controlling interests' share of revenue of HPH Trust. For better comparison purposes in these charts and on a like-for-like basis, the Group's attributable share of revenue for HPH Trust operations for 2009 to 2011 have been adjusted to reflect the Group's attributable share of results based on the effective shareholding in HPH Trust during 2012.

As a result of increasing energy and labour costs and the effect of start-up expenses from newly opened terminals in Huizhou in the Mainland and Lazaro Cardenas in Mexico as well as developing ports in Sydney and Brisbane in Australia, EBITDA only improved by 1% in 2013, while the 4% decrease in EBIT was mainly due to higher depreciation charges of HK$427 million, mainly relating to accelerated depreciation of certain assets at London Thamesport and depreciation charges for new terminals in Hong Kong, the Mainland and Spain and expanded facilities in three container terminals located in Mexico and Panama which, in ordinary course, can be expected to grow volumes and contribution over the next two to three years.

EBITDA (4) (5) (+1%)
by Subdivision



* Includes Panama, Mexico and the Middle East.

Note 4: EBITDA was adjusted to exclude non-controlling interests' share of EBITDA of HPH Trust. For better comparison purposes in these charts and on a like-for-like basis, the Group's attributable share of EBITDA for HPH Trust operations for 2009 to 2011 have been adjusted to reflect the Group's attributable share of results based on the effective shareholding in HPH Trust during 2012.

Note 5: Comparatives have been restated to reflect the effect of the adoption of amendments to HKAS19 in 2013.

Segment Performance

HPH Trust

	2013 HK$ millions	2012 [6] HK$ millions	Change
Total Revenue [7]	**2,759**	2,733	+1%
EBITDA [7]	**1,387**	1,450	-4%
EBIT [7]	**785**	875	-10%
Throughput (million TEUs)	**23.4**	23.6	-1%

Note 6: 2012 EBITDA and EBIT have been restated to reflect the effect of the adoption of amendments to HKAS19 in 2013.

Note 7: Total revenue, EBITDA and EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust.

Throughput of ports operated by HPH Trust decreased by 1% in 2013 due to the impact of the industrial action at Kwai Tsing in the second quarter. However, higher average revenue per TEU at Yantian Ports resulted in an overall 1% increase in the Group's share of revenue of HPH Trust. The Group's share of EBITDA and EBIT decreased 4% and 10% respectively in 2013 mainly driven by the higher labour and other operating costs for Hongkong International Terminals ("HIT") and COSCO-HIT Terminals reflecting the impact of the industrial action mentioned above.

In March 2013, HPH Trust acquired a 100% equity interest in Asia Container Terminals Holdings Limited, which owns and operates Asia Container Terminals Limited, also known as Container Terminal 8 West, located at Kwai Chung, Hong Kong, which is adjacent to HPH Trust's existing container terminals. Acquisition of this asset is expected to enhance the HPH Trust's strategic position in the port of Kwai Chung and actions are currently being considered to maximise the utilisation of the new facility for throughput growth, synergies realisation and to deliver profitability improvements in 2014.

Mainland China and Other Hong Kong

	2013 HK$ millions	2012 HK$ millions	Change
Total Revenue	**2,267**	2,070	+10%
EBITDA	**1,167**	1,361	-14%
EBIT	**823**	1,040	-21%
Throughput (million TEUs)	**12.7**	11.8	+8%

The Mainland China and other Hong Kong segment has reported 8% and 10% increase in throughput and revenue respectively, mainly driven by the division's Shanghai ports contribution as Waigaoqiao Port Zone Phase 6 container terminal commenced operations in August 2012, partially offset by lower volumes at ports in Ningbo and Xiamen.

Excluding an one-off asset disposal gain recognised last year, recurring EBITDA and EBIT of this segment improved by 4% and 3% respectively, mainly attributable to the strong performance of Shanghai ports, partially offset by lower contributions from ports in Ningbo due to competition and Huizhou driven by the higher start-up losses for the two new container berths opened in the end of 2012 and in the second half of 2013.

Europe

	2013 HK$ millions	2012 [8] HK$ millions	Change
Total Revenue	**11,440**	10,941	+5%
EBITDA	**2,864**	2,710	+6%
EBIT	**1,642**	1,741	-6%
Throughput (million TEUs)	**15.1**	15.4	-2%

In local currencies, revenue and EBITDA of the Europe segment increased 3% and 4% but EBIT decreased by 7%.

Throughput of the Europe segment decreased 2% in 2013 as weak economy in the first half resulted in lower volumes at ECT Rotterdam in the Netherlands. Despite lower volumes, however, revenue increased 5% in 2013 mainly driven by increases in other container handling revenue in ECT Rotterdam and higher tariffs at Barcelona Europe South Terminal ("BEST").

EBITDA of the Europe segment increased 6% over last year, mainly driven by the revenue growth of ECT Rotterdam and BEST Barcelona as well as favourable foreign exchange movement, partially offset by higher operating costs for the majority of the European operations.

The 6% decrease in EBIT was driven by the higher depreciation charges of ECT Rotterdam, accelerated depreciation of certain assets at London Thamesport and depreciation charges for the new terminal at BEST Barcelona, which opened in the third quarter of 2012. With operations at Terminal Catalunya ("TERCAT"), the old terminal in Barcelona, fully migrated to the new terminal at BEST in early 2013, all four berths in the old terminal were returned to the Port Authority during the year.

Asia, Australia and Others

	2013 HK$ millions	2012 [8] HK$ millions	Change
Total Revenue	**16,638**	16,034	+4%
EBITDA	**5,852**	5,669	+3%
EBIT	**4,224**	4,188	+1%
Throughput (million TEUs)	**27.1**	26.0	+4%

In local currencies, revenue, EBITDA and EBIT of the Asia, Australia and others segment increased 4%, 3% and 1% respectively.

Both throughput and revenue of the Asia, Australia and Others grew by 4% in 2013 as new services at Westports in Klang, Malaysia and the Laemchabang container terminals in Thailand brought in additional volumes during the year, partially offset by lower volumes from the ports in Mexico due to competition and in Panama due to local conditions. Revenue of the ports in Mexico grew 3% in local currency, mainly arising from the non-containerised revenue of Lazaro Cardenas Multipurpose Terminal which commenced operations during the year, offsetting lower container volumes from the Pacific side of Mexico.

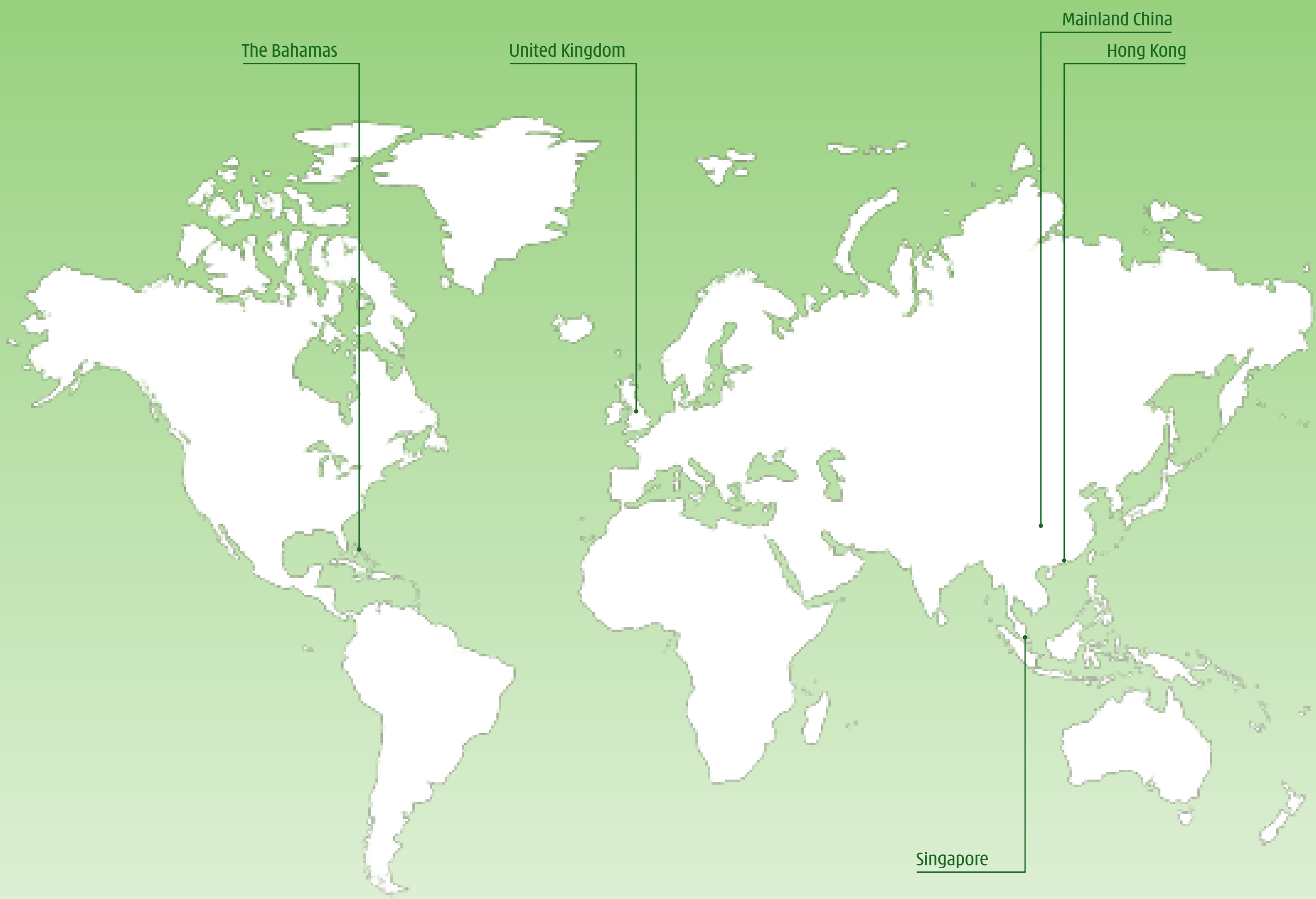
EBITDA and EBIT of this segment increased 3% and 1% respectively, mainly attributable to higher contributions from ports in Jakarta, Indonesia; Dar es Salaam, Tanzania and Ajman, United Arab Emirates reflecting robust operating conditions as well as the effect of cost-saving measures, partially offset by the effect of start-up losses of the Australian ports as well as the lower contribution from Panama. The lower EBIT growth reflects the higher depreciation charge on facilities that were newly developed at Mexico and Panama and the newly opened ports in Brisbane and Sydney in Australia.

Westports Holdings Bhd ("Westports"), which operates one of Asia's busiest shipping terminals at Port Klang on the west coast of peninsular Malaysia was listed on the Malaysia Stock Exchange in October 2013. Following Westports' successful Initial Public Offering, the division's interest in Westports decreased from 31.45% to 23.55%.

Note 8: 2012 EBITDA and EBIT have been restated to reflect the effect of the adoption of amendments to HKAS19 in 2013.

Property and Hotels

Zhengcheng Noble Hills' flourishing greenery and impressive environment are widely acclaimed.



- Total revenue increased 22% to HK$24,264 million.
- EBITDA increased 29% to HK$13,995 million.
- EBIT increased 30% to HK$13,659 million.
- The division contributed 6%, 15% and 21% respectively to the total revenue, EBITDA and EBIT of the Group's businesses.

1. Dongguan Laguna Verona Phase D - Laguna Summit - with magnificent architecture and an impressive environment, is a masterpiece in Southern China.
2. Redevelopment of luxury houses on Barker Road has been completed during 2013.

3. & 4. Managed by Harbour Plaza Hotels and Resorts, Harbour Grand Hong Kong and Harbour Plaza North Point offer the finest hospitality to business and leisure travellers.

5. Strategically situated in Futian commercial district, Shenzhen, China, the three-in-one design of Century Place comprises a Grade A office tower, luxury apartments and a prime shopping arcade.

The Group's property and hotels division includes an investment property portfolio of approximately 14.0 million square feet 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 2.2 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 83 million developable square feet, primarily in the Mainland. In addition, the Group's portfolio of 11 premium quality hotels has a total inventory of 8,503 rooms, in which the Group's average effective interest is approximately 63% based on room numbers.

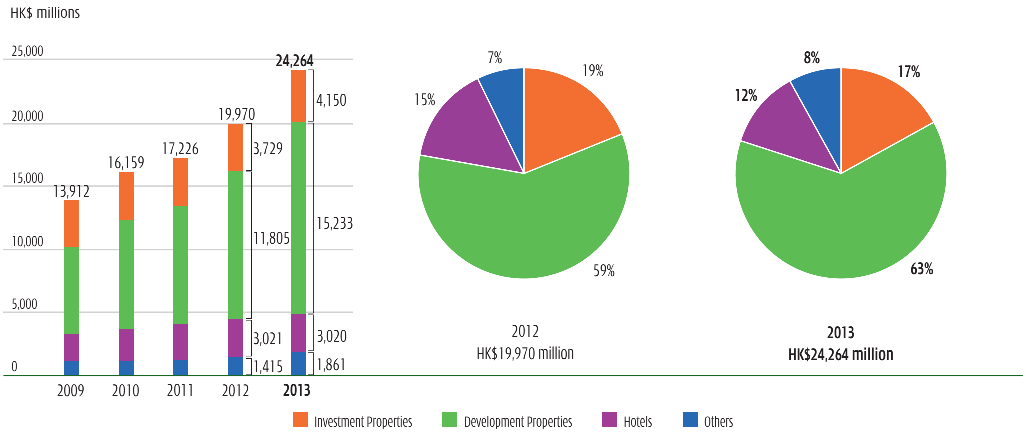
	2013 HK$ millions	2012 [1] HK$ millions	Change
Total Revenue	**24,264**	19,970	+22%
EBITDA	**13,995**	10,887	+29%
EBIT	**13,659**	10,521	+30%

Note 1: 2012 EBITDA and EBIT have been restated to reflect the effect of the adoption of amendments to HKAS19 in 2013.

In local currencies, the division reported growth in total revenue, EBITDA and EBIT, excluding property revaluation, of 19%, 25% and 26% respectively. This division contributed 6%, 15% and 21% respectively of the Group's total revenue, EBITDA and EBIT.

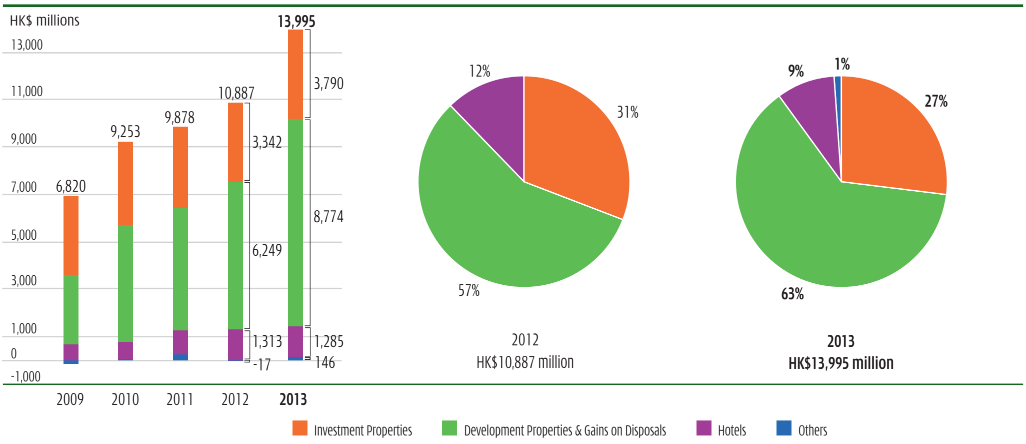
Significant sales growth was reported with total revenue increasing 22% compared with last year.

Total Revenue (+22%)
by Subdivision



EBITDA and EBIT increased 29% and 30% respectively, primarily due to the completion and sale of various residential and commercial projects in the Mainland and Singapore, higher gains on disposal of properties in Hong Kong and the Mainland, as well as improved results from the hotel operations in the Bahamas during the year, partly offset by lower average occupancy and room rates in the hotel operations in the Mainland and certain hotels in Hong Kong.

EBITDA [2] (+29%)
by Subdivision



Note 2: Comparatives have been restated to reflect the effect of the adoption of amendments to HKAS19 in 2013.

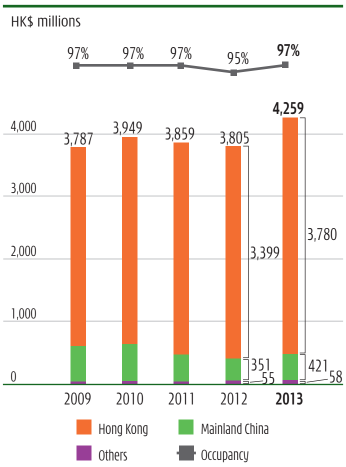
In addition to the EBITDA and EBIT above, the Group recorded an increase in fair value, after deferred tax expense and non-controlling interests, of HK$32 million in 2013 (2012: HK$1,113 million).

Segment Performance

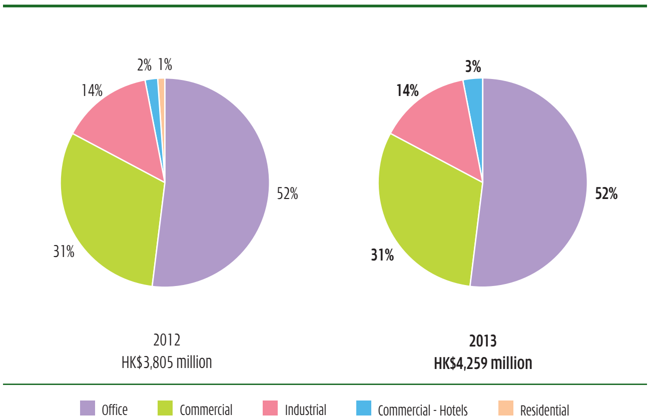
Investment Properties

Gross rental income, including the share of rental income from the commercial premises in our hotels, increased 12% compared with last year, mainly due to higher rental renewal rates and improvements in occupancy levels. The Group's attributable interest in the rental properties portfolio of approximately 14.0 million square feet comprise office (26%), commercial (29%), industrial (44%) and residential (1%) rental properties. The Group's investment properties overall generated an 8.7% yield on their carrying value of approximately HK$48,400 million.

Total Gross Rental Income
by Geographical Location
and Occupancy



Gross Rental Income
by Property Type



Investment Properties (continued)

Hong Kong

The Group's attributable interest in the rental properties in Hong Kong total approximately 11.8 million square feet (2012: 12.0 million square feet) including properties held by associates and joint ventures. Gross rental income of HK$3,780 million (2012: HK$3,399 million) represents an 11% growth compared with last year and reflects higher lease renewal rates and occupancy levels. All of the Group's Hong Kong rental properties are substantially let.

The Mainland and Overseas

The Group's various joint ventures in the Mainland and overseas hold investment properties totalling 4.2 million square feet, of which the Group's share is 2.2 million square feet (2012: 2.1 million square feet). The Group's share of gross rental income from these properties was HK$479 million (2012: HK$406 million), 18% above last year, reflecting increased rental rates and occupancy levels in the Mainland as well as the leasing to third parties of certain properties in the Bahamas previously held for own-use.

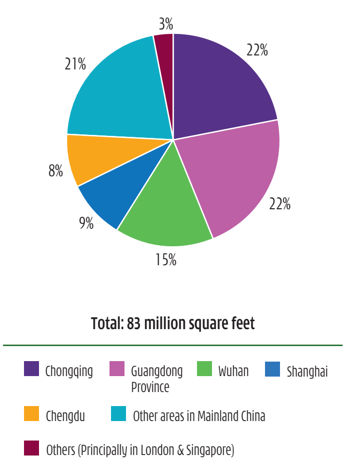
Development Properties and Gains on Property Disposals

Development profits and gains on disposal of properties contributed HK$8,774 million to the Group's EBITDA in 2013 (2012: HK$6,249 million). During the year, profits were recorded from the sale of units in joint venture residential development projects in the Mainland, Singapore and Hong Kong. The Group also recognised gains on the disposal of its interests in certain office and residential properties in Hong Kong and its interests in the Guangzhou Metropolitian Plaza in the Mainland during the year.

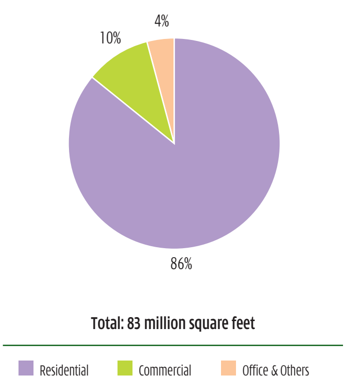
The division completed residential and commercial properties with an attributable gross floor area of approximately 9.0 million square feet and recognised sales from development properties on an attributable share of gross floor area amounting to 7.8 million square feet in 2013, representing increases of 5% and 15% respectively compared to 2012. The corresponding revenue from recognised sales, including the Group's attributable share of revenue from associated companies and joint ventures, increased by 29% to HK$15,233 million in 2013, reflecting both increased sales volumes and completion activities.

The Group's current attributable landbank (including interests held directly and its share of interests held by associated companies and joint ventures), is approximately 83 million square feet, of which 97% is in the Mainland (at an average land cost of RMB240 per sq ft or approximately HK$307 per sq ft) and 3% in the UK and Singapore. This landbank comprises 43 projects in 22 cities and is planned to be developed in a phased manner over several years.

Gross Floor Area of Development Projects
by Geographical Location



Gross Floor Area of Development Projects
by Property Type



During 2014, the division targets completion of an attributable share of gross floor area of approximately 8.3 million square feet of residential and commercial properties, including in 11 cities in the Mainland and in Singapore.

The Group is targeting contracted sales of over 10,700 residential units in 2014. A total attributable share of approximately 10.4 million square feet of gross floor area (which includes an attributable share of 1.5 million square feet of commercial properties) is expected to be sold in 19 cities in the Mainland, as well as in Singapore and the UK.

The Mainland

Of the Group's attributable share of approximately 9.0 million square feet of development completed in 2013, approximately 8.9 million square feet were completed in the Mainland, as detailed in the "Additional Information" section of this Annual Report.

The Group recognised sales on an attributable share of gross floor area amounting to 7.7 million square feet, an increase of 15% compared to last year, with 7.0 million square feet related to residential properties, an increase of 14%. The Group's share of recognised revenue from development sales, net of business tax, increased 23% to HK$14,172 million, of which HK$10,830 million related to residential properties representing an average selling price of HK$1,636 per sq ft (2012: HK$1,722 per sq ft). The Group's average land cost relating to the recognised sales of residential properties in the Mainland in 2013 was approximately HK$227 per sq ft (2012: HK$227 per sq ft). The Group's average construction cost and average professional, marketing, funding and other costs amounted to approximately HK$533 per sq ft and HK$311 per sq ft respectively (2012: HK$504 per sq ft and HK$291 per sq ft respectively). Development profits from recognised sales of residential and commercial properties in the Mainland contributed HK$5,210 million to the Group's EBITDA during the year, 14% higher than 2012.

In addition, the Group's attributable share of gross floor area from contracted sales in 2013 amounted to 7.0 million square feet, of which 6.4 million square feet related to residential properties. The Group's share of contracted sales revenue, net of business tax, in 2013 amounted to HK$14,149 million, of which HK$11,122 million related to residential properties. As at the end of 2013, the Group presold but had not yet recognised the sale of an attributable share of gross floor area totalling 1.6 million square feet, all of which related to residential properties with a total value of HK$3,028 million, net of business tax.

Development Properties and Gains on Property Disposals (continued)

	2013	2012	Change
Total Attributable Sales Value (HK$ millions)			
Recognised Sales*	**14,172**	11,562	+23%
- of which relates to residential property	*10,830*	*10,038*	*+8%*
ASP^ of residential property (HK$/sq ft)	**1,636**	1,722	-5%
Contracted Sales*	**14,149**	12,761	+11%
- of which relates to residential property	*11,122*	*11,120*	*+0%*
ASP^ of residential property (HK$/sq ft)	**1,861**	1,524	+22%

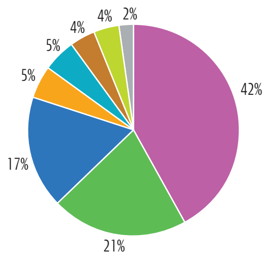
	2013	2012	Change
Total Attributable Sales in GFA ('000 sq ft)			
Presold Property b/f	**2,321**	764	
Recognised Sales in GFA	**7,748**	6,749	+15%
- of which relates to residential property	*7,041*	*6,201*	*+14%*
Contracted Sales in GFA	**6,985**	8,306	-16%
- of which relates to residential property	*6,354*	*7,761*	*-18%*
Presold Property c/f	**1,558**	2,321	

* Net of business tax
^ Average selling price ("ASP") is stated inclusive of business tax

Residential Property Sales

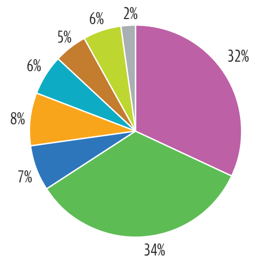
By Geographical Location

Recognised Sales



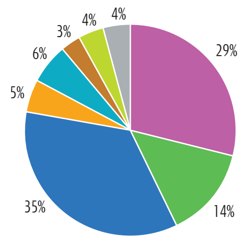
2013: HK$10,830 million (+8%)

Recognised Sales GFA



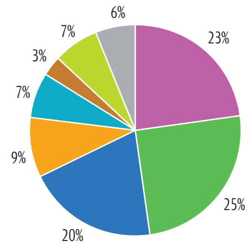
2013: 7.0 million square feet (+14%)

Contracted Sales



2013: HK$11,122 million (+0%)

Contracted Sales GFA



2013: 6.4 million square feet (-18%)

Guangdong Province | Chengdu | Shanghai | Chongqing | Qingdao | Changchun | Xian | Others

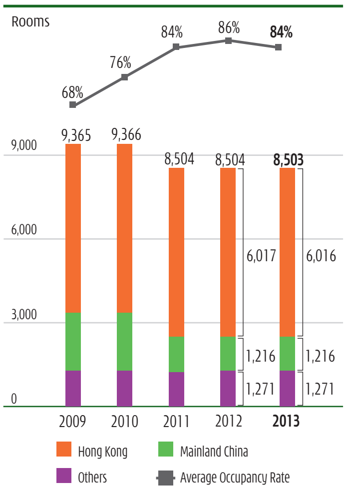
Hotels

The Group has interests in 11 hotels in Hong Kong, the Mainland and the Bahamas, of which seven are managed through its 50% owned hotel management joint venture. In 2013, the hotel operations recorded total revenue of HK$3,020 million, which is flat against last year. EBITDA, including the results of hotel commercial properties, decreased slightly by 2% to HK$1,285 million and EBIT remained flat at HK$1,036 million when compared to 2012, mainly due to an improvement in the results from operations in the Bahamas, offset by lower average room and occupancy rates in the hotels in the Mainland as well as certain hotels in Hong Kong. The average occupancy rate of the hotel operations decreased slightly from 86% in 2012 to 84% in 2013.

The Group's attributable share of gross floor area of 1.9 million square feet in the eight hotels in Hong Kong, generated an average attributable hotel operating profit ("HOP")[1] of HK$37 per sq ft per month (ranging from HK$12 per sq ft per month to HK$75 per sq ft per month), and a 19.5% EBIT yield on its attributable carrying value of these hotels of approximately HK$3,724 million.

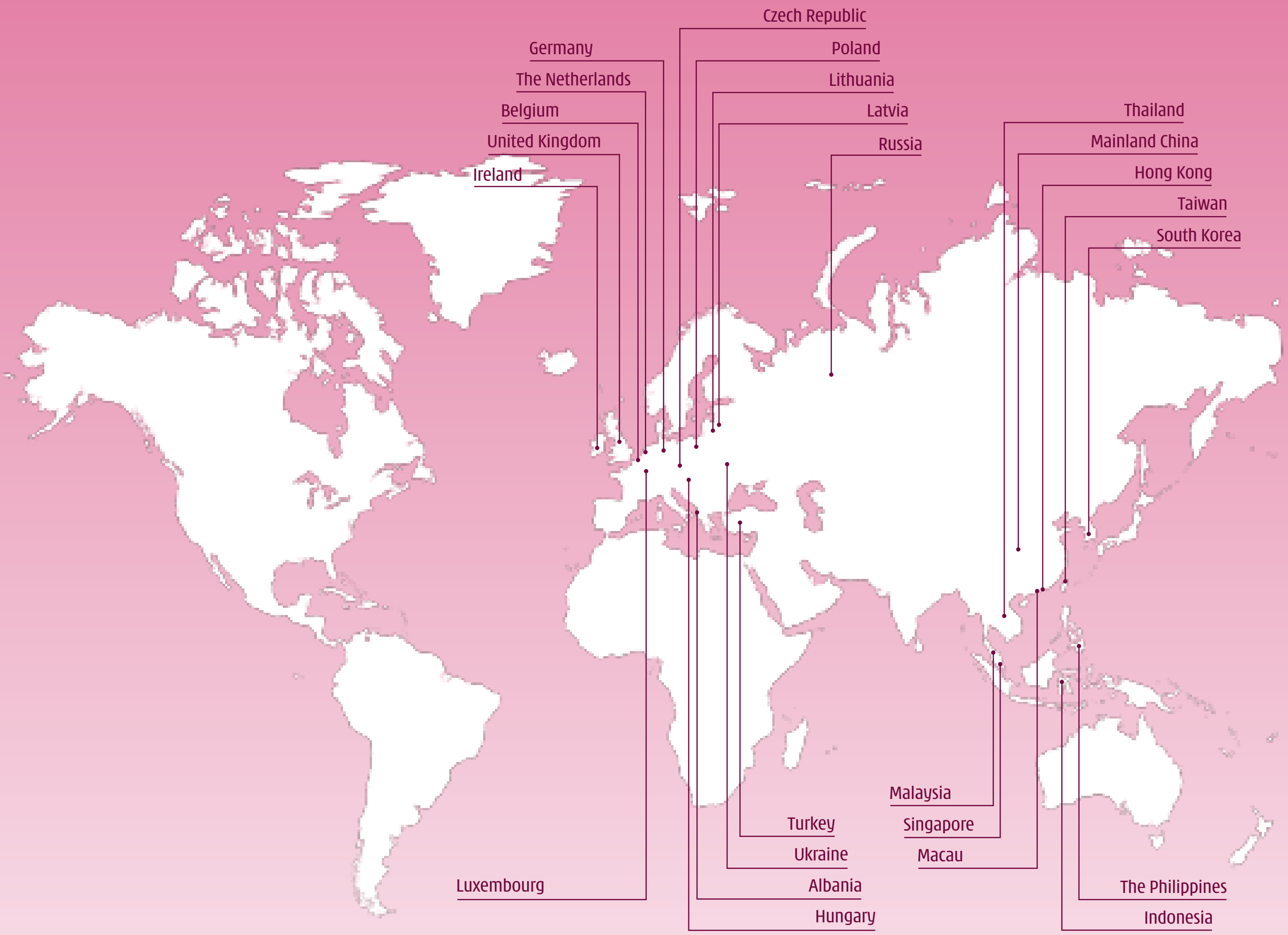
Note 1: HOP represents EBITDA after depreciation of furniture, fixtures and equipment.

Average Actual Room Inventory by Geographical Location and Occupancy Rate



Retail

Over 70% of all Dutch families in the Netherlands are customers at Kruidvat.



- Total revenue increased 8% to HK$149,147 million.
- EBITDA increased 11% to HK$14,158 million.
- EBIT increased 14% to HK$11,771 million.
- The retail division contributed 36%, 15% and 18% respectively to the total revenue, EBITDA and EBIT of the Group's businesses.

1


2


1. A S Watson Group's flagship retail brand Watsons opens its first baby concept store in Hong Kong.

2. Superdrug is one of the largest health and beauty retailer in the UK and operates over 800 stores in the region.

3

3. The Perfume Shop operates over 260 stores in the UK.

4. Watsons reaches 4,000 stores at the end of 2013, of which over 1,600 stores are in Mainland China.

5. The GREAT store at Pacific Place in Hong Kong unveils its new look, reinforcing its brand image as an international concept food hall.

4

5

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.

The Group is continuing to assess its strategic options for maximising the value and future growth potential of this division. This strategic review process may include considering the possibility of public offerings (whilst retaining control) in all or some of the retail businesses in appropriate markets. While no decision has been made at this time to pursue any particular option, the Marionnaud business will not be considered at this stage as a potential initial public offering candidate. Accordingly, the performance of the Marionnaud business has been excluded from this division and included under the Finance & Investment and Others segment. As part of this ongoing strategic review, the Group has appointed three financial advisors [1] to assist with the review and is engaging with regulators and potential investors. Although progress has been made in the strategic review since October 2013, no decision has been made at this time to pursue any particular option.

Group Performance

A S Watson currently operates 14 retail brands with over 10,500 stores in 25 markets worldwide, providing high quality personal care, health and beauty products; food and fine wines; as well as consumer electronics and electrical appliances. A S Watson also manufactures and distributes various bottled waters and other beverages in Hong Kong and the Mainland. As mentioned above, the Marionnaud business is now excluded from this division's results and performance.

	2013 HK$ millions	2012 [2] HK$ millions	Change
Total Revenue	**149,147**	138,519	+8%
EBITDA	**14,158**	12,779	+11%
EBIT	**11,771**	10,357	+14%
Total Store Numbers	**10,581**	9,742	+9%

In local currencies, growth in total revenue, EBITDA and EBIT for the year were 6%, 9% and 12% respectively. The retail division contributed 36%, 15% and 18% respectively to the total revenue, EBITDA and EBIT of the Group's businesses.

Excluding the impact attributable to the expiration of Nuance-Watson's two core concession licences at Hong Kong International Airport in late 2012, total revenue, EBITDA and EBIT of the Group's retail businesses grew by 9%, 13% and 16% respectively in 2013.

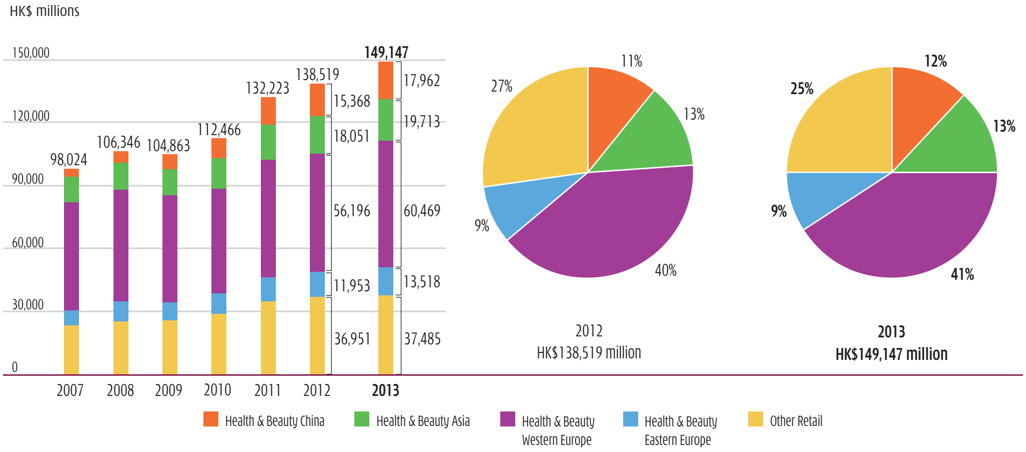
The Group's retail businesses are managed under five principal operating subdivisions: Health and Beauty China; Health and Beauty Asia (excluding the Mainland); Health and Beauty Western Europe; Health and Beauty Eastern Europe and Other Retail.

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. The division reported 7% and 9% growth in total revenue in Asia and Europe respectively compared to last year. In local currencies, growth in total revenue in Asia and Europe were 6% and 7% respectively for the year.

Note 1: The Group has appointed Bank of America Merrill Lynch, Goldman Sachs and HSBC as advisors to assist with the strategic review of its retail businesses.

Note 2: 2012 results exclude Marionnaud results in the comparatives as the business is no longer reported under this division. 2012 EBITDA and EBIT have been restated to reflect the effect of the adoption of amendments to HKAS19 in 2013.

Total Revenue (3) (+8%)
by Subdivision



Total Revenue	**2013 HK$ millions**	2012 (3) HK$ millions	Change	Change in local currency
Health & Beauty China	**17,962**	15,368	+17%	+14%
Health & Beauty Asia	**19,713**	18,051	+9%	+10%
Health & Beauty Western Europe	**60,469**	56,196	+8%	+6%
Health & Beauty Eastern Europe	**13,518**	11,953	+13%	+12%
Health & Beauty Subtotal	**111,662**	101,568	+10%	+8%
Other Retail (4)	**37,485**	36,951	+1%	+1%
Total Retail	**149,147**	138,519	+8%	+6%
- Asia	*75,099*	*70,294*	*+7%*	*+6%*
- Europe	*74,048*	*68,225*	*+9%*	*+7%*

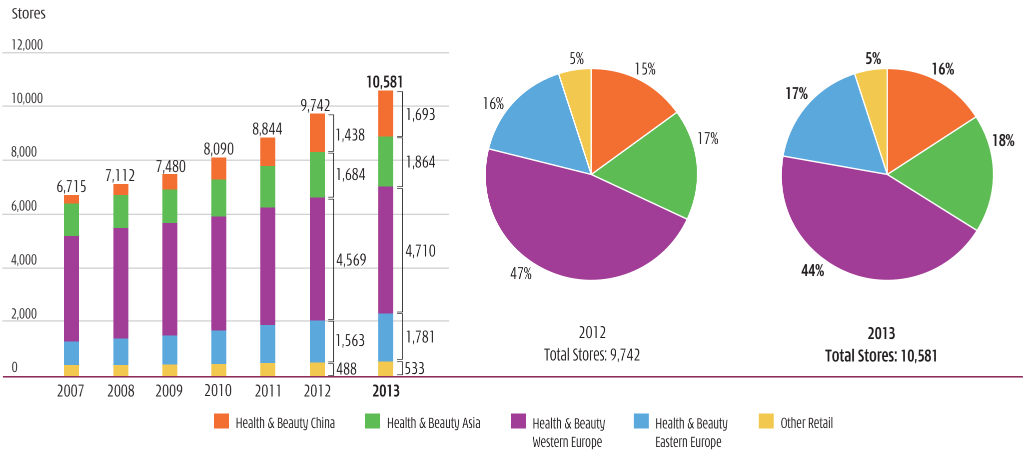
Comparable Store Sales Growth (%) (5) - in local currency	**2013**	2012 (3)
Health & Beauty China	**+0.6%**	+0.6%
Health & Beauty Asia	**+4.9%**	+5.8%
Health & Beauty Western Europe	**+2.8%**	+5.0%
Health & Beauty Eastern Europe	**+3.2%**	+3.6%
Health & Beauty Subtotal	**+2.9%**	+4.5%
Other Retail (4)	**-0.3%**	+5.6%
Total Retail	**+2.2%**	+4.8%
- Asia	*+1.4%*	*+4.8%*
- Europe	*+2.9%*	*+4.8%*

Note 3: 2012 results exclude Marionnaud results in the comparatives as the business is no longer reported under this division.

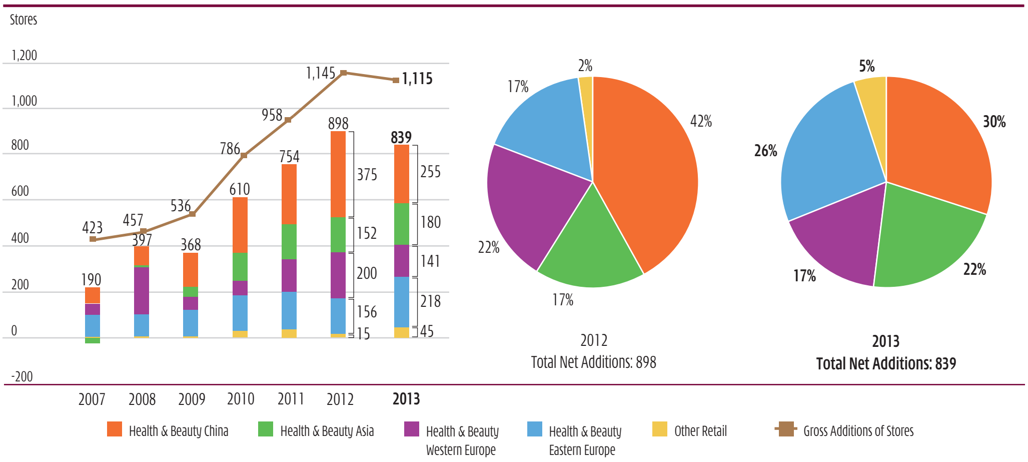
Note 4: Other Retail includes PARKnSHOP, Fortress, Watson's Wine, Nuance-Watson and manufacturing operations for water and beverage businesses.

Note 5: 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 [6] (+9%)
by Subdivision



Total Net Additions of Retail Stores [6] [7]
by Subdivision



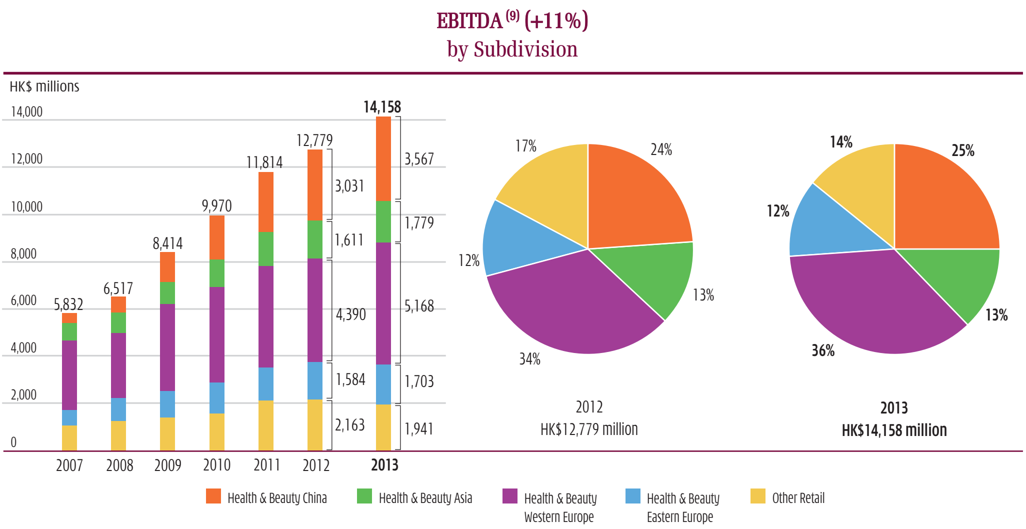
Store Numbers	2013	2012 [6]	Change
Health & Beauty China	**1,693**	1,438	+18%
Health & Beauty Asia	**1,864**	1,684	+11%
Health & Beauty Western Europe	**4,710**	4,569	+3%
Health & Beauty Eastern Europe	**1,781**	1,563	+14%
Health & Beauty Subtotal	**10,048**	9,254	+9%
Other Retail [8]	**533**	488	+9%
Total Retail	**10,581**	9,742	+9%
- Asia	*4,090*	*3,610*	*+13%*
- Europe	*6,491*	*6,132*	*+6%*

Note 6: 2012 results exclude Marionnaud results in the comparatives as the business is no longer reported under this division.

Note 7: In 2012, Rossmann Germany acquired 90 stores as a result of the forced closure of a competitor.

Note 8: Other Retail includes PARKnSHOP, Fortress, Watson's Wine, Nuance-Watson and manufacturing operations for water and beverage businesses.

The Group recorded 11% and 14% increases in EBITDA and EBIT respectively, which were mainly supported by the aforementioned 8% growth in revenue as well as improvements in margins and operational efficiencies. EBITDA growth was solid across all health and beauty subdivisions. However, Other Retail was mainly impacted by the expiration of the two core concession licences of Nuance-Watson Hong Kong, as well as lower contributions from the PARKnSHOP operations.



EBITDA	2013 HK$ millions	2012 (9) HK$ millions	Change	Change in local currency
Health & Beauty China	**3,567**	3,031	+18%	+15%
Health & Beauty Asia	**1,779**	1,611	+10%	+11%
Health & Beauty Western Europe	**5,168**	4,390	+18%	+15%
Health & Beauty Eastern Europe	**1,703**	1,584	+8%	+6%
Health & Beauty Subtotal	**12,217**	10,616	+15%	+13%
Other Retail (10) (11)	**1,941**	2,163	-10%	-10%
Total Retail	**14,158**	12,779	+11%	+9%
- Asia	*7,290*	*6,807*	*+7%*	*+6%*
- Europe	*6,868*	*5,972*	*+15%*	*+13%*

Note 9: 2012 results exclude Marionnaud results in the comparatives as the business is no longer reported under this division. Comparatives have been restated to reflect the effect of the adoption of amendments to HKAS19 in 2013.

Note 10: Other Retail includes PARKnSHOP, Fortress, Watson's Wine, Nuance-Watson and manufacturing operations for water and beverage businesses.

Note 11: Excluding the impact arising from the expiration of core concession licences in Nuance-Watson Hong Kong, EBITDA would increase by 1% against 2012.

The Group's retail businesses in Asia recorded 7% increases in both revenue and EBITDA. Excluding the impact arising from the expiration of the concession licences, revenue and EBITDA grew by 9% and 11% respectively in Asia. The Group's retail businesses in Europe continued to demonstrate resilience and delivered strong revenue and EBITDA growth of 9% and 15% respectively. In local currencies, revenue and EBITDA improved by 7% and 13% respectively in Europe. The division's overall growth in Asia and in Europe reflects competitive product offerings, improving margin management, operational efficiencies and the continuing focus on global own-brand and exclusive products.

The Group's retail division has a customer relationship management ("CRM") membership base of over 70 million at the end of 2013 with CRM sales participation reaching 53% in 2013. Moreover, digital sales from ecommerce grew by 14% to HK$1 billion in 2013 compared to 2012.

In particular, the overall health and beauty subdivisions continued to deliver strong performances in 2013 mainly driven 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 subdivisions was HK$1 million in 2013.

Segment Performance

Health and Beauty China

	2013 HK$ millions	2012 HK$ millions	Change
Total Revenue	**17,962**	15,368	+17%
EBITDA	**3,567**	3,031	+18%
EBIT	**3,212**	2,767	+16%
Total Store Numbers	**1,693**	1,438	+18%

The Watsons business continues to be the leading health and beauty retail chain in Mainland China. With weaker than expected consumer sentiment in the Mainland, comparable store sales growth for 2013 remained at 0.6%. This was more than offset by total revenue growth, which continued to be robust at 17% driven by an 18% increase in the store numbers. EBITDA and EBIT growth also remained strong at 18% and 16% respectively.

Health and Beauty China increased its total number of stores by 255 during the year with an average new store cash payback period of less than 10 months, average capex per new store of HK$1.2 million and currently has more than 1,600 stores operating in 297 cities in the Mainland. The subdivision has over 35 million CRM members with a CRM sales participation of 73% in 2013.

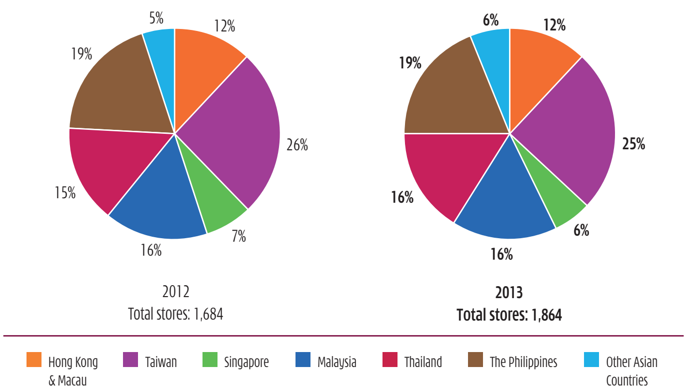
Health and Beauty Asia

	2013 HK$ millions	2012 HK$ millions	Change
Total Revenue	**19,713**	18,051	+9%
EBITDA	**1,779**	1,611	+10%
EBIT	**1,470**	1,298	+13%
Total Store Numbers	**1,864**	1,684	+11%

The Watsons business is the leading health and beauty retail chain in Asia with strong brand name recognition and extensive geographical coverage. Combined total revenue grew by 9% compared to last year reflecting the 11% increase in store numbers and comparable store sales growth of 4.9% (2012: 5.8%). EBITDA and EBIT growth were 10% and 13% respectively, mainly due to increased contributions from the Watsons businesses in Taiwan, Malaysia, Hong Kong, Thailand and the Philippines.

Health and Beauty Asia increased its total number of stores by 180 during the year with an average capex per new store of HK$0.7 million and achieving an average new store cash payback period of less than 9 months. The subdivision currently has more than 1,800 stores operating in 9 markets.

Health and Beauty Asia (+11%)
Number of Retail Stores by Market



Health and Beauty Western Europe

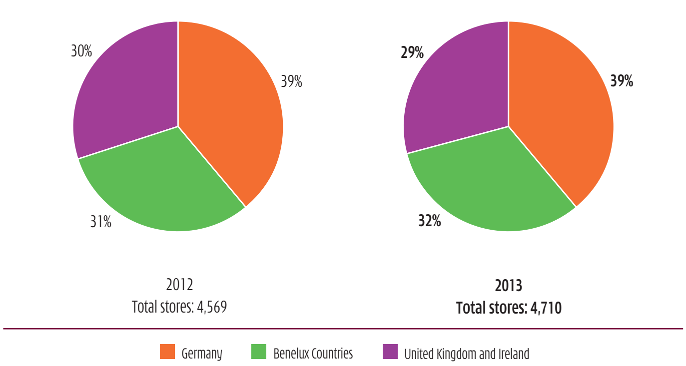
	2013 HK$ millions	2012 HK$ millions	Change
Total Revenue	**60,469**	56,196	+8%
EBITDA	**5,168**	4,390	+18%
EBIT	**4,163**	3,250	+28%
Total Store Numbers	**4,710**	4,569	+3%

Health and Beauty Western Europe consists of Kruidvat and Trekpleister in the Benelux countries; the Rossmann joint venture in Germany; Superdrug and The Perfume Shop in the UK and Ireland; Savers in the UK; and ICI Paris XL in the Netherlands, Belgium and Luxembourg.

Despite the difficult trading environment in Europe, the health and beauty businesses in Western Europe were able to grow their revenue, in local currencies, by 6% against last year. This growth was mainly due to better sales performances of the Rossmann joint venture in Germany and of Kruidvat in the Benelux countries, as well as increased contributions from Savers in the UK. Comparable store sales growth remained healthy at 2.8% (2012: 5.0%). In local currencies, EBITDA increased by 15% compared to last year mainly driven by better margins and tight cost controls, while EBIT grew by 25% as lower depreciation was incurred in 2013.

Health and Beauty Western Europe added 141 stores during 2013 and currently operates more than 4,700 stores. The average capex per new store was HK$1.4 million in 2013, and the average new store cash payback period of this subdivision was less than 13 months.

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



Health and Beauty Eastern Europe

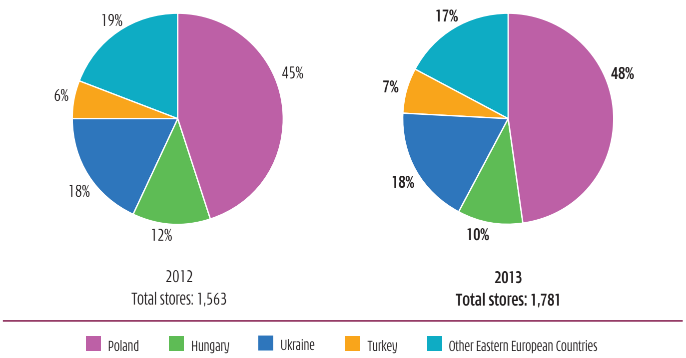
	2013 HK$ millions	2012 HK$ millions	Change
Total Revenue	**13,518**	11,953	+13%
EBITDA	**1,703**	1,584	+8%
EBIT	**1,425**	1,330	+7%
Total Store Numbers	**1,781**	1,563	+14%

Health and Beauty Eastern Europe consists of Watsons in Turkey and Ukraine; the Rossmann joint ventures in Central European countries; Drogas in the Baltic States and Spektr in Russia.

In Eastern Europe, the health and beauty businesses reported strong revenue growth of 12% in local currencies, mainly due to the increased contributions from the Rossmann joint venture in Poland, as well as the Watsons businesses in Turkey and Ukraine. Comparable store sales growth remained healthy at 3.2% (2012: 3.6%). EBITDA and EBIT, in local currencies, increased by 6% and 5% respectively compared to last year mainly driven by the aforementioned revenue growth, partially offset by lower margins.

Health and Beauty Eastern Europe added 218 stores during 2013 and currently operates more than 1,700 stores in 8 markets. The average capex per new store was HK$0.5 million in 2013 and the average new store cash payback period in this subdivision was less than 9 months.

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



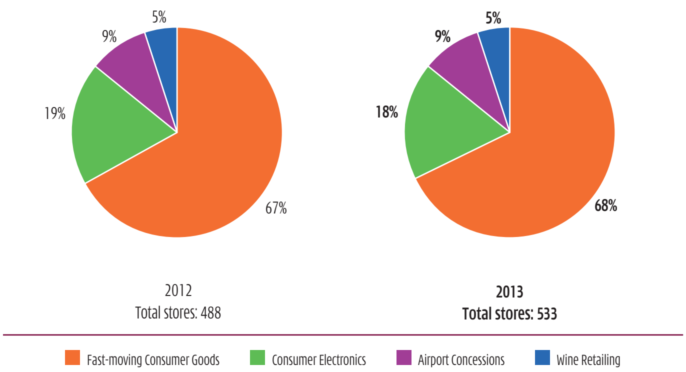
Other Retail

	2013 HK$ millions	2012 HK$ millions	Change
Total Revenue	**37,485**	36,951	+1%
EBITDA	**1,941**	2,163	-10%
EBIT	**1,501**	1,712	-12%
Total Store Numbers	**533**	488	+9%

Other Retail consists of leading retail concepts in Hong Kong, being PARKnSHOP supermarkets and other related concept stores; Fortress consumer electronics and electrical appliances stores; and Watson's Wine stores. The subdivision also includes PARKnSHOP and Watson's Wine stores in the Mainland, Nuance-Watson in Hong Kong, Singapore and Mainland international airports, as well as manufacturing and distribution of well-known brands of bottled water, fruit juices and soft drinks in Hong Kong and the Mainland.

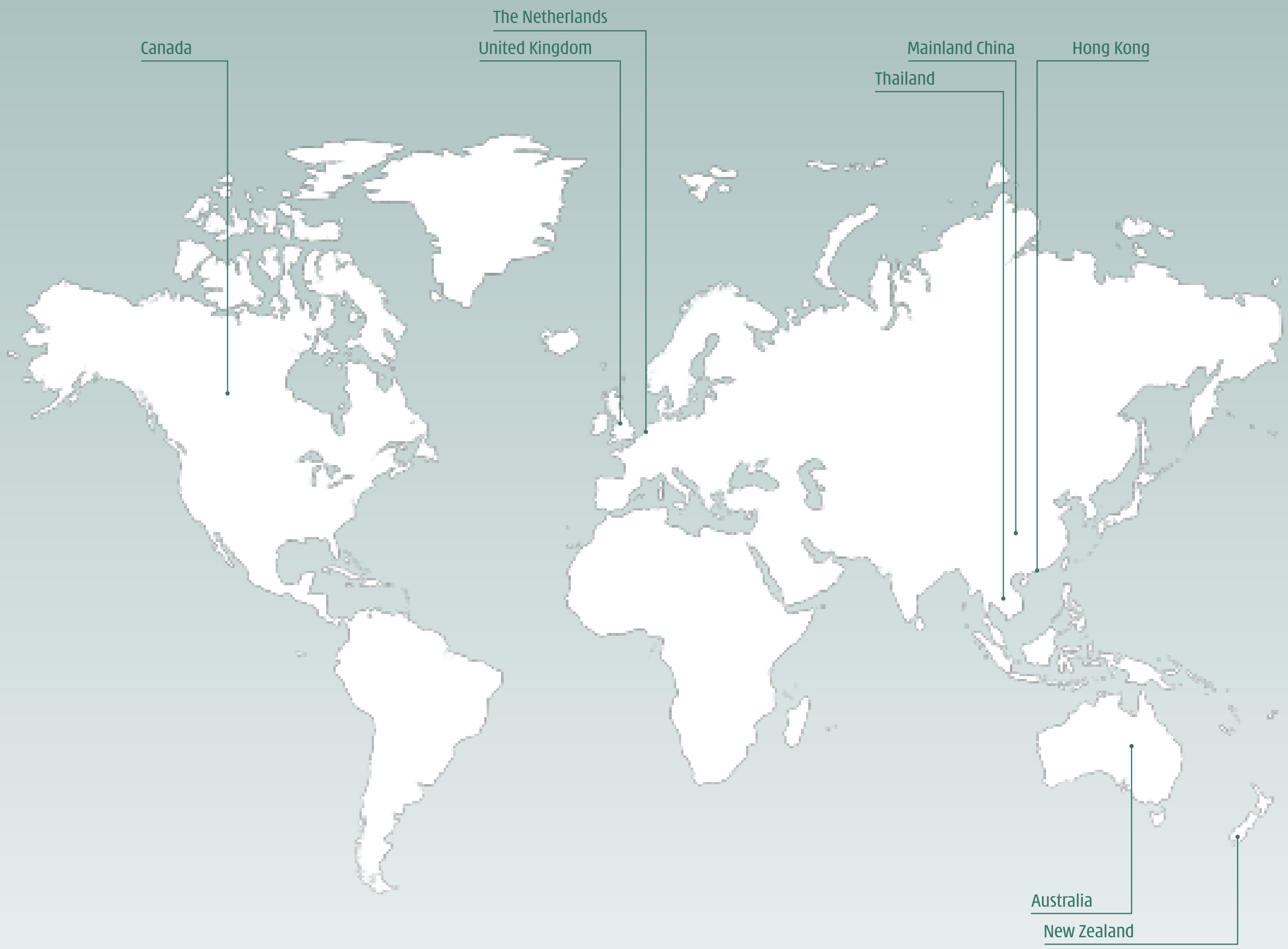
This subdivision reported total revenue growth of 1%, but EBITDA and EBIT declined by 10% and 12% respectively mainly due to the expiration of Nuance-Watson's two core airport concession licences, as well as lower contributions from the PARKnSHOP operations. Excluding the impact arising from the aforementioned expiration of the airport licences, total revenue of this subdivision grew by 5%, while both EBITDA and EBIT increased by 1% against 2012. The subdivision recorded a comparable store sales decline of 0.3% in 2013 (2012: comparable store sales growth of 5.6%) mainly due to the slower comparable store sales of the PARKnSHOP operations, as well as lower mobile phone sales in the Fortress stores during the year. Other Retail currently operates over 530 retail stores in 4 markets.

Other Retail (+9%)
Number of Retail Stores by Segment



Infrastructure

CKI further expands and enriches its global investment portfolio in 2013.



- CKI announced profit attributable to shareholders of HK$11,639 million.
- The division contributed 10%, 24% and 27% respectively to the total revenue, EBITDA and EBIT of the Group's businesses.

1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1. Enviro Waste is one of the leading waste management companies in New Zealand and is the operator of the country's largest landfill.
2. A consortium led by CKI completes the acquisition of the Netherlands' largest energy-from-waste company, AVR.
3. CKI's new flagship cement production facility in Yunfu, Guangdong Province commences production.

3


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.

The Group holds 78.16% (1) of CKI, which contributed 10%, 24% and 27% respectively to the total revenue, EBITDA and EBIT of the Group's businesses.

	2013 HK$ millions	2012 HK$ millions	Change
Total Revenue	**42,460**	39,693	+7%
EBITDA	**22,841**	21,405	+7%
EBIT	**17,528**	16,643	+5%

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$11,639 million, an increase of 23% from 2012, mainly reflecting a full year's profit contribution from Wales & West Utilities acquired in October 2012, the accretive contributions from the newly acquired investments, as well as the higher deferred tax credits in 2013 arising from the reduction in deferred tax liabilities following the enactment of a lower UK tax rate.

CKI holds a 38.87% interest in Power Assets, a company listed on the SEHK. Power Assets has interests in power and utility-related businesses in the UK, the Mainland, Australia, New Zealand, Thailand, Canada and the Netherlands. Power Assets is also the sole provider of electricity to Hong Kong Island and Lamma Island through its wholly-owned subsidiary, The Hongkong Electric Company, Limited. Power Assets announced profit attributable to shareholders of HK$11,165 million, an increase of 15% compared to last year's profit of HK$9,729 million. Earnings from Power Assets' operations outside Hong Kong were HK$6,386 million, 25% higher than 2012, mainly attributable to approximately 40% growth in profit contribution from its UK investments.

In April 2013, CKI completed the acquisition of a 100% interest in Enviro Waste Services Limited, a diversified, vertically integrated waste management business that has national coverage across New Zealand, for a consideration of approximately NZ$490 million.

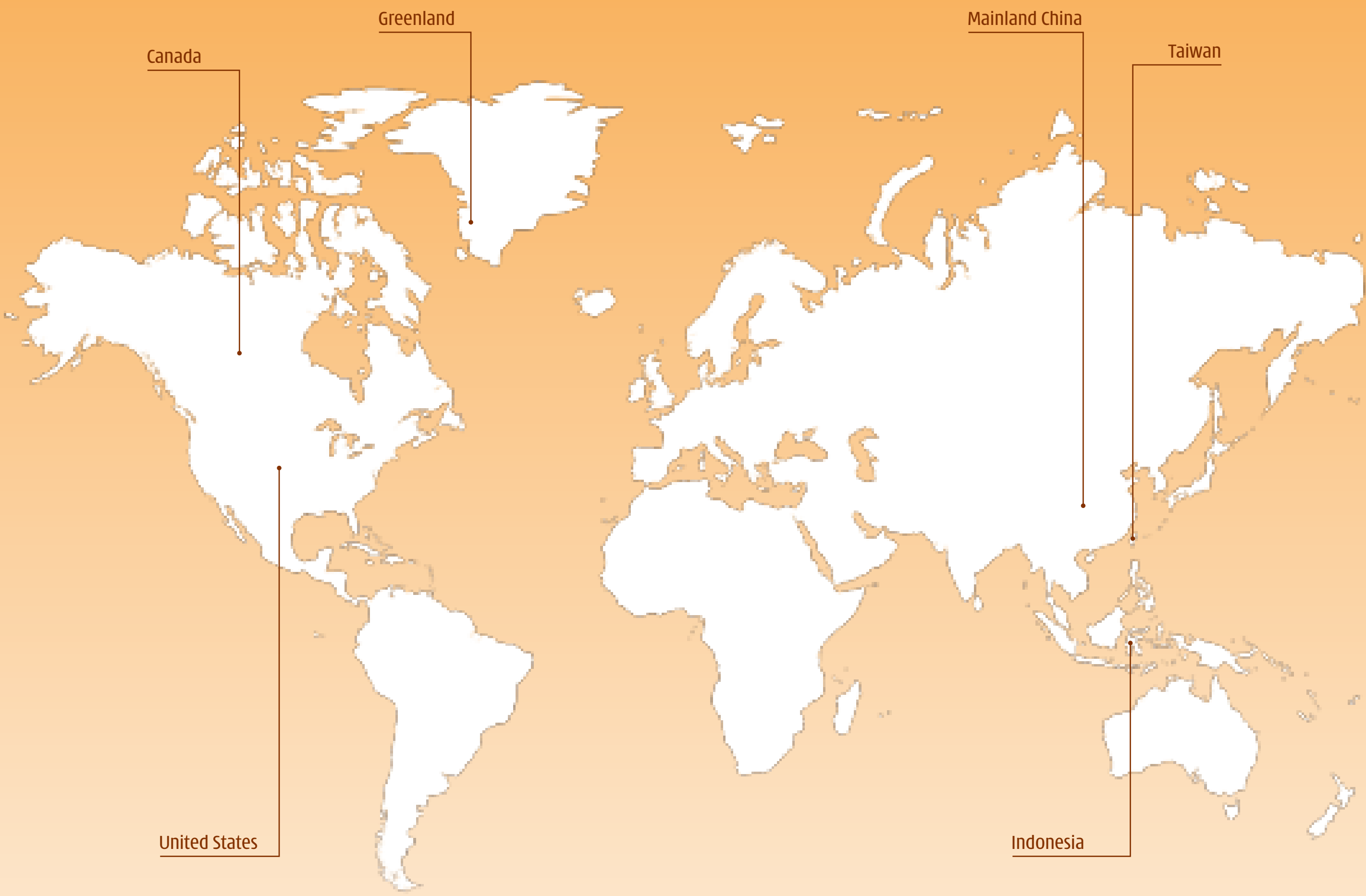
In August 2013, a CKI-led consortium completed the acquisition of AVR-Afvalverwerking B.V., the largest "energy-from-waste" business in the Netherlands, for approximately €940 million.

In January 2014, Power Assets completed the separate listing of 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. Power Assets currently holds 49.9% of HKEI.

Note 1: Represents the shareholding percentage as at 31 December 2013 and excludes the shares issued to and held by the fiduciary in connection with the issue of perpetual capital securities in February 2012. Including these shares, the Group's interest reduces to 76.39%.

Energy

Husky Energy has a 40% working interest in the Wenchang oil field in the South China Sea.



- Husky Energy announced revenues, net of royalties, increased 5% to C$23,368 million.
- Profit attributable to shareholders, before impairment charges of C$204 million, increased 1% to C$2,033 million.
- Husky Energy's production averaged approximately 312,000 barrels of oil equivalent per day.

1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1. The SeaRose FPSO vessel is an important component of the White Rose development in the Atlantic Region.
2. The Gaolan Gas Terminal - part of the Liwan Gas Project in the South China Sea.

3. Steam generators are under construction at the Sunrise Energy Project in the northeast of Fort McMurray, Alberta.

4. Husky is one of Canada's most recognised retail brands and operates several hundred outlets across Canada.

5. Located near Lloydminster, Alberta, the Sandall Heavy Oil Thermal Project is equipped to produce 3,500 barrels per day.

The energy division comprises of the Group's 33.98% interest in Husky Energy, a Canadian based international integrated energy and energy-related company listed on the Toronto Stock Exchange.

	2013 HK$ millions	2012 Restated [1] HK$ millions	Change
Total Revenue	**59,481**	58,744	+1%
EBITDA	**14,779**	14,889	-1%
EBIT	**7,208**	7,427	-3%
Production (mboe/day)	**312.0**	301.5	+3%

Note 1: Total revenue in 2012 reduced by HK$480 million due to reclassification adjustment made by Husky Energy to its 2012 reported revenue and cost of sales, following a change in presentation of trading activities and a change in the classification of certain trading transactions.

The energy division contributed 14%, 15% and 11% respectively to the total revenue, EBITDA and EBIT of the Group's businesses.

Husky Energy announced revenues, net of royalties, increased 5% to C$23,368 million. Profit from operations attributable to shareholders was C$1,829 million, including a C$204 million impairment charge after tax on certain natural gas assets in Western Canada. Excluding the impairment, profit from operations attributable to shareholders increased 1% over last year to C$2,033 million, reflecting higher average realised prices for crude oil and natural gas, combined with higher crude oil production in the Atlantic Region and in Western Canada from heavy oil thermal projects, offset by decreased Downstream margins from significantly lower market crack spreads and a major planned turnaround of the Upgrading facility in the third quarter of 2013, as well as decreased Infrastructure and Marketing margins due to volatility in Western Canadian crude oil price differentials which narrowed in the second and third quarters of the year.

The Group's share of EBITDA and EBIT, after translation into Hong Kong dollars and consolidation adjustments, but before the impairment charge mentioned above, decreased 1% and 3% respectively due to adverse foreign exchange movement.

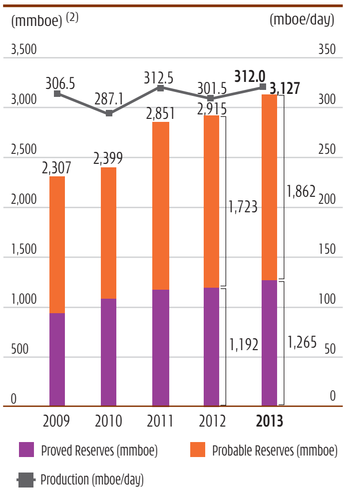
In 2013, Husky Energy's production averaged approximately 312,000 barrels of oil equivalent ("BOEs") per day, a 3% increase when compared to approximately 301,500 BOEs per day in 2012, primarily due to increased production from heavy oil thermal projects in Western Canada, higher production in the Atlantic Region which was adversely impacted last year by the major planned turnarounds of the SeaRose and Terra Nova floating, production, storage and offloading vessels, partially offset by reduction in investments in dry natural gas production.

Aggregated dividends on common shares of C$1,180 million relating to the fourth quarter of 2012 and the first three quarters of 2013 were declared during the year, of which C$1,170 million and C$10 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$3,055 million in 2013. The Group's interest in Husky Energy decreased from 34.02% at the end of 2012 to the current interest of 33.98%.

During 2013, Husky Energy focused on exploration and development projects on its extensive oil and liquids rich natural gas resource play portfolio in Western Canada and continued development of heavy oil thermal projects as well as major growth projects in the Asia Pacific, Oil Sands, and the Atlantic Region. At the Liwan Project in the South China Sea, where Husky Energy has 49% working interest, testing and commissioning is underway with first production planned in the first quarter of 2014. The Sunrise Energy Project is on track at approximately 85% complete at the end of 2013 with first production scheduled for late 2014. Key milestones were met for the White Rose Extension Program including approval of the benefits agreement, release of the environmental impact assessment for further regulatory approval and the submission of the Development Plan Amendment. The Sandall heavy oil thermal development project commenced production in the first quarter of 2014, while commissioning of the Rush Lake thermal development project is expected in mid-2015. During the third quarter of 2013, Husky Energy and its partner confirmed significant oil discoveries at the Bay du Nord, Harpoon and Mizzen in the Atlantic Region, of which Husky Energy holds a 35% working interest in all three discoveries.

Husky Energy will continue to maintain and enhance production in its Heavy Oil and Western Canada foundation as it repositions these areas toward thermal developments and resource plays, while advancing its three major growth pillars in the Asia Pacific Region, Oil Sands and in the Atlantic Region. Husky Energy's Downstream assets will continue to provide specialised support to the Upstream operations to enhance efficiency and extract additional value from production.

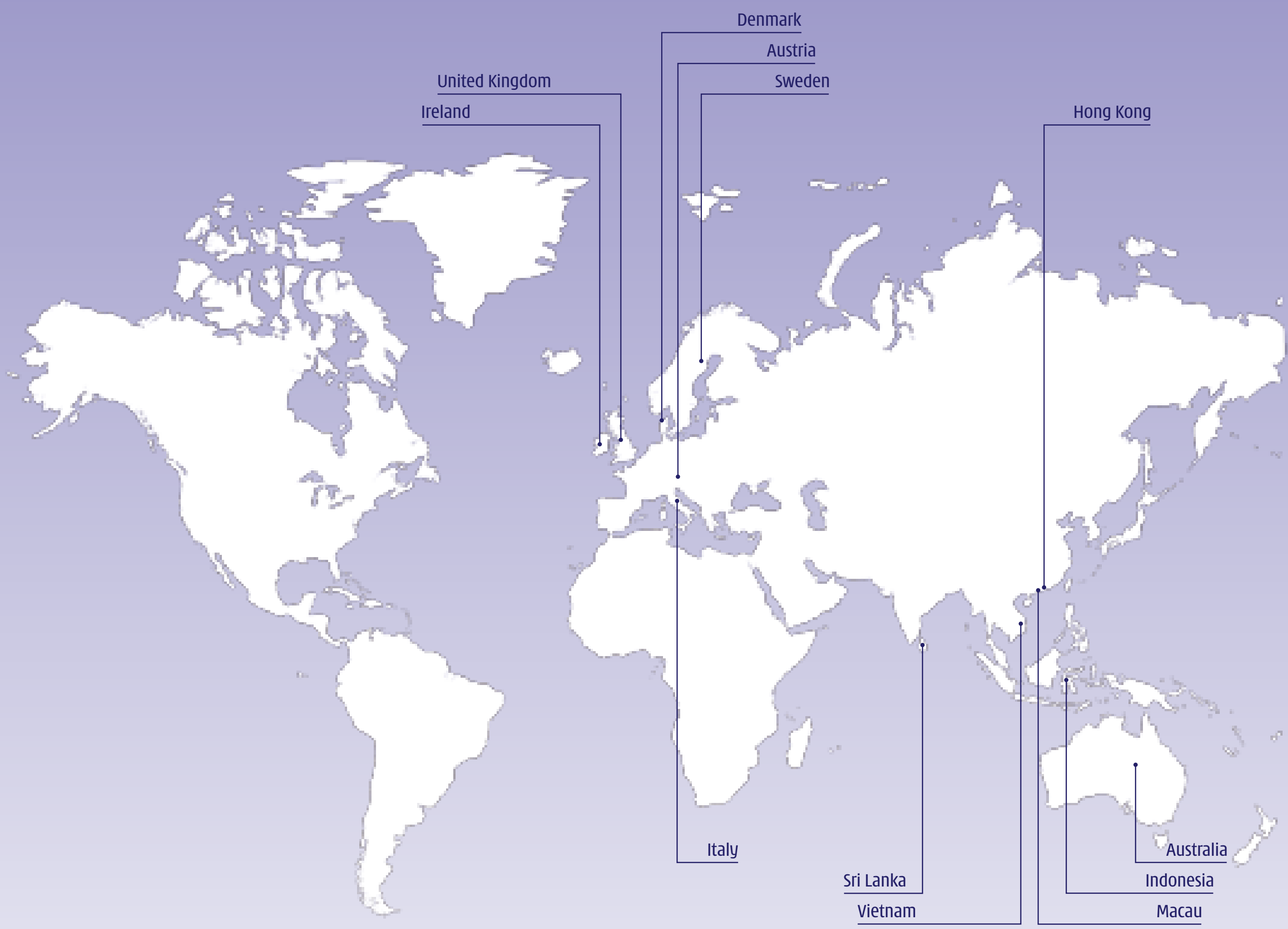
Proved and Probable Reserves & Production



Note 2: Oil and gas reserves disclosures for 2010 to 2013 have been prepared in accordance with Canadian Securities Administrators' National Instrument 51-101 "Standards of Disclosure for Oil and Gas Activities" ("NI 51-101") effective 31 December 2010 ("Canadian method"). In prior years, Husky Energy applied for and was granted an exemption from certain of the provisions of NI 51-101, which permitted Husky Energy to present oil and gas reserves disclosures in accordance with the rules of the United States Securities and Exchange Commission guidelines and the United States Financial Accounting Standards Board ("SEC method"). The guidance was effective from 31 December 2010. Accordingly, the 2010 to 2013 figures are shown under the Canadian method, while 2009 is shown under the SEC method.

Telecommunications

3 UK has the country's fastest growing network and covers 97% of the UK population.



- **3** Group Europe's total revenue, EBITDA and EBIT increased 6%, 38% and 54% respectively.
- **3** Group Europe's active customer base totals over 22.1 million as at 31 December 2013.
- HTHKH announced profit attributable to shareholders of HK$916 million, a 25% decrease over last year.
- HAT's EBITDA increased by 94% and LBIT improved by 52%.

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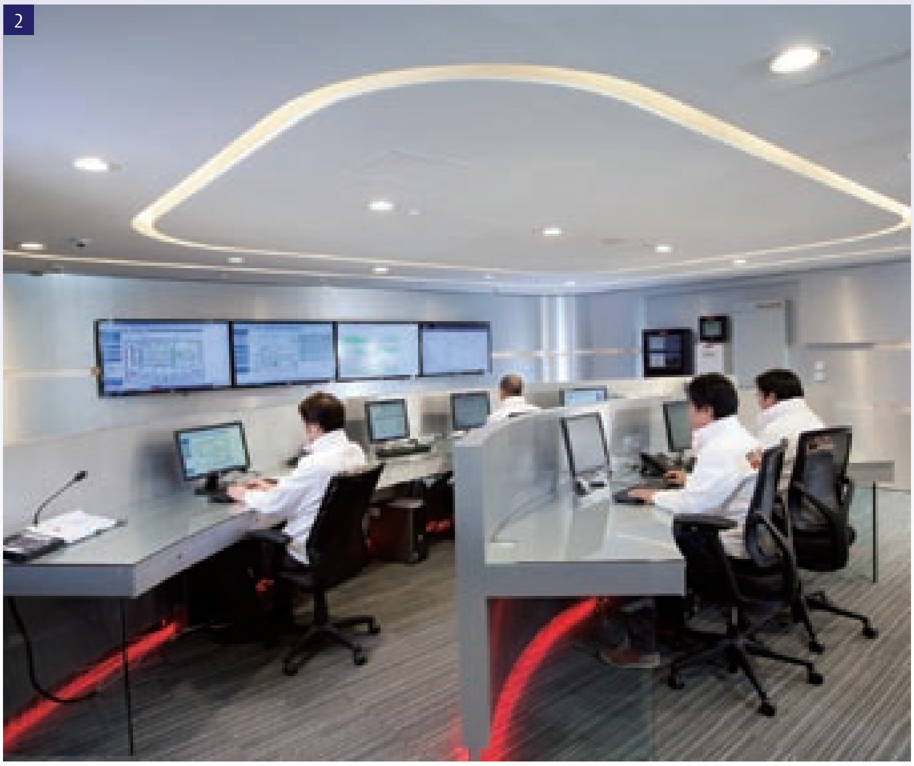


1. Customers can purchase the newest mobile devices and experience an array of mobile telecommunications services at **3** Shops throughout Hong Kong.

2. HGC's data centres are accredited with ISO 27001 information security management certification, offering a one-stop network solution and world-class data centre service.

3

3. **3** Italia continues to grow its customer base.

4. **3** Austria completes its acquisition of Orange Austria in January.

4

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

	2013 HK$ millions	2012 HK$ millions	Change
Total Revenue	**61,976**	58,708	+6%
- Net customer service revenue	**45,536**	41,962	+9%
- Handset revenue	**15,062**	14,750	+2%
- Other revenue	**1,378**	1,996	-31%
Net Customer Service Margin [1]	**35,633**	29,436	+21%
Net customer service margin %	***78%***	*70%*	
Other Margin	**1,015**	1,851	-45%
Total CACs	**(21,675)**	(22,427)	+3%
Less: Handset revenue	**15,062**	14,750	+2%
Total CACs (net of handset revenue)	**(6,613)**	(7,677)	+14%
Operating Expenses	**(17,364)**	(14,397)	-21%
Opex as a % of net customer service margin	***49%***	*49%*	
EBITDA [1]	**12,671**	9,213	+38%
EBITDA Margin % [2]	***27%***	*21%*	
Depreciation & Amortisation	**(7,815)**	(6,515)	-20%
One-time Item [1]	**–**	447	-100%
EBIT [1]	**4,856**	3,145	+54%
Capex (excluding licence)	**(10,176)**	(11,346)	+10%
EBITDA less Capex	**2,495**	(2,133)	+217%
Licence	**(6,824)**	(2,253)	-203%

Note 1: Net customer service margin represents net customer service revenue deducting direct variable costs (including interconnection charges and roaming costs). EBITDA represents the operational results excluding one-time items and is stated after all customer acquisition costs and retention costs. There are no one-time items included in EBIT in 2013 while a one-time item of HK$447 million in 2012 represents the net gain from a network sharing arrangement in Ireland.

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

In local currencies, growth in total revenue, net customer service margin, EBITDA and EBIT for the year were 4%, 19%, 35% and 52% respectively. **3** Group Europe contributed 15%, 13% and 8% respectively to the total revenue, EBITDA and EBIT of the Group's businesses.

3 Group Europe's registered customer base grew 13% during the year to total over 26.6 million at 31 December 2013, while the active base grew 19% to total over 22.1 million and represented an 83% activity level. The proportion of active contract customers in the **3** Group Europe contract customer base was 98% compared to 97% in 2012. The revenue generated by contract customers accounted for approximately 87% of overall net customer service revenue, 1%-point higher than last year. The proportion of contract customers as a percentage of the registered customer base has increased from 56% last year to 59% at the end of 2013. Management continues to focus on managing churn and the average monthly customer churn rate of the contract customer remained stable at 1.7%.

3 Group Europe's net ARPU, which excludes the monthly contribution for a handset / device in postpaid contract bundled plans, on a 12-month trailing average active customer basis, decreased by 14% to €17.45 compared to 2012, primarily due to further regulated interconnection rate reductions in various countries that **3** Group Europe operates in. Net AMPU decreased by 4% to €13.65 as the lower interconnection revenue was partly offset by corresponding lower interconnection charges on outgoing calls. Despite the decrease in net ARPU and net AMPU, net customer service revenue and net customer service margin increased by 9% and 21% respectively mainly due to the increase in active customers.

3 Group Europe continued to capture market share in the smartphone and mobile data segments. The majority of the **3** Group Europe operations continued to hold a leading position in their respective country's smartphone and mobile broadband access segments during the year. Following the licence auctions in the UK, Austria and Ireland during 2013, **3** Group Europe has completed spectrum acquisitions to support 4G (LTE) rollouts, which will continue in all of its major markets in 2014, to provide good customer usage experiences and competitively priced services. Cumulative total expenditure across **3** Group Europe on 4G (LTE) spectrum licences totals approximately €1.1 billion. Public recognition for network excellence continued in 2013 with **3** UK winning awards from uSwitch for Mobile Broadband, Roaming and Customer Support categories and also winning the best value awards (for Pay Month and SIM only categories), as well as leading consistently on YouGov's iPhone, Dongle and Tablet Trackers and **3** Austria winning best network in German speaking countries for the smartphone category.

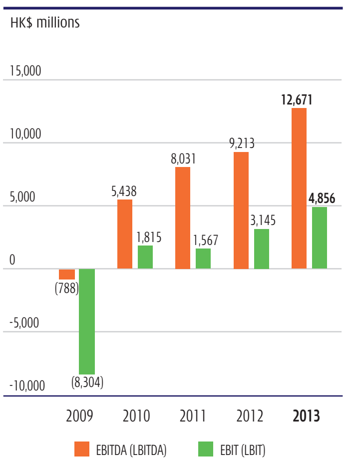
At 31 December 2013, approximately 6.6 million customers, representing 25% of the total **3** Group Europe customer base, are mobile broadband access customers, an increase of 8% from last year. Contract smartphone customers acquired in 2013 represented around 51% of the total contract customers acquired during the year. Total data usage exceeded 384 petabytes in 2013, an increase of 56% compared to last year. Data usage per active customer was approximately 18.2 gigabytes in 2013 compared to 14.0 gigabytes in 2012.

Total CACs, net of handset revenue in postpaid contract bundled plans, totalled HK$6,613 million in 2013, 14% lower than in 2012. Operating expenses increased 21% to HK$17,364 million, in line with the growth in net customer service margin.

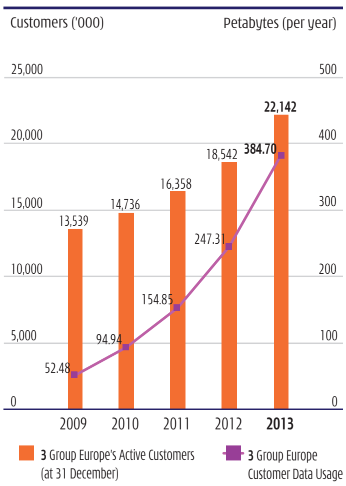
EBITDA and EBIT growth reflected the increased net customer service margin driven by the enlarged customer base and lower CACs, partly offset by higher operating expenses and higher depreciation and amortisation from an increased asset base.

3 Group Europe achieved an important milestone of an overall positive EBITDA less capex in the year. This achievement reflects the successful strategy of **3** Group Europe to focus on improving service margins in market segments that demonstrate high growth potential, the success in transiting the operations to a non-subsidised handset model, which was completed in 2013, and the establishment of an industry leading cost structure.

3 Group Europe - EBITDA & EBIT



3 Group Europe's Active Customers and Data Usage



Key Business Indicators

Registered Customer Base

	Registered Customers at 31 December 2013 ('000)			Registered Customer Growth (%) from 31 December 2012 to 31 December 2013		
	Prepaid	Postpaid	**Total**	Prepaid	Postpaid	**Total**
United Kingdom	3,957	5,885	**9,842**	+4%	+12%	**+9%**
Italy	5,017	4,672	**9,689**	-3%	+7%	**+2%**
Sweden	160	1,530	**1,690**	-5%	+11%	**+9%**
Denmark	301	725	**1,026**	+39%	+14%	**+20%**
Austria [3]	931	2,497	**3,428**	+68%	+116%	**+100%**
Ireland	610	351	**961**	+36%	-5%	**+17%**
3 Group Europe Total	10,976	15,660	**26,636**	+6%	+19%	**+13%**

Active [4] Customer Base

	Active Customers at 31 December 2013 ('000)			Active Customer Growth (%) from 31 December 2012 to 31 December 2013		
	Prepaid	Postpaid	**Total**	Prepaid	Postpaid	**Total**
United Kingdom	2,218	5,718	**7,936**	-2%	+12%	**+8%**
Italy	3,672	4,525	**8,197**	+27%	+9%	**+16%**
Sweden	92	1,530	**1,622**	+1%	+11%	**+10%**
Denmark	280	725	**1,005**	+35%	+14%	**+19%**
Austria [5]	358	2,476	**2,834**	+94%	+116%	**+113%**
Ireland	237	311	**548**	+39%	+2%	**+15%**
3 Group Europe Total	6,857	15,285	**22,142**	+18%	+20%	**+19%**

	2013	2012
Contract customers as a % of the total registered customer base	**59%**	56%
Contract customers' contribution to the net customer service revenue base (%)	**87%**	86%
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%**	97%
Active customers as a % of the total registered customer base	**83%**	79%

Note 3: Includes 1.5 million of registered customers added upon the acquisition of Orange Austria in January 2013.

Note 4: An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

Note 5: Includes 1.45 million of active customers added upon the acquisition of Orange Austria in January 2013.

12-month Trailing Average Revenue per Active User [6] ("ARPU") to 31 December 2013

	Prepaid	Postpaid	**Blended Total**	% Variance compared to 31 December 2012
United Kingdom	£5.96	£26.73	**£20.74**	-2%
Italy	€6.69	€20.83	**€14.71**	-20%
Sweden	SEK108.32	SEK306.92	**SEK295.43**	-1%
Denmark	DKK138.08	DKK184.92	**DKK172.52**	-20%
Austria	€7.17	€22.79	**€20.60**	-9%
Ireland	€15.30	€37.98	**€28.93**	-10%
3 Group Europe Average	€7.63	€27.07	**€21.13**	-12%

12-month Trailing Net Average Revenue per Active User [7] ("Net ARPU") to 31 December 2013

	Prepaid	Postpaid	**Blended Total**	% Variance compared to 31 December 2012
United Kingdom	£5.96	£18.84	**£15.13**	-8%
Italy	€6.69	€20.83	**€14.71**	-20%
Sweden	SEK108.32	SEK218.63	**SEK212.24**	-10%
Denmark	DKK138.08	DKK168.18	**DKK160.21**	-15%
Austria	€7.17	€19.24	**€17.55**	+3%
Ireland	€15.30	€30.05	**€24.17**	-11%
3 Group Europe Average	€7.63	€21.77	**€17.45**	-14%

12-month Trailing Net Average Margin per Active User [8] ("Net AMPU") to 31 December 2013

	Prepaid	Postpaid	**Blended Total**	% Variance compared to 31 December 2012
United Kingdom	£5.14	£14.84	**£12.05**	+1%
Italy	€5.19	€15.31	**€10.93**	-8%
Sweden	SEK76.05	SEK180.75	**SEK174.69**	-6%
Denmark	DKK116.84	DKK145.52	**DKK137.93**	-6%
Austria	€5.98	€14.75	**€13.52**	+21%
Ireland	€10.77	€24.28	**€18.89**	+5%
3 Group Europe Average	€6.15	€16.95	**€13.65**	-4%

Note 6: 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 7: 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 8: 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

	2013 GBP millions	2012 GBP millions	Change
Total Revenue	**2,044**	1,948	+5%
- Net customer service revenue	**1,376**	1,347	+2%
- Handset revenue	**645**	586	+10%
- Other revenue	**23**	15	+53%
Net Customer Service Margin	**1,095**	977	+12%
Net customer service margin %	***80%***	*73%*	
Other Margin	**15**	11	+36%
Total CACs	**(917)**	(884)	-4%
Less: Handset revenue	**645**	586	+10%
Total CACs (net of handset revenue)	**(272)**	(298)	+9%
Operating Expenses	**(421)**	(409)	-3%
Opex as a % of net customer service margin	***38%***	*42%*	
EBITDA	**417**	281	+48%
EBITDA Margin %	***30%***	*21%*	
Depreciation & Amortisation	**(210)**	(180)	-17%
EBIT	**207**	101	+105%
Capex (excluding licence)	**(271)**	(250)	-8%
EBITDA less Capex	**146**	31	+371%
Licence	**(238)**	–	NA

	2013	2012
Total registered customer base (millions)	**9.8**	9.1
Total active customer base (millions)	**7.9**	7.4
Contract customers as a % of the total registered customer base	**60%**	58%
Contract customers' contribution to the net customer service revenue base (%)	**89%**	87%
Average monthly churn rate of the total contract registered customer base (%)	**1.6%**	1.5%
Active contract customers as a % of the total contract registered customer base	**97%**	97%
Active customers as a % of the total registered customer base	**81%**	81%

EBITDA of £417 million was 48% higher than 2012 mainly driven by improved net customer service margin, due to net AMPU being 1% higher than 2012 and an enlarged customer base, and lower total CACs (net of handset revenue). These improvements were partly offset by higher depreciation and amortisation due to an increased number of sites, resulting in an EBIT of £207 million, an increase of 105% over last year.

3 UK successfully acquired one block of 5 MHz of 800 MHz paired spectrum in the auction held in the UK in early 2013 at a cost of £225 million to build an LTE network. Additional incidental spectrum licence costs of £13 million were incurred in the year. **3** UK launched its 4G (LTE) services in December 2013.

Italy

	2013 EUR millions	2012 EUR millions	Change
Total Revenue	**1,746**	1,965	-11%
- Net customer service revenue	**1,352**	1,457	-7%
- Handset revenue	**341**	406	-16%
- Other revenue	**53**	102	-48%
Net Customer Service Margin	**1,004**	939	+7%
Net customer service margin %	***74%***	*64%*	
Other Margin	**49**	112	-56%
Total CACs	**(519)**	(678)	+23%
Less: Handset revenue	**341**	406	-16%
Total CACs (net of handset revenue)	**(178)**	(272)	+35%
Operating Expenses	**(596)**	(515)	-16%
Opex as a % of net customer service margin	***59%***	*55%*	
EBITDA	**279**	264	+6%
EBITDA Margin %	***20%***	*17%*	
Depreciation & Amortisation	**(279)**	(263)	-6%
EBIT	**0.3**	0.5	-40%
Capex (excluding licence)	**(344)**	(562)	+39%
EBITDA less Capex	**(65)**	(298)	+78%
Licence	**(21)**	(169)	+88%

	2013	2012
Total registered customer base (millions)	**9.7**	9.5
Total active customer base (millions)	**8.2**	7.0
Contract customers as a % of the total registered customer base	**48%**	46%
Contract customers' contribution to the net customer service revenue base (%)	**80%**	82%
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	**97%**	95%
Active customers as a % of the total registered customer base	**85%**	74%

EBITDA of €279 million increased 6% from 2012 despite the very competitive environment in the Italian market in 2013. The higher EBITDA was driven by a 7% increase in net customer service margin mainly due to the increase in active customer base of 16% partly offset by reduction in net AMPU of 8%, as well as total CACs (net of handset revenue) being lower due to lower commissions and the lower proportion of contract customers acquired. These favourable variances are partly offset by an increase in operating expenses due to higher network cost resulted from the rollout of additional sites. EBIT of €0.3 million was in line with 2012 as a result of higher depreciation and amortisation offsetting the EBITDA growth.

Sweden

	2013 SEK millions	2012 SEK millions	Change
Total Revenue	**5,717**	5,981	-4%
- Net customer service revenue	**3,956**	3,941	+0%
- Handset revenue	**1,568**	1,663	-6%
- Other revenue	**193**	377	-49%
Net Customer Service Margin	**3,259**	3,130	+4%
Net customer service margin %	***82%***	*79%*	
Other Margin	**78**	287	-73%
Total CACs	**(2,096)**	(2,207)	+5%
Less: Handset revenue	**1,568**	1,663	-6%
Total CACs (net of handset revenue)	**(528)**	(544)	+3%
Operating Expenses	**(1,317)**	(1,225)	-8%
Opex as a % of net customer service margin	***40%***	*39%*	
EBITDA	**1,492**	1,648	-9%
EBITDA Margin %	***36%***	*38%*	
Depreciation & Amortisation	**(685)**	(583)	-17%
EBIT	**807**	1,065	-24%
Capex	**(856)**	(1,103)	+22%
EBITDA less Capex	**636**	545	+17%

	2013	2012
Total registered customer base (millions)	**1.7**	1.6
Total active customer base (millions)	**1.6**	1.5
Contract customers as a % of the total registered customer base	**91%**	89%
Contract customers' contribution to the net customer service revenue base (%)	**97%**	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	**96%**	95%

In Sweden, where the Group has a 60% interest, EBITDA and EBIT of SEK1,492 million and SEK807 million decreased 9% and 24% respectively from 2012, due to lower other margin and higher operating expenses. This was partly offset by an improved net customer service margin, driven by a 10% enlarged active customer base, partly offset by a 6% lower net AMPU as the transition of its customer base to a non-subsidised handset model was only completed at the end of 2013. This is not expected to impact further in 2014 due to the completion of the transition. Excluding the impact of the transition, net customer service margin increased by 12% in 2013. The lower EBIT also reflected higher depreciation and amortisation due to the full year impact of the 4G (LTE) network rollout.

Denmark

	2013 DKK millions	2012 DKK millions	Change
Total Revenue	**1,998**	2,098	-5%
- Net customer service revenue	**1,772**	1,837	-4%
- Handset revenue	**153**	190	-19%
- Other revenue	**73**	71	+3%
Net Customer Service Margin	**1,526**	1,424	+7%
Net customer service margin %	***86%***	*78%*	
Other Margin	**44**	50	-12%
Total CACs	**(385)**	(412)	+7%
Less: Handset revenue	**153**	190	-19%
Total CACs (net of handset revenue)	**(232)**	(222)	-5%
Operating Expenses	**(626)**	(589)	-6%
Opex as a % of net customer service margin	***41%***	*41%*	
EBITDA	**712**	663	+7%
EBITDA Margin %	***39%***	*35%*	
Depreciation & Amortisation	**(292)**	(265)	-10%
EBIT	**420**	398	+6%
Capex	**(252)**	(349)	+28%
EBITDA less Capex	**460**	314	+46%

	2013	2012
Total registered customer base (millions)	**1.0**	0.9
Total active customer base (millions)	**1.0**	0.8
Contract customers as a % of the total registered customer base	**71%**	75%
Contract customers' contribution to the net customer service revenue base (%)	**77%**	84%
Average monthly churn rate of the total contract registered customer base (%)	**2.4%**	3.4%
Active contract customers as a % of the total contract registered customer base	**100%**	100%
Active customers as a % of the total registered customer base	**98%**	99%

In Denmark, where the Group has a 60% interest, EBITDA of DKK712 million was an increase of 7% over 2012, mainly due to a 7% improvement on net customer service margin. This was due to a 19% increase in the active customer base, partly offset by a 6% lower net AMPU due to keen market competition and reduction in the interconnection rates. This improvement was partly offset by higher depreciation and amortisation due to an increased number of sites, resulting in an EBIT of DKK420 million, a 6% increase over last year.

Austria

	2013 EUR millions	2012 EUR millions	Change
Total Revenue	**745**	361	+106%
- Net customer service revenue	**596**	242	+146%
- Handset revenue	**129**	100	+29%
- Other revenue	**20**	19	+5%
Net Customer Service Margin	**459**	159	+189%
Net customer service margin %	***77%***	*66%*	
Other Margin	**18**	13	+38%
Total CACs	**(162)**	(114)	-42%
Less: Handset revenue	**129**	100	+29%
Total CACs (net of handset revenue)	**(33)**	(14)	-136%
Operating Expenses	**(262)**	(108)	-143%
Opex as a % of net customer service margin	***57%***	*68%*	
EBITDA	**182**	50	+264%
EBITDA Margin %	***30%***	*19%*	
Depreciation & Amortisation	**(76)**	(34)	-124%
EBIT	**106**	16	+563%
Capex (excluding licence)	**(117)**	(26)	-350%
EBITDA less Capex	**65**	24	+171%
Licence	**(331)**	–	NA

	2013	2012
Total registered customer base (millions)	**3.4**	1.7
Total active customer base (millions)	**2.8**	1.3
Contract customers as a % of the total registered customer base	**73%**	68%
Contract customers' contribution to the net customer service revenue base (%)	**94%**	93%
Average monthly churn rate of the total contract registered customer base (%)	**0.7%**	0.2%
Active contract customers as a % of the total contract registered customer base	**99%**	99%
Active customers as a % of the total registered customer base	**83%**	78%

EBITDA and EBIT of €182 million and €106 million increased 264% and 563% respectively from 2012 mainly due to the incremental revenue following the completion of Orange Austria acquisition in January 2013, partly offset by a corresponding increase in the cost base. The realisation of operational synergies and efficiencies from the acquisition is progressing well and within expectations.

3 Austria successfully acquired one block of 5 MHz of 900 MHz paired spectrum and four blocks of 5 MHz of 1800 MHz paired spectrum in the auction held in Austria in 2013 at a cost of €331 million to enhance its 3G and 4G (LTE) network.

Ireland

	2013 EUR millions	2012 EUR millions	Change
Total Revenue	**180**	174	+3%
- Net customer service revenue	**149**	141	+6%
- Handset revenue	**30**	30	–
- Other revenue	**1**	3	-67%
Net Customer Service Margin	**116**	93	+25%
Net customer service margin %	***78%***	*66%*	
Other Margin	**–**	1	-100%
Total CACs	**(48)**	(51)	+6%
Less: Handset revenue	**30**	30	–
Total CACs (net of handset revenue)	**(18)**	(21)	+14%
Operating Expenses	**(90)**	(92)	+2%
Opex as a % of net customer service margin	***78%***	*99%*	
EBITDA (LBITDA)	**8**	(19)	+142%
EBITDA (LBITDA) Margin %	***5%***	*-13%*	
Depreciation & Amortisation	**(37)**	(26)	-42%
One-time Item	**–**	45	-100%
LBIT	**(29)**	–	NA
Capex (excluding licence)	**(47)**	(39)	-21%
EBITDA (LBITDA) less Capex	**(39)**	(58)	+33%
Licence	**(25)**	(51)	+51%

	2013	2012
Total registered customer base	**961,000**	819,000
Total active customer base	**548,000**	477,000
Contract customers as a % of the total registered customer base	**37%**	45%
Contract customers' contribution to the net customer service revenue base (%)	**75%**	79%
Average monthly churn rate of the total contract registered customer base (%)	**1.2%**	1.2%
Active contract customers as a % of the total contract registered customer base	**89%**	82%
Active customers as a % of the total registered customer base	**57%**	58%

EBITDA of €8 million represents a turnaround of 142% from the LBITDA of €19 million in 2012, mainly due to the improved net customer service margin arising from a 15% increase in its active customer base, 5% higher net AMPU and lower total CACs (net of handset revenue). However, LBIT of €29 million was adverse to the breakeven EBIT position in 2012, mainly due to a one-time net gain of €45 million from a network sharing arrangement recognised last year, together with higher depreciation and amortisation in 2013 as the network rollout continued during the year.

Hutchison Telecommunications Hong Kong Holdings

	2013 HK$ millions	2012 [1] HK$ millions	Change
Total Revenue	**12,777**	15,536	-18%
EBITDA	**2,758**	3,050	-10%
EBIT	**1,367**	1,744	-22%
Total active customer base ('000)	**3,771**	3,776	-0%

Note 1: 2012 EBITDA and EBIT have been restated to reflect the effect of the adoption of amendments to HKAS19 in 2013.

HTHKH announced its 2013 turnover of HK$12,777 million and profit attributable to shareholders of HK$916 million, an 18% and a 25% decrease respectively over last year. EBITDA of HK$2,758 million and EBIT of HK$1,367 million decreased 10% and 22% respectively against 2012. HTHKH contributed 3% to both total revenue and EBITDA, and 2% to the EBIT of the Group's businesses.

The mobile operations in Hong Kong and Macau reported a 24% decrease in combined turnover to HK$9,359 million in 2013, while EBITDA and EBIT decreased by 24% and 33% respectively. The adverse performances in 2013 were attributed to the intensified market competition, lower demand for new handset models and the impact of the transition to a non-subsidised handset model which was only completed in the first half of 2013. The combined mobile customer base, on an active basis, was approximately 3.8 million as at 31 December 2013, similar to last year.

The fixed-line telecommunications business in Hong Kong continues to achieve steady growth with increasing data traffic across all market segments in Hong Kong, reporting a 7% increase in turnover to HK$3,880 million in 2013 compared to HK$3,640 million in 2012, while EBITDA and EBIT improved by 19% and 32% respectively mainly due to additional demand for data transmission in the corporate and business markets.

Hutchison Asia Telecommunications

	2013 HK$ millions	2012 HK$ millions	Change
Total Revenue	**6,295**	4,452	+41%
EBITDA	**819**	423	+94%
LBIT	**(409)**	(846)	+52%
Total active customer base ('000)	**43,497**	35,391	+23%

HAT consists of the Group's mobile operations in Indonesia, Vietnam and Sri Lanka. HAT contributed 2%, 1% and negative 1% respectively to the total revenue, EBITDA and EBIT of the Group's businesses. Total revenue increased 41% over last year mainly due to the expanded networks and enhanced service offerings across its operations, particularly in Indonesia. EBITDA and LBIT in 2013 include HK$717 million of compensation contributions (2012: HK$1,590 million). At 31 December 2013, HAT had an active mobile customer base of approximately 43.5 million.

In Indonesia, the business continues to grow following the completion of the network rollout in the third quarter of 2013. At 31 December 2013, the expanded network in Indonesia extends 3G coverage to 150 cities, covering 86% of the population (2012: 93 cities with 70% population coverage). The active customer base at the end of 2013 increased 40% from last year to over 32.0 million customers. Underlying LBITDA and LBIT improved by 79% and 47% respectively, reflecting a higher contribution from the increased customer base, partly offset by adverse foreign exchange impact as the Indonesian Rupiah depreciated significantly against the Hong Kong Dollar in 2013. The operation achieved positive EBITDA operationally since July 2013.

In Vietnam, the active customer base decreased by 12% over last year due to regulatory changes in the acquisition of customers. Despite this, underlying EBITDA increased 247% from 2012 and achieved positive EBIT in the year with a 354% turnaround from a corresponding LBIT last year as a result of the successful retention of higher quality customers and disciplined cost control. 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 22% compared to last year and the underlying LBITDA and LBIT improved by 8% and 4% respectively.

HTAL, share of VHA

	2013 AUD millions	2012 AUD millions	Change
Announced Total Revenue	**1,776**	2,049	-13%
Announced Loss Attributable to Shareholders	**(230)**	(394)	+42%

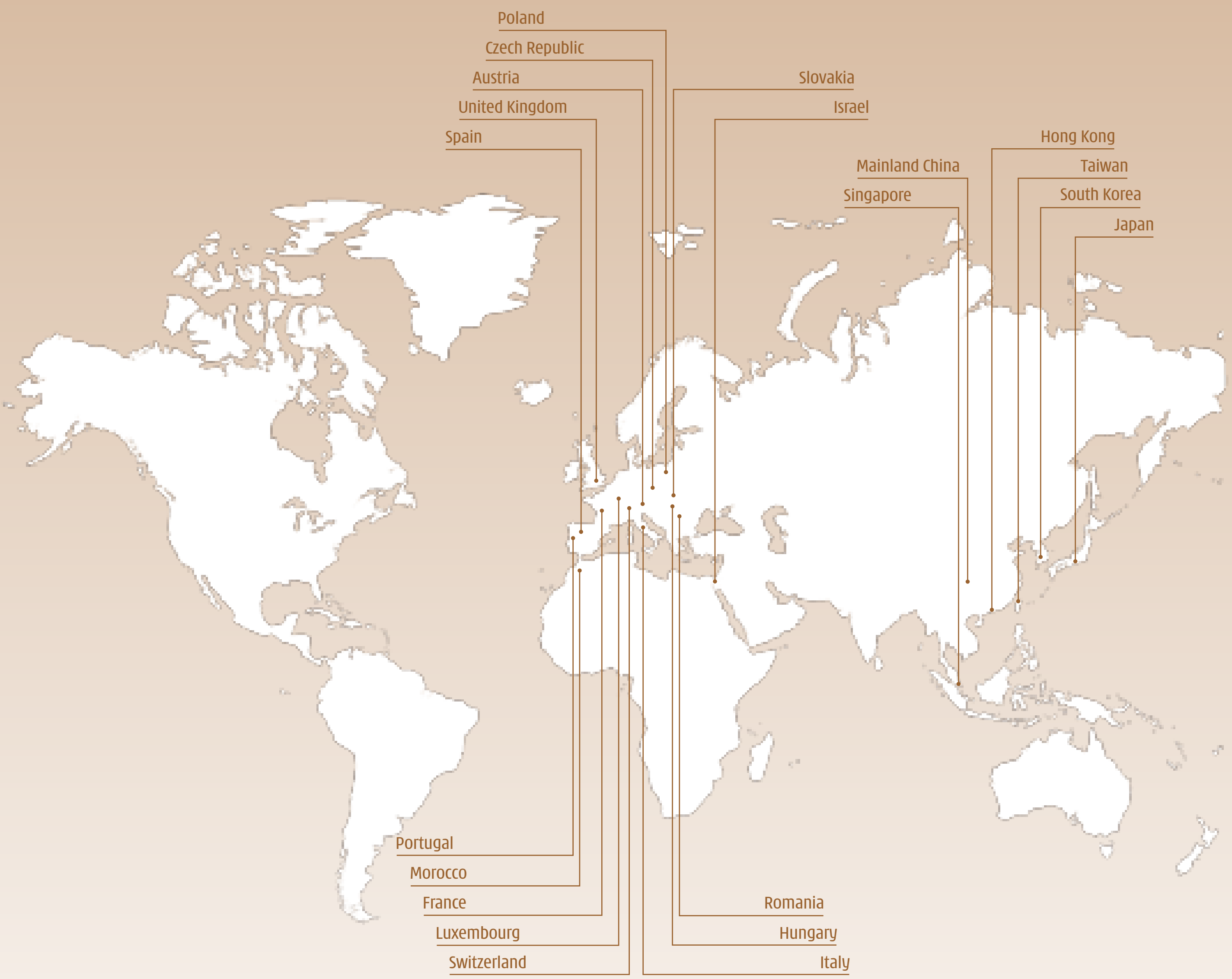
HTAL announced total revenue from its share of 50% owned associated company, VHA, of A$1,776 million, a 13% decrease over last year, and a loss attributable to shareholders of A$230 million, an improvement of 42%. VHA's active customer base declined 19% from 31 December 2012 to total over 5.3 million (including MVNOs) at 31 December 2013 as brand perception recovered more slowly than expected. However, the decline in customer numbers, excluding the Crazy John's and **3** brands, stabilised in the third quarter of 2013 and showed a net gain in the fourth quarter.

In 2013, VHA's network improved significantly in its voice and data performance, resiliency and coverage. It has significantly expanded regional coverage with 1,200 new sites and its average 3G data speed has doubled. It has also launched the 4G network in five metropolitan capital cities with speeds comparable to or faster than other networks.

The strategic initiatives that commenced in late 2012 and which included the accelerated investment and upgrade of the network and certain cost rationalisation initiatives, have led to an improvement in VHA's performance, both operationally and financially.

Finance & Investments
and Others

GAMECO announces the inauguration of the new Phase II Hangar.



- Liquid assets amounted to HK$102,787 million as at 31 December 2013.
- Net debt to net total capital ratio reduced to 20.0%.

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 subsidiary Hutchison Harbour Ring Limited ("HHR"), listed associate TOM Group ("TOM"), Hutchison Water, and the Marionnaud business.

	2013 HK$ millions	2012 [1] HK$ millions	Change
Total Revenue	**22,414**	21,700	+3%
- Finance & Investments	**2,321**	2,388	-3%
- Others	**20,093**	19,312	+4%
EBITDA	**2,179**	2,479	-12%
- Finance & Investments	**2,808**	3,004	-7%
- Others	**(629)**	(525)	-20%
EBIT	**1,259**	1,914	-34%
- Finance & Investments	**2,808**	3,004	-7%
- Others	**(1,549)**	(1,090)	-42%

Note 1: 2012 results included Marionnaud results in the comparatives as the business is now reported under this segment. 2012 EBITDA and EBIT have been restated to reflect the effect of the adoption of amendments to HKAS19 in 2013.

This segment contributed 6%, 2% and 2% 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$102,787 million at 31 December 2013 compared to HK$131,447 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 subsidiary HHR, 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 70.4% 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.

Hutchison Harbour Ring Limited

HHR, a 71.4% owned subsidiary, is listed on SEHK and holds certain investment properties in the Mainland. HHR announced revenue of HK$88 million, a 1% increase compared to last year. Profit attributable to shareholders of HHR decreased 4% to HK$175 million.

TOM Group

TOM, a 24.5% associate, is listed on SEHK and its businesses include mobile Internet, e-commerce, publishing, outdoor media as well as television and entertainment. TOM announced revenue of HK$1,928 million, a 13% decrease from last year. Loss attributable to shareholders increased from HK$337 million in 2012 to HK$550 million in 2013, which included an impairment charge of HK$1,590 million relating primarily to its wireless value-added services businesses in the Mainland, as well as a gain of HK$1,369 million arising from the loss of control in subsidiaries engaging in e-commerce business in the Mainland.

Hutchison Water

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 the construction at the end of 2013 and is one of the largest in the world in terms of capacity.

Marionnaud

Marionnaud currently operates over 1,000 stores in 12 European markets, providing luxury perfumery and cosmetic products. The Marionnaud business continued to be affected by the difficult economic situation, intense competition as well as weak consumer spending on luxury products in several European countries, particularly in France, Spain and certain Central European countries where revenue and margins continued to be depressed.

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$14,159 million, a decrease of 13% when compared to 2012. 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$11,742 million for the year, an increase of 36%, mainly due to higher current tax charges from profit generating operations and the impact of the lower recognition of deferred tax assets in the telecommunications operations during 2013.

Summary

Economic conditions remained uncertain in 2013 and continue to affect certain markets in which the Group operates. Despite facing various challenges, the Group achieved a solid growth in recurring earnings in 2013, in line with expectations, while maintaining a healthy and conservative level of liquidity and further strengthening an already 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 2014.

Fok Kin Ning, Canning
Group Managing Director

Hong Kong, 28 February 2014

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	2013 Throughput (100% basis)
			(million TEUs)
Hongkong International Terminals/ COSCO-HIT Terminals/ Asia Container Terminals	Hong Kong	27.62%/ 13.81%/ 27.62%	12.0
Yantian International Container Terminals - Phase I and II/ Phase III/ West Port	Mainland China	15.58%/ 14.26%/ 14.26%	10.8
Ancillary Services - Asia Port Services/ Hutchison Logistics (HK)/ Shenzhen Hutchison Inland Container Depots	Hong Kong and Mainland China	27.62%/ 27.62%/ 21.45%	0.6

Mainland China and Other Hong Kong

Name	Location	Ports Division's Interest	2013 Throughput (100% basis)
			(million TEUs)
Shanghai Container Terminals ("SCT") [1]/ Shanghai Mingdong Container Terminals/ Shanghai Pudong International Container Terminals	Mainland China	40%/ 50%/ 30%	7.2
Ningbo Beilun International Container Terminals	Mainland China	49%	1.8
River Trade Terminal	Hong Kong	50%	1.5
Ports in Southern China - Zhuhai International Container Terminals (Jiuzhou) [2]/ Nanhai International Container Terminals [2]/ Jiangmen International Container Terminals [2]/ 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%	2.2

Note 1: SCT ceased its container handling business from January 2011 onwards.

Note 2: 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	2013 Throughput (100% basis)
			(million TEUs)
Europe Container Terminals/ Amsterdam Container Terminals	The Netherlands	93.5%/ 70.08%	9.7
Hutchison Ports (UK) – Port of Felixstowe/ Harwich International Port/ London Thamesport	United Kingdom	100%/ 100%/ 80%	4.0
Barcelona Europe South Terminal	Spain	100%	0.9
Gdynia Container Terminal	Poland	99.15%	0.3
Taranto Container Terminal	Italy	50%	0.2
Container Terminal Frihamnen	Sweden	100%	–

Asia, Australia and Others

Name	Location	Ports Division's Interest	2013 Throughput (100% basis)
			(million TEUs)
Westports Malaysia	Malaysia	23.55%	7.5
Panama Ports Company	Panama	90%	3.8
Jakarta International Container Terminal / Terminal Petikemas Koja	Indonesia	51% / 45.09%	3.3
Internacional de Contenedores Asociados de Veracruz/ Lazaro Cardenas Terminal Portuaria de Contenedores/ Lazaro Cardenas Multipurpose Terminal/ Ensenada International Terminal/ Terminal Internacional de Manzanillo	Mexico	100%	2.4
Hutchison Korea Terminals / Korea International Terminals	South Korea	100% / 88.9%	2.3
Hutchison Laemchabang Terminal / Thai Laemchabang Terminal	Thailand	80% / 87.5%	1.9
International Ports Services	Saudi Arabia	51%	1.7
Freeport Container Port	The Bahamas	51%	1.5
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
Buenos Aires Container Terminal	Argentina	100%	0.3
Oman International Container Terminal	Oman	65%	0.2
Hutchison Ajman International Terminals	United Arab Emirates	100%	0.1
Brisbane Container Terminals	Australia	100%	0.1
Myanmar International Terminals Thilawa	Myanmar	100%	–
Sydney International Container Terminals	Australia	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	97%
Harbourfront Office Towers I and II	Office	100%	863	99%
Hutchison House	Office	100%	504	82%
China Building	Office	100%	259	99%
Whampoa Garden	Commercial	100%	1,714	96%
Aberdeen Centre	Commercial	100%	345	99%
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	96%
Westgate Mall & Tower	Shanghai	Office & Commercial	30%	330	96%

Additional Information

Development Properties

Hong Kong

Development completed during 2013

Name	Location	Property Type	Economic Net Interest	Attributable Gross Floor Area
				(thousand sq ft)
28 Barker Road	The Peak	Residential	100%	29

The Mainland

Developments completed during 2013

Name		Location	Property Type	Economic Net Interest	Attributable Gross Floor Area
					(thousand sq ft)
Le Parc	Phases 4A, 4B & 6B	Chengdu High-Tech Zone, Chengdu	Residential Commercial	50%	2,386 152
The Metropolitan Tianjin	Phases 1& 2	Yingkoudao, Heping District, Tianjin	Commercial	40%	804
Noble Hills	–	Baoan District, Shenzhen	Residential Commercial	50%	755 34
Le Sommet	Phases 4B & 4C	Longgang District, Shenzhen	Residential Commercial	50%	572 70
Noble Hills	Phase 3	Wangcheng County, Changsha	Residential	50%	585
Regency Oasis	Phase 1B	Wenjiang District, Chengdu	Residential	50%	534
Laguna Verona	Phases D1b2, D1c & G1a	Hwang Gang Lake, Dongguan	Residential Commercial	49.9%	490 24
Cape Coral	Phase 3B	Panyu District, Guangzhou	Residential	50%	452
Cape Coral	Phase 2B	Nanan District, Chongqing	Residential	47.5%	398
Regency Garden	Phases 2A & 3	Pudong New District, Shanghai	Residential	42.5%	394
The Harbourfront	Land No. 2	Shibei District, Qingdao	Residential Commercial	45%	272 20
Regency Park	Phase 3	Jingyue Economic Development Zone, Changchun	Residential	50%	279
Guangzhou Guoji Wanjucheng	Phase 2A	Huang Pu District, Guangzhou	Commercial	30%	204
Yuhu Mingdi	Phase 1	Luogang District, Guangzhou	Residential Commercial	40%	165 24
Noble Hills	Phases 1A &1B	Zengcheng, Guangzhou	Residential	50%	134
Regency Park	Phase 3A	Tianning District, Changzhou	Residential	50%	89
Regency Residence	Phase 2B	Nanguan District, Changchun	Residential Commercial	50%	13 27

The Mainland (continued)

Developments in the Mainland to be completed in 2014

Name		Location	Property Type	Economic Net Interest	Attributable Gross Floor Area
					(thousand sq ft)
Le Parc	Phases 5A & 5B	Chengdu High-Tech Zone, Chengdu	Residential	50%	1,628
Regency Park	Phase 3B	Tianning District, Changzhou	Residential	50%	919
The Harbourfront	Land No. 3, 4 and 8	Shibei District, Qingdao	Residential Commercial	45%	497 168
Regency Garden	Phases 2B, 4 & 5A	Pudong New District, Shanghai	Residential	42.5%	624
Regency Cove	Phase 1	Caidian District, Wuhan	Residential	50%	481
Oriental Financial Center	–	Pudong New District, Shanghai	Commercial	50%	431
Zhaomushan	Land No. G19	Liangjiang New Area, Chongqing	Residential	50%	397
Yingtiandajie	Phases 1B, 1C, 2A & 2B	Jianye District, Nanjing	Residential Commercial	50%	288 105
Upper West	Phases 1A & 1B	Putuo District, Shanghai	Commercial	30%	377
Laguna Verona	Phases E1 & E2	Hwang Gang Lake, Dongguan	Residential	49.9%	353
Hupan Mingdi	Land No. 911 North Area 2, 4 and 5	Jiading District, Shanghai	Residential Commercial	50%	325 6
Guangzhou Guoji Wanjucheng	Phases 2B & 2C (1)	Huang Pu District, Guangzhou	Commercial	30%	321
Noble Hills	Phase 2C	Douxi, Chongqing	Residential	50%	195
Zhao Xiang Town Land No. 16	Phase 1A	Qing Pu District, Shanghai	Residential	50%	189
Century Link	–	Pudong New District, Shanghai	Commercial	25%	174
Zhao Xiang Town Land No. 17	Phase 1	Qing Pu District, Shanghai	Residential	50%	170
Millennium Waterfront	Phase 1A	Jianghan District, Wuhan	Commercial	50%	133
Noble Hills	Phases 1A & 1B	Zengcheng, Guangzhou	Residential Commercial	50%	117 8
Nanzhuang Town	Phase 1A	Chancheng District, Foshan	Residential	50%	118
Regency Oasis	Phase 1B	Wenjiang District, Chengdu	Residential	50%	83
Regency Residence	Phase 1	Nanguan District, Changchun	Commercial	50%	16

Overseas

Development completed during 2013

Name		Location	Property Type	Economic Net Interest	Attributable Gross Floor Area
					(thousand sq ft)
Marina Bay Suites	Phase 2	Singapore	Residential	17%	78

Development to be completed in 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	Rossmann
Hong Kong	Watsons, Nuance-Watson, PARKnSHOP, Fortress, Watson's Wine, Watsons Water, Mr Juicy
Hungary	Rossmann
Indonesia	Watsons
Ireland	The Perfume Shop, Superdrug
Korea	Watsons
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, Nuance-Watson
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: 8.53%
	Envestra Limited	Gas Distribution	CKI: 17.46%
	Transmission Operations (Australia) Pty Ltd	Electricity Transmission	CKI: 50%; Power Assets: 50%
	AquaTower Pty Ltd [1]	Water Services	CKI: 49%
Canada	Canadian Power Holdings Inc. (formerly known as Stanley Power Inc.)	Electricity Generation	CKI: 50%; Power Assets: 50%
Hong Kong	Power Assets Holdings Limited ("Power Assets")	Electricity Generation, Transmission and Distribution of electricity in HK 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 Roads	CKI: 33.5%
	Shantou Bay Bridge	Toll Roads	CKI: 30%
	Tangshan Tangle Road	Toll Roads	CKI: 51%
	Changsha Wujialing and Wuyilu Bridges	Toll Roads	CKI: 44.2%
	National Highway 107 (Zhumadian Sections) [2]	Toll Roads	CKI: 66%
	Jiangmen Chaolian Bridge	Toll Roads	CKI: 50%
	Jiangmen Jiangsha Highway	Toll Roads	CKI: 50%
	Panyu Beidou Bridge	Toll Roads	CKI: 40%
The Netherlands	AVR-Afvalverwerking B.V.	Waste Management	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%

Note 1: CKI entered into a sale and purchase agreement in December 2013 to dispose of the project.

Note 2: CKI completed the sale of the project in December 2013.

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	Varies
- 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	First half of 2014	100%
	Rush Lake thermal development	Second half 2015	100%
	Vawn	2016	100%
	Edam East	2016	100%
GROWTH PILLARS			
- Atlantic Region	Terra Nova	In production	13%
	North Amethyst	In production	68.875%
	South White Rose Extension	Late 2014	68.875%
	West White Rose	Under evaluation	68.875%
	Flemish Pass Basin	Under evaluation	35%
- Oil Sands	Tucker, Alberta	In production	100%
	McMullen, Northern Alberta	2014	100%
	Sunrise (Phase 1), Alberta	Late 2014	50%
	Saleski, Alberta	Under evaluation	100%
	Caribou, 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%
	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
	2600T 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 2014 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
	2100T MHz	5 MHz	1	Unpaired	5 MHz
	2600 MHz	5 MHz	5	Paired	50 MHz
	2600T 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	900 MHz	5 MHz	1	Paired	10 MHz
	1800 MHz (to 2015)	5 MHz	2	Paired	20 MHz
	1800 MHz (from 2015)	5 MHz	4	Paired	40 MHz
	2100 MHz	5 MHz	3	Paired	30 MHz
HTHKH (1)	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 (2)	5 MHz	1	Paired	10 MHz
	2600 MHz (2)	15 MHz	1	Paired	30 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 (3)	15 MHz	1	Paired	30 MHz
Australia (4)	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: Reflects spectrum licence in Hong Kong only.
Note 2: Spectrum held by 50/50 joint venture with PCCW.
Note 3: Spectrum shared with Viettel Mobile.
Note 4: VHA's spectrum holdings vary across different locations, hence the above reflects spectrum allocated in Sydney and Melbourne only.

Group Capital Resources and Liquidity

Treasury Management

The Group's treasury function sets financial risk management policies in accordance with policies and procedures that are approved by the Executive Directors, and which are also subject to periodic review by the Group's internal audit function. The Group's treasury policies are designed to mitigate the impact of fluctuations in interest rates and exchange rates on the Group's overall financial position and to minimise the Group's financial risks. The Group's treasury function operates as a centralised service for managing financial risks, including interest rate and foreign exchange risks, and for providing cost-efficient funding to the Group and its companies. It manages the majority of the Group's funding needs, interest rate, foreign currency and credit risk exposures. It is the Group's policy not to have credit rating triggers that would accelerate the maturity dates of the Group's borrowings. The Group uses interest rate and foreign currency swaps and forward currency 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 associates to meet their funding requirements and provide more cost-efficient financing. These borrowings include a range of capital market issues and bank borrowings, which 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 2013, approximately 29% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 71% were at fixed rates. The Group has entered into various interest rate agreements with major financial institution counterparties to swap approximately HK$62,708 million principal amount of fixed interest rate borrowings to effectively become floating interest rate borrowings. In addition, 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 54% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 46% were at fixed rates at 31 December 2013. All of the aforementioned interest rate derivatives are designated as hedges and these hedges are considered highly effective.

Foreign Currency Exposure

For overseas subsidiaries, associates 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 associates. 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$5,130 million (2012: gain of HK$5,077 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 exchange reserve.

At 31 December 2013, the Group had currency swap arrangements with banks to swap US dollar principal amount of borrowings equivalent to 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: 33% in Euro, 31% in US dollars, 22% in HK dollars, 7% in British Pounds and 7% 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 currency contracts with financial institutions expose the Group to credit risk of counterparties. The Group controls its credit risk to non-performance by its counterparties through monitoring their equity share price movements and credit ratings as well as setting approved counterparty credit limits that are regularly reviewed.

The Group is also exposed to counterparties credit risk from its operating activities, 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 2013, 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 16% (2012: approximately 18%) 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

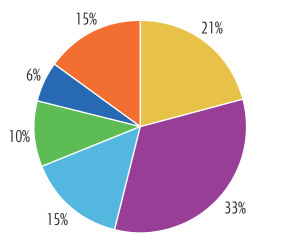
The Group continues to maintain a solid and healthy financial position. Liquid assets amounted to HK$102,787 million at 31 December 2013, a decrease of 22% from the balance of HK$131,447 million at 31 December 2012, mainly reflecting the utilisation of cash for the repayment and early repayment of certain borrowings, the repurchase of US$217 million (approximately HK$1,692 million) nominal amount of perpetual capital securities issued in 2010, dividend payments to ordinary and non-controlling shareholders as well as distributions to perpetual capital securities holders, acquisition of new investments, including the acquisition of Orange Austria and Enviro Waste in New Zealand, of HK$17,651 million, and acquisition of fixed assets and telecommunications licences totalling HK$30,493 million, net of the cash arising from positive funds from operations from the Group's businesses, cash from new borrowings and proceeds from the issue of €1,750 million perpetual capital securities during the year. Liquid assets were denominated as to 21% 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 84% (2012: 82%) of the liquid assets, US Treasury notes and listed/traded debt securities 8% (2012: 11%) and listed equity securities 8% (2012: 7%).

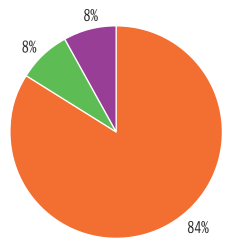
The US Treasury notes and listed/traded debt securities, including those held under managed funds, consisted of US Treasury notes of 26%, government and government guaranteed notes of 32%, notes issued by the Group's associated company, Husky Energy of 11%, notes issued by financial institutions of 3%, and others of 28%. Of these US Treasury notes and listed/traded debt securities, 55% are rated at Aaa/AAA or Aa1/AA+ with an average maturity of 3.1 years on the overall portfolio. The Group has no exposure in mortgage-backed securities, collateralised debt obligations or similar asset classes.

Liquid Assets (continued)

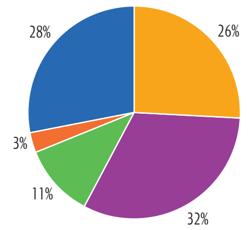
Liquid Assets by Currency Denomination at 31 December 2013



Liquid Assets by Type at 31 December 2013



US Treasury Notes and Listed/ Traded Debt Securities by Type at 31 December 2013



Cash Flow

Consolidated EBITDA [1] amounted to HK$98,170 million, an increase of 12% compared to HK$87,947 million, as restated, for last year. Consolidated funds from operations ("FFO") before cash profits from disposals, capital expenditures, investments and changes in working capital amounts to HK$49,390 million, a 37% increase compared to last year mainly due to higher EBITDA contributions by the Group's subsidiaries, together with an increase in dividends and distributions received from associated companies and joint ventures.

The Group's capital expenditures increased 5% to total HK$30,493 million during 2013 (2012: HK$29,107 million), primarily due to higher capital expenditures for the acquisition of telecommunications licences, mainly in Europe, which totalled HK$6,828 million (2012: HK$2,422 million), partially offset by lower capital expenditures for the acquisition of fixed assets, particularly for the telecommunications division. Capital expenditures on fixed assets for the ports and related services division amounted to HK$7,060 million (2012: HK$7,556 million); for the property and hotels division HK$535 million (2012: HK$271 million); for the retail division HK$2,264 million (2012: HK$2,717 million); for CKI HK$406 million (2012: HK$680 million); for **3** Group Europe HK$10,116 million (2012: HK$11,323 million); for HTHKH HK$1,239 million (2012: HK$1,600 million); for HAT HK$1,621 million (2012: HK$2,017 million); and for the finance and investments and others segment HK$319 million (2012: HK$381 million). Capital expenditures for licences, brand names and other rights were HK$11 million (2012: Nil) for the ports and related services division; for CKI HK$11 million (2012: Nil); for **3** Group Europe HK$6,884 million (2012: HK$2,276 million); for HTHKH HK$27 million (2012: HK$172 million); and for HAT nil (2012: HK$114 million).

In addition, during the year, the Group have spent HK$17,651 million on the acquisition of new investments which included the acquisition of Orange Austria as well as Enviro Waste in New Zealand.

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$5,287 million (2012: HK$3,910 million) mainly due to higher advances to property joint ventures in 2013, the acquisition of AVR-Afvalverwerking B.V. in the Netherlands by CKI, partly offset by higher repayments from associated companies and joint ventures in the year.

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: EBITDA includes the non-controlling interests' share of HPH Trust's EBITDA.

Debt Maturity and Currency Profile

The Group's total principal amount of bank and other debts at 31 December 2013 decreased 13% to total HK$223,822 million (2012: HK$256,152 million), of which 70% (2012: 74%) are notes and bonds and 30% (2012: 26%) are bank and other loans. The net decrease in principal amount of bank and other debts was primarily due to the repayment of debts as they matured as well as the early repayment of certain debts totalling HK$61,822 million, partially offset by new borrowings of HK$28,323 million and the unfavourable impact of HK$812 million upon translation of foreign currency-denominated loans to Hong Kong dollars. The Group's weighted average cost of debt at 31 December 2013 decreased by 0.3%-points to 3.1% (2012: 3.4%). Interest bearing loans from non-controlling shareholders, which are viewed as quasi-equity, totalled HK$5,445 million at 31 December 2013 (2012: HK$6,307 million).

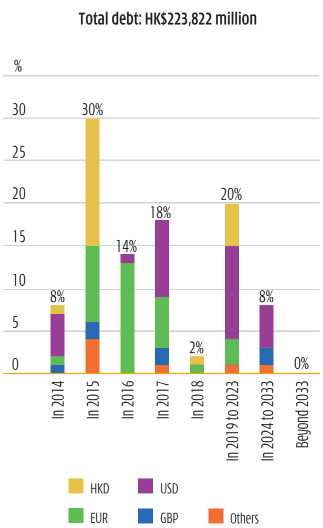
The maturity profile of the Group's total principal amount of bank and other debts at 31 December 2013 is set out below:

	HK$	US$	Euro	GBP	Others	**Total**
In 2014	1%	5%	1%	1%	-	8%
In 2015	15%	-	9%	2%	4%	30%
In 2016	-	1%	13%	-	-	14%
In 2017	-	9%	6%	2%	1%	18%
In 2018	1%	-	1%	-	-	2%
In 2019 - 2023	5%	11%	3%	-	1%	20%
In 2024 -2033	-	5%	-	2%	1%	8%
Beyond 2033	-	-	-	-	-	-
Total	22%	31%	33%	7%	7%	100%

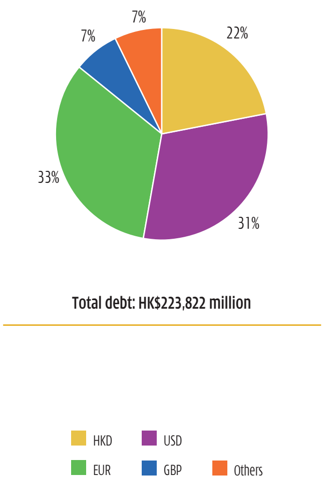
The non-HK dollar and non-US dollar denominated loans are either directly related to the Group's businesses in the countries of the currencies concerned, or the loans are balanced by assets in the same currencies. None of the Group's consolidated borrowings have credit rating triggers that would accelerate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

Debt Maturity Profile by Year and Currency Denomination at 31 December 2013

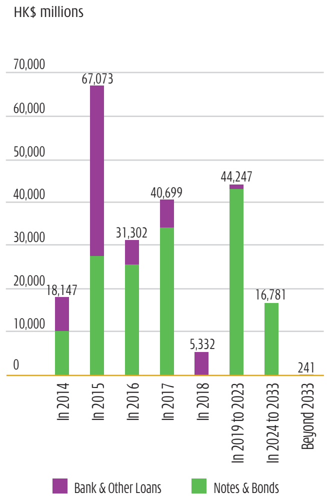
Total debt: HK$223,822 million



Debt Profile by Currency Denomination at 31 December 2013



Debt Maturity Profile by Notes & Bonds and Bank & Other Loans at 31 December 2013



Changes in Debt Financing

The significant financing activities in 2013 were as follows:

- In January, obtained a short term floating rate loan facility of €1,450 million (approximately HK$15,037 million) and was subsequently repaid on maturity in May 2013;
- In February, repaid on maturity US$3,110 million (approximately HK$24,257 million) principal amount of fixed rate notes;
- In February, obtained a short term floating rate revolving loan facility of GBP550 million (approximately HK$6,523 million) which has already expired;
- In March, obtained a five-year floating rate loan facility of HK$1,400 million;
- In April, listed subsidiary CKI obtained a five-year loan facility of NZ$260 million (approximately HK$1,685 million), of which the project debt of NZ$150 million (approximately HK$972 million) was drawn in relation to the acquisition of Enviro Waste Services Limited;
- In April, prepaid a floating rate loan facility of HK$1,400 million that matured in May 2013;
- In April, prepaid a floating rate loan facility of HK$500 million that matured in October 2013;
- In May, obtained a five-year floating rate loan facility of HK$2,000 million and repaid on maturity a floating rate loan facility of HK$1,500 million;
- In July, repaid €1,000 million (approximately HK$10,160 million) principal amount of fixed rate notes on maturity;
- In July, prepaid a floating rate loan facility of €300 million (approximately HK$3,048 million) maturing in June 2015;
- In August, listed subsidiary CKI obtained a five-year floating rate term loan facility of €203 million (approximately HK$2,148 million), of which the project debt of €197 million (approximately HK$2,045 million) was drawn in relation to acquisition of AVR-Afvalverwerking B.V.; and
- In December, repaid a floating rate revolving loan facility of HK$500 million maturing in April 2015.

Subsequent to year end:

- In January 2014, repaid US$1,309 million (approximately HK$10,206 million) principal amount of fixed rate notes on maturity; and
- In February 2014, prepaid HK$800 million of a floating rate term loan facility of HK$2,800 million maturing in November 2014.

Capital, Net Debt and Interest Coverage Ratios

The Group's total ordinary shareholders' funds and perpetual capital securities increased 9% to HK$426,609 million at 31 December 2013, compared to HK$391,519 million, as restated, at 31 December 2012, reflecting the profits for 2013 as well as the issuance of €1,750 million perpetual capital securities in May 2013, partly offset by 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, dividends and distributions paid and other items recognised directly in reserves. At 31 December 2013, 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$121,035 million (2012: HK$124,705 million), a reduction of 3% compared to the net debt at the beginning of the year. The Group's net debt to net total capital ratio at 31 December 2013 reduced to 20.0% (2012: 21.9 %).

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 2013. The net debt to net total capital ratio can be significantly affected by foreign currency translation effects on total ordinary shareholders' funds and perpetual capital securities and on debt balances. The ratios as at 31 December 2013 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 2013:		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	19.6%	20.0%
A2:	as in A1 above and investments in listed subsidiaries and associated companies marked to market value	17.8%	18.2%
B1:	including interest bearing loans from non-controlling shareholders as debt	20.5%	20.9%
B2:	as in B1 above and investments in listed subsidiaries and associated companies marked to market value	18.6%	19.0%

The Group's consolidated gross interest expenses and other finance costs of subsidiaries, before capitalisation, decreased 8% in 2013 to total HK$8,564 million, compared to HK$9,348 million in 2012, mainly due to the weighted average cost of debt for the Group reducing from 3.4% in 2012 to 3.1% in 2013 and lower average borrowings during the year.

Consolidated EBITDA of HK$98,170 million and FFO of HK$49,390 million for the year covered consolidated net interest expenses and other finance costs 17.9 times and 10.2 times respectively (31 December 2012, as restated: 14.7 times and 7.1 times).

Secured Financing

At 31 December 2013, assets of the Group totalling HK$2,299 million (2012: HK$824 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 2013 amounted to the equivalent of HK$4,479 million (2012: HK$5,807 million).

Contingent Liabilities

At 31 December 2013, the Group provided guarantees in respect of bank and other borrowing facilities to its associated companies and joint ventures totalling HK$24,610 million (2012: HK$11,920 million), of which HK$22,839 million (2012: HK$10,485 million) has been drawn down as at 31 December 2013, and also provided performance and other guarantees of HK$4,131 million (2012: HK$4,411 million).

Risk Factors

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

Global Economy

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

Industry Trends, Interest Rates and Currency Markets

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

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

Cashflow and Liquidity

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

Currency Fluctuations

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

Crude Oil and Natural Gas Markets

Husky Energy's results of operations and financial condition are dependent on the prices received for its crude oil and natural gas production. Lower prices for crude oil and natural gas could adversely affect the value and quantity of Husky Energy's oil and gas reserves. Prices for crude oil are based on world supply and demand. Supply and demand can be affected by a number of factors including, but not limited to, actions taken by Organisation of Petroleum Exporting Countries ("OPEC"), non-OPEC crude oil supply, social conditions in oil producing countries, the occurrence of natural disasters, general and specific economic conditions, prevailing weather patterns and the availability of alternate sources of energy. Husky Energy's natural gas production is located entirely in Western Canada and is, therefore, subject to North American market forces. North American natural gas supply and demand is affected by a number of factors including, but not limited to, the amount of natural gas available to specific market areas either from the well head or from storage facilities, prevailing weather patterns, the price of crude oil, the U.S. and Canadian economies, the occurrence of natural disasters and pipeline restrictions. Volatility in crude oil and natural gas prices could adversely affect the Group's financial condition and results of operations.

Highly Competitive Markets

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

- vertical integration of international shipping lines, who are major clients of the Group's port operations. Shipping lines are increasingly investing in seaports and in their own dedicated terminal facilities and, going forward, may not require the use of the Group's terminal facilities;

- aggressive tariff plans and customer acquisition strategies by telecommunications competitors may impact the Group's pricing plans, customer acquisition and retention costs, rate of customer growth and retention prospects and hence the revenue it receives as a major provider of telecommunications services;

- risk of competition from disruptive alternate telecommunications or energy technologies and potential competition in the future from substitute telecommunications or energy technologies being developed or to be developed;

- increasing competition in property investment and development in the Mainland, which may result in lower returns achieved on the Group's property businesses; and

- expected continuous significant competition and pricing pressure from retail competitors, which may adversely affect the financial performance of the Group's retail operations.

Retail Product Liability

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

Strategic Partners

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

Future Growth

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

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

As at 31 December 2013, the Group had a total deferred tax asset balance of HK$18,548 million, of which HK$17,265 million were attributable to the Group's mobile telecommunications operations in the UK, Austria, Sweden and Denmark. The ultimate realisation of these deferred tax assets depends principally on these businesses achieving profitability and generating sufficient taxable profits to utilise the underlying unused tax losses. In the UK, Austria, Sweden and Denmark, taxation losses can be carried forward indefinitely. In addition, in the UK, the Group enjoys the availability of group relief in relation to taxation losses generated by its mobile telecommunications operations to offset taxable profits from its other businesses in the same period. If there is a significant adverse change in the projected performance and resulting cashflow projections of these businesses, some or all of these deferred tax assets may need to be reduced and charged to the income statement, which could have an adverse effect on the Group's financial condition and results of operations.

Impact of National and International Regulations

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

- changes in tariffs and trade barriers;
- changes in taxation regulations and interpretations;

- competition (anti-trust) law applicable to all of the Group's activities, including the regulation of monopolies and conduct of dominant firms, the prohibition of anti-competitive agreements and practices, and law requiring the approval of certain mergers, acquisitions and joint ventures which could restrict the Group's ability to own or operate subsidiaries or acquire new businesses in certain jurisdictions;

- delays in the process of obtaining or maintaining licences, permits and governmental approvals necessary to operate certain businesses, particularly certain of the Group's infrastructure businesses and certain of its property development joint ventures in the Mainland;

- telecommunications (including but not limited to spectrum auction) and broadcasting regulations; and

- environmental laws and regulations.

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

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

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

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

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

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

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

Accounting

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

Impact of Regulatory Reviews

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

Outbreak of Highly Contagious Disease

In 2003, there was an outbreak of Severe Acute Respiratory Syndrome ("SARS") in the Mainland, Singapore, Hong Kong, other Asian countries and Canada. The SARS outbreak had a significant adverse impact on the economies of the affected countries. Since then, there have been media reports regarding the spread of the Avian Influenza among birds, poultry and in some cases, transmission of Avian Influenza virus from animals to human beings. There can be no assurance that there will not be another significant global outbreak of a severe communicable disease. If such an outbreak were to occur, it may have an adverse impact on the Group's financial condition and results of operations.

Natural Disasters

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

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

Past Performance and Forward Looking Statements

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

Environmental, Social and Governance Report

1. HWPG volunteers spread their care and compassion wherever they go.
2. A S Watson Group hosts a conference themed at "Think Customer" to formulate customer relations and digital strategies to boost sales.

Overview

Hutchison Whampoa's history dates back to the 1800s and has a heritage of commitment to the local communities in which it conducts business. HWL has over 260,000 employees in over 50 countries around the globe committed to the long-term sustainability of the business. The Group delivers quality products and services to its customers while making substantial contributions to the community. In 2013, HWL garnered over 2,000 industry awards and recognitions including Best CSR by Corporate Governance Asia. To see the list of awards our companies have won over the past year, please visit our website: www.hutchison-whampoa.com. These awards recognise the efforts of the Group to protect the environment, the work in the community, and overall corporate governance.

HWL's Environmental, Social and Governance ("ESG") Committee, chaired by an Executive Director with representatives from key departments of the Company including Human Resources, Corporate Affairs, Information Services, Management Services and Legal, focuses on staff development and training, community involvement and the environment in 2014. Several campaigns to reduce waste and encourage more efficient use of energy over the past few years have generated satisfactory results. Corporate governance workshops initiated by the Committee has also been well-received and found wide-support across the Group. The ESG Committee will continue to formulate guidelines and spearhead initiatives that can be implemented on a company-wide level.

Stakeholder Engagement

Shareholders

The Group continues to strengthen dialogue, and expand channels of communication with its shareholders.

To increase transparency to the market, the Group has periodic discussions with the financial community including analysts, fund managers and other investors. Shareholders are also encouraged to participate in shareholders' meetings physically or appoint proxies to attend and vote at the meetings.

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

3. HWL volunteers visit the elderly in Mui Wo.
4. Husky Energy supports power engineering training and certification programmes for students.

Customers

As the Group operates in extremely competitive markets, customer feedback is crucial to building a sustainable business. Various operating companies have a number of channels to solicit customer comments and recommendations such as customer service centres, focus groups, and where appropriate, social networking tools. Through the development of a number of smartphone apps and social pages, the retail businesses are kept abreast of the changing needs of their customers. For example, a smartphone app can help one find his/her car at an HWPG shopping mall while another app can help pick the right wine to go with one's dinner. Last year, A S Watson Group hosted a Customer Relationship Management (CRM) & Digital conference themed "Think Customer" and formulated a "Customer 360" Strategy to show how the retail brands can better interact with future customers. A S Watson's loyalty programme has a total of 95 million members as of last year, generating 352 million transactions.

Employees

There are over 260,000 employees in the HWL family working in over 50 countries worldwide. HWL is committed to providing staff training and development programmes designed to help our employees to enhance their knowledge and skills as well as self-enrichment. As the Group continues its expansion, opportunities abound worldwide for capable employees in numerous sectors and industries.

Once again, A S Watson Group and HTHKH won Asia's Best Employer Brand Awards by CMO Asia and another by the Employer Branding Institute.

Suppliers and Creditors

As a multinational operating in numerous jurisdictions, upholding laws and regulations that are relevant to the businesses is a top priority for HWL. HWL Head Office has mandated its vendors and suppliers with requirements that mirror the United Nations Global Compact. These requirements include non-discriminatory hiring and employment practices, a safe and healthy workplace, compliance with environmental laws and prohibition of child labour.

The retail division, A S Watson fosters interaction with its business partners through biennial sharing of their global strategy in the A S Watson Global Suppliers Conference exploring retail trends, technologies and best practices to enhance the customer experience.

Government

The Group operates in a range of sectors and industries, including ports, property, hotels, retail, infrastructure, energy, and telecommunications. Many of these industries are regulated by local and international bodies.

In addition to compliance with local and international laws, rules and regulations, each operating company has taken steps to ensure that it takes into account relevant local concerns and customs.

5. SHPL has donated 21 SHPL libraries so far.

6. At the HIT Gallery, opened in 2013 at the Hong Kong Maritime Museum, visitors can track ship movements with a real-time radar.

6

5

57% of HWL Head Office management are women

Workplace Quality

Working Conditions

Despite the economic challenges in a number of markets in 2013, HWL has been growing organically and through acquisitions. The Group is committed to nurturing its employees and rewards them according to their performance and productivity. HWL's team of highly motivated employees has enabled the Group to take advantage of the growth opportunities. In order to ensure remuneration packages are fair and competitive, they are reviewed individually on an annual basis. The Group provides comprehensive medical, life and disability insurance coverage and retirement schemes. To promote camaraderie across the Group, employees also enjoy a wide range of product and service discounts offered by various Group companies.

Health and Safety

Employees are more than just workers. They are part of the family and the most important asset of the Company. Thus, a safe, effective and congenial work environment is crucial to the long-term sustainability of the company. In addition to observing the international labour standards and laws where each business operates, many operating companies also have internal guidelines and systems tied to their specific industries to ensure the safety and health of their employees. Where appropriate, teams dedicated to workplace safety and training to employees to discharge their duties. The work by these companies to enhance workplace safety has in many instances been recognised by third parties. For example, UK Power Networks was awarded "Best Health and Safety Communication-Bronze" by the International Visual Communication Association. Power Assets and Asia Container Terminals won accolades from the Occupational Safety and Health Council.

Development and Training

The Group's commitment to its staff extends to the personal development of its employees as well as their professional growth. Well-motivated and dedicated individuals are provided with development and advancement opportunities as the Group expands its businesses worldwide.

As 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 trainings take numerous forms including internal and external training courses, e-learning modules and on-the-job training. Extensive training are given to staff to help them be more aware of the impact of recent regulatory changes. In Hong Kong, managers of HWL companies take, on average, four to five classes each year on subjects that span from new rules and regulations, corporate governance, and other industry issues. Other programmes such as IT skills, presentation techniques, sales and customer service are also available.

7

7. **3** UK colleagues raise funds for Charity Challenge.

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

HWL believes that investment in its employees is essential to the future strength and success of its business.

Recruitment and Promotion

The Group has an anti-discrimination policy and hires solely on merit. It believes in nurturing and developing top talents regardless of race, colour, gender, age, or religious belief. All employees and job applicants enjoy equal opportunities and fair treatment. The Group is stronger with a diverse workforce, bringing different talents and skillsets and values the input and contributions by people of all backgrounds. The management team at the Hutchison Whampoa Head Office comprises of talented individuals in their twenties to over 65 years old. Women slightly outnumber the men 4:3.

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

Fellowship and Camaraderie

With the diverse background and heritage of the Group, a number of activities are organised throughout the year to promote camaraderie and morale amongst staff.

In Hong Kong, the Head Office organises activities and volunteering opportunities that bring together employees from different divisions to promote camaraderie and serve the public. Individual operating companies also organise numerous activities and events to serve the local communities and to build team spirit among employees. Continuing an annual tradition, the Group's Hong Kong employees and their families had a Fun Day at a local amusement park where approximately 7,000 employees and their families joined a day of fun and fellowship with colleagues in other business sectors. The Company also organised outings for staff and their families to outlying islands of Hong Kong.

8. HPH Dock schools benefit children around the world.

516

flights saved with Telepresence

Environmental Protection

HWL companies around the world are constantly looking to improve operational efficiencies and reduce their impact on the environment through various initiatives.

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

Energy Efficiency

For the past several years, HWL has undertaken an extensive IT initiative to help reduce paper usage. Year 2013 saw a reduction of over 10% of paper at the Head Office from the year before. The Company's energy saving programmes are also seeing results, with electricity consumption at the head office reduced several percentage points. We have also been gradually rolling out a video conference suite called "Telepresence" to strategic global offices to lower the need of airplane travel by management while maintaining the benefits of face-to-face meetings. Telepresence has helped save management from taking 516 flights last year.

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

Pollution Prevention and Emissions Reduction

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

Some of the notable accomplishments are highlighted below:

- Many of the ports of the Group around the world won awards for their efforts to reduce their impact on the environment. Hongkong International Terminals was awarded the Silver Award by the Hong Kong Green Council for recycling wastewater and scrap materials such as making old crane tyres into an adhesive that extends the lifespan of the tyres by two years. LED replacements of traditional lighting equipment is estimated to have saved the company 55% energy.

- In the Netherlands, Europe Container Terminals received the Lean and Green Star for sustainable business practices that reduced more than 20% of its carbon emissions.

9


9. A S Watson celebrates the third anniversary of its Global Volunteer Day, with 40 business units joining hands to show their passion in action to enhance the well-being of the community.

10. Superdrug puts the fun into fundraising with its fancy dress day for Marie Curie Cancer Care.

11


10%

Paper saved by HWL Head Office over last year

10


11. Staff from Watsons Turkey participates in the 35th Eurasia Marathon to raise funds for local children's education programmes.

- Husky Energy is minimising emissions and odours at its Cadotte facility in Northern Alberta by converting waste gas to power. Enough electricity is generated and sold into the grid for every home in the nearby town of Peace River.

- Cheung Kong Infrastructure led a consortium to acquire AVR, Netherlands' largest energy-from-waste company. The company takes garbage from other countries and large Dutch cities and turns it into energy for its clients. Earlier in the year, CKI acquired Enviro Waste in New Zealand that provides waste-related services, recycling and landfill gas-to-electric generation.

Environmental Sustainability

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

- In the Netherlands, Kruidvat, with over 1,000 stores, is taking the lead in selling only LED light bulbs, using packaging with FSC paper and offering organic and eco-friendly personal care products.

- In Hong Kong, Hutchison Whampoa Properties Estate Management companies organised recycling and promoted green projects to support a green living lifestyle for its residents.

- Continuing a programme since 2006, HK Electric's Clean Energy Fund donates each year to finance the study and application of renewable energy by the schools in Hong Kong.

- In Canada, Husky Energy's Environmental Performance Reporting System enables them to track water usage trends and improve efficiency, accuracy and frequency. This information helps Husky Energy to identify and prioritise opportunities for water-use reduction and recycling in its operations.

- Yantian International Container Terminals was recognised by the Steering Committee of Water-Saving Programme of Shenzhen as a Role Model in Water-Saving.

12. **3** Ireland partners with the Down Syndrome Centre to make a child's dream come true.

13. HTHKH volunteer team is dedicated to serving the community, especially the elderly and low-income families.

Protection of the Environment and Natural Habitats

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

Northumbrian Water was awarded the Waste and Recycling – Impact Winner award by The Guardian Sustainable Business Awards and named one of the World's Most Ethical Companies by the Ethisphere Institute.

Also in the UK, Wales & West Utilities was awarded a Wales Responsible Business Award for its efforts in environment protection.

Operating Practices

Supply Chain Management

The Group has stringent internal controls and holds laws and regulations of each country with the utmost regard. The Group implements international best practices and conduct fair and unbiased tender processes. The Group also takes steps to ensure that its partners and suppliers do not employ child labour or abuse human rights.

A S Watson, the largest health and beauty retailers in the world with over 10,500 stores, joined the Business Social Compliance Initiative ("BSCI") in 2008, a leading business-driven initiative for companies committed to improving working conditions in the global supply chain. A S Watson's Energy, Supply Chain and Packaging Sub-committees are also constantly on the look-out to make their operations more environmentally-friendly and reduce their carbon-footprint. For example, Kruidvat has optimised its route planning and truck loading for greater fuel efficiency with some trucks running on natural gas.

Consumer Protection

Protecting consumers and to uphold their privacy are some of the top priorities of the Group. The Group implemented strict data protection mechanisms to protect the confidentiality of customer data. In addition to guidelines and handbooks, periodic reminders are issued and workshops are implemented for customer-facing staff to continuously emphasise and remind employees of the importance of protecting personal data.

14. HK Electric promotes low carbon lifestyle with short movies.

15. HWL volunteers assist children to cook healthy and delicious cuisine in a four-day "Chef in the City" event.

15

14

670

students benefited from the Hutchison Chevening Scholarship

Anti-Corruption

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

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

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

Moreover, incidents or suspected incidents are immediately looked into by the business units concerned, and those that fall within certain criteria are also reported to the Audit Committee and executive management, and investigated by the Group's internal audit function. On top of this, the whistle blower channels that the Group has established allow an informant to report anonymously any suspected or actual irregularities or misdeeds, and 10 cases have reached the Group via this route in 2013. Also, the Group co-operates fully with any investigations conducted by law enforcement agencies.

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

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

Community Involvement

HWL takes pride in giving back to the community. As a part of the community, it is the responsibility of the Group to see to its well-being. Throughout 2013, the Group's companies and employees worked hand-in-hand with their local communities in many innovative programmes and initiatives that range from job creation to educating the next generation. Here below are some examples of community activities that the Group was involved in during the year.

Community

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

- HWL Volunteer Team, organised by the HWL Head Office, arranged a range of activities for the community in conjunction with various social organisations such as the Tung Wah Group of Hospitals and Yan Oi Tong.
- A S Watson held the third A S Watson Global Volunteer Day with 30 business units participating. Activities included preparing meal boxes for the elderly in Hong Kong, teaching children to be more responsible to the environment in Germany, and planting trees in Thailand. HTHKH's volunteer team had been busy serving different sectors of the community including the elderly and low-income families.
- Hongkong Electric sponsored a project that provides subsidised meals to the underprivileged. In addition to the hot meals, a social service organisation is on hand to provide counselling and assistance for job hunting.
- Using its extensive social media platform, ESDlife helped raise funds for an array of charitable organisations such as Orbis World Sight Day.
- In the UK, **3** partnered with Southern Housing Group to provide mobile broadband for a "magic bus" that helped tenants in social housing discover the Internet and get online.
- The Port of Felixstowe donated a new Visitor Centre and Café to Suffolk Coastal District Council as part of the port's expansion programme. The centre will cater to local schools, interest groups and tourists and provides information on the port and the surrounding environment.

Education

For over 10 years, the Hutchison Chevening Scholarships have provided opportunities for young postgraduates from Hong Kong and the Mainland to pursue their studies in UK universities. Over the past decade the Group has donated around £6 million, benefiting 670 students.

Through Hutchison Port Holdings' ("HPH") Dock School Programme, many schools around the world have extensive renovation work done. These include repairs to damaged roofs and floors as well as installing ceiling fans to combat the heat of tropical climates in places like Vietnam. For more information on the Dock School Programme, please visit www.hph.com.

In Canada, Husky Energy entered into a partnership with the Saskatchewan Institute of Applied Science and Technology to support power engineering training and certification. Harbour Grand Kowloon hosted a hotel visit for students to help them learn more about the hotel industry. Addressing the needs of the elderly, HongKong Electric promotes lifelong learning and volunteerism through the University of Third Age network and the Outstanding Third Age Citizens Awards, encouraging retirees to continue to challenge themselves.

Medical and Healthcare

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

- In Ireland, **3** Ireland employees voted to partner with Down Syndrome Centre.
- In Netherlands, Kruidvat along with the Dutch Cancer Society, formed a special Sunwatch team to spread awareness of the dangers of inadequate sun protection.
- Metro Radio helped organise the 12th Parents' Journal 2013, where expectant mothers were provided with comprehensive health care information.

Arts and Culture

In 2013, the Group participated in a number of charitable activities in the arts and cultural arena, as highlighted by the following initiatives:

- In the Mainland, artwork from students are made into products sold in Watsons China to raise funds for those with learning disabilities.
- Shanghai Hutchison Pharmaceuticals Limited ("SHPL") continues their library donation project establishing three new libraries in Hunan and Jiangxi provinces. SHPL has donated 21 libraries to date.
- In Hong Kong, Hongkong International Terminals sponsored the HIT Gallery at the Hong Kong Maritime Museum, where people can view ship and port movements with a real-time radar. It also contains a carpet showing a map of Victoria harbour and areas that have since been reclaimed.
- Continuing a tradition since 2008, volunteers from Cosco-HIT Terminals visited an elderly home on the eve of mid-Autumn Festival bearing gifts, songs, and laughter.

Sports

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

- In 2013, A S Watson Group celebrated the eighth anniversary of its Hong Kong Student Sports Awards, which involved at least 80% of the schools in Hong Kong. This year, 904 student athletes from 64 different sports were recognised.
- Watsons Hong Kong became the title sponsor of FIVB World Grand Prix championships in Hong Kong for the third year. The company also rolled out a series of "Love and Care Volleyball" campaign, teaching underprivileged children volleyball skills.
- Watsons Water provided high quality distilled water and isotonic drinks for 72,000 athletes at the Hong Kong Marathon.
- In the UK, **3** UK colleagues cycled 450 miles from Glasgow to Maidenhead to raise funds in the Charity Challenge.

Disaster Relief

The impact of natural disasters and accidents are not only confined to its victims but also to their communities. As active participants in the well-being of their local communities, HWL Group companies are quick to respond to such disasters. For example, Husky made a CAD1 million commitment to communities throughout central and southern Alberta devastated by flooding in the middle of the year.

HWL stands by its employees and the community in which we operate. In addition to some of the examples of programmes the company ran in 2013, many of our employees spent their own time and resources in different projects to better the community and give to those in need. We would like to take this opportunity to applaud their efforts and passion.

Information on Directors

Biographical Details of Directors

LI Ka-shing

GBM, KBE, Commandeur de la Légion d'Honneur, Grand Officer of the Order Vasco Nunez de Balboa, Commandeur de l'Ordre de Léopold, aged 85, has been an Executive Director and Chairman of the Company since 1979 and 1981 respectively. He has been a member of the Remuneration Committee of the Company since March 2005. He is the founder and chairman of Cheung Kong (Holdings) Limited ("Cheung Kong"), a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), and chairman of Li Ka Shing Foundation Limited, Li Ka Shing (Overseas) Foundation and Li Ka Shing (Canada) Foundation. He has been engaged in many major commercial developments in Hong Kong for more than 60 years. Mr Li served as a member of the Hong Kong Special Administrative Region's Basic Law Drafting Committee, Hong Kong Affairs Adviser and the Preparatory Committee for the Hong Kong Special Administrative Region. He is also an Honorary Citizen of a number of cities on the Mainland and overseas. Mr Li is a keen supporter of community service organisations, and has served as honorary chairman of many such groups over the years. Mr Li has received Honorary Doctorates from Peking University, The University of Hong Kong, The Hong Kong University of Science and Technology, The Chinese University of Hong Kong, City University of Hong Kong, The Open University of Hong Kong, University of Calgary in Canada and Cambridge University in the United Kingdom. Mr Li has been awarded Entrepreneur of the Millennium, the Carnegie Medal of Philanthropy and The Berkeley Medal. He is the recipient of many other major honors and awards from renowned institutions on the Mainland and abroad. Mr Li Ka-shing is the father of Mr Li Tzar Kuoi, Victor, Deputy Chairman of the Company, and the brother-in-law of Mr Kam Hing Lam, Executive Director of the Company.

LI Tzar Kuoi, Victor

aged 49, has been an Executive Director and Deputy Chairman of the Company since 1995 and 1999 respectively. He is managing director, deputy chairman and chairman of executive committee of Cheung Kong, a substantial shareholder of the Company within the meaning of Part XV of the SFO, chairman of Cheung Kong Infrastructure Holdings Limited ("CKI") and CK Life Sciences Int'l., (Holdings) Inc. ("CKLS"), co-chairman of Husky Energy Inc. ("Husky Energy") and a non-executive director of Power Assets Holdings Limited ("Power Assets"). Mr Li is also deputy chairman of Li Ka Shing Foundation Limited, Li Ka Shing (Overseas) Foundation and Li Ka Shing (Canada) Foundation and a director of The Hongkong and Shanghai Banking Corporation Limited. In addition, he is a director of Li Ka-shing Unity Trustee Company Limited ("TUT1") as trustee of The Li Ka-shing Unity Trust ("UT1"), Li Ka-shing Unity Trustee Corporation Limited ("TDT1") as trustee of The Li Ka-shing Unity Discretionary Trust ("DT1") and Li Ka-shing Unity Trustcorp Limited ("TDT2") as trustee of another discretionary trust ("DT2"). He is also a director of Continental Realty Limited ("CRL"), Honourable Holdings Limited ("HHL"), Winbo Power Limited ("WPL"), Polycourt Limited ("PL") and Well Karin Limited ("WKL"). TUT1, TDT1, TDT2 and CRL are substantial shareholders of the Company within the meaning of Part XV of the SFO and HHL, WPL, PL and WKL are companies which have interests in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO. Mr Li serves as a member of the Standing Committee of the 12th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He is also a member of the Council for Sustainable Development of the Hong Kong Special Administrative Region and vice chairman of the Hong Kong General Chamber of Commerce. Mr Li is the Honorary Consul of Barbados in Hong Kong. He holds a Bachelor of Science degree in Civil Engineering, a Master of Science degree in Structural Engineering and an honorary degree, Doctor of Laws, honoris causa (LL.D.). Mr Li Tzar Kuoi, Victor is a son of Mr Li Ka-shing, Chairman of the Company, and a nephew of Mr Kam Hing Lam, Executive Director of the Company.

FOK Kin Ning, Canning

aged 62, has been an Executive Director and Group Managing Director of the Company since 1984 and 1993 respectively. He is chairman of Hutchison Harbour Ring Limited ("HHR"), Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH"), Hutchison Telecommunications (Australia) Limited ("HTAL"), Hutchison Port Holdings Management Pte. Limited ("HPH Management") as the trustee-manager of Hutchison Port Holdings Trust ("HPH Trust"), Power Assets, HK Electric Investments Manager Limited ("HKEIML") as the trustee-manager of HK Electric Investments ("HKEI"), and HK Electric Investments Limited ("HKEIL") and co-chairman of Husky Energy. He is also deputy chairman of CKI and a non-executive director of Cheung Kong, a substantial shareholder of the Company within the meaning of Part XV of the SFO. Mr Fok is also alternate director to a director of HTHKH. He holds a Bachelor of Arts degree and a Diploma in Financial Management, and is a member of the Institute of Chartered Accountants in Australia.

Information on Directors

CHOW WOO Mo Fong, Susan

aged 60, has been an Executive Director and Deputy Group Managing Director of the Company since 1993 and 1998 respectively. She is an executive director of CKI, HHR, HKEIML as the trustee-manager of HKEI, and HKEIL, a non-executive director of HTHKH and a director of HTAL. Mrs Chow is also alternate director to directors of each of CKI, HTAL and TOM Group Limited ("TOM"). She was previously an executive director and alternate director to directors of Power Assets. She is a qualified solicitor and holds a Bachelor's degree in Business Administration.

Frank John SIXT

aged 62, has been an Executive Director and Group Finance Director of the Company since 1991 and 1998 respectively. He is non-executive chairman of TOM. He is also an executive director of CKI, a non-executive director of Cheung Kong, HTHKH, HPH Management as the trustee-manager of HPH Trust, and Power Assets and a director of HTAL and Husky Energy. In addition, he is a director of TUT1 as trustee of UT1, TDT1 as trustee of DT1 and TDT2 as trustee of DT2. Cheung Kong, TUT1, TDT1 and TDT2 are substantial shareholders of the Company within the meaning of Part XV of the SFO. He is also alternate director to directors of HTAL. He holds a Master's degree in Arts and a Bachelor's degree in Civil Law, and is a member of the Bar and of the Law Society of the Provinces of Quebec and Ontario, Canada.

LAI Kai Ming, Dominic

aged 60, has been an Executive Director of the Company since 2000. He is also deputy chairman of HHR, a non-executive director of HTHKH and a director of HTAL. He is also alternate director to directors of each of HHR, HTHKH and HTAL. He has over 30 years of management experience in different industries. He holds a Bachelor of Science (Hons) degree and a Master's degree in Business Administration.

KAM Hing Lam

aged 67, has been an Executive Director of the Company since 1993. He is deputy managing director of Cheung Kong, a substantial shareholder of the Company within the meaning of Part XV of the SFO, and a member of its executive committee, group managing director of CKI and president and chief executive officer of CKLS. He is also chairman and a non-executive director of Hui Xian Asset Management Limited as manager of Hui Xian Real Estate Investment Trust. Mr Kam is an advisor of the 12th Beijing Municipal Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He was previously an executive director of Power Assets. He holds a Bachelor of Science degree in Engineering and a Master's degree in Business Administration. Mr Kam is the brother-in-law of Mr Li Ka-shing, Chairman of the Company, and the uncle of Mr Li Tzar Kuoi, Victor, Deputy Chairman of the Company.

The Hon Sir Michael David KADOORIE

GBS, Officier de la Légion d'Honneur, Commandeur de l'Ordre de Léopold II, Commandeur de l'Ordre des Arts et des Lettres, aged 72, has been a Director of the Company since 1995 and is currently an Independent Non-executive Director. He is chairman of CLP Holdings Limited and The Hongkong and Shanghai Hotels, Limited, as well as Heliservices (Hong Kong) Limited. He is also alternate director to a director of Hong Kong Aircraft Engineering Company Limited.

Holger KLUGE

aged 71, has been an Independent Non-executive Director of the Company since 2004. He is also a member of the Audit Committee and the Remuneration Committee of the Company. He worked 40 years for Canadian Imperial Bank of Commerce ("CIBC"), one of North America's largest financial institutions. From 1990 until his retirement in 1999, he was president and chief executive officer of CIBC's Personal and Commercial Bank. He is an independent non-executive director of Power Assets and the chair of the board of directors of Shoppers Drug Mart Corporation. He holds a Bachelor of Commerce degree and a Master's degree in Business Administration.

LEE Wai Mun, Rose

aged 61, has been an Independent Non-executive Director of the Company since 2012. She is an executive director, vice-chairman and chief executive of Hang Seng Bank Limited, and chairman and a member of its executive committee and nomination committee respectively. She is also chairman of Hang Seng Bank (China) Limited. In addition, she is group general manager of HSBC Holdings plc, a director of The Hongkong and Shanghai Banking Corporation Limited, an independent non-executive director of Swire Pacific Limited, chairman of the board of governors of Hang Seng Management College, chairman of the board of directors of Hang Seng School of Commerce, co-chairman of the campaign committee of The Community Chest of Hong Kong, vice-chairman of the finance professional committee of Guangdong's Association for Promotion of Cooperation between Guangdong, Hongkong & Macao, vice president of The Hong Kong Institute of Bankers, a board member of The Community Chest of Hong Kong, a member of the court of The Hong Kong University of Science and Technology, a member of the board of trustees of Ho Leung Ho Lee Foundation and a member of the financial services advisory committee of Hong Kong Trade Development Council. Ms Lee holds a Bachelor's degree in Business Administration.

LEE Yeh Kwong, Charles

GBM, GBS, OBE, JP, aged 77, has been a Non-executive Director of the Company since 18 January 2013. He was an Executive Director of the Company from 27 September 1979 to 11 March 1997. He is also a non-executive director of Cheung Kong, a substantial shareholder of the Company within the meaning of Part XV of the SFO. Mr Lee is chairperson of Hong Kong – Taiwan Economic and Cultural Co-operation and Promotion Council and a board member and campaign committee co-chairman of The Community Chest of Hong Kong. Mr Lee was a member of the Council of The Stock Exchange of Hong Kong Limited ("SEHK") from 1988 to 1991, and chairman of SEHK from 1992 to 1994. He was also chairman of Hong Kong Exchanges and Clearing Limited from 1999 to April 2006. He held a number of Government appointments, including member of the Executive Council of The Hong Kong Special Administrative Region Government from 1997 to 2002 and from October 2005 to June 2012. Mr Lee is one of the founders of the solicitor's firm Woo, Kwan, Lee & Lo, a major law firm in Hong Kong. He holds a Master's degree in law and is a qualified solicitor in both Hong Kong and the United Kingdom. He was awarded the degree of Doctor of Laws honoris causa by The Hong Kong University of Science and Technology, the degree of Doctor of Business Administration honoris causa by The Hong Kong Polytechnic University and the degree of Doctor of Social Sciences honoris causa by The University of Hong Kong and The Open University of Hong Kong respectively. He is also a qualified accountant and a chartered secretary.

George Colin MAGNUS

OBE, BBS, aged 78, has been a Director of the Company since 1980. He served as Deputy Chairman of the Company from 1984 to 1993, and is currently a Non-executive Director. He is also a non-executive director of Cheung Kong, a substantial shareholder of the Company within the meaning of Part XV of the SFO, and of CKI, an independent non-executive director of HKEIML as the trustee-manager of HKEI, and HKEIL and a director (independent) of Husky Energy. He was previously an independent non-executive director of Power Assets. He holds a Master's degree in Economics.

William Elkin MOCATTA

aged 60, has been Alternate Director to The Hon Sir Michael David Kadoorie, an Independent Non-executive Director of the Company, since 1997. He is chairman of CLP Power Hong Kong Limited and CLP Properties Limited. He is also vice chairman of CLP Holdings Limited and a director of The Hongkong and Shanghai Hotels, Limited. He is a Fellow of The Institute of Chartered Accountants in England and Wales.

William SHURNIAK

aged 82, has been a Director of the Company since 1984. He was a Non-executive Director of the Company from 1998 to 2011 and is an Independent Non-executive Director since 2011. He is also a member of the Audit Committee of the Company. He is a director (independent) and deputy chairman of Husky Energy. He has broad banking experience and he holds Honorary Doctor of Laws degrees from the University of Saskatchewan and The University of Western Ontario in Canada. He was awarded the Saskatchewan Order of Merit by the Government of Saskatchewan in 2009 and the Queen Elizabeth II Diamond Jubilee Medal by the Lieutenant Governor of Saskatchewan in 2012.

Information on Directors

WONG Chung Hin

CBE, JP, aged 80, has been a Director of the Company since 1984 and is currently an Independent Non-executive Director. He is also Chairman of the Audit Committee and the Remuneration Committee of the Company. In addition, he is an independent non-executive director of The Bank of East Asia, Limited and Power Assets. He is a solicitor.

Changes in Information of Directors

Pursuant to Rule 13.51(B) of the Rules Governing the Listing of Securities on SEHK (the "Listing Rules"), the changes in information of Directors of the Company subsequent to the date of the 2013 Interim Report of the Company are set out below:

Name of Director	**Details of Changes**
Li Tzar Kuoi, Victor	Re-designated from an executive director to a non-executive director of Power Assets[1] on 29 January 2014 Total emoluments received from the Company and its subsidiary CKI[1] increased by HK$2,485,700 to HK$75,526,948 compared to 2012
Fok Kin Ning, Canning	Appointed as: - chairman and an executive director of HKEIML as the trustee-manager of HKEI[2] on 5 December 2013 - chairman and an executive director of HKEIL[2] on 5 December 2013 Total emoluments received from the Company increased by HK$8,844,805 to HK$188,186,822 compared to 2012
Chow Woo Mo Fong, Susan	Appointed as: - an executive director of HKEIML as the trustee-manager of HKEI[2] on 5 December 2013 - an executive director of HKEIL[2] on 5 December 2013 Resigned as an executive director of Power Assets[1] and ceased to be alternate director to each of Mr Fok Kin Ning, Canning and Mr Frank John Sixt, directors of Power Assets[1], on 29 January 2014 Total emoluments received from the Company increased by HK$1,300,569 to HK$48,882,558 compared to 2012
Frank John Sixt	Re-designated from an executive director to a non-executive director of Power Assets[1] on 29 January 2014 Total emoluments received from the Company increased by HK$1,249,853 to HK$46,687,812 compared to 2012
Lai Kai Ming, Dominic	Total emoluments received from the Company increased by HK$1,269,163 to HK$43,965,635 compared to 2012
Kam Hing Lam	Resigned as an executive director of Power Assets[1] on 29 January 2014 Total emoluments received from the Company and its subsidiary CKI[1] increased by HK$715,000 to HK$20,736,004 compared to 2012

Name of Director	Details of Changes
George Colin Magnus	Appointed as: - an independent non-executive director of HKEIML as the trustee-manager of HKEI(2) on 5 December 2013 - an independent non-executive director of HKEIL(2) on 5 December 2013 Resigned as an independent non-executive director of Power Assets(1) on 29 January 2014
Lee Wai Mun, Rose	Resigned as an honorary treasurer and a member of the executive committee of Hong Kong Shipowners' Association on 25 November 2013 Ceased to act as a member of the advisory committee of the Centre for Transportation, Trade and Financial Studies of the City University of Hong Kong on 1 January 2014 Total emoluments received from the Company for 2013 was HK$120,000 which reflected full year emolument as compared to 2012 amount of HK$20,000 which was pro-rated to reflect past year appointment

Notes:

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

(2) The share stapled units jointly issued by HKEI and HKEIL have been listed on the Main Board of SEHK since 29 January 2014.

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

As at 31 December 2013, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executive of the Company were deemed or taken to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and SEHK pursuant to the Company's own Model Code for Securities Transactions by Directors (the "Securities Code") were as follows:

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

Long positions in the shares of the Company

Name of Director	Capacity	Nature of Interests	Number of Shares Held	Total	Approximate % of Shareholding
Li Ka-shing	Founder of discretionary trusts	Other interest	2,141,698,773 [(1)]		
	Interest of controlled corporations	Corporate interest	94,534,000 [(2)]	2,236,232,773	52.4522%
Li Tzar Kuoi, Victor	Beneficiary of trusts	Other interest	2,141,698,773 [(1)]		
	Interest of controlled corporations	Corporate interest	1,086,770 [(3)]		
	Interest of child	Family interest	300,000 [(4)]	2,143,085,543	50.2674%
Fok Kin Ning, Canning	Interest of a controlled corporation	Corporate interest	6,010,875 [(5)]	6,010,875	0.1410%
Chow Woo Mo Fong, Susan	Beneficial owner	Personal interest	190,000	190,000	0.0045%
Frank John Sixt	Beneficial owner	Personal interest	200,000	200,000	0.0047%
Lai Kai Ming, Dominic	Beneficial owner	Personal interest	50,000	50,000	0.0012%
Kam Hing Lam	Beneficial owner	Personal interest	60,000		
	Interest of child	Family Interest	40,000	100,000	0.0023%
Michael David Kadoorie	Founder, a beneficiary and/or a discretionary object of discretionary trust(s)	Other interest	15,984,095 [(6)]	15,984,095	0.3749%
Holger Kluge	Beneficial owner	Personal interest	40,000	40,000	0.0009%
Lee Yeh Kwong, Charles	Beneficial owner	Personal interest	1,070,358		
	Interest of spouse	Family interest	65,000		
	Interest of a controlled corporation	Corporate interest	10,000 [(7)]	1,145,358	0.0269%
George Colin Magnus	Founder and beneficiary of a discretionary trust	Other interest	950,100 [(8)]		
	Beneficial owner	Personal interest	40,000		
	Interest of spouse	Family interest	9,900	1,000,000	0.0235%
William Shurniak	Beneficial owner	Personal interest	165,000	165,000	0.0039%

Notes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

As at 31 December 2013, Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor, as Directors of the Company, were deemed to be interested in the following by virtue of, inter alia, their interests in the shares of Cheung Kong or the Company as described in Note (1) above:

(i) 1,912,109,945 ordinary shares, representing approximately 76.61% of the then issued share capital, in CKI of which 1,906,681,945 ordinary shares were held by a wholly owned subsidiary of the Company and 5,428,000 ordinary shares were held by TUT1 as trustee of UT1;

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

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

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

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

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

(v) 334,141,932 common shares, representing approximately 33.98% of the then issued share capital, in Husky Energy held by a wholly owned subsidiary of the Company; and

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

As Mr Li Ka-shing is the settlor of a discretionary trust and Mr Li Tzar Kuoi, Victor is a discretionary beneficiary of that discretionary trust, for the purpose of the SFO Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor, as Directors of the Company, were deemed to be interested in 349,869,015 common shares, representing approximately 35.58% of the then issued share capital, in Husky Energy which were held by a company indirectly owned by Mr Li Ka-shing and the trustee of a discretionary trust as aforementioned.

Mr Li Ka-shing, as Director of the Company, was also deemed to be interested in (i) a nominal amount of US$78,000,000 in the 5.90% Notes due 2014 issued by Husky Energy; and (ii) a nominal amount of US$25,000,000 in the 7.25% Notes due 2019 issued by Husky Energy held by a wholly owned subsidiary of the Company by virtue of his interests in the shares of the Company as described in Note (1) above.

In addition, Mr Li Ka-shing had, as at 31 December 2013, corporate interests in (i) a nominal amount of US$9,100,000 in the 6.625% Guaranteed Perpetual Capital Securities issued by PHBS Limited; and (ii) 403,979,499 ordinary shares, representing approximately 8.38% of the then issued share capital, in HTHKH, which were held by companies of which Mr Li Ka-shing is interested in the entire issued share capital.

Mr Li Tzar Kuoi, Victor had, as at 31 December 2013, the following interests:

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

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

Mr Fok Kin Ning, Canning had, as at 31 December 2013, the following interests:

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

(ii) corporate interests in 5,000,000 ordinary shares, representing approximately 0.06% of the then issued share capital, in HHR;

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

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

(v) corporate interests in 250,000 common shares, representing approximately 0.03% of the then issued share capital, in Husky Energy.

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

Mrs Chow Woo Mo Fong, Susan in her capacity as a beneficial owner had, as at 31 December 2013, personal interests in 250,000 ordinary shares, representing approximately 0.005% of the then issued share capital, in HTHKH.

Mr Frank John Sixt had, as at 31 December 2013, the following interests:

(i) personal interests in (a) 1,000,000 ordinary shares, representing approximately 0.007% of the then issued share capital, in HTAL; (b) 17,000 American depositary shares (each representing 15 ordinary shares), representing approximately 0.005% of the then issued share capital, in HTHKH; (c) 38,635 common shares, representing approximately 0.004% of the then issued share capital, in Husky Energy; and (d) a nominal amount of US$1,000,000 in the Subordinated Guaranteed Perpetual Capital Securities issued by HWI(10); and

(ii) corporate interests in a nominal amount of US$1,000,000 in the 5.90% Notes due 2014 issued by Husky Energy.

Mr Frank John Sixt held the above personal interests in his capacity as a beneficial owner and held the above corporate interests through a company of which Mr Sixt is interested in the entire issued share capital.

Mr Kam Hing Lam had, as at 31 December 2013, the following interests:

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

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

Mr Holger Kluge in his capacity as a beneficial owner had, as at 31 December 2013, personal interests in 20,000 common shares, representing approximately 0.002% of the then issued share capital, in Husky Energy.

Ms Lee Wai Mun, Rose had, as at 31 December 2013, the following interests:

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

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

Mr Lee Yeh Kwong, Charles had, as at 31 December 2013, the following interests:

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

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

(iii) corporate interests in a nominal amount of US$1,000,000 in the 6.25% Notes due 2014 issued by Hutchison Whampoa International (03/33) Limited held through a company of which Mr Lee is interested in the entire issued share capital.

Mr George Colin Magnus had, as at 31 December 2013, the following interests:

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

(ii) personal interests in 33,934 common shares and 16,892 unlisted and physically settled Deferred Share Units (each representing one common share), in aggregate representing approximately 0.005% of the then issued share capital, in Husky Energy held in his capacity as a beneficiary owner.

Mr William Shurniak in his capacity as a beneficial owner had, as at 31 December 2013, personal interests in 22,377 common shares, representing approximately 0.002% of the then issued share capital, in Husky Energy.

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

Save as disclosed above, as at 31 December 2013, none of the Directors or chief executive of the Company and their respective associates had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and SEHK pursuant to the Securities Code.

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

Directors' Interests in Competing Business

During the year ended 31 December 2013, the following Directors of the Company had interests in the following businesses (apart from the businesses of the Company or its subsidiaries) conducted through the companies named below, their subsidiaries, associated companies or other investment forms which are considered to compete or be likely to compete, either directly or indirectly, with the principal businesses of the Company or its subsidiaries conducted during the year required to be disclosed pursuant to Rule 8.10(2) of the Listing Rules:

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

Name of Director	Name of Company	Nature of Interest	Nature of Competing Business
Chow Woo Mo Fong, Susan	CKI	Executive Director	- Infrastructure
	Power Assets	Executive Director (2)	- Infrastructure - Energy
	HHR	Executive Director	- Property
	HTAL	Director	- Telecommunications
	TOM	Alternate Director	- Telecommunications (mobile internet and e-commerce)
Frank John Sixt	Cheung Kong	Non-executive Director	- Property and hotels - Infrastructure
	CKI	Executive Director	- Infrastructure
	Power Assets	Executive Director (1)	- Infrastructure - Energy
	HTAL	Director	- Telecommunications
	Husky Energy	Director	- Energy
	TOM	Non-executive Chairman	- Telecommunications (mobile internet and e-commerce)
	HPH Management	Non-executive Director	- Ports and related services
Lai Kai Ming, Dominic	HHR	Deputy Chairman	- Property
	HTAL	Director	- Telecommunications
Kam Hing Lam	Cheung Kong	Deputy Managing Director	- Property and hotels - Infrastructure
	CKI	Group Managing Director	- Infrastructure
	CKLS	President and Chief Executive Officer	- Retail (research and development, manufacturing, commercialisation, marketing and selling of health and agriculture-related products)
	Hui Xian Asset Management Limited	Chairman	- Property and hotels
	Power Assets	Executive Director (2)	- Infrastructure - Energy
Lee Yeh Kwong, Charles	Cheung Kong	Non-executive Director	- Property and hotels - Infrastructure
George Colin Magnus	Cheung Kong	Non-executive Director	- Property and hotels - Infrastructure
	CKI	Non-executive Director	- Infrastructure

Notes:

(1) Re-designated as a Non-executive Director on 29 January 2014.

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

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

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

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

Save for the consent granted by the Company in 2008 to the establishment of a joint venture between Hutchison Global Communications Limited (an indirect wholly owned subsidiary of HTHKH) and the Philippine Long Distance Telephone Company Group under the co-operation agreement dated 12 March 2008 (which expired on 11 March 2013) for operating a mobile virtual network operator/reseller business in Italy, the exclusive territory of the HTHKH Group comprised Hong Kong and Macau whereas the exclusive territory of the Group (which in substance including those of the HTIL Group following the privatisation of HTIL in 2010) comprised all the remaining countries of the world.

Information on Senior Management

Biographical Details of Senior Management

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

CHAN Kim Sing

aged 61, has been Group Treasurer of the Company since 1999. He has been with the Hutchison Whampoa Limited Group (the "Group") for over 20 years. Before joining the Company, Mr Chan has worked in the banking industry for 22 years in lending, securities trading and investment and fund management in Hong Kong and overseas. He holds a Master of Applied Finance degree. He is a member of both the Hong Kong Institute of Bankers and the Chartered Institute of Bankers in England.

CHEUNG Kwan Hoi

aged 49, has been Group Deputy Chief Financial Officer of the Company since 2011. He has been with the Group for over 16 years in various finance and accounting roles and has over 25 years of experience in accounting and finance. He holds a Bachelor of Science degree in Mathematics and a Master of Science degree in Management Science. He is a member of both the Institute of Chartered Accountants in England & Wales and the Hong Kong Institute of Certified Public Accountants.

CHOW Wai Kam

JP, aged 66, has been Group Managing Director of Hutchison Whampoa Properties Limited, the real estate arm of the Group, since 2000. He has been with the Group since 1995 and has over 30 years of experience in project management and architectural design for various developments, including hotel, residential, commercial, industrial and school projects in Hong Kong, China and overseas. He holds a Bachelor of Arts degree in Architectural Studies and a Bachelor of Architecture degree. He is a Registered Architect and List 1 Authorised Person.

IP Sing Chi

aged 60, has been Group Managing Director of Hutchison Port Holdings Limited, the Company's ports division, since 2014 and has been with the Group since 1993. He is an Executive Director of Hutchison Port Holdings Management Pte. Limited as trustee-manager of Hutchison Port Holdings Trust. He is also an external Director of Hyundai Merchant Marine Co., Ltd., a Non-independent Non-executive Director of Westports Holdings Berhad and an Independent Non-executive Director of COSCO Pacific Limited. In addition, he is a member of the Hong Kong Port Development Council and was the founding Chairman (in 2000-2001) of the Hong Kong Container Terminal Operators Association Limited. He has over 31 years of experience in the maritime industry. He holds a Bachelor of Arts degree.

KAM Hing Lam

aged 67, has been an Executive Director of the Company since 1993. He is also Deputy Managing Director of Cheung Kong (Holdings) Limited, a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance, and a member of its executive committee, the founding Group Managing Director of Cheung Kong Infrastructure Holdings Limited, the infrastructure arm of the Group, and the founding President and Chief Executive Officer of CK Life Sciences Int'l., (Holdings) Inc. He is also the Chairman and a Non-executive Director of Hui Xian Asset Management Limited as manager of Hui Xian Real Estate Investment Trust. Prior to joining the Group, Mr Kam had more than 20 years of experience in senior and regional capacities at major US multinational companies, including Johnson and Johnson, American Express and Levi Strauss. Mr Kam holds a Bachelor of Science degree in Engineering and a Master's degree in Business Administration. He is the brother-in-law of Mr Li Ka-shing, Chairman of the Company, and the uncle of Mr Li Tzar Kuoi, Victor, Deputy Chairman of the Company.

LAI Kai Ming, Dominic

aged 60, has been an Executive Director of the Company since 2000. He is Group Managing Director of the A.S. Watson Group, the retail arm of the Group, and has been with the Group for over 19 years. He is also Deputy Chairman of Hutchison Harbour Ring Limited ("HHR"), a Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH") and a Director of Hutchison Telecommunications (Australia) Limited ("HTAL") as well as Alternate Director to directors of each of HHR, HTHKH and HTAL. He has over 30 years of management experience in different industries. He holds a Bachelor of Science (Hons) degree and a Master's degree in Business Administration.

LUI Pok Man, Dennis

aged 62, has been Deputy Chairman and a Non-executive Director of HTHKH since 2009. He is also currently responsible for overseeing the telecommunications operations of the Company in Austria, Indonesia, Ireland, Sri Lanka and Vietnam. He has been with the telecommunications arm of the Company for over 27 years in various positions in a number of countries. He has over 28 years of experience in the telecommunications industry. He holds a Bachelor of Science degree.

Edith SHIH

aged 62, has been Head Group General Counsel of the Company since 1993 and its Company Secretary since 1997. She is also an Executive Director of HHR, a Non-executive Director of Hutchison China MediTech Limited and Alternate Director to a director of HHR, and Director and Company Secretary of various Group companies. She has been with the Company for over 23 years and has over 31 years of experience in the legal, regulatory, compliance and corporate secretarial fields. She holds a Bachelor of Science degree in Education, a Master of Arts degree in Education, a Master of Arts degree in Teaching of English and a Master of Education degree in Applied Linguistics. She is a qualified solicitor in England and Wales, Hong Kong and Victoria, Australia and a Fellow of both The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries.

Report of the Directors

The Directors have pleasure in submitting to shareholders their report and statement of audited accounts for the year ended 31 December 2013.

Principal Activities

The principal activity of the Company is investment holding and the activities of its principal subsidiary and associated companies and joint ventures are shown on pages 265 to 270.

Group Profit

The Consolidated Income Statement is set out on page 158 and shows the Group profit for the year ended 31 December 2013.

Dividends

An interim dividend of HK$0.6 per share was paid to shareholders on 11 September 2013 and the Directors recommend the declaration of a final dividend of HK$1.7 per share payable on 3 June 2014 to all persons registered as holders of shares on 22 May 2014, being the record date for determining the entitlement of shareholders to the proposed final dividend.

Reserves

Movements in the reserves of the Company and the Group during the year are set out in note 45 to the accounts on pages 263 to 264 and the Consolidated Statement of Changes in Equity on pages 162 to 164 respectively.

Charitable Donations

Donations to charitable organisations by the Group during the year amounted to approximately HK$71,000,000 (2012 – approximately HK$62,000,000).

Fixed Assets

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

Share Capital

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

Directors

As at 31 December 2013, the board of Directors of the Company (the "Board") comprised Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor, Mr Fok Kin Ning, Canning, Mrs Chow Woo Mo Fong, Susan, Mr Frank John Sixt, Mr Lai Kai Ming, Dominic, Mr Kam Hing Lam, The Hon Sir Michael David Kadoorie, Mr Holger Kluge, Ms Lee Wai Mun, Rose, Mr Lee Yeh Kwong, Charles, Mr George Colin Magnus, Mr William Elkin Mocatta (Alternate Director to The Hon Sir Michael David Kadoorie), Mr William Shurniak and Mr Wong Chung Hin.

On 18 January 2013, Mr Lee Yeh Kwong, Charles was appointed as a Non-executive Director.

The Board is pleased to welcome the appointment of Mr Lee Yeh Kwong, Charles.

Messrs Fok Kin Ning, Canning, Lai Kai Ming, Dominic, Kam Hing Lam, William Shurniak and Wong Chung Hin will retire by rotation under the provision of Article 85 of the Articles of Association of the Company at the forthcoming annual general meeting and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

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

The Directors' biographical details are set out on pages 107 to 110.

Interest in Contracts

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

Connected Transactions

During the year ended 31 December 2013 and up to the date of this report, the Group conducted the following transactions which constituted and/or would constitute connected transactions for the Company under the Listing Rules:

(1) On 16 June 2013, Cheung Kong Infrastructure Holdings Limited ("CKI", a non-wholly owned listed subsidiary of the Company), Cheung Kong (Holdings) Limited ("Cheung Kong"), Power Assets Holdings Limited ("Power Assets") and Li Ka Shing Foundation Limited ("LKSFL") entered into the JV Agreement in relation to the formation of a joint venture for the purpose of the Acquisition through the JV Companies.

Given that Cheung Kong is a connected person of the Company by virtue of it being a substantial shareholder of the Company and that LKSFL may be regarded as an associate of each of Mr Li Ka-shing, a director of the Company, and Mr Li Tzar Kuoi, Victor, a director of each of the Company and CKI, and so a connected person of the Company, the entering into of the JV Transaction by CKI constituted a connected transaction for the Company under the Listing Rules.

On the same date, VAN GANSEWINKEL GROEP B.V., an independent third party, as the vendor and the Guarantors as the guarantors to the Bidco entered into a signing protocol, pursuant to which, the Guarantors confirmed the Bidco's final, binding and irrevocable offer to purchase the Sale Shares in accordance with and subject to the terms of the Share Purchase Agreement.

Funding to the JV Transaction would be by way of a combination of equity and/or shareholders' loans from each of CKI, Cheung Kong, Power Assets and LKSFL, acting through one or more of their respective subsidiaries on a 35:35:20:10 basis pro rata to their respective equity interests in the Holdco. Based on the purchase price of EUR943,680,000 (approximately HK$9,774,165,600) (subject to adjustment as detailed in the Announcement), the estimated costs and expenses associated with the JV Transaction and the Acquisition and the working capital requirements of the JV Companies, the aggregate subscription price and/or shareholders' loans to be paid by each of CKI, Cheung Kong and Power Assets, through one or more of their respective subsidiaries, would be up to approximately EUR332,500,000 (approximately HK$3,443,868,750), EUR332,500,000 (approximately HK$3,443,868,750) and EUR190,000,000 (approximately HK$1,967,925,000) respectively. Completion of the obligations of the parties under the JV Agreement will be conditional on the entering into of the Share Purchase Agreement and the satisfaction of the conditions precedent contained therein. The JV Agreement shall terminate and cease to have any further effect upon termination of the Share Purchase Agreement in accordance with its terms.

On 6 August 2013, the Share Purchase Agreement was executed and a shareholders' agreement was entered into amongst CKI, Cheung Kong, Power Assets, LKSFL, the Holdco, the Bidco and the Holdco Shareholders to regulate, among other things, the funding and management of the Holdco, the Bidco and the Target Company and its subsidiaries. Completion of the Acquisition occurred on 28 August 2013.

"Announcement" means an announcement dated 16 June 2013 jointly issued by the Company, Cheung Kong, CKI and Power Assets.

"Acquisition" means the acquisition of the Sale Shares by the Bidco from the vendor pursuant to the Share Purchase Agreement.

"Bidco" means First NL Limited B.V., a private limited liability company incorporated under the laws of the Netherlands pursuant to the JV Agreement and a wholly owned subsidiary of the Holdco.

"Guarantors" means CKI, Cheung Kong, Power Assets and LKSFL.

"Holdco" means CK NL 1 Holding B.V., a private limited liability company incorporated under the laws of the Netherlands pursuant to the JV Agreement.

"Holdco Shareholders" means collectively Global Magnate Limited (a wholly owned subsidiary of Cheung Kong), Girasol Enterprises Limited (a wholly owned subsidiary of CKI), Kind Eagle Investment Limited (a wholly owned subsidiary of Power Assets) and Gerbera Investments Limited (a wholly owned subsidiary of LKSFL).

"JV Agreement" means the joint venture agreement entered into by the Guarantors on 16 June 2013.

"JV Companies" means Bidco and Holdco.

"JV Transaction" means the entering into of JV Agreement by the Guarantors in relation to the JV Companies.

"Sale Shares" means 46,308 ordinary shares with a nominal value of EUR1 each in the capital of the Target Company, constituting 100% of the issued share capital of the Target Company.

"Share Purchase Agreement" means the share purchase agreement entered into amongst the vendor, the Bidco and the Guarantors on 6 August 2013 in relation to the Acquisition.

"Target Company" means AVR-Afvalverwerking B.V., a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid), incorporated under the laws of the Netherlands, having its official seat in Rotterdam, the Netherlands.

(2) The Company announced on 29 August 2013 that Viewin Holdings Limited ("Viewin", an indirect wholly owned subsidiary of the Company) and Cheung Kong (China Property Development) Limited ("CKCPD", an indirect wholly owned subsidiary of Cheung Kong) as the sellers, GCREF Acquisitions 22 Limited (the "Purchaser", a third party independent of the Company and its connected persons) as the purchaser and Hutchison Properties Limited ("HPL", an indirect holding company of Viewin and an indirect wholly owned subsidiary of the Company) as guarantor of Viewin entered into the Share Purchase Deed pursuant to which, among others, (i) Viewin has agreed to sell, and the Purchaser has agreed to purchase, one share (the "Rhine Rise Share") in the capital of and representing the entire issued share capital of Rhine Rise Limited ("Rhine Rise", a wholly owned subsidiary of Viewin) for a cash consideration of US$179,491,766 (approximately HK$1,392,281,729) (subject to adjustments); (ii) Viewin has agreed to assign, and the Purchaser has agreed to accept the assignment of, all the loans owing by Rhine Rise to Viewin (the "Rhine Rise Loan") as at the date of the completion of the Rhine Rise Disposal (as defined below) which were interest free and repayable on demand at US$31,188,082 (approximately HK$241,919,713) (subject to foreign exchange adjustment); and (iii) CKCPD has agreed to sell, and the Purchaser has agreed to purchase, 10,056 shares in the capital of and representing the entire issued share capital of Barbina Enterprises Limited ("BEL", a wholly owned subsidiary of CKCPD) for a cash consideration of US$210,679,848 (approximately HK$1,634,201,442) representing the USD equivalent of RMB1,300,000,000 (subject to adjustments). Upon completion of the sale of the Rhine Rise Share and the assignment of the Rhine Rise Loan on 29 November 2013 (the "Rhine Rise Disposal"), Rhine Rise ceased to be a subsidiary of the Company.

Afford Limited ("Afford", owned as to 50% by each of Rhine Rise and BEL) is the foreign joint venture partner holding the entire registered capital of 和記黃埔地產(廣州荔灣)有限公司 (Hutchison Whampoa Properties (Guangzhou Liwan) Limited) which in turn owns the property of Metropolitan Plaza and all its motor vehicles parking lots located at basement levels one and two, the Senior Care Centre as well as the related land use right and is principally engaged in the sale, lease, operation and management of self-built commercial and residential buildings and their ancillary facilities on the plot.

The obligations and liabilities of Viewin and CKCPD as sellers under the Share Purchase Deed are several (but not joint and several) and shall be borne by them on a 50:50 basis.

CKCPD is an indirect wholly owned subsidiary of Cheung Kong and therefore an associate of Cheung Kong. Cheung Kong is a controller of the Company by virtue of being a controlling shareholder of the Company holding approximately 49.97% of the issued share capital in the Company.

Given that the Rhine Rise Disposal involves Viewin disposing of its shareholding interest in Rhine Rise and where CKCPD and BEL, both being substantial shareholders of Afford which is 50% owned by Rhine Rise, are associates of a controller of the Company, the Rhine Rise Disposal constituted a connected transaction for the Company under the Listing Rules.

(3) The Company announced on 18 October 2013 that HPL Property Investments Limited ("HPLPI", an indirect wholly owned subsidiary of the Company) and Even Spread Limited ("ESL", an indirect wholly owned subsidiary of Cheung Kong) as the sellers, HYZL Development Co. Limited ("Purchaser A"), HYZL Investment Co. Limited ("Purchaser B") and Diamond Gate Group Limited ("Purchaser C"), all being third parties independent of the Company and its connected persons, as the purchasers, HPL as guarantor of HPLPI and Cheung Kong Holdings (China) Limited ("CKHC", an indirect wholly owned subsidiary of Cheung Kong) as guarantor of ESL entered into a sale and purchase agreement (the "Sale and Purchase Agreement") pursuant to which, among others, (i) HPLPI has agreed to sell, and Purchaser B and Purchaser C have agreed to purchase, 94% and 6% respectively of all issued shares of Extreme Selection Investments Limited ("Extreme Selection") owned by HPLPI (representing 47% and 3% respectively of the issued share capital of Extreme Selection) for an aggregate cash consideration of US$577.5 million (approximately HK$4,478 million) (subject to adjustments) (the "HPLPI Disposal"); and (ii) ESL has agreed to sell, and Purchaser A and Purchaser C have agreed to purchase, 94% and 6% respectively of all issued shares of Extreme Selection owned by ESL (representing the remaining 47% and 3% of the issued share capital of Extreme Selection) for an aggregate cash consideration of US$577.5 million (approximately HK$4,478 million) (subject to adjustments).

Extreme Selection is the immediate holding company of 上海長大房地產有限公司 (Shanghai Cheung Tai Property Development Limited*, a wholly foreign owned enterprise) which in turn is the developer of a commercial property located at No. 333, Luijiazui Ring Road, Pudong New District, Shanghai, the People's Republic of China as well as the related land use rights.

The obligations and liabilities of HPLPI and ESL as sellers under the Sale and Purchase Agreement and the obligations and liabilities of HPL as the guarantor of HPLPI and those of CKHC as the guarantor of ESL are several (but not joint and several).

ESL is an indirect wholly owned subsidiary of Cheung Kong and therefore an associate of Cheung Kong. Cheung Kong is a controller of the Company by virtue of being a controlling shareholder of the Company holding approximately 49.97% of the issued share capital in the Company.

Given that the HPLPI Disposal involves HPLPI disposing of its shareholding interest in Extreme Selection where ESL, being a substantial shareholder of Extreme Selection, is an associate of a controller of the Company, the HPLPI Disposal constituted a connected transaction for the Company under the Listing Rules.

* Name translated for reference purpose only.

Continuing Connected Transactions

(1) On 7 October 2011, the Company provided the 2011 Guarantees on a several basis in respect of 80.35% of the respective obligations of TOM Group Limited ("TOM", a listed company which was owned as to approximately 25.56%, 24.47% and 12.23% by Cranwood Company Limited ("Cranwood") and its subsidiaries (together the "Cranwood Group"), subsidiaries of the Company and of Cheung Kong respectively) under each of the 2011 Term and Revolving Facilities and the Amended 2009 Term and Revolving Facilities agreed to be made available to TOM by four independent financial institutions respectively (the "2011 TOM Continuing Connected Transactions").

"Amended 2009 Term and Revolving Facilities" means the 2009 Term and Revolving Facilities, as amended and restated pursuant to the respective Supplemental Deeds, for HK$140 million (fully drawn term loan) and up to HK$60 million (revolving facility), and HK$300 million (fully drawn term loan) and up to HK$100 million (revolving facility) respectively, all with a final maturity date falling 36 months after 7 October 2011.

"Supplemental Deeds" means collectively, the two separate deeds both entered into by, inter alia, the Company and Cheung Kong as guarantors and TOM as borrower on 7 October 2011 pursuant to which the agreements for the 2009 Term and Revolving Facilities and the 2009 Guarantees are amended.

"2009 Guarantees" means the guarantees both provided on a several basis by the Company on 21 July 2009 in respect of 80.32% of TOM's respective obligations under the 2009 Term and Revolving Facilities.

"2009 Term and Revolving Facilities" means the two separate term and revolving facilities agreed to be made available to TOM by two independent financial institutions pursuant to two separate facility agreements entered into by TOM on 30 June 2009 and 21 July 2009 respectively for up to HK$400 million and HK$200 million respectively, all with a final maturity date falling 36 months after the respective agreement dates.

"2011 Guarantees" means collectively, the 2009 Guarantees (as amended and restated pursuant to the respective Supplemental Deeds) and 2011 New Guarantees.

"2011 New Guarantees" means the guarantees both provided on a several basis by the Company on 7 October 2011 in respect of 80.35% of TOM's respective obligations under the 2011 Term and Revolving Facilities.

"2011 Term and Revolving Facilities" means the two separate term and revolving facilities agreed to be made available to TOM by two independent financial institutions pursuant to two separate facility agreements entered into by TOM both on 7 October 2011 for up to HK$1,300 million and HK$300 million respectively, all with a final maturity date falling 36 months after 7 October 2011.

In consideration of the provision by the Company of the 2011 Guarantees, Cranwood had unconditionally and irrevocably agreed to indemnify the Company against 51.08% of the Company's obligations under the 2011 Guarantees (the "2011 Cranwood Indemnity") and the Cranwood Group had, among other things, charged an aggregate of 994,864,363 shares in TOM (representing its entire shareholding in, and comprising approximately 25.55% of the then total issued share capital of, TOM) in favour of the Company as security for the 2011 Cranwood Indemnity.

Cheung Kong is a connected person of the Company by virtue of being a substantial shareholder of the Company. Accordingly, the provision of the 2011 Guarantees for the benefit of TOM constituted connected transactions and continuing connected transactions for the Company under the Listing Rules.

(2) On 16 December 2013, the Company provided four guarantees on a several basis in respect of 80.35% of the respective obligations of TOM under each of the 2013 Term and Revolving Facilities agreed to be made available to TOM by four independent financial institutions respectively (the "2013 Guarantees" or "2013 TOM Continuing Connected Transactions").

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

In consideration of the provision by the Company of the 2013 Guarantees, Cranwood had unconditionally and irrevocably agreed to indemnify the Company against 51.09% of the Company's obligations under the 2013 Guarantees (the "2013 Cranwood Indemnity") and the Cranwood Group had, among other things, charged an aggregate of 995,078,363 shares in TOM (representing its entire shareholding in, and comprising approximately 25.56% of the then total issued share capital of, TOM) in favour of the Company as security for the 2013 Cranwood Indemnity.

Cheung Kong is a connected person of the Company by virtue of being a substantial shareholder of the Company. Accordingly, the provision of the 2013 Guarantees for the benefit of TOM constituted connected transactions and continuing connected transactions for the Company under the Listing Rules.

A summary of all related parties transactions entered into by the Group during the year ended 31 December 2013 is contained in note 38 to the consolidated accounts. The transactions in relation to the acquisition of traded debt securities issued by Husky Energy Inc., the establishment of joint ventures with Cheung Kong and the provision of financial assistance for the benefit of such joint ventures as described in note 38 all fall under the definition of "connected transactions" or "continuing connected transactions" (as the case may be) under the Listing Rules, and are either disclosed previously pursuant to the Listing Rules or exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Rules 14A.31(2) or 14A.65(3) of the Listing Rules.

The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the year ended 31 December 2013.

Annual Review of Continuing Connected Transactions

All the Independent Non-executive Directors of the Company have reviewed and confirmed that the 2011 TOM Continuing Connected Transactions and 2013 TOM Continuing Connected Transactions (together the "Continuing Connected Transactions") had been entered into on normal commercial terms and in accordance with the respective relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Based on the work performed, the auditor of the Company has confirmed in a letter to the Board to the effect that the Continuing Connected Transactions:

(i) have received approval of the Board;

(ii) have been entered into in accordance with the respective relevant agreements governing such transactions; and

(iii) have not exceeded 80.35% of the respective obligations of TOM under the loan facilities of an aggregate principal amount of up to HK$2,200 million and HK$2,900 million as disclosed in the announcements dated 7 October 2011 and 16 December 2013 respectively for the year ended 31 December 2013.

Directors' Service Contract

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

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

So far as is known to any Directors or chief executive of the Company, as at 31 December 2013, other than the interests of the Directors and chief executive of the Company as disclosed in the section titled "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" under "Information on Directors", the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO"), or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("SEHK"):

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

Long positions in the shares of the Company

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

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

Long positions in the shares of the Company

Name	Capacity	Number of shares held	Approximate % of shareholding
Honourable Holdings Limited	Interest of controlled corporations	322,942,375 (2)	7.57%
Winbo Power Limited	Beneficial owner	236,260,200 (2)	5.54%
Polycourt Limited	Beneficial owner	233,065,641 (2)	5.47%
Well Karin Limited	Beneficial owner	226,969,600 (2)	5.32%

Notes:

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

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

Save as disclosed above, as at 31 December 2013, no other person (other than the Directors or chief executive of the Company) had any interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and SEHK.

Share Option Schemes

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

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

On 20 May 2004, **3** UK adopted a share option scheme (the "**3** UK Plan") for the grant of options to acquire ordinary shares in the share capital of **3** UK ("**3** UK Shares"). The **3** UK Plan is valid and effective during the period commencing on 20 May 2004 and ending on 20 May 2014, being the tenth anniversary of the date on which the **3** UK Plan was adopted. As at the date of this report, the **3** UK Plan has a remaining term of approximately three months. A summary of the **3** UK Plan is as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Particulars of share options outstanding under the **3** UK Plan at the beginning and at the end of the financial year ended 31 December 2013 and share options granted, exercised, cancelled or lapsed under the **3** UK Plan during the year are as follows:

Category of participant	Effective date of grant or date of grant of share options [(1)]	Number of share options held as at 1 January 2013	Granted during 2013	Exercised during 2013	Lapsed/ cancelled during 2013	Number of share options held as at 31 December 2013	Exercise period of share options	Exercise price of share options £	Price of 3 UK Share on grant date of share options [(3)] £	Price of 3 UK Share on exercise date of share options £
Employees in aggregate	20.5.2004	230,000	-	-	(230,000)	-	From Listing [(2)] to 11.5.2013	1.35	1.00	N/A
	20.5.2004	280,000	-	-	-	280,000	From Listing to 14.5.2014	1.35	1.00	N/A
	27.1.2005	120,000	-	-	-	120,000	From Listing to 26.1.2015	1.35	1.00	N/A
	11.7.2005	160,000	-	-	-	160,000	From Listing to 10.7.2015	1.35	1.00	N/A
	7.9.2007	382,750	-	-	-	382,750	From Listing to 6.9.2017	1.35	1.00	N/A
Total:		1,172,750	-	-	(230,000)	942,750				

Notes:

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

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

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

As at the date of this report, **3** UK had 912,750 share options outstanding under the **3** UK Plan, which represented approximately 0.02 % of the **3** UK Shares in issue as at that date.

No share option was granted under the **3** UK Plan during the year ended 31 December 2013.

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

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

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

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

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

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

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

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

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

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

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

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

(b) the Chi-Med Board may refresh and recalculate the limit in paragraph (6)(a) above by reference to the issued share capital of Chi-Med then prevailing with the approval of the shareholders of its listed parent company (which is currently the Company) if required under the Listing Rules in a general meeting, provided that the total number of Chi-Med Shares issued and issuable pursuant to the exercise of share options under all share option schemes of Chi-Med may not exceed 10% of the issued ordinary share capital on the date of the approval of the refreshed limit. Share options previously granted under the Chi-Med Plan and any other employee share schemes of Chi-Med (including those outstanding, cancelled, lapsed or exercised) will not be counted for the purpose of calculating the limit as refreshed. As at the date of this report, the total number of Chi-Med Shares available for issue under the Chi-Med Plan (including the share options granted but yet to be exercised) is 1,721,279, which represented approximately 3.31% of the total number of Chi-Med Shares in issue as at that date;

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

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

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

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

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

Particulars of share options outstanding under the Chi-Med Plan at the beginning and at the end of the financial year ended 31 December 2013 and share options granted, exercised, cancelled or lapsed under the Chi-Med Plan during the year are as follows:

Name or category of participant	Effective date of grant or date of grant of share options	Number of share options held as at 1 January 2013	Granted during 2013	Exercised during 2013	Lapsed/ cancelled during 2013	Number of share options held as at 31 December 2013	Exercise period of share options	Exercise price of share options £	Price of Chi-Med Share on grant date of share options £	Price of Chi-Med Share on exercise date of share options £
Directors										
Christian Hogg	19.5.2006 (1)	768,182	-	-	-	768,182	19.5.2006 to 3.6.2015	1.09	2.505 (5)	N/A
Cheng Chig Fung, Johnny	25.8.2008 (3)	64,038	-	-	-	64,038	25.8.2008 to 24.8.2018	1.26	1.26 (6)	N/A
Sub-total:		832,220	-	-	-	832,220				
Other employees in aggregate	19.5.2006 (1)	76,818	-	-	-	76,818	19.5.2006 to 3.6.2015	1.09	2.505 (5)	N/A
	11.9.2006 (2)	26,808	-	-	-	26,808	11.9.2006 to 18.5.2016	1.715	1.715 (6)	N/A
	18.5.2007 (4)	43,857	-	(3,000)	-	40,857	18.5.2007 to 17.5.2017	1.535	1.535 (6)	4.40 (7)
	28.6.2010 (3)	102,628	-	-	-	102,628	28.6.2010 to 27.6.2020	3.195	3.15 (6)	N/A
	1.12.2010 (3)	227,600	-	-	(50,000)	177,600	1.12.2010 to 30.11.2020	4.967	4.85 (6)	N/A
	24.6.2011 (3)	150,000	-	-	-	150,000	24.6.2011 to 23.6.2021	4.405	4.4 (6)	N/A
	20.12.2013 (3)	N/A	896,386	-	-	896,386	20.12.2013 to 19.12.2023	6.1	6.1 (6)	N/A
Sub-total:		627,711	896,386	(3,000)	(50,000)	1,471,097				
Total:		1,459,931	896,386	(3,000)	(50,000)	2,303,317				

Notes:

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

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

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

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

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

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

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

As at the date of this report, Chi-Med had 2,303,317 share options outstanding under the Chi-Med Plan, which represented approximately 4.43% of the Chi-Med Shares in issue as at that date.

The fair value of share options granted during the year, determined using the Binomial Model is as follows:

Value of each share option	£3.154
Significant inputs into the valuation model:	
Exercise price	£6.10
Share price at effective grant date	£6.10
Expected volatility	36%
Risk-free interest rate	3.16%
Expected life of share options	6.25 years
Expected dividend yield	0%

The volatility of the underlying stock during the life of the share options is estimated with reference to the volatility of Chi-Med seven years prior to the issuance of share options. Changes in such subjective input assumptions could affect the fair value estimate.

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

On 20 May 2004, HHR conditionally adopted a share option scheme (the "HHR Plan") for the grant of options to acquire ordinary shares in the share capital of HHR (the "HHR Shares"). The HHR Plan is valid and effective during the period commencing on 17 September 2004 and ending on 16 September 2014, being the date falling 10 years from the date on which the HHR Plan became unconditional. The HHR Plan has a remaining term of approximately seven months as at the date of this report. A summary of the HHR Plan is as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) the total number of HHR Shares which may be allotted and issued upon the exercise of all share options (excluding, for this purpose, share options which have lapsed in accordance with the terms of the HHR Plan and any other share option scheme of the HHR Group) to be granted under the HHR Plan and any other share option scheme of the HHR Group must not in aggregate exceed 6% of the relevant class of securities of HHR (or its subsidiaries) in issue as at 20 May 2004, being the date of passing the relevant resolution adopting the HHR Plan (the "HHR General Scheme Limit"). Based on the number of HHR Shares in issue of HHR on 20 May 2004, the HHR General Scheme Limit of the HHR Plan is 402,300,015 HHR Shares. As at the date of this report, the total number of HHR Shares available for issue under the HHR Plan (including the share options granted but yet to be exercised) is 383,604,015, which represented approximately 4.3% of the total number of HHR Shares in issue as at that date;

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

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

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

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

Particulars of share options outstanding under the HHR Plan at the beginning and at the end of the financial year ended 31 December 2013 and share options granted, exercised, cancelled or lapsed under the HHR Plan during the year are as follows:

Category of participant	Date of grant of share options	Number of share options held as at 1 January 2013	Granted during 2013	Exercised during 2013	Lapsed/ cancelled during 2013	Number of share options held as at 31 December 2013	Exercise period of share options [(1)]	Exercise price of share options HK$	Price of HHR Share on grant date of share options [(2)] HK$	Price of HHR Share on exercise date of share options HK$
Employees in aggregate	3.6.2005	600,000	-	-	-	600,000	3.6.2006 to 2.6.2015	0.822	0.82	N/A
	25.5.2007	200,000	-	-	-	200,000	25.5.2008 to 24.5.2017	0.616	0.61	N/A
Total:		800,000	-	-	-	800,000				

Notes:

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

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

As at the date of this report, HHR had 800,000 share options outstanding under the HHR Plan, which represented approximately 0.009% of the HHR Shares in issue as at that date.

No share option was granted under the HHR Plan during the year ended 31 December 2013.

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

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

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

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

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

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

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

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

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

  A HTAL Share does not have any nominal value.

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

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

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

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

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

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

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

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

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

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

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

Particulars of share options outstanding under the HTAL Plan at the beginning and at the end of the financial year ended 31 December 2013 and share options granted, exercised, cancelled or lapsed under the HTAL Plan during the year are as follows:

Category of participant	Date of grant of share options	Number of share options held as at 1 January 2013	Granted during 2013	Exercised during 2013	Lapsed/ cancelled during 2013	Number of share options held as at 31 December 2013	Exercise period of share options	Exercise price of share options (2) A$	Price of HTAL Share on grant date of share options (3) A$	Price of HTAL Share on exercise date of share options A$
Employees in aggregate	4.6.2008 (1)	300,000	-	-	(300,000)	-	1.1.2010 to 3.6.2013	0.139	0.139	N/A
Total:		300,000	-	-	(300,000)	-				

Notes:

(1) The share options lapsed on 3 June 2013 in accordance with the terms of issue.

(2) The stated exercise price of share option was the higher of (i) the closing price of the HTAL Shares on the ASX on the day on which the share options were granted; and (ii) the average closing price of the HTAL Shares for the five trading days immediately preceding the day on which the share options were granted.

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

As at the date of this report, the total number of HTAL Shares available for issue under the HTAL Plan (including the share options granted but yet to be exercised) is 35,431,271 shares which represented approximately 0.26% of the HTAL Shares in issue as at that date and there are no share options outstanding under the HTAL Plan.

No share option was granted under the HTAL Plan during the year ended 31 December 2013.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Particulars of share options outstanding under the HTHKH Plan at the beginning and at the end of the financial year ended 31 December 2013 and share options granted, exercised, cancelled or lapsed under the HTHKH Plan during the year are as follows:

Category of participant	Date of grant of share options (1)	Number of share options held as at 1 January 2013	Granted during 2013	Exercised during 2013	Lapsed/ cancelled during 2013	Number of share options held as at 31 December 2013	Exercise period of share options	Exercise price of share options (2) HK$	Price of HTHKH Share on grant date of share options (3) HK$	Price of HTHKH Share on exercise date of share options HK$
Employees in aggregate	1.6.2009	200,000	-	-	-	200,000	1.6.2009 to 31.5.2019	1.00	0.96	N/A
Total:		200,000	-	-	-	200,000				

Notes:

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

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

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

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

No share option was granted under the HTHKH Plan during the year ended 31 December 2013.

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

Purchase, Sale or Redemption of Shares

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

Major Customers and Suppliers

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

Public Float

As at the date of this report, based on information available to the Company and within the knowledge of the Directors of the Company, the public float capitalisation amounted to approximately HK$209,362 million, representing approximately 47% of the issued share capital of the Company.

Auditor

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

By order of the Board

Edith Shih
Company Secretary

Hong Kong, 28 February 2014

Corporate Governance Report

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

The Company has complied throughout the year ended 31 December 2013 with all code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), other than those in respect of the nomination committee. The reasons for deviation are explained below in this report.

THE BOARD

Corporate Strategy

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

Role of the Board

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

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

Board Composition

As at 31 December 2013, the Board comprised 14 Directors, including the Chairman, Deputy Chairman, Group Managing Director, Deputy Group Managing Director, Group Finance Director, two Executive Directors, two Non-executive Directors and five Independent Non-executive Directors.

During the year, one additional director, Mr Lee Yeh Kwong, Charles was appointed as a Non-executive Director on 18 January 2013. Mr Lee, who was an Executive Director of the Company from 1979 to 1997 with in-depth knowledge in the business operations of the Group, is renowned locally and internationally for his expertise in the legal field and involvement in international capital markets.

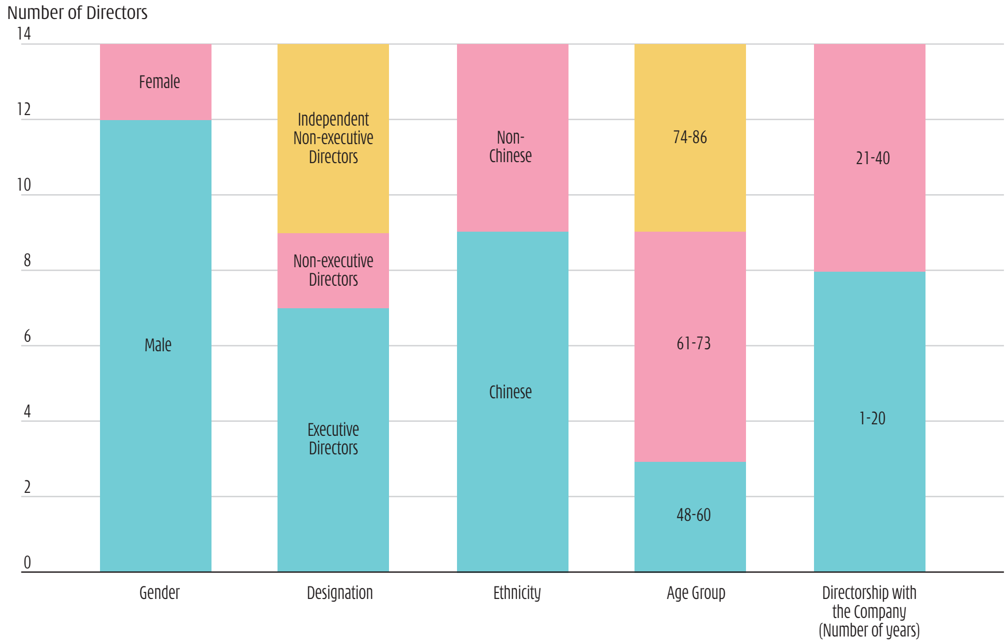
The Board is of the view that an additional Director with experience in the capital markets, financing and legal sectors would complement the existing Board. It believes that the appointment of Mr Lee would bring a perspective of significant benefit to the Group.

During 2013, the Board reviewed its practices on Board diversity, formalised and adopted a policy which recognises the benefits of a Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the businesses of the Company.

Board appointment has been, and will continue to be, made based on merit that complements and expands the skills, experience and expertise of the Board as a whole, taking into account gender, age, professional experience and qualifications, cultural and educational background, and any other factors that the Board might consider relevant and applicable from time to time towards achieving a diverse Board.

The Board diversity policy is available on the website of the Group (www.hutchison-whampoa.com). The Board will review and monitor from time to time the implementation of the policy to ensure its effectiveness and application.

The following is a chart showing the diversity profile of the Board:



Biographical details of the Directors are set out in the "Information on Directors" section on pages 107 to 110 and on the website of the Group. A list setting out the names of the Directors and their roles and functions is posted on the websites of the Group and Hong Kong Exchanges and Clearing Limited ("HKEx") (www.hkexnews.hk).

The Board has assessed the independence of all the Independent Non-executive Directors of the Company and considers all of them to be independent having regard to (i) their annual confirmation on independence as required under the Listing Rules, (ii) the absence of involvement in the daily management of the Company and (iii) the absence of any relationships or circumstances which would interfere with the exercise of their independent judgment. Throughout the year, the number of Independent Non-executive Directors on the Board meets the one-third requirement under the Listing Rules.

Chairman, Deputy Chairman and Executive Directors

The roles of the Chairman and the Deputy Chairman are separate from that of the Group Managing Director. Such division of responsibilities reinforces the independence and accountability of these Directors.

The Chairman, assisted by the Deputy Chairman, Mr Li Tzar Kuoi, Victor, is responsible for providing leadership to, and overseeing the functioning of, the Board to ensure that it acts in the best interests of the Group and that Board meetings are planned and conducted effectively. The Chairman is responsible for setting the agenda for each Board meeting, taking into account, where appropriate, matters proposed by Directors and the Company Secretary. With the support of the Executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and provided with adequate and accurate information in a timely manner. The Chairman promotes a culture of openness and actively encourages Directors to voice their opinion and be fully engaged in the Board's affairs so as to contribute to the Board's effective functioning. The Board, under the leadership of the Chairman, has adopted good corporate governance practices and procedures and taken appropriate steps to provide effective communication with shareholders and other stakeholders, as outlined later in the report.

The Group Managing Director, Mr Fok Kin Ning, Canning, assisted by the Deputy Group Managing Director, Mrs Chow Woo Mo Fong, Susan, is responsible for managing the businesses of the Group, attending to the formulation and successful implementation of Group policies and assuming full accountability to the Board for all Group operations. Acting as the principal manager of the Group's businesses, the Group Managing Director attends to developing strategic operating plans that reflect the long-term objectives and priorities established by the Board and is directly responsible for maintaining the operational performance of the Group. Working with the Deputy Group Managing Director and the Group Finance Director, Mr Frank John Sixt, other Executive Directors and the executive management team of each core business division, he presents annual budgets to the Board for consideration and approval, and ensures that the Board is fully apprised of the funding requirements of the businesses of the Group. With the assistance of the Group Finance Director, the Group Managing Director sees to it that the funding requirements of the businesses are met and closely monitors the operating and financial results of the businesses against plans and budgets, taking remedial action if necessary. He maintains an ongoing dialogue with the Chairman, the Deputy Chairman and all Directors to keep them fully informed of all major business development and issues. He is also responsible for building and maintaining an effective executive team to support him in his role.

Board Processes

The Board meets regularly, and at least four times a year with meeting dates scheduled prior to the beginning of the year. Between scheduled meetings, senior management of the Group provides to Directors, on a regular basis, monthly updates and other information with respect to the performance, and business activities and development of the Group. Throughout the year, Directors participate in the deliberation and approval of routine and operational matters of the Company by way of written resolutions with supporting explanatory materials, supplemented by additional verbal and/or written information from the Company Secretary or other executives as and when required. Details of material or notable transactions of subsidiaries and associated companies are provided to the Directors as appropriate. Whenever warranted, additional Board meetings are held. In addition, Directors have full access to information on the Group and independent professional advice at all times whenever deemed necessary by the Directors and they are at liberty to propose appropriate matters for inclusion in Board agendas.

With respect to regular meetings of the Board, Directors receive written notice of the meeting generally about a month in advance and an agenda with supporting Board papers no less than three days prior to the meeting. For other meetings, Directors are given as much notice as is reasonable and practicable in the circumstances. Except for those circumstances permitted by the Articles of Association of the Company and the Listing Rules, a Director who has a material interest in any contract, transaction, arrangement or any other kind of proposal put forward to the Board for consideration abstains from voting on the relevant resolution and such Director is not counted for quorum determination purposes.

The Company held four Board meetings in 2013 with an average of approximately 96% attendance. All Non-executive Directors (including Independent Non-executive Directors) attended the annual general meeting of the Company held on 21 May 2013.

Name of Director	Board Meeting Attended/Eligible to Attend	2013 Annual General Meeting Attended
Chairman		
Li Ka-shing [1]	4/4	√
Executive Directors		
Li Tzar Kuoi, Victor [1] *(Deputy Chairman)*	4/4	√
Fok Kin Ning, Canning *(Group Managing Director)*	4/4	√
Chow Woo Mo Fong, Susan *(Deputy Group Managing Director)*	4/4	√
Frank John Sixt *(Group Finance Director)*	4/4	√
Lai Kai Ming, Dominic	4/4	√
Kam Hing Lam [1]	3/4	-
Non-executive Directors		
Lee Yeh Kwong, Charles [2]	4/4	√
George Colin Magnus	4/4	√
Independent Non-executive Directors		
Michael David Kadoorie	3/4	√
Holger Kluge	4/4	√
Lee Wai Mun, Rose	4/4	√
William Shurniak	4/4	√
Wong Chung Hin	4/4	√

Notes:

(1) Mr Li Ka-shing is the father of Mr Li Tzar Kuoi, Victor and brother-in-law of Mr Kam Hing Lam.

(2) Appointed on 18 January 2013.

In addition to Board meetings, the Chairman holds regular meetings with Executive Directors and at least two meetings with Non-executive Directors (including Independent Non-executive Directors) annually without the presence of Executive Directors. The Non-executive Directors (including Independent Non-executive Directors) freely provide their independent opinion to the Board.

All Non-executive Directors are engaged on service contracts for 12-month periods. All Directors are subject to re-election by shareholders at annual general meetings and at least about once every three years on a rotation basis in accordance with the Articles of Association of the Company. A retiring Director is eligible for re-election and re-election of retiring Directors at general meetings is dealt with by separate individual resolutions. No Director has a service contract with the Company which is not terminable by the Company within one year and without payment of compensation (other than statutory compensation).

Shareholders may propose a candidate for election as Director in accordance with the Articles of Association of the Company. The procedures for such proposal are posted on the website of the Group.

Training and Commitment

Upon appointment to the Board, Directors receive a package of orientation materials on the Group and are provided with a comprehensive induction to the Group's businesses by senior executives.

The Company arranges and provides Continuous Professional Development ("CPD") training and relevant reading materials to Directors to help ensure that they are apprised of the latest changes in the commercial, legal and regulatory environment in which the Group conducts its businesses and to refresh their knowledge and skills on the roles, functions and duties of a listed company director. In addition, attendance at external forums or briefing sessions (including delivery of speeches) on the relevant topics also counts toward CPD training.

The Directors are required to provide the Company with details of the CPD training undertaken by them from time to time. Based on the details so provided, the CPD training undertaken by the Directors in 2013 is summarised as follows, representing an average of approximately 14.5 hours by each Director in 2013.

Name of Director	Areas: Legal, Regulatory and Corporate Governance	Areas: Group's Businesses	Areas: Directors' Roles, Functions and Duties
Chairman			
Li Ka-shing	√	√	√
Executive Directors			
Li Tzar Kuoi, Victor *(Deputy Chairman)*	√	√	√
Fok Kin Ning, Canning *(Group Managing Director)*	√	√	√
Chow Woo Mo Fong, Susan *(Deputy Group Managing Director)*	√	√	√
Frank John Sixt *(Group Finance Director)*	√	√	√
Lai Kai Ming, Dominic	√	√	√
Kam Hing Lam	√	√	√
Non-executive Directors			
Lee Yeh Kwong, Charles (1)	√	√	√
George Colin Magnus	√	√	√
Independent Non-executive Directors			
Michael David Kadoorie	√	√	√
Holger Kluge	√	√	√
Lee Wai Mun, Rose	√	√	√
William Shurniak	√	√	√
Wong Chung Hin	√	√	√
Alternate Director			
William Elkin Mocatta *(Alternate Director to Michael David Kadoorie)*	√	√	√

Note:

(1) Appointed on 18 January 2013.

Confirmation is received from the Directors that they have provided sufficient time and attention to the affairs of the Group. Besides, Directors disclose to the Company their interests as director and other office in other public companies and organisations in a timely manner and update the Company on any subsequent changes.

Securities Transactions

The Board has adopted its own Model Code for Securities Transactions by Directors (the "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. In response to specific enquiries made, all Directors have confirmed that they have complied with the Securities Code in their securities transactions throughout 2013.

Board Committees

The Board is supported by two permanent board committees: the Audit Committee and the Remuneration Committee, details of which are described later in this report. The terms of reference for these Committees, which have been adopted by the Board, are available on the websites of the Group and HKEx. Other board committees are established by the Board as and when warranted to take charge of specific tasks.

The Company has considered the merits of establishing a nomination committee but is of the view that it is in the best interests of the Company that the Board collectively reviews, deliberates on and approves the structure, size and composition of the Board as well as the appointment of any new Director, as and when appropriate. The Board is tasked with ensuring that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of the Group and that appropriate individuals with the relevant expertise and leadership qualities are appointed to the Board to complement the capabilities of the existing Directors. In addition, the Board as a whole is also responsible for reviewing the succession plan for Directors, including the Chairman of the Board and the Group Managing Director.

COMPANY SECRETARY

The Company Secretary, Ms Edith Shih, is accountable to the Board for ensuring that Board procedures are followed and Board activities are efficiently and effectively conducted. These objectives are achieved through adherence to proper Board processes and the timely preparation and dissemination to Directors comprehensive Board meeting agendas and papers. Minutes of all meetings of the Board and Board Committees are prepared and maintained by the Company Secretary to record in sufficient details the matters considered and decisions reached by the Board or Board Committees, including any concerns raised or dissenting views voiced by any Director. All draft and final minutes of Board meetings and meetings of Board Committees are sent to Directors or Board Committee members as appropriate for comments, approval and records. Board records are available for inspection by any Director upon request.

The Company Secretary is responsible for ensuring that the Board is fully apprised of all legislative, regulatory and corporate governance developments of relevance to the Group and that it takes these into consideration when making decisions for the Group. From time to time, she organises seminars on specific topics of importance and interest and disseminate reference materials to Directors for their information.

The Company Secretary is also directly responsible for the Group's compliance with all obligations of the Listing Rules and Codes on Takeovers and Mergers and Share Repurchases, including the preparation, publication and despatch of annual reports and interim reports within the time limits laid down in the Listing Rules, and the timely dissemination to shareholders and the market of information relating to the Group.

Furthermore, the Company Secretary advises the Directors on their obligations for disclosure of interests and dealings in the Group's securities, connected transactions and price-sensitive/inside information and ensures that the standards and disclosures requirements of the Listing Rules are complied with and, where required, reported in the annual report of the Company.

The appointment and removal of the Company Secretary is subject to Board approval. Whilst the Company Secretary reports to the Chairman and the Group Managing Director, all members of the Board have access to the advice and service of the Company Secretary. Ms Shih has been appointed as the Company Secretary of the Company since 1997 and has day-to-day knowledge of the Group's affairs. The Company Secretary confirmed that she has complied with all the required qualifications, experience and training requirements of the Listing Rules.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The annual and interim results of the Company are published in a timely manner, within three months and two months respectively of the year end and the half-year period end.

The responsibility of Directors in relation to the financial statements is set out below. It should be read in conjunction with, but distinguished from, the Independent Auditor's Report on page 157 which acknowledges the reporting responsibility of the Group's Auditor.

Annual Report and Accounts

The Directors acknowledge their responsibility for the preparation of the annual report and financial statements of the Company, ensuring that the financial statements give a true and fair presentation in accordance with Hong Kong Companies Ordinance and the applicable accounting standards.

Accounting Policies

The Directors consider that in preparing the financial statements, the Group has applied appropriate accounting policies that are consistently adopted and made judgments and estimates that are reasonable in accordance with the applicable accounting standards.

Accounting Records

The Directors are responsible for ensuring that the Group keeps accounting records which disclose the financial position of the Group upon which financial statements of the Group could be prepared in accordance with the Group's accounting policies.

Safeguarding Assets

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities within the Group.

Going Concern

The Directors, having made appropriate enquiries, are of the view that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate for the Group to adopt the going concern basis in preparing the financial statements.

Audit Committee

The Audit Committee comprises three Independent Non-executive Directors who possess the relevant business and financial management experience and skills to understand financial statements and contribute to the financial governance, internal controls and risk management of the Company. It is chaired by Mr Wong Chung Hin with Messrs Holger Kluge and William Shurniak as members.

The Audit Committee held four meetings in 2013 with 100% attendance.

Name of Member	Attended/Eligible to Attend
Wong Chung Hin *(Chairman)*	4/4
Holger Kluge	4/4
William Shurniak	4/4

In 2013, the Audit Committee performed the duties and responsibilities under its terms of reference and other duties of the CG Code.

Under its terms of reference, the Audit Committee is required to oversee the relationship between the Company and its external auditors, review the Group's preliminary interim and annual results, and interim and annual financial statements, monitor the corporate governance of the Group including compliance with statutory and Listing Rules requirements, review the scope, extent and effectiveness of the activities of the Group's internal audit function, engage independent legal and other advisers and conduct investigations as it determines to be necessary.

Procedures for Reporting Possible Improprieties in Matters of Financial Reporting, Internal Control or Other Matters have been adopted by the Audit Committee and are posted on the website of the Group.

The Audit Committee meets with the Group Finance Director and other senior management of the Group from time to time for the purposes of reviewing the interim and annual results, the interim report and annual report and other financial, internal control, corporate governance and risk management matters of the Group. It considers and discusses the reports and presentations of Management, the Group's internal and external auditors, with a view of ensuring that the Group's consolidated financial statements are prepared in accordance with accounting principles generally accepted in Hong Kong. It also meets at least four times a year with the Group's principal external auditor, PricewaterhouseCoopers ("PwC"), to consider the reports of PwC on the scope, strategy, progress and outcome of its independent review of the interim financial report and its annual audit of the consolidated financial statements. In addition, the Audit Committee holds regular private meetings with the external auditor, Group Finance Director and internal auditor separately without the presence of Management.

The Audit Committee assists the Board in meeting its responsibilities for maintaining an effective system of internal control. It reviews the process by which the Group evaluates its control environment and risk assessment process, and the way in which business and control risks are managed. It receives and considers the presentations of Management in relation to the reviews on the effectiveness of the Group's internal control systems and the adequacy of resources, qualifications and experience of staff in the Group's accounting and financial reporting function, as well as their training programmes and budget. In addition, the Audit Committee reviews with the Group's internal auditor the work plans for its audits together with its resource requirements and considers the reports of the Group Internal Audit General Manager to the Audit Committee on the effectiveness of internal controls in the Group business operations. Further, it also receives the reports from the Head Group General Counsel on the Group's material litigation proceedings and compliance status on regulatory requirements. These reviews and reports are taken into consideration by the Audit Committee when it makes its recommendation to the Board for approval of the consolidated financial statements for the year.

External Auditor

The Audit Committee reviews and monitors the external auditor's independence and objectivity and effectiveness of the audit process. It receives each year the letter from the external auditor confirming its independence and objectivity and holds meetings with representatives of the external auditor to consider the scope of its audit, approve its fees, and the scope and appropriateness of non-audit services, if any, to be provided by it. The Audit Committee also makes recommendations to the Board on the appointment and retention of the external auditor.

The Group's policy regarding the engagement of PwC for the various services listed below is as follows:

- Audit services – include audit services provided in connection with the audit of the consolidated financial statements. All such services are to be provided by external auditor.

- Audit related services – include services that would normally be provided by an external auditor but not generally included in audit fees, for example, audits of the Group's pension plans, accounting advice related to mergers and acquisitions, internal control reviews of systems and/or processes, and issuance of special audit reports for tax or other purposes. The external auditor is to be invited to undertake those services that it must, or is best placed to, undertake in its capacity as auditor.

- Taxation related services – include all tax compliance and tax planning services, except for those services which are provided in connection with the audit. The Group uses the services of the external auditor where it is best suited. All other significant taxation related work is undertaken by other parties as appropriate.

- Other services – include, for example, financial due diligence, review of actuarial reports and calculations, risk management diagnostics and assessments, and non-financial systems consultations. The external auditor is also permitted to assist Management and the Group's internal auditor with internal investigations and fact-finding into alleged improprieties. These services are subject to specific approval by the Audit Committee.

- General consulting services – the external auditor is not eligible to provide services involving general consulting work.

An analysis of the fees of PwC and other external auditor is shown in note 43 to the accounts. In the year ended 31 December 2013, the PwC fees, amounting to HK$193 million, were primarily for audit services and those for non-audit services amounted to HK$44 million, 18.6% of the total fees.

INTERNAL CONTROL, CORPORATE GOVERNANCE, LEGAL & REGULATORY CONTROL AND GROUP RISK MANAGEMENT

The Board has overall responsibility for the Group's system of internal control, corporate governance compliance and assessment and management of risks.

In meeting its responsibility, the Board seeks to increase risk awareness across the Group's business operations and has put in place policies and procedures, including parameters of delegated authority, which provide a framework for the identification and management of risks. It also reviews and monitors the effectiveness of the systems of internal control to ensure that the policies and procedures in place are adequate. Reporting and review activities include review by the Executive Directors and the Board and approval of detailed operational and financial reports, budgets and plans provided by management of the business operations, review by the Board of actual results against budget, review by the Audit Committee of the ongoing work of the Group's internal audit and risk management functions, as well as regular business reviews by Executive Directors and the executive management team of each core business division.

On behalf of the Board, the Audit Committee reviews regularly the corporate governance structure and practices within the Group and monitors compliance fulfillment on an ongoing basis.

Whilst these procedures are designed to identify and manage risks that could adversely impact the achievement of the Group's business objectives, they do not provide absolute assurance against material mis-statement, errors, losses, fraud or non-compliance.

Internal Control Environment and Systems

Executive Directors are appointed to the boards of all material operating subsidiaries and associates for monitoring those companies, including attendance at board meetings, review and approval of business strategies, budgets and plans, and setting of key business performance targets. The executive management team of each core business division is accountable for the conduct and performance of each business in the division within the agreed strategies and similarly management of each business is accountable for its conduct and performance.

The Group's internal control procedures include a comprehensive system for reporting information to the executive management teams of each core business and the Executive Directors.

Business plans and budgets are prepared annually by management of individual businesses and subject to review and approval by both the executive management teams and the Executive Directors as part of the Group's five-year corporate planning cycle. Reforecasts for the current year are prepared on a quarterly basis, reviewed for variances to the budget and for approval. When setting budgets and reforecasts, management identifies, evaluates and reports on the likelihood and potential financial impact of significant business risks.

The Executive Directors review monthly management reports on the financial results and key operating statistics of each business and hold monthly meetings with the executive management team and senior management of business operations to review these reports, business performance against budgets, forecasts, significant business risk sensitivities and strategies. In addition, finance directors and financial controllers of the executive management teams of each of the major businesses attend monthly meetings with the Group Finance Director and members of his finance team to review monthly performance against budget and forecast, and to address accounting and finance related matters.

The Group maintains a centralised cash management system for its unlisted subsidiary operations and the Group's Treasury function oversees the Group's investment and lending activities. Treasury reports on the Group's cash and liquid investments, borrowings and movements thereof are distributed weekly.

The Group Finance Director has established guidelines and procedures for the approval and control of expenditures. Operating expenditures are subject to overall budget control and are controlled within each business with approval levels set by reference to the level of responsibility of each executive and officer. Capital expenditures are subject to overall control within the annual budget review and approval process, and more specific control and approval prior to commitment by the Group Finance Director or Executive Directors are required for unbudgeted expenditures and material expenditures within the approved budget. Quarterly reports of actual versus budgeted and approved expenditures are also reviewed.

The General Manager of the Group's internal audit function, reporting to the Group Finance Director on a day-to-day basis and also directly to the Audit Committee, provides independent assurance as to the existence and effectiveness of the risk management activities and controls in the Group's business operations worldwide. Using risk assessment methodology and taking into account the dynamics of the Group's activities, internal audit derives its yearly audit plan which is reviewed by the Audit Committee, and reassessed during the year as needed to ensure that adequate resources are deployed and the plan's objectives are met. Internal audit is responsible for assessing the Group's internal control system, formulating an impartial opinion on the system, and reporting its findings to the Audit Committee, the Group Finance Director and the senior management concerned as well as following up on all reports to ensure that all issues have been satisfactorily resolved. In addition, a regular dialogue is maintained with the Group's external auditor so that both are aware of the significant factors which may affect their respective scope of work.

Depending on the nature of business and risk exposure of individual business units, the scope of work performed by the internal audit function includes financial and operations reviews, recurring and surprise audits, fraud investigations and productivity efficiency reviews.

Reports from the external auditor on internal controls and relevant financial reporting matters are presented to the General Manager of the Group's internal audit function and, as appropriate, to the Group Finance Director and the finance director or financial controller of the relevant executive management team. These reports are reviewed and appropriate actions are taken.

The Board, through the Audit Committee, has conducted a review of the effectiveness of the Group's internal control systems for the year ended 31 December 2013 covering all material financial, operational and compliance controls and risk management functions, and is satisfied that such systems are effective and adequate. In addition, it has also reviewed and is satisfied with the adequacy of resources, qualifications and experience of the staff of the Group's accounting and financial reporting function, and their training programmes and budget.

Corporate Governance

The Board is entrusted with the overall responsibility of developing and maintaining sound and effective corporate governance within the Group and is committed to ensuring that an effective governance structure is put in place to continuously review and improve the corporate governance practices within the Group in light of the evolving operating environment and regulatory requirements.

Under its terms of reference, the Audit Committee has been delegated the corporate governance function of the Board to monitor, procure and manage corporate governance compliance within the Group. To assist the Audit Committee in fulfilling its responsibilities, a governance working group chaired by the Deputy Group Managing Director, Mrs Chow, comprising representatives from key departments of the Company was set up to continuously examine the corporate governance structure of the Group, provide updates, identify emerging matters of compliance, structure appropriate compliance mechanisms and monitor compliance fulfillment on an ongoing basis.

The Audit Committee has reviewed the compliance status, and is satisfied that the Company has complied throughout the year with all code provisions of the CG Code, other than those in respect of the nomination committee.

Legal and Regulatory

The Group Legal Department has the responsibility of safeguarding the legal interests of the Group. The team, led by the Head Group General Counsel and Company Secretary, is responsible for monitoring the day-to-day legal affairs of the Group, including preparing, reviewing and approving all legal and corporate secretarial documentation of Group companies, working in conjunction with finance, tax, treasury, corporate secretarial and business unit personnel on the review and co-ordination process, and advising Management of legal and commercial issues of concern. In addition, the Group Legal Department is also responsible for overseeing regulatory compliance matters of all Group companies. It analyses and monitors the regulatory framework within which the Group operates, including reviewing applicable laws and regulations and preparing and submitting responses or filings to relevant regulatory and/or government authorities and consultations, as the case may be. The Department also determines and approves the engagement of external legal advisors, ensuring the requisite professional standards are adhered to as well as most cost effective services are rendered. Further, the Group Legal Department organises and holds continuing education seminars/conferences on legal and regulatory matters of relevance to the Group for Directors, business executives and the Group legal team.

Group Risk Management

The Group Managing Director and the General Manager of the Group's risk management department have the responsibility of developing and implementing risk mitigation strategies including the deployment of insurance to transfer the financial impact of risks. The General Manager of the Group's risk management department, working with business operations worldwide, is responsible for arranging appropriate insurance coverage and organising Group-wide risk reporting. Directors and Officers Liability Insurance is also in place to protect Directors and officers of the Group against their potential legal liabilities.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Remuneration Committee

The Remuneration Committee comprises three members with expertise in human resources and personnel emoluments. The Committee is chaired by Mr Wong, an Independent Non-executive Director, with the Chairman Mr Li and Mr Kluge, an Independent Non-executive Director, as members. The composition of the Remuneration Committee meets the requirements of chairmanship and independence of the Listing Rules. The Committee meets in May to consider remuneration related matters and towards the end of each year to determine the remuneration package of Directors and senior management of the Group. Remuneration matters are also considered and approved by way of written resolutions and additional meetings where warranted.

The Remuneration Committee held two meetings in 2013 with 100% attendance.

Name of Member	Attended/Eligible to Attend
Wong Chung Hin *(Chairman)*	2/2
Li Ka-shing	2/2
Holger Kluge	2/2

The responsibilities of the Remuneration Committee are to assist the Board in achieving its objective of attracting, retaining and motivating employees of the highest calibre and experience needed to shape and execute strategy across the Group's substantial, diverse and international business operations. It assists the Group in the administration of a fair and transparent procedure for setting remuneration policies for all Directors and senior executives of the Group. Whilst the Board retains its power to determine the remuneration of Non-executive Directors, the responsibility for reviewing and determining the remuneration package of individual Executive Directors and senior management of the Group is delegated to the Remuneration Committee.

During the year, the Remuneration Committee reviewed background information on market data (including economic indicators, statistics and the Remuneration Bulletin), the Group's business activities and human resources issues, and headcount and staff costs. It also reviewed and approved the proposed 2014 directors' fees for Executive Directors and made recommendation to the Board on the directors' fees for Non-executive Directors. Prior to the end of the year, the Committee reviewed and approved the year end bonus and 2014 remuneration package of Executive Directors, subsidiaries' managing directors and senior executives of the Group. Executive Directors do not participate in the determination of their own remuneration.

Remuneration Policy

The remuneration of Directors and senior executives is determined with reference to their expertise and experience in the industry, the performance and profitability of the Group as well as remuneration benchmarks from other local and international companies and prevailing market conditions. Directors and employees also participate in bonus arrangements which are determined in accordance with the performance of the Group and the individual's performance.

2013 Remuneration

Directors' emoluments comprise payments to Directors from the Company and its subsidiaries. The emoluments of each of the Directors exclude amounts received from the Company's listed subsidiaries and paid to the Company. The amounts paid to each Director in 2013 are as below:

Name of Director	Director's Fees HK$ millions	Basic Salaries, Allowances and Benefits-in-Kind HK$ millions	Discretionary Bonuses HK$ millions	Provident Fund Contributions HK$ millions	Inducement or Compensation Fees HK$ millions	Total Emoluments HK$ millions
Li Ka-shing (1)(6)	0.05	-	-	-	-	0.05
Li Tzar Kuoi, Victor						
Paid by the Company	0.12	4.59	47.95	-	-	52.66
Paid by Cheung Kong Infrastructure Holdings Limited ("CKI")	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 (2)	0.12	10.85	175.00	2.22	-	188.19
Chow Woo Mo Fong, Susan (2)	0.12	8.01	39.16	1.59	-	48.88
Frank John Sixt (2)	0.12	7.99	37.88	0.69	-	46.68
Lai Kai Ming, Dominic (2)	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 CKI	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 (4)(7)	0.11	-	-	-	-	0.11
George Colin Magnus (4)						
Paid by the Company	0.12	-	-	-	-	0.12
Paid by CKI	0.08	-	-	-	-	0.08
	0.20	-	-	-	-	0.20
Michael David Kadoorie (3)	0.12	-	-	-	-	0.12
Holger Kluge (3)(5)(6)	0.31	-	-	-	-	0.31
Lee Wai Mun, Rose (3)	0.12	-	-	-	-	0.12
William Shurniak (3)(5)	0.25	-	-	-	-	0.25
Wong Chung Hin (3)(5)(6)	0.31	-	-	-	-	0.31
Total:	2.19	39.18	378.57	5.51	-	425.45

Notes:

(1) No remuneration was paid to Mr Li Ka-shing during the year other than Director's fees of HK$50,000 which he paid to Cheung Kong (Holdings) Limited.

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

(3) Independent Non-executive Director. The total emoluments of the Independent Non-executive Directors of the Company are HK$1,110,000.

(4) Non-executive Director.

(5) Member of the Audit Committee.

(6) Member of the Remuneration Committee.

(7) Appointed on 18 January 2013.

The remuneration paid to the members of senior management by bands in 2013 is set out below:

Remuneration Bands*	Number of Individuals
HK$10 million to HK$14 million	2
HK$15 million to HK$19 million	2
HK$20 million to HK$24 million	2
HK$25 million to HK$29 million	1
HK$40 million to HK$44 million	1

* rounding to the nearest million.

CODE OF CONDUCT

The Group places utmost importance on employees' ethical, personal and professional standards. Every employee is required to undertake to adhere to the Group's Code of Conduct, and is expected to achieve the highest standards set out in the Code of Conduct including avoiding conflict of interest, discrimination or harassment and bribery and corruption etc. Employees are required to report any non-compliance with the Code of Conduct to Management.

RELATIONSHIP WITH SHAREHOLDERS AND OTHER STAKEHOLDERS

The Group actively promotes investor relations and communication with the investment community throughout the year. Through its Chairman, Group Managing Director, Group Finance Director and the Group Corporate Affairs Department, the Group responds to requests for information and queries from the investment community including shareholders, analysts and the media through regular briefing meetings, announcements, conference calls and presentations. A policy on shareholders' communication, which is available on the Group's website, was adopted and is subject to regular review by the Board to ensure its effectiveness and compliance with the prevailing regulatory and other requirements.

The Board is committed to providing clear and full information on the Group to shareholders through the publication of notices, announcements, circulars, interim and annual reports. An up-to-date consolidated version of the Memorandum and Articles of Association of the Company is published on the websites of the Group and HKEx. Moreover, additional information on the Group is also available to shareholders and stakeholders through the Investor Relations page on the Group's website.

Shareholders are encouraged to attend all general meetings of the Company. Shareholder(s) holding not less than one-twentieth (5%) of the issued share capital of the Company have statutory rights pursuant to Section 113 of the Companies Ordinance of Hong Kong (Chapter 32) to call for extraordinary general meetings and put forward agenda items for consideration by shareholders, by sending the Company Secretary at the registered office address a written request for such general meetings, duly signed by the shareholders concerned together with the proposed agenda items.

Shareholders representing not less than one-fortieth (2.5%) of the total voting rights of all shareholders having at the date of requisition a right to vote at the general meeting, or of at least 50 in number holding shares in the Company on which there has been paid up to an average sum of not less than HK$2,000 per shareholder, could put forward proposals for consideration at an annual general meeting of the Company by sending to the Company Secretary at the registered office address a written request for such proposals according to Section 115A of the Companies Ordinance of Hong Kong (Chapter 32).

Similar statutory rights are also provided in the new Companies Ordinance of Hong Kong (Chapter 622) which will come into operation on 3 March 2014 under Sections 566 and 615 regarding the calling of general meetings and putting forward proposals at annual general meetings respectively.

All substantive resolutions at general meetings are decided on a poll which is conducted by the Company Secretary and scrutinised by the Group's Share Registrar. The results of the poll are published on the websites of the Group and HKEx. In addition, regular updated financial, business and other information on the Group is made available on the Group's website for shareholders and stakeholders.

The latest shareholders' meeting of the Company was the 2013 Annual General Meeting (the "AGM") which was held on 21 May 2013 at Harbour Grand Kowloon and attended by PwC and the majority of the Directors, including the Chairmen of the Board, the Audit Committee and the Remuneration Committee with attendance rate of approximately 92%. Directors are requested and encouraged to attend shareholders' meetings albeit presence overseas for the Group businesses or unforeseen circumstances might prevent Directors from so doing.

Separate resolutions were proposed at that meeting on each substantive issue and the percentage of votes cast in favour of such resolutions as disclosed in the announcement of the Company dated 21 May 2013 are set out below:

Resolutions proposed at the AGM		**Percentage of Votes**
1	Adoption of the Statement of Audited Accounts and Reports of the Directors and Auditor for the year ended 31 December 2012	99.99%
2	Declaration of a final dividend	99.99%
3(a)	Re-election of Mr Li Tzar Kuoi, Victor as a Director	96.74%
3(b)	Re-election of Mr Frank John Sixt as a Director	80.41%
3(c)	Re-election of Mr Holger Kluge as a Director	99.78%
3(d)	Re-election of Mr George Colin Magnus as a Director	97.61%
3(e)	Election of Ms Lee Wai Mun, Rose as a Director	99.85%
3(f)	Election of Mr Lee Yeh Kwong, Charles as a Director	97.18%
4	Appointment of Auditor and authorisation of Directors to fix the Auditor's remuneration	99.94%
5	Granting of a general mandate to Directors to issue additional shares of the Company	73.99%
6	Purchase by the Company of its own shares	99.96%
7	Extension of the general mandate regarding issue of additional shares of the Company	74.40%

Accordingly, all resolutions put to shareholders at the AGM were passed. The results of the voting by poll were published on the websites of the Group and HKEx.

Other corporate information relating to the Company is set out in the "Information for Shareholders" section of this annual report. This includes, among others, dates for key corporate events for 2014 and public float capitalisation as at 31 December 2013.

The Group values feedback from shareholders on its efforts to promote transparency and foster investor relationship. Comments and suggestions to the Board or the Company are welcome and can be addressed to the Group Corporate Affairs Department or the Company Secretary by mail to 22nd Floor, Hutchison House, 10 Harcourt Road, Hong Kong or by email at info@hwl.com.hk.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE RESPONSIBILITY

The Group is committed to the long-term sustainability of its businesses and the communities in which it conducts business. It has adopted a proactive approach to environmental, social and governance ("ESG") responsibility and has established a committee, chaired by the Deputy Group Managing Director, Mrs Chow, comprising representatives from key departments of the Company to spearhead the ESG activities of the Group. The committee focuses on initiatives related to stakeholders, employees, the environment, operating practices and the community. Details of the initiatives of the committee are set out on pages 97 to 106.

By order of the Board

Edith Shih

Company Secretary

Hong Kong, 28 February 2014

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 158 to 270, which comprise the consolidated and Company statements of financial position as at 31 December 2013, 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 141 of 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 2013, 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, 28 February 2014

Consolidated Income Statement

for the year ended 31 December 2013

2013 US$ millions		Note	2013 HK$ millions	As restated Note 1 2012 HK$ millions
32,851	Revenue	4, 5	**256,234**	243,089
(13,141)	Cost of inventories sold		**(102,496)**	(98,113)
(4,250)	Staff costs		**(33,151)**	(31,416)
(3,099)	Telecommunications customer acquisition costs		**(24,170)**	(25,514)
(2,032)	Depreciation and amortisation	5	**(15,850)**	(14,149)
(6,572)	Other operating expenses		**(51,265)**	(50,364)
3	Change in fair value of investment properties		**26**	790
29	Profits on disposal of investments and others	6	**230**	(2,052)
	Share of profits less losses after tax of:			
1,337	Associated companies before profits on disposal of investments and others	19	**10,433**	10,558
1,615	Joint ventures	20	**12,597**	10,924
(64)	Associated companies' share of profits on disposal of investments and others	6	**(504)**	–
6,677		5	**52,084**	43,753
(1,076)	Interest expenses and other finance costs	8	**(8,391)**	(9,243)
5,601	**Profit before tax**		**43,693**	34,510
(542)	Current tax	9	**(4,231)**	(3,079)
(73)	Deferred tax	9	**(569)**	676
4,986	**Profit after tax**		**38,893**	32,107
	Allocated as:			
(997)	**Profit attributable to non-controlling interests and holders of perpetual capital securities**		**(7,781)**	(6,210)
3,989	**Profit attributable to ordinary shareholders of the Company**		**31,112**	25,897
US 93.6 cents	**Earnings per share for profit attributable to ordinary shareholders of the Company**	11	**HK$ 7.30**	HK$ 6.07

Details of distributions paid to the holders of perpetual capital securities and interim dividend paid and proposed final dividend payable to the ordinary shareholders of the Company are set out in note 10.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2013

2013 US$ millions		Note	2013 HK$ millions	As restated Note 1 2012 HK$ millions
4,986	**Profit after tax**		**38,893**	32,107
	Other comprehensive income (losses)			
	Items that will not be reclassified to profit or loss:			
89	Remeasurement of defined benefit obligations recognised directly in reserves		**694**	(577)
72	Share of other comprehensive income of associated companies		**563**	247
(15)	Share of other comprehensive income (losses) of joint ventures		**(115)**	(129)
11	Tax relating to items that will not be reclassified to profit or loss	12	**84**	68
157			**1,226**	(391)
	Items that have been reclassified or may be subsequently reclassified to profit or loss:			
	Available-for-sale investments			
49	Valuation gains recognised directly in reserves		**382**	1,761
1	Valuation losses (gains) previously in reserves recognised in income statement		**6**	(210)
44	Gains (losses) on cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts recognised directly in reserves		**346**	(57)
(227)	Gains (losses) on translating overseas subsidiaries' net assets recognised directly in reserves		**(1,774)**	1,833
(20)	Losses (gains) previously in exchange reserve related to subsidiaries and associated companies disposed during the year recognised in income statement		**(152)**	69
(487)	Share of other comprehensive income (losses) of associated companies		**(3,800)**	1,525
76	Share of other comprehensive income of joint ventures		**589**	1,624
(10)	Tax relating to items that have been reclassified or may be subsequently reclassified to profit or loss	12	**(76)**	(82)
(574)			**(4,479)**	6,463
(417)	Other comprehensive income (losses) after tax		**(3,253)**	6,072
4,569	**Total comprehensive income**		**35,640**	38,179
	Allocated as:			
(1,010)	**Attributable to non-controlling interests and holders of perpetual capital securities**		**(7,878)**	(6,593)
3,559	**Attributable to ordinary shareholders of the Company**		**27,762**	31,586

Consolidated Statement of Financial Position

at 31 December 2013

31 December 2013 US$ millions		Note	31 December 2013 HK$ millions	As restated Note 1 31 December 2012 HK$ millions	As restated Note 1 1 January 2012 HK$ millions
	ASSETS				
	Non-current assets				
22,734	Fixed assets	13	**177,324**	167,588	155,502
5,443	Investment properties	14	**42,454**	43,652	42,610
1,263	Leasehold land	15	**9,849**	9,495	10,004
11,100	Telecommunications licences	16	**86,576**	78,655	75,503
4,875	Goodwill	17	**38,028**	26,492	26,338
2,404	Brand names and other rights	18	**18,755**	15,328	12,615
14,366	Associated companies	19	**112,058**	113,305	105,505
14,266	Interests in joint ventures	20	**111,271**	108,950	99,758
2,378	Deferred tax assets	21	**18,548**	18,059	16,985
1,017	Other non-current assets	22	**7,934**	9,579	10,184
2,197	Liquid funds and other listed investments	23	**17,136**	23,499	20,239
82,043			**639,933**	614,602	575,243
	Current assets				
10,981	Cash and cash equivalents	24	**85,651**	107,948	66,539
8,857	Trade and other receivables	25	**69,083**	61,788	60,345
2,674	Inventories		**20,855**	19,533	18,408
22,512			**175,589**	189,269	145,292
	Current liabilities				
11,130	Trade and other payables	26	**86,812**	78,471	78,093
2,328	Bank and other debts	28	**18,159**	39,596	28,835
426	Current tax liabilities		**3,319**	2,856	2,431
13,884			**108,290**	120,923	109,359
8,628	**Net current assets**		**67,299**	68,346	35,933
90,671	**Total assets less current liabilities**		**707,232**	682,948	611,176
	Non-current liabilities				
26,563	Bank and other debts	28	**207,195**	220,440	189,719
698	Interest bearing loans from non-controlling shareholders	29	**5,445**	6,307	6,502
1,311	Deferred tax liabilities	21	**10,228**	8,968	8,888
397	Pension obligations	30	**3,095**	3,616	3,041
646	Other non-current liabilities	31	**5,037**	5,076	4,296
29,615			**231,000**	244,407	212,446
61,056	**Net assets**		**476,232**	438,541	398,730

31 December 2013 US$ millions		Note	31 December 2013 HK$ millions	As restated Note 1 31 December 2012 HK$ millions	As restated Note 1 1 January 2012 HK$ millions
	CAPITAL AND RESERVES				
137	Share capital	32	**1,066**	1,066	1,066
5,075	Perpetual capital securities	32	**39,587**	23,400	15,600
49,482	Reserves		**385,956**	367,053	342,905
54,694	**Total ordinary shareholders' funds and perpetual capital securities**		**426,609**	391,519	359,571
6,362	Non-controlling interests		**49,623**	47,022	39,159
61,056	**Total equity**		**476,232**	438,541	398,730

Fok Kin Ning, Canning
Director

Frank John Sixt
Director

Consolidated Statement of Changes in Equity

for the year ended 31 December 2013

	Attributable to								
	Ordinary shareholders								
	Share capital and premium [a]	Exchange reserve	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	HK$ millions
At 1 January 2013, as previously reported	29,425	12,064	6,027	320,409	367,925	23,634	391,559	47,033	438,592
Prior year adjustments in respect of changes in accounting policies (see note 1)	–	–	–	(40)	(40)	–	(40)	(11)	(51)
At 1 January 2013, as restated	29,425	12,064	6,027	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	–	(4,044)	352	472	(3,220)	–	(3,220)	(17)	(3,237)
Share of other comprehensive income (losses) of joint ventures	–	610	(43)	(84)	483	–	483	(9)	474
Tax relating to components of other comprehensive income (losses)	–	–	(59)	104	45	–	45	(37)	8
Other comprehensive income (losses)	–	(5,276)	883	1,043	(3,350)	–	(3,350)	97	(3,253)
Total comprehensive income (losses)	–	(5,276)	883	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	–	1	52	(1)	52	–	52	(52)	–
At 31 December 2013	29,425	6,789	6,971	343,180	386,365	40,244	426,609	49,623	476,232

	Attributable to								
	Ordinary shareholders								
	Share capital and premium [a]	Exchange reserve	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	HK$ millions
At 1 January 2012, as previously reported	29,425	6,968	3,632	303,823	343,848	15,764	359,612	39,171	398,783
Prior year adjustments in respect of changes in accounting policies (see note 1)	–	–	–	(41)	(41)	–	(41)	(12)	(53)
At 1 January 2012, as restated	29,425	6,968	3,632	303,782	343,807	15,764	359,571	39,159	398,730
Profit for the year, as restated	–	–	–	25,897	25,897	1,240	27,137	4,970	32,107
Other comprehensive income (losses), as restated									
Available-for-sale investments									
Valuation gains recognised directly in reserves	–	–	1,557	–	1,557	–	1,557	204	1,761
Valuation gains previously in reserves recognised in income statement	–	–	(168)	–	(168)	–	(168)	(42)	(210)
Remeasurement of defined benefit obligations recognised directly in reserves	–	–	–	(525)	(525)	–	(525)	(52)	(577)
Losses on cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts recognised directly in reserves	–	–	(48)	–	(48)	–	(48)	(9)	(57)
Gains on translating overseas subsidiaries' net assets recognised directly in reserves	–	1,862	–	–	1,862	–	1,862	(29)	1,833
Losses previously in exchange reserve related to subsidiaries disposed during the year recognised in income statement	–	69	–	–	69	–	69	–	69
Share of other comprehensive income (losses) of associated companies	–	1,860	(427)	198	1,631	–	1,631	141	1,772
Share of other comprehensive income (losses) of joint ventures	–	1,355	57	(102)	1,310	–	1,310	185	1,495
Tax relating to components of other comprehensive income (losses)	–	–	(66)	67	1	–	1	(15)	(14)
Other comprehensive income (losses), as restated	–	5,146	905	(362)	5,689	–	5,689	383	6,072
Total comprehensive income, as restated	–	5,146	905	25,535	31,586	1,240	32,826	5,353	38,179
Dividends paid relating to 2011	–	–	–	(6,523)	(6,523)	–	(6,523)	–	(6,523)
Dividends paid relating to 2012	–	–	–	(2,345)	(2,345)	–	(2,345)	–	(2,345)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(2,693)	(2,693)
Distributions paid on perpetual capital securities	–	–	–	–	–	(1,170)	(1,170)	–	(1,170)
Equity contribution from non-controlling interests	–	–	–	–	–	–	–	7,019	7,019
Transaction costs in relation to equity contribution from non-controlling interests	–	–	–	(39)	(39)	–	(39)	(10)	(49)
Share option schemes of subsidiaries	–	–	6	–	6	–	6	2	8
Share option lapsed	–	–	(2)	2	–	–	–	–	–
Unclaimed dividends write back	–	–	–	11	11	–	11	–	11
Issuance of perpetual capital securities [c]	–	–	–	–	–	7,800	7,800	–	7,800
Transaction costs in relation to issuance of perpetual capital securities	–	–	–	(54)	(54)	–	(54)	–	(54)
Relating to purchase of non-controlling interests	–	–	(174)	–	(174)	–	(174)	(198)	(372)
Relating to partial disposal of subsidiary companies	–	(50)	1,660	–	1,610	–	1,610	(1,610)	–
At 31 December 2012, as restated	29,425	12,064	6,027	320,369	367,885	23,634	391,519	47,022	438,541

(a) Share capital and premium comprise share capital of HK$1,066 million, share premium of HK$27,955 million and capital redemption reserve of HK$404 million in all reporting years.

(b) Other reserves comprise revaluation reserve, hedging reserve and other capital reserves. As at 31 December 2013, revaluation reserve surplus amounted to HK$3,883 million (1 January 2013 – HK$3,690 million and 1 January 2012 – HK$2,277 million), hedging reserve deficit amounted to HK$440 million (1 January 2013 – HK$1,125 million and 1 January 2012 – HK$623 million) and other capital reserves surplus amounted to HK$3,528 million (1 January 2013 – HK$3,462 million and 1 January 2012 – HK$1,978 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 2013, the Group had repurchased 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 and May 2012, wholly owned subsidiary companies of the Group issued perpetual capital securities with a nominal amount of €1,750 million (approximately HK$17,879 million) and US$1,000 million (approximately HK$7,800 million) for cash, which are classified as equity under Hong Kong Financial Reporting Standards.

Consolidated Statement of Cash Flows

for the year ended 31 December 2013

2013 US$ millions		Note	2013 HK$ millions	As restated Note 1 2012 HK$ millions
	Operating activities			
7,807	Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	33 (a)	60,898	46,942
(986)	Interest expenses and other finance costs paid		(7,695)	(8,509)
(489)	Tax paid		(3,813)	(2,334)
6,332	**Funds from operations**		49,390	36,099
(556)	Changes in working capital	33 (b)	(4,338)	(2,842)
5,776	**Net cash from operating activities**		45,052	33,257
	Investing activities			
(2,952)	Purchase of fixed assets and investment properties		(23,028)	(26,374)
(68)	Additions to leasehold land		(532)	(171)
(875)	Additions to telecommunications licences	16	(6,828)	(2,422)
(13)	Additions to brand names and other rights	18, 33 (e)	(105)	(140)
(2,263)	Purchase of subsidiary companies	33 (c)	(17,651)	–
(4)	Additions to other unlisted investments and long term receivables		(30)	(45)
1,141	Repayments from associated companies and joint ventures		8,897	574
(1,819)	Purchase of and advances to (including deposits from) associated companies and joint ventures		(14,184)	(4,484)
826	Proceeds on disposal of fixed assets, leasehold land and investment properties and other assets		6,442	764
403	Proceeds on disposal of subsidiary companies	33 (d)	3,149	691
243	Proceeds on partial disposal / disposal of associated companies		1,895	–
14	Proceeds on disposal of joint ventures		111	14
2	Proceeds on disposal of other unlisted investments		17	317
(5,365)	Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments		(41,847)	(31,276)
801	Disposal of liquid funds and other listed investments		6,245	99
(19)	Additions to liquid funds and other listed investments		(147)	(1,683)
(4,583)	**Cash flows used in investing activities**		(35,749)	(32,860)
1,193	**Net cash inflow before financing activities**		9,303	397

Consolidated Statement of Cash Flows
for the year ended 31 December 2013

2013 US$ millions		Note	2013 HK$ millions	As restated Note 1 2012 HK$ millions
	Financing activities			
3,631	New borrowings		**28,323**	86,617
(7,926)	Repayment of borrowings		**(61,822)**	(47,022)
(9)	Issue of shares by subsidiary companies to non-controlling shareholders and net loans from (to) non-controlling shareholders		**(69)**	6,702
(1)	Payments to acquire additional interests in subsidiary companies		**(9)**	(172)
2,272	Proceeds on issue of perpetual capital securities, net of transaction costs		**17,721**	7,746
(231)	Repurchase of perpetual capital securities	32 (b)	**(1,802)**	–
(450)	Dividends paid to non-controlling interests		**(3,510)**	(2,821)
(173)	Distributions paid on perpetual capital securities		**(1,351)**	(1,170)
(1,164)	Dividends paid to ordinary shareholders		**(9,081)**	(8,868)
(4,051)	**Cash flows from (used in) financing activities**		**(31,600)**	41,012
(2,858)	Increase (decrease) in cash and cash equivalents		**(22,297)**	41,409
13,839	Cash and cash equivalents at 1 January		**107,948**	66,539
10,981	**Cash and cash equivalents at 31 December**		**85,651**	107,948
	Analysis of cash, liquid funds and other listed investments			
10,981	Cash and cash equivalents, as above	24	**85,651**	107,948
2,197	Liquid funds and other listed investments	23	**17,136**	23,499
13,178	**Total cash, liquid funds and other listed investments**		**102,787**	131,447
28,695	Total principal amount of bank and other debts	28	**223,822**	256,152
698	Interest bearing loans from non-controlling shareholders	29	**5,445**	6,307
16,215	**Net debt**		**126,480**	131,012
(698)	Interest bearing loans from non-controlling shareholders		**(5,445)**	(6,307)
15,517	**Net debt (excluding interest bearing loans from non-controlling shareholders)**		**121,035**	124,705

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 2013.

Except as described below, the adoption of these new and revised standards, amendments and interpretations does not have a material impact on the Group's accounting policies.

(a) HKFRS 7 ***Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to HKFRS 7***

The amendments to HKFRS 7 require disclosure of the effect or potential effects of netting arrangements on an entity's financial position. The amendments require disclosure of recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement.

The amendments to HKFRS 7 require retrospective application. New disclosures are provided in note 44(k).

(b) HKFRS 10 ***Consolidated Financial Statements*** **and HKAS 27** ***Separate Financial Statements***

HKFRS 10 establishes a single control model that applies to all entities including special purpose entities. HKFRS 10 replaces the parts of previously existing HKAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC-12 Consolidation — Special Purpose Entities. HKFRS 10 changes the definition of control such that an investor controls an investee 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. To meet the definition of control in HKFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. HKFRS 10 had no impact on the consolidation of investments held by the Group.

(c) HKFRS 11 ***Joint Arrangements*** **and HKAS 28** ***Investment in Associates and Joint Ventures***

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers.

Under HKFRS 11 investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. Unlike HKAS 31, the use of "proportionate consolidation" to account for joint ventures is not permitted.

On adoption of HKFRS 11, the Group's listed subsidiary, Cheung Kong Infrastructure ("CKI") reviewed and re-assessed the classification of its equity-accounted for investments, which were previously classified by CKI as interests in jointly controlled entities and interests in associates. CKI concluded that investments previously classified as interests in jointly controlled entities and certain investments previously classified as interests in associates are required to be classified as interests in joint ventures in accordance with the requirements of HKFRS 11. Other than the change in classification these investments continue to be accounted for using the equity method of accounting. As a result, CKI restated its comparative information to reflect the retrospective application of this change in classification.

The effect of the adoption of HKFRS 11 to the Group's financial statements is a reclassification of certain comparative line items within the respective statement in the consolidated accounts, as explained in (h) below, and has no impact on the Group's results or total equity.

1 Basis of preparation (continued)

(d) HKFRS 12 *Disclosures of interests in other entities*

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. New disclosures are provided in note 19.

(e) HKFRS 13 *Fair Value Measurement*

HKFRS 13 establishes a single source of guidance under HKFRS for all fair value measurements. HKFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under HKFRS when fair value is required or permitted. The application of HKFRS 13 has not materially impacted the fair value measurements carried out by the Group.

HKFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including HKFRS 7 Financial Instruments: Disclosures. New disclosures are provided in notes 14, 44(i) and 44 (j).

(f) HKAS 1 *Presentation of Items of Other Comprehensive Income - Amendments to HKAS 1*

The amendments to HKAS 1 introduce a grouping of items presented in other comprehensive income. Items that could be reclassified to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified. The adoption of these amendments affected presentation only and had no impact on the Group's results or total equity.

(g) HKAS 19 *Employee Benefits (Revised 2011)* ("HKAS 19 (2011)")

HKAS 19 (2011) includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income and permanently excluded from profit or loss; expected returns on plan assets are no longer recognised in profit or loss and instead, interest on the net defined benefit liability (asset) is in profit or loss, calculated using the discount rate used to measure the defined benefit obligation and; unvested past service costs are now recognised in profit or loss in the period and not amortised over the vesting period. Other amendments include new disclosures, such as, quantitative sensitivity disclosures.

HKAS 19 (2011) requires retrospective application. The adoption of HKAS 19 (2011) had an impact on the net defined benefit plan obligations primarily due to the difference in accounting for interest on plan assets. The effect of the adoption of HKAS 19 (2011) is explained below.

1 Basis of preparation (continued)

(h) As a result of the changes in accounting policies mentioned above, certain adjustments have been made to the comparative information. The effect, where material, of these changes are summarised below:

(i) Estimated effect on the consolidated income statement for the year ended 31 December 2013

	Changes in accounting policies		
	HKAS 19 (2011) HK$ millions	HKFRS 11 HK$ millions	Total HK$ millions
Revenue	–	–	–
Cost of inventories sold	–	–	–
Staff costs	(334)	–	(334)
Telecommunications customer acquisition costs	–	–	–
Depreciation and amortisation	–	–	–
Other operating expenses	–	–	–
Change in fair value of investment properties	–	–	–
Profits on disposal of investments and others	–	–	–
Share of profits less losses after tax of:			
Associated companies before profits on disposal of investments and others	(25)	(6,481)	(6,506)
Joint ventures	(3)	6,481	6,478
Associated companies' share of profits on disposal of investments and others	–	–	–
	(362)	–	(362)
Interest expenses and other finance costs	–	–	–
Profit before tax	(362)	–	(362)
Current tax	20	–	20
Deferred tax	7	–	7
Profit after tax	(335)	–	(335)
Allocated as:			
Profit attributable to non-controlling interests and holders of perpetual capital securities	36	–	36
Profit attributable to ordinary shareholders of the Company	(299)	–	(299)
Earnings per share for profit attributable to ordinary shareholders of the Company	(HK$0.07)	–	(HK$0.07)

1 Basis of preparation (continued)

(ii) Estimated effect on the consolidated statement of comprehensive income for the year ended 31 December 2013

	Changes in accounting policies		
	HKAS 19 (2011) HK$ millions	HKFRS 11 HK$ millions	Total HK$ millions
Profit after tax	(335)	–	(335)
Other comprehensive income (losses)			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit obligations recognised directly in reserves	309	–	309
Share of other comprehensive income of associated companies	49	138	187
Share of other comprehensive income (losses) of joint ventures	3	(138)	(135)
Tax relating to items that will not be reclassified to profit or loss	(22)	–	(22)
	339	–	339
Items that have been reclassified or may be subsequently reclassified to profit or loss:			
Available-for-sale investments			
Valuation gains recognised directly in reserves	–	–	–
Valuation losses (gains) previously in reserves recognised in income statement	–	–	–
Gains (losses) on cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts recognised directly in reserves	–	–	–
Gains (losses) on translating overseas subsidiaries' net assets recognised directly in reserves	–	–	–
Losses (gains) previously in exchange reserve related to subsidiaries and associated companies disposed during the year recognised in income statement	–	–	–
Share of other comprehensive income (losses) of associated companies	–	(384)	(384)
Share of other comprehensive income of joint ventures	–	384	384
Tax relating to items that have been reclassified or may be subsequently reclassified to profit or loss	–	–	–
	–	–	–
Other comprehensive income (losses) after tax	339	–	339
Total comprehensive income	4	–	4
Allocated as:			
Attributable to non-controlling interests and holders of perpetual capital securities	2	–	2
Attributable to ordinary shareholders of the Company	6	–	6

1 Basis of preparation (continued)

(iii) Estimated effect on the consolidated statement of financial position as at 31 December 2013

	Changes in accounting policies		
	HKAS 19 (2011) HK$ millions	HKFRS 11 HK$ millions	Total HK$ millions
ASSETS			
Non-current assets			
Fixed assets	–	–	–
Investment properties	–	–	–
Leasehold land	–	–	–
Telecommunications licences	–	–	–
Goodwill	–	–	–
Brand names and other rights	–	–	–
Associated companies	24	(43,136)	(43,112)
Interests in joint ventures	(2)	43,136	43,134
Deferred tax assets	(8)	–	(8)
Other non-current assets	–	–	–
Liquid funds and other listed investments	–	–	–
	14	–	14
Current assets			
Cash and cash equivalents	–	–	–
Trade and other receivables	–	–	–
Inventories	–	–	–
	–	–	–
Current liabilities			
Trade and other payables	–	–	–
Bank and other debts	–	–	–
Current tax liabilities	–	–	–
	–	–	–
Net current assets	–	–	–
Total assets less current liabilities	14	–	14
Non-current liabilities			
Bank and other debts	–	–	–
Interest bearing loans from non-controlling shareholders	–	–	–
Deferred tax liabilities	(10)	–	(10)
Pension obligations	71	–	71
Other non-current liabilities	–	–	–
	61	–	61
Net assets	(47)	–	(47)
CAPITAL AND RESERVES			
Share capital	–	–	–
Perpetual capital securities	–	–	–
Reserves	(34)	–	(34)
Total ordinary shareholders' funds and perpetual capital securities	(34)	–	(34)
Non-controlling interests	(13)	–	(13)
Total equity	(47)	–	(47)

1 Basis of preparation (continued)

(iv) Effect on the consolidated income statement for the year ended 31 December 2012

	As previously reported HK$ millions	Changes in accounting policies HK$ millions		As restated HK$ millions
		HKAS 19 (2011) HK$ millions	HKFRS 11 HK$ millions	
Revenue	243,089	–	–	243,089
Cost of inventories sold	(98,113)	–	–	(98,113)
Staff costs	(31,171)	(245)	–	(31,416)
Telecommunications customer acquisition costs	(25,514)	–	–	(25,514)
Depreciation and amortisation	(14,149)	–	–	(14,149)
Other operating expenses	(50,364)	–	–	(50,364)
Change in fair value of investment properties	790	–	–	790
Profits on disposal of investments and others	(2,052)	–	–	(2,052)
Share of profits less losses after tax of:				
Associated companies	14,978	(20)	(4,400)	10,558
Joint ventures	6,530	(6)	4,400	10,924
	44,024	(271)	–	43,753
Interest expenses and other finance costs	(9,243)	–	–	(9,243)
Profit before tax	34,781	(271)	–	34,510
Current tax	(3,097)	18	–	(3,079)
Deferred tax	676	–	–	676
Profit after tax	32,360	(253)	–	32,107
Allocated as:				
Profit attributable to non-controlling interests and holders of perpetual capital securities	(6,232)	22	–	(6,210)
Profit attributable to ordinary shareholders of the Company	26,128	(231)	–	25,897
Earnings per share for profit attributable to ordinary shareholders of the Company	HK$ 6.13	(HK$ 0.06)	–	HK$ 6.07

1 Basis of preparation (continued)

(v) Effect on the consolidated statement of comprehensive income for the year ended 31 December 2012

	As previously reported HK$ millions	Changes in accounting policies HKAS 19 (2011) HK$ millions	HKFRS 11 HK$ millions	As restated HK$ millions
Profit after tax	32,360	(253)	–	32,107
Other comprehensive income (losses)				
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit obligations recognised directly in reserves	(825)	248	–	(577)
Share of other comprehensive income of associated companies	100	20	127	247
Share of other comprehensive income (losses) of joint ventures	(8)	6	(127)	(129)
Tax relating to items that will not be reclassified to profit or loss	87	(19)	–	68
	(646)	255	–	(391)
Items that have been reclassified or may be subsequently reclassified to profit or loss:				
Available-for-sale investments				
Valuation gains recognised directly in reserves	1,761	–	–	1,761
Valuation gains previously in reserves recognised in income statement	(210)	–	–	(210)
Losses on cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts recognised directly in reserves	(57)	–	–	(57)
Gains on translating overseas subsidiaries' net assets recognised directly in reserves	1,833	–	–	1,833
Losses previously in exchange reserve related to subsidiaries disposed during the year recognised in income statement	69	–	–	69
Share of other comprehensive income (losses) of associated companies	2,205	–	(680)	1,525
Share of other comprehensive income of joint ventures	944	–	680	1,624
Tax relating to items that have been reclassified or may be subsequently reclassified to profit or loss	(82)	–	–	(82)
	6,463	–	–	6,463
Other comprehensive income after tax	5,817	255	–	6,072
Total comprehensive income	38,177	2	–	38,179
Allocated as:				
Attributable to non-controlling interests and holders of perpetual capital securities	(6,592)	(1)	–	(6,593)
Attributable to ordinary shareholders of the Company	31,585	1	–	31,586

1 Basis of preparation (continued)

(vi) Effect on the consolidated statement of financial position as at 31 December 2012

	As previously reported	Changes in accounting policies: HKAS 19 (2011)	Changes in accounting policies: HKFRS 11	As restated
	HK$ millions	HK$ millions	HK$ millions	HK$ millions
ASSETS				
Non-current assets				
Fixed assets	167,588	–	–	167,588
Investment properties	43,652	–	–	43,652
Leasehold land	9,495	–	–	9,495
Telecommunications licences	78,655	–	–	78,655
Goodwill	26,492	–	–	26,492
Brand names and other rights	15,328	–	–	15,328
Associated companies	151,860	–	(38,555)	113,305
Interests in joint ventures	70,397	(2)	38,555	108,950
Deferred tax assets	18,067	(8)	–	18,059
Other non-current assets	9,579	–	–	9,579
Liquid funds and other listed investments	23,499	–	–	23,499
	614,612	(10)	–	614,602
Current assets				
Cash and cash equivalents	107,948	–	–	107,948
Trade and other receivables	61,788	–	–	61,788
Inventories	19,533	–	–	19,533
	189,269	–	–	189,269
Current liabilities				
Trade and other payables	78,471	–	–	78,471
Bank and other debts	39,596	–	–	39,596
Current tax liabilities	2,856	–	–	2,856
	120,923	–	–	120,923
Net current assets	68,346	–	–	68,346
Total assets less current liabilities	682,958	(10)	–	682,948
Non-current liabilities				
Bank and other debts	220,440	–	–	220,440
Interest bearing loans from non-controlling shareholders	6,307	–	–	6,307
Deferred tax liabilities	8,973	(5)	–	8,968
Pension obligations	3,570	46	–	3,616
Other non-current liabilities	5,076	–	–	5,076
	244,366	41	–	244,407
Net assets	438,592	(51)	–	438,541
CAPITAL AND RESERVES				
Share capital	1,066	–	–	1,066
Perpetual capital securities	23,400	–	–	23,400
Reserves	367,093	(40)	–	367,053
Total ordinary shareholders' funds and perpetual capital securities	391,559	(40)	–	391,519
Non-controlling interests	47,033	(11)	–	47,022
Total equity	438,592	(51)	–	438,541

1 Basis of preparation (continued)

(vii) Effect on the consolidated income statement for the year ended 31 December 2011

	As previously reported HK$ millions	Changes in accounting policies: HKAS 19 (2011) HK$ millions	Changes in accounting policies: HKFRS 11 HK$ millions	As restated HK$ millions
Revenue	233,700	–	–	233,700
Cost of inventories sold	(93,059)	–	–	(93,059)
Staff costs	(30,488)	(222)	–	(30,710)
Telecommunications customer acquisition costs	(22,497)	–	–	(22,497)
Depreciation and amortisation	(14,080)	–	–	(14,080)
Other operating expenses	(53,055)	–	–	(53,055)
Change in fair value of investment properties	–	–	–	–
Profits on disposal of investments and others	43,147	–	–	43,147
Share of profits less losses after tax of:				
Associated companies	13,819	(16)	(3,142)	10,661
Joint ventures	5,877	(5)	3,142	9,014
	83,364	(243)	–	83,121
Interest expenses and other finance costs	(8,415)	–	–	(8,415)
Profit before tax	74,949	(243)	–	74,706
Current tax	(3,237)	15	–	(3,222)
Deferred tax	2,150	4	–	2,154
Profit after tax	73,862	(224)	–	73,638
Allocated as:				
Profit attributable to non-controlling interests and holders of perpetual capital securities	(17,843)	29	–	(17,814)
Profit attributable to ordinary shareholders of the Company	56,019	(195)	–	55,824
Earnings per share for profit attributable to ordinary shareholders of the Company	HK$ 13.14	(HK$ 0.05)	–	HK$ 13.09

1 Basis of preparation (continued)

(viii) Effect on the consolidated statement of comprehensive income for the year ended 31 December 2011

	As previously reported HK$ millions	Changes in accounting policies HKAS 19 (2011) HK$ millions	Changes in accounting policies HKFRS 11 HK$ millions	As restated HK$ millions
Profit after tax	73,862	(224)	–	73,638
Other comprehensive income (losses)				
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit obligations recognised directly in reserves	(1,607)	212	–	(1,395)
Revaluation gains recognised directly in reserves upon transfer from other properties to investment properties	8	–	–	8
Share of other comprehensive income (losses) of associated companies	(1,862)	16	880	(966)
Share of other comprehensive income (losses) of joint ventures	(29)	5	(880)	(904)
Tax relating to items that will not be reclassified to profit or loss	170	(16)	–	154
	(3,320)	217	–	(3,103)
Items that have been reclassified or may be subsequently reclassified to profit or loss:				
Available-for-sale investments				
Valuation gains recognised directly in reserves	298	–	–	298
Valuation gains previously in reserves recognised in income statement	(280)	–	–	(280)
Cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts:				
Losses recognised directly in reserves	(240)	–	–	(240)
Losses previously in reserves recognised in initial cost of non-financial items	7	–	–	7
Gains on translating overseas subsidiaries' net assets recognised directly in reserves	1,620	–	–	1,620
Losses previously in exchange and other reserves related to subsidiaries disposed during the year recognised in income statement	937	–	–	937
Share of other comprehensive income (losses) of associated companies	(1,668)	–	270	(1,398)
Share of other comprehensive income (losses) of joint ventures	1,655	–	(270)	1,385
Tax relating to items that have been reclassified or may be subsequently reclassified to profit or loss	(64)	–	–	(64)
	2,265	–	–	2,265
Other comprehensive income (losses) after tax	(1,055)	217	–	(838)
Total comprehensive income (losses)	72,807	(7)	–	72,800
Allocated as:				
Attributable to non-controlling interests and holders of perpetual capital securities	(17,150)	8	–	(17,142)
Attributable to ordinary shareholders of the Company	55,657	1	–	55,658

1 Basis of preparation (continued)

(ix) Effect on the consolidated statement of financial position as at 1 January 2012

	As previously reported	Changes in accounting policies: HKAS 19 (2011)	Changes in accounting policies: HKFRS 11	As restated
	HK$ millions	HK$ millions	HK$ millions	HK$ millions
ASSETS				
Non-current assets				
Fixed assets	155,502	–	–	155,502
Investment properties	42,610	–	–	42,610
Leasehold land	10,004	–	–	10,004
Telecommunications licences	75,503	–	–	75,503
Goodwill	26,338	–	–	26,338
Brand names and other rights	12,615	–	–	12,615
Associated companies	137,703	–	(32,198)	105,505
Interests in joint ventures	67,562	(2)	32,198	99,758
Deferred tax assets	16,992	(7)	–	16,985
Other non-current assets	10,184	–	–	10,184
Liquid funds and other listed investments	20,239	–	–	20,239
	575,252	(9)	–	575,243
Current assets				
Cash and cash equivalents	66,539	–	–	66,539
Trade and other receivables	60,345	–	–	60,345
Inventories	18,408	–	–	18,408
	145,292	–	–	145,292
Current liabilities				
Trade and other payables	78,093	–	–	78,093
Bank and other debts	28,835	–	–	28,835
Current tax liabilities	2,431	–	–	2,431
	109,359	–	–	109,359
Net current assets	35,933	–	–	35,933
Total assets less current liabilities	611,185	(9)	–	611,176
Non-current liabilities				
Bank and other debts	189,719	–	–	189,719
Interest bearing loans from non-controlling shareholders	6,502	–	–	6,502
Deferred tax liabilities	8,893	(5)	–	8,888
Pension obligations	2,992	49	–	3,041
Other non-current liabilities	4,296	–	–	4,296
	212,402	44	–	212,446
Net assets	398,783	(53)	–	398,730
CAPITAL AND RESERVES				
Share capital	1,066	–	–	1,066
Perpetual capital securities	15,600	–	–	15,600
Reserves	342,946	(41)	–	342,905
Total ordinary shareholders' funds and perpetual capital securities	359,612	(41)	–	359,571
Non-controlling interests	39,171	(12)	–	39,159
Total equity	398,783	(53)	–	398,730

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 2013 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 customers. All telecommunications CACs are expensed and recognised in the income statement in the period in which they are incurred.

2 Significant accounting policies (continued)

(j) Goodwill

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

Goodwill is subject to impairment test annually and when there are indications that the carrying value may not be recoverable. If the cost of acquisition is less than the fair value of the Group's share of the net identifiable assets of the acquired company, the difference is recognised directly in the income statement.

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

(k) Brand names and other rights

The payments and non-cash consideration made for acquiring brand names and other rights are capitalised. Brand names and other rights with indefinite lives are not amortised. Brand names and other rights with finite lives are amortised on a straight-line basis from the date of their first commercial usage over their estimated useful lives ranging from approximately 3 to 40 years. Brand names and other rights are stated net of accumulated amortisation, if any.

(l) Deferred tax

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

(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.

2 Significant accounting policies (continued)

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

Available-for-sale investments

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

(n) Derivative financial instruments and hedging activities

Derivative financial instruments are utilised by the Group in the management of its foreign currency and interest rate exposures. The Group's policy is not to utilise derivative financial instruments for trading or speculative purposes. Derivative financial instruments are initially measured at fair value on the contract date, and are remeasured to fair value at subsequent reporting dates. Changes in fair value are recognised based on whether certain qualifying criteria under HKAS 39 are satisfied in order to apply hedge accounting, and if so, the nature of the items being hedged.

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

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.

2 Significant accounting policies (continued)

(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.

(v) Share capital

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

(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.

2 Significant accounting policies (continued)

(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 against 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.

2 Significant accounting policies (continued)

(ac) Revenue recognition (continued)

Retail

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

Infrastructure

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

Energy

Revenue from the sale of crude oil, natural gas, refined petroleum products and other energy products are recorded when title passes to an external party.

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

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 2014, but not yet effective and have not been early adopted by the Group:

HKFRS 9 (2013) (i)	Financial Instruments
HKFRS 9 and 7 (Amendments) (i)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures
HKFRS 10, 12 and HKAS 27 (Amendments) (ii)	Investments Entities
HKAS 19 (2011) (Amendments) (iii)	Defined Benefit Plans – Employee Contributions
HKAS 32 (Amendments) (ii)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments) (ii)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendments) (ii)	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Interpretation 21 (ii)	Levies
Annual Improvements 2010-2012 Cycle (iv)	Improvements to HKFRSs
Annual Improvements 2011-2013 Cycle (iii)	Improvements to HKFRSs

(i) The current version of HKFRS 9 does not include a mandatory effective date. An effective date will be added when all phases of HKFRS 9 are completed and finalised.
(ii) Effective for the Group for annual periods beginning on or after 1 January 2014.
(iii) Effective for the Group for annual periods beginning on or after 1 January 2015.
(iv) 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.

The adoption of standards, amendments and interpretations listed above, with the exception of HKFRS 9 in future periods is not expected to have any material impact on the Group's results of operations and financial position.

The HKICPA intends to expand HKFRS 9 to add new requirements for impairment of financial assets measured at amortised cost. Accordingly, the impact of HKFRS 9 may change as a consequence of further developments resulting from the HKICPA's project to replace HKAS 39. As a result, it is impracticable to quantify the impact of HKFRS 9 as at the date of publication of these accounts.

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.

3 Critical accounting estimates and judgements (continued)

(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 fourth consecutive year of EBIT positive results but are still building up scale and growing their businesses. Impairment tests were undertaken as at 31 December 2013 and 31 December 2012 to assess whether the carrying values of the Group's 3G 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 2013 and 31 December 2012 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 technology 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 3G 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, 5.1% and 6.1% 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.

3 Critical accounting estimates and judgements (continued)

(c) Depreciation and amortisation (continued)

(ii) Telecommunications licences

Telecommunications licences comprise the right to use spectrum and the right to provide a telecommunications service. Telecommunications licences that are considered to have an indefinite useful life to the Group are not amortised. Telecommunications licences with finite useful lives are amortised on a straight-line basis from the date of first commercial usage of the related spectrum over the remaining expected licence periods and are stated net of accumulated amortisation. Licences are reviewed for impairment annually.

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

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

(iii) Telecommunications customer acquisition costs

Telecommunications customer acquisition costs ("CACs") comprise the net costs to acquire and retain mobile telecommunications customers, which are primarily 3G 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.

3 Critical accounting estimates and judgements (continued)

(f) Tax

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

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the accounts. Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax losses and tax credits can be utilised, based on all available evidence. Recognition primarily involves judgement regarding the future financial performance of the particular legal entity or tax group. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred tax assets will ultimately be realised, such as the existence of taxable temporary differences, group relief, tax planning strategies and the periods in which estimated tax losses can be utilised. The carrying amount of deferred tax assets and related financial models and budgets are reviewed at the end of the reporting period and to the extent that there is insufficient convincing evidence that sufficient taxable profits will be available within the utilisation periods to allow utilisation of the deductible temporary differences and the carry forward of unutilised losses and tax credits, the asset balance will be reduced and charged to the income statement.

The 3G businesses commenced commercial operations from 2003 and some of these businesses are incurring losses as the businesses grow to operating scale. Deferred tax assets have been recognised for the deductible temporary differences and the carry forward of unutilised losses and tax credits relating to the Group's 3G operation in the UK where, amongst other things, tax losses can be carried forward indefinitely and there is availability of group relief for tax purposes that can be utilised to offset taxable profits generated by the Group's other operations in the UK. In addition, deferred tax assets have been recognised for the carry forward amount of unused tax losses relating to the Group's 3G operations in 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** Austria, **3** Sweden and **3** Denmark depends principally on these businesses achieving 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.

3 Critical accounting estimates and judgements (continued)

(g) Pension costs (continued)

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:

	2013 **HK$ millions**	2012 HK$ millions
Sales of goods	**156,188**	149,702
Rendering of services	**96,475**	89,544
Interest	**3,273**	3,593
Dividends	**298**	250
	256,234	243,089

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 a 65.01% interest in Hutchison Telecommunications Hong Kong Holdings, which is listed on the Stock Exchange of Hong Kong, Hutchison Asia Telecommunications, 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"), and **3** Group Europe with businesses in 6 countries in Europe.

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. In order to assist in providing a meaningful analysis of the ongoing operating activities, HTAL's share of VHA's results for the year ended 31 December 2013 and the second half of 2012 (including VHA's share of certain network closure costs and restructuring costs) are presented as separate items within the income statement line item titled profits on disposal of investments and others (see note 6(c)) to separately identify them from the Group's recurring earnings profile during this phase. The share of VHA's results for the first half of 2012 is presented in this segmental analysis as the "Reconciliation item" to reconcile segment results to consolidated results of the Company.

The Group is continuing to assess its strategic options for maximising the value and future growth potential of the Retail division. This strategic review process may include considering the possibility of public offerings (whilst retaining control) in all or some of the retail businesses in appropriate markets. Whilst no decision has been made at this time to pursue any particular option, the Marionnaud business will not be considered at this stage as a potential initial public offerings candidate. As a result, the Marionnaud business is excluded from the Retail segment and is now included as part of the "Others" operation under Finance & Investments and Others.

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 Whampoa (China), Hutchison E-Commerce and corporate head office operations, the Marionnaud business, listed subsidiary Hutchison China MediTech Limited, listed subsidiary Hutchison Harbour Ring 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.

Prior year corresponding segment information that is presented for comparative purposes has been restated to conform to changes adopted in the current year.

Revenue from external customers is after elimination of inter-segment revenue. The amount eliminated mainly attributable to Property and hotels is HK$384 million (2012 – HK$353 million), Hutchison Telecommunications Hong Kong Holdings is HK$134 million (2012 – HK$119 million) and Hutchison Asia Telecommunications is HK$10 million (2012 – HK$8 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	2013 Total HK$ millions	%	Company and Subsidiaries HK$ millions	Associates and JV HK$ millions	2012 Total HK$ millions	%
Ports and related services	26,562	7,557	34,119	8%	25,647	7,294	32,941	8%
Hutchison Ports Group other than HPH Trust	26,488	4,872	31,360	7%	25,627	4,581	30,208	7%
HPH Trust #	74	2,685	2,759	1%	20	2,713	2,733	1%
Property and hotels	6,807	17,457	24,264	6%	6,341	13,629	19,970	5%
Retail	119,637	29,510	149,147	36%	111,418	27,101	138,519	35%
Cheung Kong Infrastructure	5,087	37,373	42,460	10%	4,254	35,439	39,693	10%
Husky Energy *	–	59,481	59,481	14%	–	58,744	58,744	15%
3 Group Europe	61,968	8	61,976	15%	58,708	–	58,708	15%
Hutchison Telecommunications Hong Kong Holdings	12,777	–	12,777	3%	15,536	–	15,536	4%
Hutchison Asia Telecommunications	6,295	–	6,295	2%	4,452	–	4,452	1%
Finance & Investments and Others	17,101	5,313	22,414	6%	16,733	4,967	21,700	5%
Finance & Investments	1,432	889	2,321	1%	1,619	769	2,388	–
Others	15,669	4,424	20,093	5%	15,114	4,198	19,312	5%
	256,234	156,699	412,933	100%	243,089	147,174	390,263	98%
Reconciliation item @	–	–	–	–	–	7,648	7,648	2%
	256,234	156,699	412,933	100%	243,089	154,822	397,911	100%
Non-controlling interests' share of HPH Trust's revenue	–	897	897		–	886	886	
	256,234	157,596	413,830		243,089	155,708	398,797	

represents the Group's attributable share of HPH Trust's revenue based on the effective shareholdings in HPH Trust during 2013. Revenue reduced by HK$897 million and HK$886 million for 2013 and 2012 respectively, being adjustments to exclude non-controlling interests' share of revenue of HPH Trust.

* revenue reduced by HK$480 million for the year ended 31 December 2012 due to reclassification adjustments made by Husky Energy to its 2012 reported revenue and cost of sales following a change in presentation of trading activities and a change in the classification of certain trading transactions.

@ the reconciliation item represents revenue of HTAL and its share of VHA for the first half of 2012 of HK$7,648 million.

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	2013 Total HK$ millions	%	Company and Subsidiaries HK$ millions	Associates and JV HK$ millions	2012 Total HK$ millions	%
Ports and related services	7,822	3,625	11,447	12%	7,350	3,993	11,343	13%
Hutchison Ports Group other than HPH Trust	7,757	2,303	10,060	11%	7,342	2,551	9,893	11%
HPH Trust #	65	1,322	1,387	1%	8	1,442	1,450	2%
Property and hotels	7,340	6,655	13,995	15%	4,129	6,758	10,887	12%
Retail	11,684	2,474	14,158	15%	10,310	2,469	12,779	15%
Cheung Kong Infrastructure	1,657	21,184	22,841	24%	1,699	19,706	21,405	25%
Husky Energy	–	14,779	14,779	15%	–	14,889	14,889	17%
3 Group Europe	12,697	(26)	12,671	13%	9,227	(14)	9,213	11%
Hutchison Telecommunications Hong Kong Holdings	2,694	64	2,758	3%	3,020	30	3,050	3%
Hutchison Asia Telecommunications (o)	819	–	819	1%	423	–	423	–
Finance & Investments and Others	439	1,740	2,179	2%	1,084	1,395	2,479	3%
Finance & Investments	1,919	889	2,808	3%	2,235	769	3,004	4%
Others	(1,480)	851	(629)	-1%	(1,151)	626	(525)	-1%
	45,152	50,495	95,647	100%	37,242	49,226	86,468	99%
Reconciliation item @	–	–	–	–	(7)	875	868	1%
EBITDA before property revaluation and profits on disposal of investments and others	45,152	50,495	95,647	100%	37,235	50,101	87,336	100%
Profits on disposal of investments (see note 6)	1,889	–	1,889		–	–	–	
Non-controlling interests' share of HPH Trust's EBITDA	–	634	634		–	611	611	
EBITDA (see note 33(a))	47,041	51,129	98,170		37,235	50,712	87,947	
Depreciation and amortisation	(15,850)	(15,421)	(31,271)		(14,149)	(15,834)	(29,983)	
One-time gains (p)	–	–	–		447	–	447	
Change in fair value of investment properties	26	2	28		790	377	1,167	
Others (see note 6)	–	(2,163)	(2,163)		–	(2,052)	(2,052)	
Group's share of the following income statement items of associated companies and joint ventures:								
Interest expenses and other finance costs	–	(5,768)	(5,768)		–	(7,116)	(7,116)	
Current tax	–	(6,741)	(6,741)		–	(5,564)	(5,564)	
Deferred tax	–	192	192		–	(731)	(731)	
Non-controlling interests	–	(363)	(363)		–	(362)	(362)	
	31,217	20,867	52,084		24,323	19,430	43,753	

\# represents the Group's attributable share of HPH Trust's EBITDA based on the effective shareholdings in HPH Trust during 2013. EBITDA reduced by HK$634 million and HK$611 million for 2013 and 2012 respectively, being adjustments to exclude non-controlling interests' share of EBITDA of HPH Trust.

@ the reconciliation item represents EBITDA of HTAL and its share of VHA for the first half of 2012 of HK$868 million.

5 Operating segment information (continued)

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

	EBIT (LBIT) (n)							
	Company and Subsidiaries	Associates and JV	2013 Total		Company and Subsidiaries	Associates and JV	2012 Total	
	HK$ millions	HK$ millions	HK$ millions	%	HK$ millions	HK$ millions	HK$ millions	%
Ports and related services	4,981	2,377	7,358	12%	4,894	2,787	7,681	13%
Hutchison Ports Group other than HPH Trust	4,916	1,657	6,573	11%	4,886	1,920	6,806	12%
HPH Trust #	65	720	785	1%	8	867	875	1%
Property and hotels	7,122	6,537	13,659	21%	3,883	6,638	10,521	18%
Retail	9,864	1,907	11,771	18%	8,395	1,962	10,357	18%
Cheung Kong Infrastructure	1,424	16,104	17,528	27%	1,581	15,062	16,643	29%
Husky Energy	–	7,208	7,208	11%	–	7,427	7,427	13%
3 Group Europe (p)								
EBITDA before the following non-cash items (see note 33(e)):	12,697	(26)	12,671		9,227	(14)	9,213	
Depreciation	(6,941)	–	(6,941)		(6,248)	–	(6,248)	
Amortisation of licence fees and other rights	(874)	–	(874)		(267)	–	(267)	
One-time gains (p)	–	–	–		447	–	447	
EBIT (LBIT) - 3 Group Europe (p)	4,882	(26)	4,856	8%	3,159	(14)	3,145	5%
Hutchison Telecommunications Hong Kong Holdings	1,359	8	1,367	2%	1,738	6	1,744	3%
Hutchison Asia Telecommunications (o)	(409)	–	(409)	-1%	(846)	–	(846)	-1%
Finance & Investments and Others	79	1,180	1,259	2%	736	1,178	1,914	3%
Finance & Investments	1,919	889	2,808	4%	2,235	769	3,004	5%
Others	(1,840)	291	(1,549)	-2%	(1,499)	409	(1,090)	-2%
	29,302	35,295	64,597	100%	23,540	35,046	58,586	101%
Reconciliation item @	–	–	–	–	(7)	(560)	(567)	-1%
EBIT before property revaluation and profits on disposal of investments and others	29,302	35,295	64,597	100%	23,533	34,486	58,019	100%
Change in fair value of investment properties	26	2	28		790	377	1,167	
EBIT	29,328	35,297	64,625		24,323	34,863	59,186	
Profits on disposal of investments and others (see note 6)	1,889	(2,163)	(274)		–	(2,052)	(2,052)	
Non-controlling interests' share of HPH Trust's EBIT	–	413	413		–	392	392	
Group's share of the following income statement items of associated companies and joint ventures:								
Interest expenses and other finance costs	–	(5,768)	(5,768)		–	(7,116)	(7,116)	
Current tax	–	(6,741)	(6,741)		–	(5,564)	(5,564)	
Deferred tax	–	192	192		–	(731)	(731)	
Non-controlling interests	–	(363)	(363)		–	(362)	(362)	
	31,217	20,867	52,084		24,323	19,430	43,753	

\# represents the Group's attributable share of HPH Trust's EBIT based on the effective shareholdings in HPH Trust during 2013. EBIT reduced by HK$413 million and HK$392 million for 2013 and 2012 respectively, being adjustments to exclude non-controlling interests' share of EBIT of HPH Trust.

@ the reconciliation item represents LBIT of HTAL and its share of VHA for the first half of 2012 of HK$567 million.

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	2013 Total HK$ millions	Company and Subsidiaries HK$ millions	Associates and JV HK$ millions	2012 Total HK$ millions
Ports and related services	2,841	1,248	4,089	2,456	1,206	3,662
Hutchison Ports Group other than HPH Trust	2,841	646	3,487	2,456	631	3,087
HPH Trust #	–	602	602	–	575	575
Property and hotels	218	118	336	246	120	366
Retail	1,820	567	2,387	1,915	507	2,422
Cheung Kong Infrastructure	233	5,080	5,313	118	4,644	4,762
Husky Energy	–	7,571	7,571	–	7,462	7,462
3 Group Europe	7,815	–	7,815	6,515	–	6,515
Hutchison Telecommunications Hong Kong Holdings	1,335	56	1,391	1,282	24	1,306
Hutchison Asia Telecommunications	1,228	–	1,228	1,269	–	1,269
Finance & Investments and Others	360	560	920	348	217	565
Finance & Investments	–	–	–	–	–	–
Others	360	560	920	348	217	565
	15,850	15,200	31,050	14,149	14,180	28,329
Reconciliation item @	–	–	–	–	1,435	1,435
	15,850	15,200	31,050	14,149	15,615	29,764
Non-controlling interests' share of HPH Trust's depreciation and amortisation	–	221	221	–	219	219
	15,850	15,421	31,271	14,149	15,834	29,983

represents the Group's attributable share of HPH Trust's depreciation and amortisation based on the effective shareholdings in HPH Trust during 2013. Depreciation and amortisation reduced by HK$221 million and HK$219 million for 2013 and 2012 respectively, being adjustments to exclude non-controlling interests' share of depreciation and amortisation of HPH Trust.

@ the reconciliation item represents depreciation and amortisation of HTAL and its share of VHA for the first half of 2012 of HK$1,435 million.

5 Operating segment information (continued)

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

	Capital expenditure							
	Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	Brand names and other rights HK$ millions	2013 Total HK$ millions	Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	Brand names and other rights HK$ millions	2012 Total HK$ millions
Ports and related services	7,060	–	11	7,071	7,556	–	–	7,556
Hutchison Ports Group other than HPH Trust	7,060	–	11	7,071	7,556	–	–	7,556
HPH Trust	–	–	–	–	–	–	–	–
Property and hotels	535	–	–	535	271	–	–	271
Retail	2,264	–	–	2,264	2,717	–	–	2,717
Cheung Kong Infrastructure	406	–	11	417	680	–	–	680
Husky Energy	–	–	–	–	–	–	–	–
3 Group Europe [q]	10,116	6,824	60	17,000	11,323	2,253	23	13,599
Hutchison Telecommunications Hong Kong Holdings	1,239	4	23	1,266	1,600	152	20	1,772
Hutchison Asia Telecommunications	1,621	–	–	1,621	2,017	17	97	2,131
Finance & Investments and Others	319	–	–	319	381	–	–	381
Finance & Investments	–	–	–	–	–	–	–	–
Others	319	–	–	319	381	–	–	381
	23,560	6,828	105	30,493	26,545	2,422	140	29,107

5 Operating segment information (continued)

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

	Total assets							
	Company and Subsidiaries				Company and Subsidiaries			
	Segment assets (f)	Deferred tax assets	Investments in associated companies and interests in joint ventures	2013 Total assets	Segment assets (f)	Deferred tax assets	Investments in associated companies and interests in joint ventures	2012 Total assets
	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions
Ports and related services	71,164	169	27,548	98,881	66,021	165	27,936	94,122
Hutchison Ports Group other than HPH Trust	71,164	169	13,483	84,816	66,021	165	13,332	79,518
HPH Trust	–	–	14,065	14,065	–	–	14,604	14,604
Property and hotels	53,049	21	42,839	95,909	51,344	40	41,379	92,763
Retail	39,329	670	5,035	45,034	36,325	545	6,435	43,305
Cheung Kong Infrastructure	20,134	21	85,589	105,744	17,406	22	77,111	94,539
Husky Energy	–	–	51,833	51,833	–	–	54,023	54,023
3 Group Europe (5)	235,401	17,265	18	252,684	208,310	16,850	9	225,169
Hutchison Telecommunications Hong Kong Holdings	19,169	369	715	20,253	19,296	369	484	20,149
Hutchison Asia Telecommunications	20,785	1	–	20,786	21,387	1	–	21,388
Finance & Investments and Others	114,614	30	4,831	119,475	143,445	32	2,874	146,351
Finance & Investments	89,947	–	–	89,947	118,506	–	–	118,506
Others	24,667	30	4,831	29,528	24,939	32	2,874	27,845
	573,645	18,546	218,408	810,599	563,534	18,024	210,251	791,809
Reconciliation item @	–	2	4,921	4,923	23	35	12,004	12,062
	573,645	18,548	223,329	815,522	563,557	18,059	222,255	803,871

@ the reconciliation item comprises total assets of HTAL.

5 Operating segment information (continued)

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

	Total liabilities							
	Segment liabilities [t]	Current & non-current borrowings [u] and other non-current liabilities	Current & deferred tax liabilities	2013 Total liabilities	Segment liabilities [t]	Current & non-current borrowings [u] and other non-current liabilities	Current & deferred tax liabilities	2012 Total liabilities
	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions
Ports and related services	17,031	28,559	4,843	50,433	16,158	27,945	5,038	49,141
Hutchison Ports Group other than HPH Trust	17,031	28,559	4,843	50,433	16,158	27,945	5,038	49,141
HPH Trust	–	–	–	–	–	–	–	–
Property and hotels	4,156	409	2,730	7,295	2,384	450	2,364	5,198
Retail	24,670	87	1,066	25,823	22,441	174	1,105	23,720
Cheung Kong Infrastructure	5,200	13,443	1,532	20,175	3,453	11,599	1,010	16,062
Husky Energy	–	–	–	–	–	–	–	–
3 Group Europe	23,630	101,565	930	126,125	20,979	128,645	213	149,837
Hutchison Telecommunications Hong Kong Holdings	3,860	5,447	356	9,663	4,820	4,691	289	9,800
Hutchison Asia Telecommunications	3,151	1,550	3	4,704	2,953	2,142	2	5,097
Finance & Investments and Others	8,085	84,776	2,087	94,948	8,716	95,773	1,803	106,292
Finance & Investments	–	78,011	–	78,011	–	89,342	–	89,342
Others	8,085	6,765	2,087	16,937	8,716	6,431	1,803	16,950
	89,783	235,836	13,547	339,166	81,904	271,419	11,824	365,147
Reconciliation item @	124	–	–	124	183	–	–	183
	89,907	235,836	13,547	339,290	82,087	271,419	11,824	365,330

@ the reconciliation item comprises total liabilities of HTAL.

Additional information in respect of geographical locations

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

	Revenue							
	Company and Subsidiaries	Associates and JV	2013 Total		Company and Subsidiaries	Associates and JV	2012 Total	
	HK$ millions	HK$ millions	HK$ millions	%	HK$ millions	HK$ millions	HK$ millions	%
Hong Kong	53,536	8,676	62,212	15%	53,705	10,294	63,999	16%
Mainland China	27,152	21,667	48,819	12%	24,110	18,602	42,712	11%
Europe	120,969	49,740	170,709	41%	114,980	43,863	158,843	40%
Canada [v]	96	59,551	59,647	14%	111	58,707	58,818	15%
Asia, Australia and others	37,380	11,752	49,132	12%	33,450	18,389	51,839	13%
Finance & Investments and Others	17,101	5,313	22,414	6%	16,733	4,967	21,700	5%
	256,234	156,699	412,933 [1]	100%	243,089	154,822	397,911 [1]	100%

(1) see note 5(a) for reconciliation to total revenue included in the Group's income statement.

5 Operating segment information (continued)

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

	EBITDA [(m)]							
	Company and Subsidiaries	Associates and JV	2013 Total		Company and Subsidiaries	Associates and JV	2012 Total	
	HK$ millions	HK$ millions	HK$ millions	%	HK$ millions	HK$ millions	HK$ millions	%
Hong Kong	8,765	4,741	13,506	14%	6,892	5,232	12,124	14%
Mainland China	5,320	8,871	14,191	15%	4,074	8,460	12,534	14%
Europe	21,158	15,767	36,925	39%	16,771	13,809	30,580	35%
Canada [(v)]	83	14,550	14,633	15%	95	14,650	14,745	17%
Asia, Australia and others	9,387	4,826	14,213	15%	8,319	6,555	14,874	17%
Finance & Investments and Others	439	1,740	2,179	2%	1,084	1,395	2,479	3%
EBITDA before property revaluation and profits on disposal of investments and others	45,152	50,495	95,647 [(2)]	100%	37,235	50,101	87,336 [(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 location are shown below:

	EBIT [(n)]							
	Company and Subsidiaries	Associates and JV	2013 Total		Company and Subsidiaries	Associates and JV	2012 Total	
	HK$ millions	HK$ millions	HK$ millions	%	HK$ millions	HK$ millions	HK$ millions	%
Hong Kong	6,861	3,253	10,114	16%	5,059	3,796	8,855	15%
Mainland China	4,693	7,879	12,572	19%	3,524	7,499	11,023	19%
Europe	11,391	12,607	23,998	37%	8,806	11,132	19,938	34%
Canada [(v)]	83	6,987	7,070	11%	96	7,175	7,271	13%
Asia, Australia and others	6,195	3,389	9,584	15%	5,312	3,706	9,018	16%
Finance & Investments and Others	79	1,180	1,259	2%	736	1,178	1,914	3%
EBIT before property revaluation and profits on disposal of investments and others	29,302	35,295	64,597	100%	23,533	34,486	58,019	100%
Change in fair value of investment properties	26	2	28		790	377	1,167	
EBIT	29,328	35,297	64,625 [(3)]		24,323	34,863	59,186 [(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 location are shown below:

	Capital expenditure							
	Fixed assets, investment properties and leasehold land	Telecom-munications licences	Brand names and other rights	2013 Total	Fixed assets, investment properties and leasehold land	Telecom-munications licences	Brand names and other rights	2012 Total
	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions
Hong Kong	2,008	4	25	2,037	2,412	152	17	2,581
Mainland China	1,654	–	–	1,654	2,228	–	–	2,228
Europe	12,460	6,824	60	19,344	14,674	2,253	23	16,950
Canada	–	–	–	–	–	–	–	–
Asia, Australia and others	7,119	–	20	7,139	6,850	17	100	6,967
Finance & Investments and Others	319	–	–	319	381	–	–	381
	23,560	6,828	105	30,493	26,545	2,422	140	29,107

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

	Total assets							
	Company and Subsidiaries				Company and Subsidiaries			
	Segment assets [r]	Deferred tax assets	Investments in associated companies and interests in joint ventures	2013 Total assets	Segment assets [r]	Deferred tax assets	Investments in associated companies and interests in joint ventures	2012 Total assets
	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions
Hong Kong	77,353	417	28,724	106,494	75,669	434	28,241	104,344
Mainland China	14,264	495	65,724	80,483	11,815	346	64,041	76,202
Europe	294,553	17,424	56,252	368,229	264,291	16,969	48,158	329,418
Canada [v]	329	–	47,701	48,030	410	–	50,325	50,735
Asia, Australia and others	72,532	182	20,097	92,811	67,927	278	28,616	96,821
Finance & Investments and Others	114,614	30	4,831	119,475	143,445	32	2,874	146,351
	573,645	18,548	223,329	815,522	563,557	18,059	222,255	803,871

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

5 Operating segment information (continued)

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

(o) Included in EBITDA and EBIT of Hutchison Asia Telecommunications in 2013 are compensation contributions amounting to HK$717 million (2012 – HK$1,590 million).

(p) Included in comparable EBIT (LBIT) of **3** Group Europe in 2012 is a one-time net gain of HK$447 million from a network sharing arrangement, which includes a benefit of HK$2,032 million from future cost savings arising from a right to share another Irish operator's mobile network, partially offset by a HK$1,585 million one-time provision mainly related to the restructuring of **3** Ireland's network infrastructure.

(q) Included in capital expenditures of **3** Group Europe in 2013 is the effect of foreign exchange translation of overseas subsidiaries' fixed assets balances at 31 December 2013 which has an effect of increasing total expenditures by HK$150 million (2012 – HK$253 million).

(r) 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$96,779 million (2012 – HK$95,803 million), HK$76,967 million (2012 – HK$73,676 million), HK$305,349 million (2012 – HK$270,566 million), HK$47,742 million (2012 – HK$50,366 million) and HK$69,478 million (2012 – HK$73,054 million) respectively.

(s) Included in total assets of **3** Group Europe is an unrealised foreign currency exchange gain arising in 2013 of HK$3,129 million (2012 – HK$3,055 million) from the translation of overseas subsidiaries accounts to Hong Kong dollars with an offsetting amount recorded in exchange reserve.

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

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

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

6 Profits on disposal of investments and others

	Attributable to			
	Ordinary shareholders of the Company HK$ millions	Holders of perpetual capital securities HK$ millions	Non-controlling interests HK$ millions	Total HK$ millions
Year ended 31 December 2013				
Profits on disposal of investments				
3 Austria – one-time net gain [(a)]	569	–	–	569
Gain on disposal of partial interest in Westports in Malaysia at IPO [(b)]	1,056	–	264	1,320
	1,625	–	264	1,889
Others – HTAL – share of operating losses of joint venture VHA [(c)]	(1,458)	–	(201)	(1,659)
	167	–	63	230
Others – Share of Husky Energy's impairment charge on certain natural gas assets in Western Canada [(d)]	(504)	–	–	(504)
Year ended 31 December 2012				
Profits on disposal of investments	–	–	–	–
Others – HTAL – share of operating losses of joint venture VHA for the second half of 2012 [(c)]	(1,803)	–	(249)	(2,052)

(a) 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.

(b) 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.

(c) 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. In order to assist in providing a meaningful analysis of the ongoing operating activities, HTAL's share of VHA's results for the year ended 31 December 2013 and the second half of 2012 (including share of certain network closure costs and restructuring costs) are presented as separate items above to separately identify them from the recurring earnings profile during this phase.

(d) In 2013, the Group recognised a one-time impairment charge of HK$504 million in relation to the Group's share of impairment charge on certain natural gas assets of Husky Energy in Western Canada.

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 2013 and 2012 are as below (also see Corporate Governance Report):

	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

(a) No remuneration was paid to Mr Li Ka-shing during the year other than a director's fee of HK$50,000 (2012 – 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 (2012 – HK$1,100,000).

(d) Non-executive director.

(e) Member of the Audit Committee.

(f) Member of the Remuneration Committee.

(g) Resigned on 30 September 2012.

(h) Appointed on 1 November 2012.

(i) Appointed on 18 January 2013.

7 Directors' emoluments (continued)

	2012					
	Director's Fees	Basic salaries, allowances and benefits-in-kind	Discretionary bonuses	Provident fund contributions	Inducement or compensation fees	Total emoluments
Name of directors	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions
LI Ka-shing (a) (f)	0.05	–	–	–	–	0.05
LI Tzar Kuoi, Victor						
Paid by the Company	0.12	4.59	46.55	–	–	51.26
Paid by Cheung Kong Infrastructure	0.08	–	21.78	–	–	21.86
Paid to the Company	(0.08)	–	–	–	–	(0.08)
	0.12	4.59	68.33	–	–	73.04
FOK Kin Ning, Canning (b)	0.12	10.67	166.33	2.22	–	179.34
CHOW WOO Mo Fong, Susan (b)	0.12	7.85	38.02	1.59	–	47.58
Frank John SIXT (b)	0.12	7.88	36.78	0.69	–	45.47
LAI Kai Ming, Dominic (b)	0.12	5.26	36.30	1.01	–	42.69
KAM Hing Lam						
Paid by the Company	0.12	2.30	8.29	–	–	10.71
Paid by Cheung Kong Infrastructure	0.08	4.20	9.31	–	–	13.59
Paid to the Company	(0.08)	(4.20)	–	–	–	(4.28)
	0.12	2.30	17.60	–	–	20.02
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) (h)	0.02	–	–	–	–	0.02
Margaret LEUNG KO May Yee (c) (g)	0.09	–	–	–	–	0.09
William SHURNIAK (c) (e)	0.25	–	–	–	–	0.25
WONG Chung Hin (c) (e) (f)	0.31	–	–	–	–	0.31
Total	2.07	38.55	363.36	5.51	–	409.49

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 (2012 – nil).

In 2013 and 2012, the five individuals whose emoluments were the highest for the year were five directors of the Company.

8 Interest expenses and other finance costs

	2013 HK$ millions	2012 HK$ millions
Bank loans and overdrafts	**1,306**	1,424
Other loans repayable within 5 years	**73**	59
Other loans not wholly repayable within 5 years	**28**	21
Notes and bonds repayable within 5 years	**3,374**	4,181
Notes and bonds not wholly repayable within 5 years	**2,652**	2,441
	7,433	8,126
Interest bearing loans from non-controlling shareholders repayable within 5 years	**186**	233
Interest bearing loans from non-controlling shareholders not wholly repayable within 5 years	**5**	6
	7,624	8,365
Amortisation of loan facilities fees and premiums or discounts relating to borrowings	**274**	273
Notional non-cash interest accretion [(a)]	**422**	461
Other finance costs	**244**	249
	8,564	9,348
Less: interest capitalised [(b)]	**(173)**	(105)
	8,391	9,243

(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 0.1% to 6.6% per annum (2012 – 0.1% to 6.5% per annum).

9 Tax

	Current tax HK$ millions	Deferred tax HK$ millions	2013 Total HK$ millions	Current tax HK$ millions	Deferred tax HK$ millions	2012 Total HK$ millions
Hong Kong	**601**	**378**	**979**	326	281	607
Outside Hong Kong	**3,630**	**191**	**3,821**	2,753	(957)	1,796
	4,231	**569**	**4,800**	3,079	(676)	2,403

Hong Kong profits tax has been provided for at the rate of 16.5% (2012 – 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:

	2013 HK$ millions	2012 HK$ millions
Tax calculated at the domestic rates applicable in the country concerned	**5,537**	3,974
Tax effect of:		
Tax losses not recognised	**1,216**	2,074
Tax incentives	**(21)**	(27)
Income not subject to tax	**(1,034)**	(1,092)
Expenses not deductible for tax purposes	**1,066**	957
Recognition of previously unrecognised tax losses	**(1,747)**	(2,345)
Utilisation of previously unrecognised tax losses	**(56)**	(697)
Under provision in prior years	**669**	142
Deferred tax assets written off	**(7)**	1
Other temporary differences	**(745)**	(915)
Effect of change in tax rate	**(78)**	331
Total tax for the year	**4,800**	2,403

10 Distributions and dividends

	2013 HK$ millions	2012 HK$ millions
Distributions paid on perpetual capital securities	**1,351**	1,170
Dividends paid and payable on ordinary shares		
Interim, paid of HK$0.60 per share (2012 – HK$0.55)	**2,558**	2,345
Final, proposed of HK$1.70 per share (2012 – HK$1.53)	**7,248**	6,523
	9,806	8,868

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$31,112 million (2012 – HK$25,897 million) and on 4,263,370,780 shares in issue during 2013 (2012 – 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 2013. The employee share options of these subsidiary and associated companies outstanding as at 31 December 2013 did not have a dilutive effect on earnings per share.

12 Other comprehensive income (losses)

	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)

	2012		
	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	1,761	(82)	1,679
Valuation gains previously in reserves recognised in income statement	(210)	–	(210)
Remeasurement of defined benefit obligations recognised directly in reserves	(577)	68	(509)
Losses on cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts recognised directly in reserves	(57)	–	(57)
Gains on translating overseas subsidiaries' net assets recognised directly in reserves	1,833	–	1,833
Losses previously in exchange reserve related to subsidiaries disposed during the year recognised in income statement	69	–	69
Share of other comprehensive income of associated companies	1,772	–	1,772
Share of other comprehensive income of joint ventures	1,495	–	1,495
	6,086	(14)	6,072

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 2012	43,386	127,481	101,040	271,907
Additions	3,785	2,870	19,494	26,149
Disposals	(123)	(3,363)	(2,666)	(6,152)
Relating to subsidiaries disposed	(42)	(337)	(2)	(381)
Write-off for the year [(a)]	–	(1,456)	–	(1,456)
Transfer to other assets	(107)	(32)	(839)	(978)
Transfer between categories / investment properties / leasehold land	516	11,385	(11,936)	(35)
Exchange translation differences	555	1,329	1,224	3,108
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 31 December 2013	**51,983**	**146,164**	**117,516**	**315,663**
Accumulated depreciation and impairment				
At 1 January 2012	10,653	46,021	59,731	116,405
Charge for the year	1,064	6,133	5,592	12,789
Disposals	(99)	(2,594)	(2,315)	(5,008)
Relating to subsidiaries disposed	(10)	(271)	–	(281)
Write-off for the year [(a)]	–	(282)	–	(282)
Transfer from (to) other assets	9	(34)	(465)	(490)
Transfer between categories / investment properties / leasehold land	53	2	(144)	(89)
Exchange translation differences	133	856	541	1,530
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 31 December 2013	**13,289**	**57,932**	**67,118**	**138,339**
Net book value				
At 31 December 2013	**38,694**	**88,232**	**50,398**	**177,324**
At 31 December 2012	36,167	88,046	43,375	167,588
At 1 January 2012	32,733	81,460	41,309	155,502

13 Fixed assets (continued)

(a) Mainly due to the decommissioning and upgrade programme undertaken pursuant to **3** Ireland network sharing agreement (see note 5(p)).

(b) Mainly relates to restructuring of **3** Austria (see note 6(a)).

Land and buildings include projects under development in the amount of HK$4,102 million (2012 – HK$5,219 million).

Cost and net book value of fixed assets include HK$153,058 million (2012 – HK$138,853 million) and HK$87,820 million (2012 – HK$82,807 million) respectively, relating to **3** Group Europe. Impairment tests were undertaken at 31 December 2013 and 31 December 2012 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 2013 and 31 December 2012 indicated that no other impairment charge was necessary.

14 Investment properties

	2013 HK$ millions	2012 HK$ millions
Valuation		
At 1 January	**43,652**	42,610
Additions	**423**	225
Disposals	**(98)**	(12)
Relating to subsidiaries disposed	**(573)**	–
Change in fair value of investment properties	**26**	790
Transfer to fixed assets and leasehold land	**(1,040)**	(2)
Exchange translation differences	**64**	41
At 31 December	**42,454**	43,652

The Group's investment properties comprise:

	2013 HK$ millions	2012 HK$ millions
Hong Kong		
Long leasehold (not less than 50 years)	**17,303**	17,481
Medium leasehold (less than 50 years but not less than 10 years)	**23,347**	25,010
Outside Hong Kong		
Freehold	**708**	109
Medium leasehold	**1,096**	1,052
	42,454	43,652

14 Investment properties (continued)

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

	2013 HK$ millions	2012 HK$ millions
Within 1 year	2,975	2,817
After 1 year, but within 5 years	5,874	4,874
After 5 years	126	20

(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 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 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.

The movements of the balance of investment properties measured at fair value based on Level 3 are as follows:

	2013 HK$ million
At 1 January 2013	43,414
Additions	423
Disposals	(98)
Relating to subsidiaries disposed	(573)
Change in fair value of investment properties	(4)
Transfer to fixed assets and leasehold land	(1,040)
Exchange translation differences	64
At 31 December 2013	42,186

14 Investment properties (continued)

(a) Fair value measurements (continued)

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	2013 Fair value HK$ million	Valuation techniques	Range of significant unobservable inputs	
			Rental rate	Capitalisation rate
Office properties in Hong Kong	27,979	Income capitalisation method	HK$17.9 per square foot ("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 per square meter ("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

	2013 HK$ millions	2012 HK$ millions
Net book value		
At 1 January	**9,495**	10,004
Additions	**532**	171
Amortisation for the year	**(454)**	(463)
Transfer from (to) other assets	**217**	(209)
Transfer to fixed assets and investment properties	**(56)**	(52)
Exchange translation differences	**115**	44
At 31 December	**9,849**	9,495

The Group's leasehold land comprises:

	2013 HK$ millions	2012 HK$ millions
Outside Hong Kong		
Long leasehold	**1,040**	1,035
Medium leasehold	**8,809**	8,460
	9,849	9,495

16 Telecommunications licences

	2013 HK$ millions	2012 HK$ millions
Net book value		
At 1 January	**78,655**	75,503
Additions	**6,828**	2,422
Relating to subsidiaries acquired	**440**	–
Amortisation for the year	**(774)**	(664)
Exchange translation differences	**1,427**	1,394
At 31 December	**86,576**	78,655
Cost	**114,999**	106,069
Accumulated amortisation and impairment	**(28,423)**	(27,414)
	86,576	78,655

The carrying amount of the Group's telecommunications licences with indefinite useful life in Italy and the UK is €3,192 million (2012 – €3,171 million) and £3,366 million (2012 – £3,127 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 2013 and 31 December 2012. 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 2013 and 31 December 2012 indicated no impairment charge was necessary.

17 Goodwill

	2013 HK$ millions	2012 HK$ millions
Cost		
At 1 January	**26,492**	26,338
Relating to subsidiaries acquired	**11,380**	–
Relating to subsidiaries disposed	**(161)**	–
Exchange translation differences	**317**	154
At 31 December	**38,028**	26,492

The carrying amount of goodwill primarily arises from the acquisition of four retail chains: Marionnaud of €645 million (2012 – €645 million), Kruidvat of €600 million (2012 – €600 million), The Perfume Shop of £140 million (2012 – £140 million), Superdrug of £78 million (2012 – £78 million), Orange Austria of €970 million (2012 – nil), **3** Italy of €275 million (2012 – €275 million), Hutchison Telecommunications Hong Kong Holdings of HK$3,754 million (2012 – HK$3,754 million) and Hutchison Asia Telecommunications of HK$892 million (2012 – HK$1,101 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 2013 and 31 December 2012. 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 2013 and 31 December 2012 indicated no other impairment charge was necessary.

18 Brand names and other rights

	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 [(a)]	**–**	**(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**

	Brand names HK$ millions	Other rights HK$ millions	Total HK$ millions
Net book value			
At 1 January 2012	1,945	10,670	12,615
Additions	–	140	140
Non-cash addition (see note 5(p))	–	2,032	2,032
Transfer from fixed assets	–	473	473
Amortisation for the year	(12)	(221)	(233)
Exchange translation differences	21	280	301
At 31 December 2012	1,954	13,374	15,328
Cost	2,011	20,526	22,537
Accumulated amortisation	(57)	(7,152)	(7,209)
	1,954	13,374	15,328

(a) Mainly relates to restructuring of **3** Austria (see note 6(a)).

The brand names as at 31 December 2013 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 2013 and 31 December 2012 and the results of the tests indicated no impairment charge was necessary.

Other rights, which include a right of use of telecommunications network infrastructure sites, operating and service content rights, resource consents and customer lists are amortised over their finite useful lives.

19 Associated companies

	2013 HK$ millions	2012 HK$ millions
Unlisted shares	**3,744**	4,783
Listed shares, Hong Kong	**9,512**	9,512
Listed shares, outside Hong Kong	**34,617**	33,366
Share of undistributed post acquisition reserves	**56,951**	57,954
	104,824	105,615
Amounts due from associated companies	**7,234**	7,690
	112,058	113,305

The market value of the above listed investments at 31 December 2013 was HK$151,663 million (2012 – HK$147,344 million), inclusive of HK$81,864 million (2012 – HK$76,920 million) and HK$51,145 million (2012 – HK$54,754 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 36.

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

	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**

	Material associated companies		Other associated companies	2012 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	4,777	3,782	1,999	10,558
Other comprehensive income	1,445	149	178	1,772
Total comprehensive income	6,222	3,931	2,177	12,330

19 Associated companies (continued)

	2013		2012	
	Husky Energy HK$ millions	**Power Assets HK$ millions**	Husky Energy HK$ millions	Power Assets HK$ millions
Dividends received from associated companies	**3,092**	**2,057**	3,047	1,925
Gross amount of the following items of the associated companies *:				
Total revenue	**175,008**	**10,222**	173,117	10,412
EBITDA	**43,481**	**20,121**	43,874	19,287
EBIT	**21,207**	**15,115**	21,892	14,678
Other comprehensive income (losses)	**(9,481)**	**530**	4,245	384
Total comprehensive income	**2,636**	**11,844**	18,329	10,383
Current assets	**35,747**	**10,494**	43,010	9,821
Non-current assets	**240,667**	**93,605**	242,927	90,537
Current liabilities	**30,265**	**4,952**	24,210	9,410
Non-current liabilities	**93,638**	**30,848**	102,957	29,201
Net assets (net of preferred shares)	**150,395**	**68,299**	156,491	61,747
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	**51,104**	**26,548**	53,238	24,001
Amounts due from associated companies	**729**	**–**	785	–
Adjustment to cost of investment	**–**	**4,546**	–	4,546
Carrying amount	**51,833**	**31,094**	54,023	28,547

* after translation into Hong Kong dollars and consolidation adjustments

Particulars regarding the principal associated companies are set forth on pages 265 to 270.

20 Interests in joint ventures

	2013 HK$ millions	2012 HK$ millions
Joint ventures		
Unlisted shares	**66,769**	69,218
Share of undistributed post acquisition reserves	**20,559**	17,342
	87,328	86,560
Amounts due from joint ventures	**23,943**	22,390
	111,271	108,950

There are no material contingent liabilities relating to the Group's interests in the joint ventures, save as for those disclosed in note 36.

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

	2013 HK$ millions	2012 HK$ millions
Profits less losses after tax [(a)]	**12,597**	10,924
Other comprehensive income	**474**	1,495
Total comprehensive income	**13,071**	12,419
Capital commitments	**2,123**	1,730

(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. Consequently, HTAL's share of VHA's results for the year ended 31 December 2013 and the second half of 2012 is presented as a separate item under profits on disposal of investments and others (see note 6(c)) to separately identify it from the recurring earnings profile. Except for this, HTAL's share of VHA's past results is incorporated and formed part of the balances disclosed above.

Particulars regarding the principal joint ventures are set forth on pages 265 to 270.

21 Deferred tax

	2013 HK$ millions	2012 HK$ millions
Deferred tax assets	**18,548**	18,059
Deferred tax liabilities	**10,228**	8,968
Net deferred tax assets	**8,320**	9,091

Movements in net deferred tax assets are summarised as follows:

	2013 HK$ millions	2012 HK$ millions
At 1 January	**9,091**	8,097
Relating to subsidiaries acquired	**(271)**	–
Relating to subsidiaries disposed	**1**	(11)
Transfer to current tax	**(27)**	(224)
Net credit (charge) to other comprehensive income	**8**	(14)
Net credit (charge) to the income statement		
Unused tax losses	**(107)**	918
Accelerated depreciation allowances	**(104)**	(765)
Fair value adjustments arising from acquisitions	**140**	129
Withholding tax on undistributed earnings	**(65)**	(46)
Other temporary differences	**(433)**	440
Exchange translation differences	**87**	567
At 31 December	**8,320**	9,091

Analysis of net deferred tax assets (liabilities):

	2013 HK$ millions	2012 HK$ millions
Unused tax losses	**19,987**	19,425
Accelerated depreciation allowances	**(5,558)**	(5,120)
Fair value adjustments arising from acquisitions	**(3,920)**	(3,551)
Revaluation of investment properties and other investments	**(307)**	(260)
Withholding tax on undistributed earnings	**(302)**	(258)
Other temporary differences	**(1,580)**	(1,145)
	8,320	9,091

21 Deferred tax (continued)

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

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

During the year, deferred tax assets of HK$1,586 million (2012 – HK$2,187 million) have been recognised for the losses of **3** Group Europe. At 31 December 2013, the Group has recognised accumulated deferred tax assets amounting to HK$18,548 million (2012 – HK$18,059 million) of which HK$17,265 million (2012 – HK$16,850 million) relates to **3** Group Europe.

Note 3(f) contains information about the estimates, assumptions and judgements relating to the recognition of deferred tax assets for unused tax losses carried forward.

The Group has not recognised deferred tax assets of HK$22,977 million at 31 December 2013 (2012 – HK$25,398 million) in respect of unutilised tax losses, tax credits and deductible temporary differences totalling HK$96,430 million (2012 – HK$112,174 million). These unutilised tax losses, tax credits and deductible temporary differences can be carried forward against future taxable income. Of this amount, HK$73,534 million (2012 – HK$93,888 million) can be carried forward indefinitely and the balances expire in the following years:

	2013 HK$ millions	2012 HK$ millions
In the first year	**2,577**	1,562
In the second year	**3,193**	2,497
In the third year	**2,484**	3,057
In the fourth year	**5,350**	3,049
In the fifth to tenth years inclusive	**9,292**	8,121
	22,896	18,286

22 Other non-current assets

	2013 HK$ millions	2012 HK$ millions
Other unlisted investments		
Loans and receivables		
Unlisted debt securities	**392**	391
Other receivables	**4,020**	3,887
	4,412	4,278
Available-for-sale investments		
Unlisted equity securities	**929**	930
Fair value hedges (see note 28(a))		
Interest rate swaps	**1,813**	2,844
Cross currency interest rate swaps	**738**	1,527
Cash flow hedges (see note 28(a))		
Interest rate swaps	**42**	–
	7,934	9,579

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 2013 is 1.9% (2012 - 2.0%).

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

	2013 HK$ millions	2012 HK$ millions
Available-for-sale investments		
Managed funds, outside Hong Kong	**4,522**	10,541
Listed / traded debt securities, outside Hong Kong	**3,725**	3,834
Listed equity securities, Hong Kong	**2,130**	2,165
Listed equity securities, outside Hong Kong	**6,422**	6,498
	16,799	23,038
Loans and receivables		
Long term deposits	**36**	39
Financial assets at fair value through profit or loss	**301**	422
	17,136	23,499

23 Liquid funds and other listed investments (continued)

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

	2013 HK$ millions	2012 HK$ millions
Listed debt securities	**4,488**	10,486
Cash and cash equivalents	**34**	55
	4,522	10,541

Included in listed / traded debt securities outside Hong Kong is a principal amount of US$103 million notes issued by listed associated company, Husky Energy Inc. Of which, US$78 million and US$25 million of these notes will mature in 2014 and 2019, respectively.

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 2013 was HK$17,100 million (2012 – HK$23,460 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% (2012 – 3.0%).

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

	2013			2012		
	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	**13%**	**–**	**–**	9%	–	–
US dollars	**35%**	**–**	**83%**	61%	–	59%
Other currencies	**52%**	**100%**	**17%**	30%	100%	41%
	100%	**100%**	**100%**	100%	100%	100%

23 Liquid funds and other listed investments (continued)

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

	2013 Percentage	2012 Percentage
Credit ratings		
Aaa / AAA	**24%**	25%
Aa1 / AA+	**31%**	47%
Aa2 / AA	**4%**	4%
Aa3 / AA-	**1%**	1%
A2 / A	**1%**	1%
Other investment grades	**11%**	6%
Unrated	**28%**	16%
	100%	100%
Sectorial		
US Treasury notes	**26%**	47%
Government and government guaranteed notes	**32%**	17%
Supranational notes	**–**	12%
Husky Energy Inc notes	**11%**	6%
Financial institutions notes	**3%**	2%
Others	**28%**	16%
	100%	100%
Weighted average maturity	**3.1 years**	1.3 years
Weighted average effective yield	**1.90%**	1.80%

24 Cash and cash equivalents

	2013 HK$ millions	2012 HK$ millions
Cash at bank and in hand	**24,149**	25,697
Short term bank deposits	**61,502**	82,251
	85,651	107,948

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

25 Trade and other receivables

	2013 HK$ millions	2012 HK$ millions
Trade receivables [(a)]	**24,991**	23,953
Less: provision for estimated impairment losses for bad debts [(b)]	**(4,296)**	(4,307)
Trade receivables – net	**20,695**	19,646
Other receivables and prepayments	**48,231**	41,979
Fair value hedges (see note 28(a))		
Interest rate swaps	**–**	116
Cross currency interest rate swaps	**76**	–
Cash flow hedges (see note 28(a))		
Forward foreign exchange contracts	**81**	47
	69,083	61,788

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

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

The Group's five largest customers contributed less than 4% of the Group's turnover for the year ended 31 December 2013 (2012 – less than 5%).

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

	2013 HK$ millions	2012 HK$ millions
Less than 31 days	**13,571**	13,089
Within 31 to 60 days	**2,091**	1,689
Within 61 to 90 days	**870**	795
Over 90 days	**8,459**	8,380
	24,991	23,953

25 Trade and other receivables (continued)

(b) As at 31 December 2013, out of the trade receivables of HK$24,991 million (2012 – HK$23,953 million), HK$13,956 million (2012 – HK$14,279 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$4,296 million (2012 – HK$4,307 million). The ageing analysis of these trade receivables is as follows:

	2013 HK$ millions	2012 HK$ millions
Not past due	**5,632**	6,587
Past due less than 31 days	**1,108**	915
Past due within 31 to 60 days	**420**	393
Past due within 61 to 90 days	**471**	458
Past due over 90 days	**6,325**	5,926
	13,956	14,279

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

	2013 HK$ millions	2012 HK$ millions
At 1 January	**4,307**	6,048
Additions	**1,365**	830
Utilisations	**(1,123)**	(2,695)
Write back	**(30)**	(21)
Exchange translation differences	**(223)**	145
At 31 December	**4,296**	4,307

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

	2013 HK$ millions	2012 HK$ millions
Not past due	**6,293**	5,022
Past due less than 31 days	**2,077**	2,024
Past due within 31 to 60 days	**602**	509
Past due within 61 to 90 days	**400**	263
Past due over 90 days	**1,663**	1,856
	11,035	9,674

26 Trade and other payables

	2013 HK$ millions	2012 HK$ millions
Trade payables [(a)]	22,309	20,742
Other payables and accruals	61,901	55,932
Provisions (see note 27)	928	1,120
Interest free loans from non-controlling shareholders	1,181	476
Cash flow hedges (see note 28(a))		
Forward foreign exchange contracts	493	201
	86,812	78,471

The Group's five largest suppliers accounted for less than 29% of the Group's cost of purchases for the year ended 31 December 2013 (2012 – less than 30%).

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

	2013 HK$ millions	2012 HK$ millions
Less than 31 days	15,176	13,842
Within 31 to 60 days	3,221	3,196
Within 61 to 90 days	1,607	1,457
Over 90 days	2,305	2,247
	22,309	20,742

27 Provisions

	Restructuring and closure provision HK$ millions	Assets retirement obligation HK$ millions	Others HK$ millions	Total HK$ millions
At 1 January 2012	747	715	480	1,942
Additions	36	7	181	224
Interest accretion	22	25	–	47
Utilisations	(163)	–	(125)	(288)
Write back	(15)	(1)	(91)	(107)
Exchange translation differences	21	(5)	5	21
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 31 December 2013	507	1,030	412	1,949

27 Provisions (continued)

Provisions are analysed as:

	2013 HK$ millions	2012 HK$ millions
Current portion (see note 26)	**928**	1,120
Non-current portion (see note 31)	**1,021**	719
	1,949	1,839

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:

	2013			2012		
	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	**7,646**	**57,886**	**65,532**	4,892	60,083	64,975
Other loans	**295**	**429**	**724**	124	411	535
Notes and bonds	**10,206**	**147,360**	**157,566**	34,487	156,155	190,642
Total principal amount of bank and other debts	**18,147**	**205,675**	**223,822**	39,503	216,649	256,152
Unamortised loan facilities fees and premiums or discounts related to debts	**(64)**	**(686)**	**(750)**	(23)	(580)	(603)
Unrealised gain on bank and other debts pursuant to interest rate swap contracts [(a)]	**76**	**2,206**	**2,282**	116	4,371	4,487
	18,159	**207,195**	**225,354**	39,596	220,440	260,036

28 Bank and other debts (continued)

Analysis of principal amount of bank and other debts:

	2013			2012		
	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	7,646	56,871	64,517	4,890	59,521	64,411
Not wholly repayable within 5 years	–	1,015	1,015	2	562	564
	7,646	57,886	65,532	4,892	60,083	64,975
Other loans						
Repayable within 5 years	268	78	346	69	59	128
Not wholly repayable within 5 years	27	351	378	55	352	407
	295	429	724	124	411	535
Notes and bonds						
HK$260 million notes, 4% due 2027	–	260	260	–	260	260
US$3,110 million notes, 6.5% due 2013	–	–	–	24,257	–	24,257
US$1,309 million notes, 6.25% due 2014	10,206	–	10,206	–	10,206	10,206
US$2,189 million notes, 4.625% due 2015	–	17,077	17,077	–	17,077	17,077
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$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$1,480 million (2012: US$1,488 million) notes, 4.625% due 2022	–	11,544	11,544	–	11,606	11,606
US$500 million notes, 3.25% due 2022	–	3,900	3,900	–	3,900	3,900
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
EUR1,000 million notes, 5.875% due 2013	–	–	–	10,230	–	10,230
EUR603 million notes, 4.125% due 2015	–	6,378	6,378	–	6,167	6,167
EUR669 million notes, 4.625% due 2016	–	7,079	7,079	–	6,845	6,845
EUR1,750 million notes, 4.75% due 2016	–	18,515	18,515	–	17,902	17,902
EUR1,250 million notes, 2.5% due 2017	–	13,225	13,225	–	12,788	12,788
EUR750 million notes, 3.625% due 2022	–	7,935	7,935	–	7,673	7,673
GBP325 million bonds, 6.75% due 2015	–	4,124	4,124	–	4,092	4,092
GBP113 million bonds, 5.625% due 2017	–	1,435	1,435	–	1,423	1,423
GBP303 million bonds, 5.625% due 2026	–	3,845	3,845	–	3,814	3,814
JPY3,000 million notes, 1.75% due 2019	–	226	226	–	286	286
JPY15,000 million notes, 2.6% due 2027	–	1,130	1,130	–	1,429	1,429
	10,206	147,360	157,566	34,487	156,155	190,642
	18,147	205,675	223,822	39,503	216,649	256,152

28 Bank and other debts (continued)

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

	2013			2012		
	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	7,646	–	7,646	4,892	–	4,892
After 1 year, but within 2 years	–	39,423	39,423	–	6,943	6,943
After 2 years, but within 5 years	–	17,448	17,448	–	52,591	52,591
After 5 years	–	1,015	1,015	–	549	549
	7,646	57,886	65,532	4,892	60,083	64,975
Other loans						
Current portion	295	–	295	124	–	124
After 1 year, but within 2 years	–	71	71	–	60	60
After 2 years, but within 5 years	–	131	131	–	119	119
After 5 years	–	227	227	–	232	232
	295	429	724	124	411	535
Notes and bonds						
Current portion	10,206	–	10,206	34,487	–	34,487
After 1 year, but within 2 years	–	27,579	27,579	–	10,206	10,206
After 2 years, but within 5 years	–	59,754	59,754	–	85,794	85,794
After 5 years	–	60,027	60,027	–	60,155	60,155
	10,206	147,360	157,566	34,487	156,155	190,642
	18,147	205,675	223,822	39,503	216,649	256,152

The bank and other debts of the Group as at 31 December 2013 are secured to the extent of HK$1,940 million (2012 – HK$821 million).

Borrowings with principal amount of HK$64,789 million (2012 – HK$64,508 million) bear interest at floating interest rates and borrowings with principal amount of HK$159,033 million (2012 – HK$191,644 million) bear interest at fixed interest rates.

28 Bank and other debts (continued)

Borrowings at principal amount are denominated in the following currencies (inclusive of the effect of hedging transactions):

	2013 Percentage	2012 Percentage
Euro	**33%**	32%
US dollars	**31%**	36%
HK dollars	**22%**	20%
British Pounds	**7%**	6%
Other currencies	**7%**	6%
	100%	100%

Derivative financial instruments are utilised by the Group in the management of its foreign currency and interest rate exposures. The Group's policy is not to utilise derivative financial instruments for trading or speculative purposes. The Group has entered into interest rate swap agreements with banks and other financial institutions mainly to swap fixed interest rate borrowings to floating interest rate borrowings to manage the fixed and floating interest rate mix of the Group's total debt portfolio. At 31 December 2013, the notional amount of the outstanding interest rate swap agreements with financial institutions amounted to HK$62,708 million (2012 – HK$74,966 million).

In addition, interest rate swap agreements with notional amount of HK$6,540 million (2012 – HK$7,900 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 2013, the Group had currency swap arrangements with banks to swap US dollar principal amount of borrowings equivalent to HK$28,593 million (2012 – HK$28,593 million) to Hong Kong dollar principal amount of borrowings to match currency exposures of the underlying businesses.

28 Bank and other debts (continued)

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

	2013			2012		
	Current portion HK$ millions	**Non-current portion HK$ millions**	**Total HK$ millions**	Current portion HK$ millions	Non-current portion HK$ millions	Total HK$ millions
Fair value hedges						
Derivative financial assets						
Interest rate swaps (see notes 22 and 25)	**–**	**1,813**	**1,813**	116	2,844	2,960
Cross currency interest rate swaps (see notes 22 and 25)	**76**	**738**	**814**	–	1,527	1,527
	76	**2,551**	**2,627**	116	4,371	4,487
Derivative financial liabilities						
Interest rate swaps (see note 31)	**–**	**(345)**	**(345)**	–	–	–
	–	**(345)**	**(345)**	–	–	–
	76	**2,206**	**2,282**	116	4,371	4,487
Cash flow hedges						
Derivative financial assets						
Interest rate swaps (see note 22)	**–**	**42**	**42**	–	–	–
Forward foreign exchange contracts (see note 25)	**81**	**–**	**81**	47	–	47
	81	**42**	**123**	47	–	47
Derivative financial liabilities						
Interest rate swaps (see note 31)	**–**	**(163)**	**(163)**	–	(249)	(249)
Forward foreign exchange contracts (see notes 26 and 31)	**(493)**	**(253)**	**(746)**	(201)	(238)	(439)
	(493)	**(416)**	**(909)**	(201)	(487)	(688)
	(412)	**(374)**	**(786)**	(154)	(487)	(641)

29 Interest bearing loans from non-controlling shareholders

	2013 HK$ millions	2012 HK$ millions
Interest bearing loans from non-controlling shareholders	**5,445**	6,307

The carrying amount of the borrowings approximates their fair value.

30 Pension plans

	2013 HK$ millions	2012 HK$ millions
Defined benefit assets	–	–
Defined benefit liabilities	3,095	3,616
Net defined benefit liabilities	3,095	3,616

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 2013 and 31 December 2012 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:

	2013	2012
Discount rates	1.5%-4.7%	0.4%-5.0%
Future salary increases	0.5%-4.0%	2.0%-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:

	2013 HK$ millions	2012 HK$ millions
Present value of defined benefit obligations	17,391	16,325
Fair value of plan assets	14,300	13,038
	3,091	3,287
Restrictions on asset recognised	4	329
Net defined benefit liabilities	3,095	3,616

30 Pension plans (continued)

(a) Defined benefit plans (continued)

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

	Present value of defined benefit obligations HK$ millions	Fair value of plan assets HK$ millions	Asset ceiling HK$ millions	Net defined benefit liabilities HK$ millions
At 1 January 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
	17,305	(13,370)	329	4,264
Net charge (credit) to other comprehensive income				
Remeasurements loss (gain):				
Actuarial loss arising from change in demographic assumptions	19	–	–	19
Actuarial gain arising from change in financial assumptions	(106)	–	–	(106)
Actuarial loss arising from experience adjustment	81	–	–	81
Return on plan assets excluding interest income	–	(335)	–	(335)
Change in asset ceiling	–	–	(325)	(325)
Exchange translation differences	534	(517)	–	17
	528	(852)	(325)	(649)
Contributions paid by the employer	–	(549)	–	(549)
Contributions paid by the employee	110	(110)	–	–
Benefits paid	(581)	581	–	–
Relating to subsidiaries acquired	57	–	–	57
Transfer to other liabilities	(28)	–	–	(28)
At 31 December 2013	17,391	(14,300)	4	3,095

30 Pension plans (continued)

(a) Defined benefit plans (continued)

	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 2012	13,500	(11,373)	914	3,041
Net charge (credit) to the income statement				
Current service cost	485	2	–	487
Past service cost and gains and losses on settlements	14	–	–	14
Interest cost (income)	539	(420)	–	119
	14,538	(11,791)	914	3,661
Net charge (credit) to other comprehensive income				
Remeasurements loss (gain):				
Actuarial loss arising from change in demographic assumptions	2	–	–	2
Actuarial loss arising from change in financial assumptions	2,179	–	–	2,179
Actuarial gain arising from experience adjustment	(26)	–	–	(26)
Return on plan assets excluding interest income	–	(984)	–	(984)
Change in asset ceiling	–	–	(585)	(585)
Exchange translation differences	153	(124)	–	29
	2,308	(1,108)	(585)	615
Contributions paid by the employer	–	(640)	–	(640)
Contributions paid by the employee	115	(115)	–	–
Benefits paid	(616)	616	–	–
Transfer to other liabilities	(20)	–	–	(20)
At 31 December 2012	16,325	(13,038)	329	3,616

30 Pension plans (continued)

(a) Defined benefit plans (continued)

There is no immediate requirement for the Group to fund the deficit between the fair value of defined benefit plan assets and the present value of the defined benefit plan obligations disclosed as at 31 December 2013. 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 2011 reported a funding level of 118% 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%. 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 2013 vested benefits under this plan are fully funded in accordance with the ORSO funding requirements. During the year, forfeited contributions totalling HK$19 million (2012 – HK$19 million) were used to reduce the current year's level of contributions and HK$2 million was available at 31 December 2013 (2012 – 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 1 January 2010, the ratio of assets to liabilities for the Felixstowe Scheme was 73%. Contributions to fund the deficit remained unchanged and at the valuation date, the shortfall was expected to be eliminated by 31 March 2020. The main assumptions in the valuation are an investment return of 7.55% (pre-retirement) and 4.8% (post-retirement), pensionable salary increases of 3.80% per annum and pension increases of 3.6% per annum (for service before 6 April 1997), 3.2% per annum (for service between 6 April 1997 and 5 April 2005) and 2.25% per annum (for service after 5 April 2005). The valuation was performed by Graham Mitchell, a Fellow of the Institute of Actuaries, of Towers Watson Limited. A new valuation has been commissioned in January 2013.

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. As at the end of 2012, the combination of the interest rate and a high risk spread result, in a relatively low defined benefit obligation for the plan of the retail operations and the value of the plan assets is temporarily higher than the present value of the plan obligation. The Group is required by the applicable accounting standard not to recognise the excess amount as an asset as the excess amount is not refundable to the Group and not available to reduce future contributions to the plan.

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 £4 million in 2013 (2012 – £4 million), and will make further additional contributions of £3.7 million per annum from 1 January 2014 to 30 November 2016 towards the shortfall being corrected by 30 November 2016, assuming the market conditions as at 31 March 2012 remain unchanged. The main assumptions in the valuation are an investment return of 4.1% to 5.7% per annum and pensionable salary increases of 2.0% to 3.2% per annum. The valuation was performed by David Lindsay, a Fellow of the Institute and Faculty of Actuaries, of Aon Hewitt Limited.

30 Pension plans (continued)

(a) Defined benefit plans (continued)

(i) Plan assets

Fair value of the plan assets are analysed as follows:

	2013 Percentage	2012 Percentage
Equity instruments		
Consumer markets and manufacturing	**10%**	11%
Energy and utilities	**4%**	4%
Financial institutions and insurance	**8%**	8%
Telecommunications and information technology	**4%**	4%
Units trust and equity instrument funds	**10%**	9%
Others	**11%**	10%
	47%	46%
Debt instruments		
US Treasury notes	**1%**	1%
Government and government guaranteed notes	**8%**	9%
Financial institutions notes	**3%**	2%
Others	**6%**	13%
	18%	25%
Qualifying insurance policies	**28%**	15%
Properties	**3%**	3%
Other assets	**4%**	11%
	100%	100%

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

	2013 Percentage	2012 Percentage
Aaa / AAA	**44%**	41%
Aa1 / AA+	**5%**	20%
Aa2 / AA	**6%**	3%
Aa3 / AA-	**1%**	1%
A1 / A+	**1%**	1%
A2 / A	**12%**	15%
Other investment grades	**18%**	15%
Unrated	**13%**	4%
	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$14,300 million (2012 – HK$13,038 million) includes investments in the Company's shares with a fair value of HK$97 million (2012 – HK$61 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 2013 is 17 years (2012 – 15 years).

The Group expects to make contributions of HK$639 million (2012 – HK$591 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 3.1% or increase by 3.2% respectively.

If the future salary increase is 0.25% higher or lower, the defined benefit obligation would increase by 0.3% 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 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$1,134 million (2012 – HK$964 million) which has been charged to the profit or loss for the year. No forfeited contributions (2012 – nil) were used to reduce the current year's level of contributions and forfeited contribution of HK$2 million was available at 31 December 2013 (2012 – HK$2 million) to reduce future years' contributions.

31 Other non-current liabilities

	2013 HK$ millions	2012 HK$ millions
Fair value hedges (see note 28(a))		
Interest rate swaps	**345**	–
Cash flow hedges (see note 28(a))		
Interest rate swaps	**163**	249
Forward foreign exchange contracts	**253**	238
Obligations for telecommunications licences and other rights	**3,255**	3,870
Provisions (see note 27)	**1,021**	719
	5,037	5,076

32 Share capital and capital management

(a) Share capital

	2013 Number of shares	2012 Number of shares	2013 HK$ millions	2012 HK$ millions
Authorised:				
Ordinary shares of HK$0.25 each	**5,500,000,000**	5,500,000,000	**1,375**	1,375
7½% cumulative redeemable participating preference shares of HK$1 each	**402,717,856**	402,717,856	**403**	403
			1,778	1,778
Issued and fully paid:				
Ordinary shares	**4,263,370,780**	4,263,370,780	**1,066**	1,066

(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 2013, the Group had repurchased 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 2013, total equity amounted to HK$476,232 million (2012 – HK$438,541 million), and consolidated net debt of the Group, excluding loans from non-controlling shareholders which are viewed as quasi equity, was HK$121,035 million (2012 – HK$124,705 million). The Group's net debt to net total capital ratio decreased to 20.0% from 21.9% 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

	2013	2012
A1 – excluding interest-bearing loans from non-controlling shareholders from debt	**20.0%**	21.9%
A2 – as in A1 above and investments in listed subsidiaries and associated companies marked to market value	**18.2%**	19.3%
B1 – including interest-bearing loans from non-controlling shareholders as debt	**20.9%**	23.0%
B2 – as in B1 above and investments in listed subsidiaries and associated companies marked to market value	**19.0%**	20.3%

(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 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

	2013 HK$ millions	2012 HK$ millions
Profit after tax	**38,893**	32,107
Less: share of profits less losses after tax of		
Associated companies	**(10,433)**	(10,558)
Joint ventures	**(12,597)**	(10,924)
	15,863	10,625
Adjustments for:		
Current tax charge	**4,231**	3,079
Deferred tax charge (credit)	**569**	(676)
Interest expenses and other finance costs	**8,391**	9,243
Change in fair value of investment properties	**(26)**	(790)
Depreciation and amortisation	**15,850**	14,149
Others (see note 6)	**2,163**	2,052
Non-cash items (see note 33(e))	**–**	(447)
EBITDA of Company and subsidiaries (i)	**47,041**	37,235
Loss (profit) on disposal of other unlisted investments	**82**	(67)
Loss (profit) on disposal of fixed assets, leasehold land and investment properties and other assets	**(4,109)**	383
Dividends received from associated companies and joint ventures	**14,906**	8,740
Distribution from property joint ventures	**4,928**	1,812
Profit on disposal of subsidiary companies and joint ventures	**(1,783)**	(393)
Profit on partial disposal of an associated company	**(1,320)**	–
Other non-cash items	**1,153**	(768)
	60,898	46,942

(i) Reconciliation of EBITDA:

	2013 HK$ millions	2012 HK$ millions
EBITDA of Company and subsidiaries	**47,041**	37,235
Share of EBITDA of associated companies and joint ventures		
Share of profits less losses after tax:		
Associated companies	**10,433**	10,558
Joint ventures	**12,597**	10,924
Adjustment for:		
Depreciation and amortisation	**15,421**	15,834
Change in fair value of investment properties	**(2)**	(377)
Interest expenses and other finance costs	**5,768**	7,116
Current tax charge	**6,741**	5,564
Deferred tax charge (credit)	**(192)**	731
Non-controlling interests	**363**	362
	51,129	50,712
EBITDA (see notes 5(b) and 5(m))	**98,170**	87,947

33 Notes to consolidated statement of cash flows (continued)

(b) Changes in working capital

	2013 HK$ millions	2012 HK$ millions
Increase in inventories	(1,100)	(1,147)
Increase in debtors and prepayments	(6,484)	(661)
Increase (decrease) in creditors	4,726	(1,368)
Other non-cash items	(1,480)	334
	(4,338)	(2,842)

(c) Purchase of subsidiary companies

As disclosed in the 2012 annual accounts, on 4 January 2013, **3** Austria, a wholly owned subsidiary of the Group announced that it has completed its acquisition of 100% interest of Orange Austria, following the approval of all of the relevant Austrian and European authorities. As a result of the acquisition, the Group has increased its market share of the Austrian mobile telecommunications services. The Group expects synergies and other benefits from combining the infrastructure and operations of Orange Austria with **3** Austria, and costs savings through economies of scale.

The following table summarises the consideration paid for Orange Austria and other acquisitions completed in the current year, and the amounts of the assets acquired and liabilities assumed recognised at the respective acquisition date.

	2013			2012
	Orange Austria HK$ millions	Others HK$ millions	Total HK$ millions	Total HK$ millions
Fair Value				
Fixed assets	1,028	662	1,690	–
Telecommunications licences	440	–	440	–
Brand names and other rights	2,512	1,996	4,508	–
Interests in joint ventures	–	139	139	–
Deferred tax assets	285	–	285	–
Liquid funds and other listed investments	–	6	6	–
Trade and other receivables	805	184	989	–
Inventories	975	5	980	–
Creditors and current tax liabilities	(1,655)	(189)	(1,844)	–
Bank and other debts	(231)	(76)	(307)	–
Deferred tax liabilities	–	(556)	(556)	–
Pension obligations	(57)	–	(57)	–
Non-controlling interests	–	(2)	(2)	–
	4,102	2,169	6,271	–
Goodwill arising on acquisition	10,326	1,054	11,380	–
Discharged by cash payment	14,428	3,223	17,651	–
Net cash outflow (inflow) arising from acquisition:				
Cash payment	15,942	3,227	19,169	–
Cash and cash equivalents acquired	(1,514)	(4)	(1,518)	–
Total net cash paid	14,428	3,223	17,651	–

(c) Purchase of subsidiary companies (continued)

The assets acquired and liabilities assumed are recognised at the acquisition date fair value and are recorded at the consolidation level. No fair value adjustments arising from acquisitions are recognised at the underlying companies' separate financial statements. Goodwill arising on these acquisitions is recorded at the consolidation level and is not expected to be deductible for tax purposes. As additional information, the amount deductible for tax purposes (i.e. tax base) of the identifiable assets acquired and liabilities assumed relating to the acquisition of Orange Austria are different from and, in general, greater than the amount 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$200 million has been charged to income statement during the year and included in the line item titled profits on disposal of investments and others.

(d) Disposal of subsidiary companies

	2013 HK$ millions	2012 HK$ millions
Aggregate net assets disposed at date of disposal (excluding cash and cash equivalents):		
Fixed assets	1	100
Investment properties	573	–
Goodwill	161	–
Interests in joint ventures	854	–
Deferred tax assets	–	11
Trade and other receivables	18	399
Inventories	26	–
Creditors and current tax liabilities	(31)	(266)
Deferred tax liabilities	(1)	–
Reserves	(124)	69
	1,477	313
Profit on disposal *	1,672	378
	3,149	691
Less: Investments retained subsequent to disposal	–	–
	3,149	691
Satisfied by:		
Cash and cash equivalents received as consideration	3,161	857
Less: Cash and cash equivalents sold	(12)	(166)
Total net cash consideration	3,149	691

* The profit on disposal for the years ended 31 December 2013 and 2012 are recognised in the consolidated income statement and are included in the line item titled other operating expenses.

The effect on the Group's results from the subsidiaries disposed is not material for the years ended 31 December 2013 and 2012.

(e) Included in non-cash items in 2012 is a one-time net gain of HK$447 million from a network sharing arrangement, which includes a benefit of HK$2,032 million from future cost savings arising from a right to share another Irish operator's mobile network, partially offset by a HK$1,585 million one-time provision mainly related to the restructuring of **3** Ireland's network infrastructure.

34 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.

35 Pledge of assets

At 31 December 2013, assets of the Group totalling HK$2,299 million (2012 – HK$824 million) were pledged as security for bank and other debts.

36 Contingent liabilities

At 31 December 2013, Hutchison Whampoa Limited, and its subsidiaries provide guarantees in respect of bank and other borrowing facilities to associated companies and joint ventures of HK$24,610 million (2012 – HK$11,920 million).

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

	2013 HK$ millions	2012 HK$ millions
To associated companies		
Other businesses	**1,973**	1,815
To joint ventures		
Property businesses	**868**	1,285
Other businesses	**19,998**	7,385
	20,866	8,670

At 31 December 2013, the Group had provided performance and other guarantees of HK$4,131 million (2012 – HK$4,411 million).

37 Commitments

On 24 June 2013, Hutchison 3G Ireland, a wholly owned subsidiary of the Group, announced that it has entered into an agreement with Telefonica to buy its O_2 business in Ireland for €780 million (approximately HK$7,925 million). A further additional deferred payment of €70 million (approximately HK$711 million) is payable dependent upon achievement of agreed financial target. The completion of this transaction is subject to competition approval by the relevant regulatory authority.

Other than the aforementioned commitments, outstanding Group commitments not provided for in the accounts at 31 December 2013 are as follows:

Capital commitments

(a) Contracted for:

- (i) Ports and related services – HK$1,111 million (2012 – HK$1,632 million)
- (ii) **3** Group Europe – HK$630 million (2012 – HK$579 million)
- (iii) Telecommunications, Hong Kong and Asia – HK$17,102 million (2012 – HK$12,627 million)
- (iv) Investment properties, Hong Kong – HK$3 million (2012 – HK$38 million)
- (v) Other fixed assets – HK$387 million (2012 – HK$402 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$3,713 million (2012 – HK$4,963 million)
- (ii) **3** Group Europe – HK$10,265 million (2012 – HK$12,785 million)
- (iii) Telecommunications, Hong Kong and Asia – HK$2,646 million (2012 – HK$3,397 million)
- (iv) Investment properties, Hong Kong – HK$1,522 million (2012 – HK$1,162 million)
- (v) Investment in joint ventures, Hong Kong – HK$175 million (2012 – HK$257 million)
- (vi) Investment in joint ventures outside Hong Kong – HK$401 million (2012 – HK$1,186 million)
- (vii) Other fixed assets – HK$4,870 million (2012 – HK$4,887 million)

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

(a) In the first year – HK$11,953 million (2012 – HK$11,697 million)
(b) In the second to fifth years inclusive – HK$22,228 million (2012 – HK$23,934 million)
(c) After the fifth year – HK$38,894 million (2012 – HK$42,670 million)

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

(a) In the first year – HK$1,612 million (2012 – HK$1,753 million)
(b) In the second to fifth years inclusive – HK$4,782 million (2012 – HK$5,517 million)
(c) After the fifth year – HK$2,069 million (2012 – HK$3,504 million)

38 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$20,451 million (2012 – HK$20,091 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, as at 31 December 2013 and 2012, principal amount totalling US$78 million and US$25 million of these notes will mature in 2014 and 2019 respectively.

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 2013, included in associated companies and interests in joint ventures on the statement of financial position is a total amount of HK$38,221 million (2012 – HK$42,012 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$4,105 million (2012 – HK$4,054 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.

39 Legal proceedings

As at 31 December 2013, 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.

40 Subsequent events

Subsequent to year end, a listed associate of the Group, Power Assets Holdings Limited ("PAH") completed a separate listing of its business of generating, transmitting, distributing and supplying electricity in Hong Kong by way of the listing of the Share Stapled Units jointly issued by HK Electric Investments and HK Electric Investments Limited (the "HKEI Group") on the Main Board of The Stock Exchange of Hong Kong Limited. PAH currently retains a 49.9% interest in the HKEI Group. The market capitalisation of the HKEI Group at listing was approximately HK$48.2 billion. PAH expects to report a gain on disposal of approximately HK$52 billion in its 2014 interim results. The Company's attributable share of the gain is approximately HK$16 billion and will be included in the Group's 2014 consolidated interim results.

41 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 2013, 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.

42 Approval of accounts

The accounts set out on pages 158 to 270 were approved and authorised for issue by the Board of Directors on 28 February 2014.

43 Profit before tax

In accordance with the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, profit before tax is shown after crediting and charging the following items:

	2013 HK$ millions	2012 HK$ millions
Credits:		
Share of profits less losses of associated companies (including share of impairment loss of an associated company of HK$504 million)		
Listed	**9,055**	9,130
Unlisted	**874**	1,428
	9,929	10,558
Share of gross rental income of associated companies and joint ventures	**528**	462
Gross rental income from investment properties held by:		
Listed subsidiary – HHR	**84**	83
Other subsidiaries (excluding HHR)	**3,731**	3,343
Less: intra group rental income	**(408)**	(367)
	3,407	3,059
Less: related outgoings	**(106)**	(86)
Net rental income of subsidiary companies	**3,301**	2,973
Dividend and interest income from managed funds and other investments		
Listed	**564**	552
Unlisted	**35**	57
Charges:		
Depreciation and amortisation		
Fixed assets	**13,846**	12,789
Leasehold land	**454**	463
Telecommunications licences	**774**	664
Brand names and other rights	**776**	233
	15,850	14,149
Inventories write-off	**933**	998
Operating leases		
Properties	**18,262**	16,879
Hire of plant and machinery	**2,323**	2,411
Auditors' remuneration		
Audit and audit related work – PricewaterhouseCoopers	**193**	189
– other auditors	**12**	14
Non-audit work – PricewaterhouseCoopers	**44**	36
– other auditors	**30**	22

44 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 currency 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 associates to meet their funding requirements and provide more cost-efficient financing. These borrowings include a range of capital market issues and bank borrowings, which 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 solid and healthy financial position. Cash, liquid funds and other listed investments ("liquid assets") amounted to HK$102,787 million at 31 December 2013, a decrease of 22% from the balance of HK$131,447 million at 31 December 2012, mainly reflecting the utilisation of cash for the repayment and early repayment of certain borrowings, the repurchase of US$217 million (approximately HK$1,692 million) nominal amount of perpetual capital securities issued in 2010, dividend payments to ordinary and non-controlling shareholders as well as distributions to perpetual capital securities holders, acquisition of new investments, including the acquisition of Orange Austria and Enviro Waste in New Zealand, of HK$17,651 million, and acquisition of fixed assets and telecommunications licences totalling HK$30,493 million, net of the cash arising from positive funds from operations from the Group's businesses, cash from new borrowings and proceeds from the issue of €1,750 million perpetual capital securities during the year. Liquid assets were denominated as to 21% in HK dollars, 33% in US dollars, 15% in Renminbi, 10% in Euro, 6% in British Pounds and 15% in other currencies (2012 – 8% were denominated in HK dollars, 53% in US dollars, 14% in Renminbi, 8% in Euro, 4% in British Pounds and 13% in other currencies).

Cash and cash equivalents represented 84% (2012 – 82%) of the liquid assets, US Treasury notes and listed / traded debt securities 8% (2012 – 11%) and listed equity securities 8% (2012 – 7%).

The US Treasury notes and listed / traded debt securities, including those held under managed funds, consisted of US Treasury notes of 26% (2012 – 47%), government and government guaranteed notes of 32% (2012 – 17%), supranational notes of 0% (2012 – 12%), notes issued by the Group's associated company, Husky Energy Inc of 11% (2012 – 6%), notes issued by financial institutions of 3% (2012 – 2%), and others of 28% (2012 – 16%). Of these US Treasury notes and listed / traded debt securities, 55% (2012 – 72%) are rated at Aaa / AAA or Aa1 / AA+ with an average maturity of 3.1 years (2012 – 1.3 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.

44 Financial risk management (continued)

(b) Interest rate exposure (continued)

At 31 December 2013, approximately 29% (2012 – approximately 25%) of the Group's total principal amount of bank and other debts were at floating rates and the remaining 71% (2012 – approximately 75%) were at fixed rates. The Group has entered into various interest rate agreements with major financial institution counterparties to swap approximately HK$62,708 million (2012 – approximately HK$74,966 million) principal amount of fixed interest rate borrowings to effectively become floating interest rate borrowings. In addition, HK$6,540 million (2012 – HK$7,900 million) principal amount of floating interest rate borrowings were swapped to fixed interest rate borrowings. After taking into consideration these interest rate swaps, approximately 54% (2012 – approximately 51%) of the Group's total principal amount of bank and other debts were at floating rates and the remaining 46% (2012 – approximately 49%) were at fixed rates at 31 December 2013. All of the aforementioned interest rate derivatives are designated as hedges and these hedges are expected to be highly effective.

(c) Foreign currency exposure

For overseas subsidiaries and associates 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 refinancing 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 associates. 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 losses of approximately HK$5,130 million (2012 – gains of HK$5,077 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 exchange reserve.

At 31 December 2013, the Group had currency swap arrangements with banks to swap US dollar principal amount of borrowings equivalent to HK$28,593 million (2012 – 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: 33% in Euro, 31% in US dollars, 22% in HK dollars, 7% in British Pounds and 7% in other currencies (2012 – 32% in Euro, 36% in US dollars, 20% in HK dollars, 6% in British Pounds and 6% 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 currency contracts with financial institutions expose the Group to credit risk of counterparties. The Group controls its credit risk to non-performance by its counterparties through monitoring their equity share price movements and credit ratings as well as setting approved counterparty credit limits that are regularly reviewed.

The Group is also exposed to counterparties credit risk from its operating activities, which is continuously monitored by the local operational management.

44 Financial risk management (continued)

(e) Market price risk

The Group's main market price risk exposures relate to listed / traded debt and equity securities described in "liquid assets" above and the interest rate swaps as described in "interest rate exposure" above. The Group's holding of listed / traded debt and equity securities represented approximately 16% (2012 – approximately 18%) of the liquid assets. The Group controls this risk through active monitoring of price movements and changes in market conditions that may have an impact on the value of these financial assets and instruments.

(f) Market risks sensitivity analyses

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

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

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

(i) Interest rate sensitivity analysis

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

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

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

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

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

44 Financial risk management (continued)

(f) Market risks sensitivity analyses (continued)

(i) Interest rate sensitivity analysis (continued)

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

- cash and cash equivalents (see note 24)
- some of the listed debt securities and managed funds (see note 23) carried at fair value that bear interest at fixed rate
- some of the listed debt securities and managed funds (see note 23) that bear interest at floating rate
- some of the bank and other debts (see note 28) that bear interest at floating rate
- interest bearing loans from non-controlling shareholders (see note 29)

Under these assumptions, the impact of a hypothetical 100 basis points increase in market interest rate at the end of the reporting period, with all other variables held constant:

- profit for the year would decrease by HK$399 million (2012 – HK$240 million) due to increase in interest expense;
- total equity would decrease by HK$399 million (2012 – HK$240 million) due to increase in interest expense; and
- total equity would increase by HK$76 million (2012 – HK$292 million) mainly due to increase in fair value of interest rate swaps.

(ii) Foreign currency exchange rate sensitivity analysis

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

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

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

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

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

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

44 Financial risk management (continued)

(f) Market risks sensitivity analyses (continued)

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

Under these assumptions, the impact of a hypothetical 10% weakening of HK dollar against all exchange rates at the end of the reporting period, with all other variables held constant, on the Group's profit for the year and total equity is set out in the table below.

	2013		2012	
	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	**115**	**112**	73	73
British Pounds	**242**	**(2,203)**	149	(2,247)
Australian dollars	**133**	**(255)**	163	(125)
Renminbi	**13**	**35**	9	47
US dollars	**986**	**986**	1,507	1,507
Japanese Yen	**(227)**	**(205)**	(287)	(288)

(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 (2012 – HK$42 million) due to increase in gains on financial assets at fair value through profit or loss;
- total equity would increase by HK$30 million (2012 – HK$42 million) due to increase in gains on financial assets at fair value through profit or loss; and
- total equity would increase by HK$1,680 million (2012 – HK$2,304 million) due to increase in gains on available-for-sale investments which are recognised in other comprehensive income.

44 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:

	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.

	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)

44 Financial risk management (continued)

(g) Contractual maturities of financial liabilities (continued)

	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 2012						
Trade payables	20,742	–	–	20,742	–	20,742
Other payables and accruals	55,932	–	–	55,932	–	55,932
Interest free loans from non-controlling shareholders	476	–	–	476	–	476
Bank loans	4,892	59,534	549	64,975	(246)	64,729
Other loans	124	179	232	535	(54)	481
Notes and bonds	34,487	96,000	60,155	190,642	4,184	194,826
Interest bearing loans from non-controlling shareholders	–	6,074	233	6,307	–	6,307
Obligations for telecommunications licences and other rights	899	3,032	998	4,929	(1,059)	3,870
	117,552	164,819	62,167	344,538	2,825	347,363

The table above excludes interest accruing and payable on certain of these liabilities which are estimated to be HK$9,400 million in "within 1 year" maturity band, HK$25,725 million in "after 1 year, but within 5 years" maturity band, and HK$22,161 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.

	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 2012				
Derivative settled gross:				
Cash flow hedges – interest rate swaps				
Net outflow	(170)	(399)	(304)	(873)
Cash flow hedges – forward foreign exchange contracts				
Inflow	13,434	9,644	–	23,078
Outflow	(13,656)	(9,909)	–	(23,565)

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

	2013 HK$ millions	2012 HK$ millions
Change in fair value of financial assets at fair value through profit or loss	**(128)**	1
Gains (losses) arising on derivatives in a designated fair value hedge	**(2,247)**	65
Gains (losses) arising on adjustment for hedged item in a designated fair value hedge	**2,247**	(65)
Interest income on available-for-sale financial assets	**298**	352

44 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:

	2013		2012	
	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)	**20,695**	**20,695**	19,646	19,646
Other receivables and prepayments (see note 25)	**48,231**	**48,231**	41,979	41,979
Unlisted debt securities (see note 22)	**392**	**392**	391	391
Other receivables (see note 22)	**4,020**	**4,020**	3,887	3,887
Long term deposits (see note 23)	**36**	**36**	39	39
	73,374	**73,374**	65,942	65,942
Available-for-sale investments #				
Unlisted equity securities (see note 22)	**929**	**929**	930	930
Managed funds, outside Hong Kong (see note 23)	**4,522**	**4,522**	10,541	10,541
Listed / traded debt securities, outside Hong Kong (see note 23)	**3,725**	**3,725**	3,834	3,834
Listed equity securities, Hong Kong (see note 23)	**2,130**	**2,130**	2,165	2,165
Listed equity securities, outside Hong Kong (see note 23)	**6,422**	**6,422**	6,498	6,498
Financial assets at fair value through profit or loss # (see note 23)	**301**	**301**	422	422
	18,029	**18,029**	24,390	24,390
Fair value hedges #				
Interest rate swaps (see notes 22 and 25)	**1,813**	**1,813**	2,960	2,960
Cross currency interest rate swaps (see notes 22 and 25)	**814**	**814**	1,527	1,527
Cash flow hedges #				
Interest rate swaps (see note 22)	**42**	**42**	–	–
Forward foreign exchange contracts (see note 25)	**81**	**81**	47	47
	2,750	**2,750**	4,534	4,534
	94,153	**94,153**	94,866	94,866

44 Financial risk management (continued)

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

	2013		2012	
	Carrying amount HK$ millions	**Fair value HK$ millions**	Carrying amount HK$ millions	Fair value HK$ millions
Financial liabilities				
Financial liabilities *				
Trade payables (see note 26)	**22,309**	**22,309**	20,742	20,742
Other payables and accruals (see note 26)	**61,901**	**61,901**	55,932	55,932
Interest free loans from non-controlling shareholders (see note 26)	**1,181**	**1,181**	476	476
Bank and other debts (see note 28)	**225,354**	**236,743**	260,036	277,360
Interest bearing loans from non-controlling shareholders (see note 29)	**5,445**	**5,445**	6,307	6,307
Obligations for telecommunications licences and other rights (see note 31)	**3,255**	**3,255**	3,870	3,870
	319,445	**330,834**	347,363	364,687
Fair value hedges #				
Interest rate swaps (see note 31)	**345**	**345**	–	–
Cash flow hedges #				
Interest rate swaps (see note 31)	**163**	**163**	249	249
Forward foreign exchange contracts (see notes 26 and 31)	**746**	**746**	439	439
	1,254	**1,254**	688	688
	320,699	**332,088**	348,051	365,375

* carried at amortised costs (see note 44(j)(ii) below)

\# carried at fair value (see note 44(j)(i) below)

44 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 2013				
Financial assets (liabilities) measured at fair value				
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)

44 Financial risk management (continued)

(j) Fair value measurements (continued)

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

Fair value hierarchy (continued)

	Level 1 HK$ millions	Level 2 HK$ millions	Level 3 HK$ millions	Total HK$ millions
At 31 December 2012				
Financial assets (liabilities) measured at fair value				
Available-for-sale investments				
Unlisted equity securities (see note 22)	–	–	930	930
Managed funds, outside Hong Kong (see note 23)	10,541	–	–	10,541
Listed / traded debt securities, outside Hong Kong (see note 23)	1,565	2,269	–	3,834
Listed equity securities, Hong Kong (see note 23)	2,165	–	–	2,165
Listed equity securities, outside Hong Kong (see note 23)	5,269	–	1,229	6,498
Financial assets at fair value through profit or loss (see note 23)	–	422	–	422
	19,540	2,691	2,159	24,390
Fair value hedges				
Interest rate swaps (see notes 22 and 25)	–	2,960	–	2,960
Cross currency interest rate swaps (see note 22)	–	1,527	–	1,527
Cash flow hedges				
Forward foreign exchange contracts (see note 25)	–	47	–	47
	–	4,534	–	4,534
Cash flow hedges				
Interest rate swaps (see note 31)	–	(249)	–	(249)
Forward foreign exchange contracts (see notes 26 and 31)	–	(439)	–	(439)
	–	(688)	–	(688)

44 Financial risk management (continued)

(j) Fair value measurements (continued)

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

Fair value hierarchy (continued)

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

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

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:

	2013 **HK$ millions**	2012 HK$ millions
At 1 January	**2,159**	2,339
Total gains (losses) recognised in		
Income statement	**79**	(1)
Other comprehensive income	**79**	126
Additions	**31**	44
Disposals	**(100)**	(367)
Exchange translation differences	**3**	18
At 31 December	**2,251**	2,159
Total gains (losses) recognised in income statement relating to those financial assets and financial liabilities held at the end of the reporting period	**79**	(1)

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

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

44 Financial risk management (continued)

(j) Fair value measurements (continued)

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

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

Fair value hierarchy

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

	Level 1 HK$ millions	**Level 2 HK$ millions**	**Level 3 HK$ millions**	**Total HK$ millions**
At 31 December 2013				
Bank and other debts	**170,667**	**66,076**	**–**	**236,743**

	Level 1 HK$ millions	Level 2 HK$ millions	Level 3 HK$ millions	Total HK$ millions
At 31 December 2012				
Bank and other debts	212,151	65,209	–	277,360

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.

44 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)	Gross amounts offset in the consolidated statement of financial position	Net amounts presented in the consolidated statement of financial position	Related amounts not offset in the consolidated statement of financial position		Net amounts
				Financial assets (liabilities)	Cash collateral pledged (received)	
	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions
At 31 December 2013						
Financial assets						
Trade receivables	918	(314)	604	(148)	–	456
Fair value hedges						
Interest rate swaps	1,813	–	1,813	(345)	–	1,468
Cross currency interest rate swaps	814	–	814	–	–	814
Cash flow hedges						
Interest rate swaps	42	–	42	–	–	42
Forward foreign exchange contracts	81	–	81	(74)	–	7
	3,668	(314)	3,354	(567)	–	2,787
Financial liabilities						
Trade payables	(1,247)	314	(933)	129	–	(804)
Other payables and accruals	(632)	–	(632)	19	–	(613)
Fair value hedges						
Interest rate swaps	(345)	–	(345)	345	–	–
Cash flow hedges						
Interest rate swaps	(163)	–	(163)	–	–	(163)
Forward foreign exchange contracts	(746)	–	(746)	74	–	(672)
	(3,133)	314	(2,819)	567	–	(2,252)

44 Financial risk management (continued)

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

	Gross amounts of recognised financial assets (liabilities)	Gross amounts offset in the consolidated statement of financial position	Net amounts presented in the consolidated statement of financial position	Related amounts not offset in the consolidated statement of financial position		Net amounts
				Financial assets (liabilities)	Cash collateral pledged (received)	
	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions
At 31 December 2012						
Financial assets						
Trade receivables	875	(277)	598	(240)	–	358
Fair value hedges						
Interest rate swaps	2,960	–	2,960	–	–	2,960
Cross currency interest rate swaps	1,527	–	1,527	–	–	1,527
Cash flow hedges						
Forward foreign exchange contracts	47	–	47	(34)	–	13
	5,409	(277)	5,132	(274)	–	4,858
Financial liabilities						
Trade payables	(954)	277	(677)	187	–	(490)
Other payables and accruals	(576)	–	(576)	53	–	(523)
Cash flow hedges						
Interest rate swaps	(249)	–	(249)	–	–	(249)
Forward foreign exchange contracts	(439)	–	(439)	34	–	(405)
	(2,218)	277	(1,941)	274	–	(1,667)

45 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 2013 is set out as follows:

	2013 HK$ millions	2012 HK$ millions
Assets		
Non-current assets		
Subsidiary companies – Unlisted shares [(a)]	**39,931**	39,931
Current assets		
Amounts due from subsidiary companies [(b)]	**69,533**	68,597
Current liabilities		
Other payables and accruals	**72**	67
Net current assets	**69,461**	68,530
Net assets	**109,392**	108,461
Capital and reserves		
Share capital (see note 32(a))	**1,066**	1,066
Reserves [(c)]	**108,326**	107,395
Shareholders' funds	**109,392**	108,461

Fok Kin Ning, Canning
Director

Frank John Sixt
Director

45 Statement of financial position of the Company, unconsolidated (continued)

(a) Particulars regarding the principal subsidiary companies are set forth on pages 265 to 270.

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

(c) Reserves

	Share premium * HK$ millions	Retained profit HK$ millions	Total HK$ millions
At 1 January 2012	28,359	78,191	106,550
Profit for the year	–	9,702	9,702
Unclaimed dividend write back	–	11	11
Dividends paid relating to 2011	–	(6,523)	(6,523)
Dividends paid relating to 2012	–	(2,345)	(2,345)
At 31 December 2012	**28,359**	**79,036**	**107,395**
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	**28,359**	**79,967**	**108,326**

* Share premium comprises share premium of HK$27,955 million and capital redemption reserve of HK$404 million in all reporting years.

(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$225,354 million (2012 – HK$260,036 million), the Company has guaranteed a total of HK$179,993 million (2012 – HK$213,387 million) which has been borrowed in the name of subsidiary companies. The Company has also guaranteed perpetual capital securities of US$3,000 million and €1,750 million, approximately HK$41,279 million (2012 – US$3,000 million, approximately HK$23,400 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$1,973 million (2012 – HK$1,815 million) and HK$19,998 million (2012 – HK$7,385 million) respectively and other guarantees of HK$9,983 million (2012 – HK$1,675 million). These amounts have been included in the Group's contingent liabilities disclosed in note 36.

(g) Pursuant to the disclosure requirement of the Hong Kong Companies Ordinance, the net profit of the Company is HK$10,007 million (2012 – HK$9,702 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 2013 amounting to HK$79,967 million (2012 – HK$79,036 million).

Principal Subsidiary and Associated Companies and Joint Ventures

at 31 December 2013

	Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital / registered capital		Percentage of equity attributable to the Group	Principal activities
	Ports and related services					
#	Alexandria International Container Terminals Company S.A.E.	Egypt	USD	30,000,000	40	Container terminal operating
	Amsterdam Port Holdings B.V.	Netherlands	EUR	170,704	56	Holding Company
	Brisbane Container Terminals Pty Limited	Australia	AUD	34,100,000	80	Container terminal operating
	Buenos Aires Container Terminal Services S.A.	Argentina	ARS	31,628,668	80	Container terminal operating
	ECT Delta Terminal B.V.	Netherlands	EUR	18,000	71	Stevedoring activities
	ECT Home Terminal B.V.	Netherlands	EUR	18,000	75	Stevedoring activities
	Ensenada Cruiseport Village, S.A. de C.V.	Mexico	MXP	145,695,000	80	Cruise terminal operating
	Ensenada International Terminal, S.A. de C.V.	Mexico	MXP	160,195,000	80	Container terminal operating
	Europe Container Terminals B.V.	Netherlands	EUR	45,000,000	75	Holding company
	Euromax Terminal Rotterdam B.V.	Netherlands	EUR	18,000	75	Stevedoring activities
	Freeport Container Port Limited	Bahamas	BSD	2,000	41	Container terminal operating
	Gdynia Container Terminal S.A.	Poland	PLN	11,379,300	79	Container terminal operating
	Harwich International Port Limited	United Kingdom	GBP	16,812,002	80	Container terminal operating
✡	Hongkong United Dockyards Limited	Hong Kong	HKD	76,000,000	50	Ship repairing, general engineering and tug operations
✡	Huizhou Port Industrial Corporation Limited	China	RMB	300,000,000	27	Container terminal operating
✡ ⌘	Huizhou Quanwan Port Development Co., Ltd.	China	RMB	359,300,000	40	Port related land development
⌘	Huizhou International Container Terminals Limited	China	RMB	685,300,000	64	Container terminal operating
	Hutchison Ajman International Terminals Limited – F.Z.E.	United Arab Emirates	AED	60,000,000	80	Container terminal operating
	Hutchison Port Holdings Limited	British Virgin Islands/ Hong Kong	USD	26,000,000	80	Operation, management and development of ports and container terminals, and investment holding
	Hutchison Korea Terminals Limited	South Korea	WON	4,107,500,000	80	Container terminal operating
	Hutchison Laemchabang Terminal Limited	Thailand	THB	1,000,000,000	64	Container terminal operating
✧ ❋ #	Hutchison Port Holdings Trust	Singapore/China	USD	8,797,780,935	28	Container port business trust
	Hutchison Port Investments Limited	Cayman Islands	USD	74,870,807	80	Holding company
	Hutchison Ports Investments S.à r.l.	Luxembourg	EUR	12,750	80	Operation, management and development of ports and container terminals, and investment holding
	Internacional de Contenedores Asociados de Veracruz, S.A. de C.V.	Mexico	MXP	138,623,200	80	Container terminal operating
	International Ports Services Co. Ltd.	Saudi Arabia	SAR	2,000,000	41	Container terminal operating
✡ ⌘	Jiangmen International Container Terminals Limited	China	USD	14,461,665	40	Container terminal operating
	Karachi International Container Terminal Limited	Pakistan	PKR	1,109,384,220	80	Container terminal operating
	Korea International Terminals Limited	South Korea	WON	45,005,000,000	71	Container terminal operating
	L.C. Terminal Portuaria de Contenedores, S.A. de C.V.	Mexico	MXP	67,000,000	80	Container terminal operating

Principal Subsidiary and Associated Companies and Joint Ventures

at 31 December 2013

	Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital / registered capital		Percentage of equity attributable to the Group	Principal activities
	Ports and related services (continued)					
	Maritime Transport Services Limited	United Kingdom	GBP	13,921,323	64	Container terminal operating
✡ ⌘	Nanhai International Container Terminals Limited	China	USD	42,800,000	40	Container terminal operating
✡ ⌘	Ningbo Beilun International Container Terminals Limited	China	RMB	700,000,000	39	Container terminal operating
	Oman International Container Terminal L.L.C.	Oman	OMR	4,000,000	52	Container terminal operating
	Panama Ports Company, S. A.	Panama	USD	10,000,000	72	Container terminal operating
	Port of Felixstowe Limited	United Kingdom	GBP	100,002	80	Container terminal operating
	PT Jakarta International Container Terminal	Indonesia	IDR	221,450,406,000	41	Container terminal operating
✡	River Trade Terminal Co. Ltd.	British Virgin Islands/ Hong Kong	USD	1	40	River trade terminal operating
	Saigon International Terminals Vietnam Limited	Vietnam	USD	80,084,000	56	Container terminal operating
✡ ⌘ +	Shanghai Mingdong Container Terminals Limited	China	RMB	4,000,000,000	40	Container terminal operating
⌘	Shantou International Container Terminals Limited	China	USD	88,000,000	56	Container terminal operating
	South Asia Pakistan Terminals Limited	Pakistan	PKR	5,763,773,300	72	Container terminal operating
	Sydney International Container Terminals Pty Ltd	Australia	AUD	49,000,001	80	Container terminal operating
✡	Taranto Container Terminal S.p.A.	Italy	EUR	1,280,000	40	Container terminal operating
	Talleres Navales del Golfo, S.A. de C.V.	Mexico	MXP	143,700,000	80	Marine construction and ship repair yard
+	Tanzania International Container Terminal Services Limited	Tanzania	TZS	1,801,666,000	56	Container terminal operating
	Terminal Catalunya, S.A.	Spain	EUR	2,342,800	80	Container terminal operating
	Thai Laemchabang Terminal Co., Ltd.	Thailand	THB	800,000,000	70	Container terminal operating
	Thamesport (London) Limited	United Kingdom	GBP	2	64	Container terminal operating
❋ # +	Westports Holdings Berhad	Malaysia	MYR	341,000,000	19	Holding company
✡ ⌘	Xiamen Haicang International Container Terminals Limited	China	RMB	555,515,000	39	Container terminal operating
✡ ⌘	Xiamen International Container Terminals Limited	China	RMB	1,148,700,000	39	Container terminal operating
✡ ⌘	Zhuhai International Container Terminals (Gaolan) Limited	China	USD	105,750,000	40	Container terminal operating
✡ ⌘	Zhuhai International Container Terminals (Jiuzhou) Limited	China	USD	52,000,000	40	Container terminal operating
	Property and hotels					
	Aberdeen Commercial Investments Limited	Hong Kong	HKD	2	100	Property owning
	Consolidated Hotels Limited	Hong Kong	HKD	78,000,000	39	Investment in hotel
	Elbe Office Investments Limited	Hong Kong	HKD	2	100	Property owning
	Foxton Investments Limited	Hong Kong	HKD	10,000	100	Property owning
	Glenfuir Investments Limited	Hong Kong	HKD	1,000,000	100	Property owning
#	Harbour Plaza Hotel Management Limited	Hong Kong	HKD	2	50	Hotel management
	Hongville Limited	Hong Kong	HKD	2	100	Property owning

	Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital / registered capital		Percentage of equity attributable to the Group	Principal activities
	Property and hotels (continued)					
✡ ⌖	Hutchison Enterprises (Chongqing) Limited	China	RMB	470,000,000	50	Property owning
	Hutchison Estate Agents Limited	Hong Kong	HKD	50,000	100	Property management, agency & related services
	Hutchison Hotel Hong Kong Limited	Hong Kong	HKD	2	100	Investment in hotel
	Hutchison Lucaya Limited	Bahamas	USD	5,000	100	Investment in hotel
	Hutchison Whampoa Properties Limited	Hong Kong	HKD	2	100	Holding company
✡ ⚐ +	Hutchison Whampoa Properties (Beijing Chaoyang) Limited	China	USD	81,579,000	50	Property developing & investment
✡ ⌖ +	Hutchison Whampoa Properties (Changchun) Limited	China	USD	34,870,000	50	Property developing & investment
✡ ⌖ +	Hutchison Whampoa Properties (ChangSha WangCheng) Limited	China	RMB	149,000,000	50	Property developing
✡ ⌖ +	Hutchison Whampoa Properties (Chengdu) Limited	China	RMB	1,050,000,000	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	2,400,000,000	48	Property developing & investment
✡ ⌖ +	Hutchison Whampoa Properties (Guangzhou Panyu) Limited	China	RMB	285,000,000	50	Property developing & investment
	Hutchison Whampoa Properties (Management & Agency) Limited	Hong Kong	HKD	20	100	Property management & related services
✡ ⌖ +	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	54,400,000	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

	Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital / registered capital		Percentage of equity attributable to the Group	Principal activities
	Property and hotels (continued)					
✡ ♁ +	Shanghai Cheung Tai Property Development Limited	China	RMB	870,000,000	50	Property developing
✡ ♁ +	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 Group (HK) Limited	British Virgin Islands/ Hong Kong	USD	1	100	Water, beverage & fruit juice manufacturing & distributing
	A.S. Watson (Europe) Retail Holdings B.V.	Netherlands	EUR	18,001	100	Retailing
	A.S. Watson Retail (HK) Limited	Hong Kong	HKD	100,000,000	100	Retailing
✡ +	Dirk Rossmann GmbH	Germany	EUR	12,000,000	40	Retailing
	Foshan Nanhai Watson's Personal Care Stores Company Limited	China	RMB	5,000,000	86	Retailing
⌘	Guangzhou Watson's Personal Care Stores Limited	China	HKD	71,600,000	95	Retailing
	PARKnSHOP (HK) Limited	Hong Kong	HKD	100,000,000	100	Supermarket operating
✡	Rossman Supermarkety Drogeryjne Polska Sp. z o.o.	Poland	PLN	350,000	70	Retailing
	Superdrug Stores plc	United Kingdom	GBP	22,000,000	100	Retailing
	Wuhan Watson's Personal Care Stores Co., Limited	China	RMB	55,930,000	100	Retailing
	Infrastructure and energy					
☼ ✡ +	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	Investment in oil and gas
☼ ✡ +	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	2,134,261,654	30	Investment holdings in power and utility-related businesses
☼ ✡ +	UK Power Networks Holdings Limited	United Kingdom	GBP	10,000,000	31	Electricity distribution
☼ ✡ +	Wales & West Gas Networks (Holdings) Limited	United Kingdom	GBP	290,272,506	23	Gas distribution

	Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital / registered capital		Percentage of equity attributable to the Group	Principal activities
	Telecommunications					
	3 Italia S. p. A.	Italy	EUR	3,047,756,290	97	Mobile telecommunications services
	Hi3G Access AB	Sweden	SEK	10,000,000	60	Mobile telecommunications services
	Hi3G Denmark ApS	Denmark	DKK	64,375,000	60	Mobile telecommunications services
	Hutchison Drei Austria GmbH	Austria	EUR	34,882,960	100	Mobile telecommunications services
	Hutchison 3G 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	1,258,120	49	Mobile telecommunications services
	PT. Hutchison 3 Indonesia	Indonesia	IDR	650,890,000,000	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	446,349,093	100	Holding company & corporate
	Hutchison Whampoa Europe Investments S.à r.l.	Luxembourg	EUR	1,764,026,950	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	52,051,448	70	Holding company of healthcare businesses
❋	Hutchison Harbour Ring Limited	Bermuda/Hong Kong	HKD	896,814,071	71	Holding company of property investment business
	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 business
	Marionnaud Parfumeries SAS	France	EUR	76,575,832	100	Holding in perfume retailing business
✡	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.

☼ The percentage of equity attributable to the Group of the Cheung Kong Infrastructure group excludes the shares issued to and held by the fiduciary in connection with the issue of perpetual capital securities by Cheung Kong Infrastructure in February 2012.

❋ 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.

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 34% and 4% of the Group's respective items.

Schedule of Principal Properties

at 31 December 2013

Description	Lot number	Lease term	Group's interest	Approximate gross floor area (sq ft unless otherwise stated)	Type	Estimated completion date (% complete)
Hutchison House, 10 Harcourt Road, Hong Kong	IL 8286	Long	100%	503,715	C	Existing
Cheung Kong Center, 2 Queen's Road Central, Hong Kong	IL 8887	Medium	100%	1,263,363	C	Existing
China Building, 29 Queen's Road Central, Hong Kong	IL 2317	Long	100%	258,751	C	Existing
28 Barker Road, The Peak, Hong Kong	RBL126 and extension thereto	Medium	100%	16,935	R	Existing
Cavendish Centre, 23 Yip Hing Street, Wong Chuk Hang, Hong Kong	AIL 399	Long	100%	342,868	I	Existing
Aberdeen Centre, Aberdeen, Hong Kong	AIL 302 & 304	Long	100%	345,026	C	Existing
Harbour Plaza North Point, 665 King's Road, North Point, Hong Kong	IL 8885	Medium	39%	343,081	H	Existing
One and Two Harbourfront and	Sec A, B & RP of	Long	100%	862,988	C	Existing
Harbour Grand Kowloon, Hung Hom, Kowloon	HHML 6 and extension thereto	Long	100%	510,932	H	Existing
Harbour Plaza Metropolis, Metropolis Drive, Hung Hom, Kowloon	KIL 11077	Medium	50%	461,310	H	Existing
Hunghom Bay Centre, Hung Hom, Kowloon	RP of HHML 1	Long	100%	80,402	C	Existing
Whampoa Garden, Hung Hom, Kowloon	KIL 10750 Sec A-H & Sec J-L	Long	100%	1,713,990	C	Existing
Sheraton Hong Kong Hotel & Towers, Salisbury Road, Tsim Sha Tsui, Kowloon	KIL 9172	Long	39%	729,945	H	Existing
The Kowloon Hotel, 19-21 Nathan Road, Kowloon	KIL 10737	Medium	50%	329,486	H	Existing
Victoria Mall, Canton Road, Kowloon	RP of KIL 11086	Medium	43%	168,002	C	Existing
Hutchison Logistics Centre,	M/F to 6/F on KCL No 4	Medium	100%	4,705,141	C/W	Existing
Kwai Chung, New Territories	G/F on KCL No 4	Medium	28%	737,394	C/W	Existing
Watson Centre, 16-22 Kung Yip Street, Kwai Chung, New Territories	KCTL 258	Medium	100%	687,200	I	Existing
Office Tower at Container Terminal No 9,	TYTL 139	Medium	28%	59,713	C	Existing
Hutchison Telecom Tower 99 Cheung Fai Road, Tsing Yi, New Territories		Medium	100%	300,268	C	Existing
Rambler Garden Hotel	TYTL 140	Medium	70%	211,108	H	Existing
Rambler Oasis Hotel	TYTL 140	Medium	70%	213,235	H	Existing
Rambler Plaza Tsing Yi, New Territories	TYTL 140	Medium	70%	60,859	C	Existing
Watson House, Wo Liu Hang Road, Shatin, New Territories	STTL 61	Medium	100%	280,900	C/W	Existing
Horizon Suite Hotel at Tolo Harbour, Ma On Shan, New Territories	STTL 461	Medium	49%	602,784	H	Existing
Watson's Water Centre, 6 Dai Li Street, Tai Po Industrial Estate, New Territories	Tai Po Town Lot 1 Sec B SS2	Medium	100%	255,138	I	Existing
Food Distribution Depot, Sheung Shui, New Territories	FSSTL 97	Medium	100%	142,394	I	Existing
Cement Manufacturing Plant, Tap Shek Kok, Tuen Mun, New Territories	TMTL 201	Medium	78%	1,645,301	I	Existing
The Great Wall Sheraton Hotel Beijing, 10 North Dong San Huan Road, Chao Yang District, Beijing, China	Chaoyang District, Beijing	Medium	50%	898,800	H	Existing
The Greenwich,	Chaoyang District, Beijing					
Yao Jia Yuan Dong Li,	Commercial	Medium	50%	21,732	C	Existing
Chaoyang District, Beijing, China	Phase 1C	Long	50%	43,125	R	Existing
(site area approx 2,882,120 sq ft)	Phase 2	Long	50%	2,546,050	R	2017 (4%)

Schedule of Principal Properties
at 31 December 2013

Description	Lot number	Lease term	Group's interest	Approximate gross floor area (sq ft unless otherwise stated)	Type	Estimated completion date (% complete)
A residential development at Shisanling Town, Changping District, Beijing, China (site area approx 2,759,132 sq ft)	Changping District, Beijing	Long	50%	861,112	R	2019 (1%)
Regency Park, Jingyue Economic Development Zone, Changchun, China (site area approx 9,910,215 sq ft)	Jingyue Economic Development Zone, Changchun					
	Phases 1A, 2 & 3	Medium	50%	170,800	R	Existing
	Phases 4A & 4B	Medium	50%	2,010,105	R/C	2016 (10%)
Regency Residence, Nanguan District, Changchun, China (site area approx 2,214,134 sq ft)	Nanguan District, Changchun					
	Phases 1, 2A & 2B	Medium	50%	134,398	R/C	Existing
	Phase 1	Medium	50%	32,293	C	2014 (95%)
Regency Lakeville, Changchun National Hi-Tech Industrial Development Zone, Changchun, China (site area approx 1,710,298 sq ft)	Changchun National Hi-Tech Industrial Development Zone, Changchun	Long	50%	2,411,081	R	2015 (30%)
		Medium	50%	123,344	C	2015 (30%)
Noble Hills, Wangcheng County, Changsha, China (site area approx 5,989,357 sq ft)	Wangcheng County, Changsha					
	Phases 1 & 2	Long	50%	39,999	R/C	Existing
	Phase 3	Long	50%	942,057	R	Existing
	Phase 4	Long	50%	764,754	R	2016 (10%)
	Phase 5	Long	50%	2,071,997	R/C	2017 (1%)
Regency Park, Tianning District, Changzhou, China (site area approx 867,570 sq ft)	Tianning District, Changzhou					
	Phases 1 & 2	Long	50%	143,547	R	Existing
	Phase 3A	Long	50%	143,061	R	Existing
	Phase 3B	Long	50%	1,838,334	R	2014 (50%)
Le Parc, Chengdu High-Tech Zone, Chengdu, China (site area approx 8,737,053 sq ft)	Chengdu High-Tech Zone, Chengdu					
	Phases 1A, 1B, 2A, 2B, 3A, 3B, 4A & 4B	Long	50%	1,718,425	R	Existing
	Phase 5A	Long	50%	1,662,875	R	2014 (70%)
	Phase 5B	Long	50%	1,593,223	R	2014 (55%)
	Phase 6B	Medium	50%	43,481	C	Existing
	Phase 6B	Medium	50%	328,245	C	2015 (2%)
	Phase 6C	Long	50%	1,797,162	R	2016 (2%)
	Phase 6C	Medium	50%	188,648	C	2016 (2%)
	Phases 7 & 8	Long	50%	6,204,290	R	2018 (2%)
	Phases 7 & 8	Medium	50%	578,646	C	2018 (2%)
Regency Oasis, Wenjiang District, Chengdu, China (site area approx 4,018,519 sq ft)	Wenjiang District, Chengdu					
	Phases 1A, 1B & 2	Long	50%	1,985,093	R	Existing
	Phase 1B	Medium	50%	11,730	C	Existing
	Phase 1B	Long	50%	165,155	R	2014 (95%)
Metropolitan Plaza, Ba Yi Lu, Yuzhong District, Chongqing, China	Yuzhong District, Chongqing	Medium	50%	1,511,515	C	Existing
Harbour Plaza Chongqing, Zou Rong Lu, Yuzhong District, Chongqing, China	Yuzhong District, Chongqing	Medium	50%	556,972	H	Existing
Cape Coral, Nanan District, Chongqing, China	Nanan District, Chongqing					
	Phases 1A, 1B & 2A	Medium	48%	216,861	R/C	Existing
	Phase 2B	Medium	48%	441,006	R	Existing
Noble Hills, Douxi, Chongqing, China (site area approx 4,811,765 sq ft)	Douxi, Chongqing					
	Phases 1B, 1C & 2B	Medium	50%	116,521	R	Existing
	Phase 2A	Medium	50%	22,330	R/C	Existing
	Phase 2C	Medium	50%	390,735	R	2014 (50%)
A commercial and residential development at Yangjiashan, Chongqing, China (site area approx 11,209,095 sq ft)	Yangjiashan, Chongqing					
	Land No. 8A	Medium	48%	24,348	C	2015 (1%)
	Land No. 1	Medium	48%	2,150,100	R	2015 (5%)
	Land No 8B	Medium	48%	123,397	R/C	2017 (1%)
	Lands No. 2-7, 9-18	Medium	48%	33,275,929	R/C	2021 (1%)

Description	Lot number	Lease term	Group's interest	Approximate gross floor area (sq ft unless otherwise stated)	Type	Estimated completion date (% complete)
A residential development at Zhaomushan, Liangjiang New Area, Chongqing, China (site area approx 1,425,905 sq ft)	Liangjiang New Area, Chongqing					
	Land No. G19	Medium	50%	793,525	R	2014 (40%)
	Land No. G18	Medium	50%	2,176,482	R	2015 (1%)
A commercial and residential development at Wolong Bay, Jinzhou New Area, Dalian, China (site area approx 3,437,548 sq ft)	Jinzhou New Area, Dalian					
	Land No.5B	Medium	50%	618,031	R/C	2015 (3%)
	Lands No. 5A, 6A & 6B	Medium	50%	3,646,573	R/C	2017 (1%)
A commercial and residential development at Heizuizi Wharf and the surrounding area, Xigang District Dalian, China (site area approx 1,539,604 sq ft)	Xigang District, Dalian	Long	50%	3,390,629	R	2019 (1%)
		Medium	50%	2,045,141	C	2019 (1%)
Cape Coral, Panyu District, Guangzhou, China (site area approx 4,840,181 sq ft)	Panyu District, Guangzhou					
	Phases 2, 3A & 3B	Long	50%	410,598	R	Existing
	Phase 4A	Long	50%	826,614	R/C	2015 (45%)
	Phase 4B	Long	50%	1,059,243	R	2016 (5%)
Noble Hills, Zengcheng, Guangzhou, China (site area approx 22,740,585 sq ft)	Zengcheng, Guangzhou					
	Phases 1A & 1B	Long	50%	446,153	R	Existing
	Phase 1B	Long	50%	234,685	R	2014 (10%)
	Phase 1A	Long	50%	16,146	C	2014 (40%)
	Phases 2 & 3	Long	50%	2,433,061	R	2016 (1%)
Guangzhou Guoji Wanjucheng, Nangang Village Head of Lang Bridge, Huang Pu District, Guangzhou, China (site area approx 3,458,021 sq ft)	Huang Pu District, Guangzhou					
	Phases 1 & 2A	Medium	30%	1,136,776	C	Existing
	Phases 2B & 2C (1)	Medium	30%	1,070,604	C	2014 (90%)
	Phases 2C (2) & 3	Medium	30%	2,353,575	C	2017 (1%)
Yuhu Mingdi, Zhongxin Town, Luogang District, Guangzhou, China (site area approx 2,427,765 sq.ft)	Luogang District, Guangzhou					
	Phase 1	Long	40%	61,588	R	Existing
	Phase 2	Long	40%	1,354,939	R	2015 (35%)
	Phase 3	Long	40%	668,230	R	2015 (20%)
A residential development at Nanzhuang Town, Chancheng District, Foshan, China (site area approx 805,764 sq ft)	Chancheng District, Foshan					
	Phase 1A	Long	50%	235,073	R	2014 (10%)
	Phase 1B	Long	50%	973,767	R	2015 (5%)
	Phase 2A	Long	50%	258,409	R	2015 (1%)
	Phase 2B	Long	50%	523,954	R	2015 (1%)
	Phase 1B	Long	50%	4,338	C	2015 (1%)
Laguna Verona, Hwang Gang Lake, Dongguan, China (site area approx 35,194,412 sq ft)	Hwang Gang Lake, Dongguan					
	Phases D1a, D1b, D1c & G1a	Long	49.9%	576,848	R	Existing
	Phases C & G1a	Long	49.9%	57,393	C	Existing
	Phase E1	Long	49.9%	280,636	R	2014 (90%)
	Phase E2	Long	49.9%	426,261	R	2014 (10%)
	Phase H	Long	49.9%	466,271	R	2015 (4%)
	Phases D2a & D2b	Long	49.9%	1,476,226	R	2015 (4%)
	Phases G1b1 & G2a1	Long	49.9%	1,082,030	R/C	2015 (5%)
	Phases D2c, F, G1b2, G1b3, G2a2, G2a3 & G2b	Long	49.9%	11,822,885	R/C	2021 (1%)
Harbour Plaza Golf Club, Hwang Gang Lake, Dongguan, China	Hwang Gang Lake, Dongguan Golf course	Medium	50%	14,257,654	G	Existing
Le Parc, Futian District, Shenzhen, China	Futian District, Shenzhen	Long	50%	102,953	C	Existing
Regency Park, Guanlan, Baoan District, Shenzhen, China	Baoan District, Shenzhen					
	Phases 1 & 3	Long	50%	161,687	R	Existing
Le Sommet, Longgang District, Shenzhen, China	Longgang District, Shenzhen					
	Phases 1A, 1B, 3, 4B & 4C	Long	50%	56,650	R/C	Existing
Century Place, Shennan Road, Huaqiangbei, Futian District, Shenzhen, China	Futian District, Shenzhen					
	Phases 1 & 2	Medium	40%	698,751	C	Existing
	Phase 1	Medium	40%	6,770	R	Existing
Noble Hills, Guanlan, Baoan District, Shenzhen, China	Baoan District, Shenzhen	Long	50%	333,617	R/C	Existing

Description	Lot number	Lease term	Group's interest	Approximate gross floor area (sq ft unless otherwise stated)	Type	Estimated completion date (% complete)
A commercial development at land lots G/M and H, Futian District, Shenzhen, China (site area approx 160,420 sq ft)	Futian District, Shenzhen	Medium	25%	484,376	C	2015 (20%)
A residential development at Aotou, Daya Bay, Huizhou, China (site area approx 861,672 sq ft)	Daya Bay, Huizhou					
	Phases 1 & 2	Long	50%	2,545,167	R/C	2016 (1%)
Horizon Costa, Qiao Island, Zhuhai, China (site area approx 2,152,780 sq ft)	Qiao Island, Zhuhai					
	Phase 1	Long	50%	1,202,801	R/C	2016 (1%)
	Phase 2	Long	50%	1,354,314	R	2017 (1%)
A residential development at Cuilihu, Zhongshan, China (site area approx 1,128,143 sq ft)	Cuilihu, Zhongshan	Long	50%	665,607	R/C	2015 (1%)
A residential development at Yin Hu Wan, Jiangmen, China (site area approx 14,351,863 sq ft)	Yin Hu Wan, Jiangmen					
	Phases 1, 2(A&B) & 3	Long	45%	1,734,710	R	2018 (1%)
	Phases 4, 5 & 6	Long	45%	2,593,562	R	2021 (1%)
	Commercial & Hotel	Medium	45%	299,936	C/H	2016 (1%)
A commercial and residential development at Yingtiandajie, Jianye District, Nanjing, China (site area approx 1,286,318 sq ft)	Jianye District, Nanjing					
	Phase 1A	Long	50%	471,825	R	2015 (8%)
	Phase 2A	Medium	50%	82,904	C	2014 (2%)
	Phase 1B	Long	50%	234,685	R	2014 (32%)
	Phase 1B	Long	50%	1,085,324	R	2015 (22%)
	Phase 2B	Medium	50%	127,143	C	2014 (4%)
	Phase 1C	Long	50%	341,011	R	2014 (25%)
	Phase 1C	Long	50%	946,093	R	2015 (15%)
	Phase 2C	Medium	50%	577,386	C	2015 (6%)
The Harbourfront, Shibei District, Qingdao, China (site area approx 3,329,597 sq ft)	Shibei District, Qingdao					
	Lands No. 1 & 2	Long	45%	431,385	R/C	Existing
	Land No. 3	Long	45%	733,355	R	2014 (85%)
	Land No. 4	Long	45%	443,591	R/C	2014 (80%)
	Land No. 5	Long	45%	2,733,934	R/C	2016 (3%)
	Land No. 6	Long	45%	2,428,260	R/C	2015 (50%)
	Land No. 7	Long	45%	865,095	R/C	2016 (1%)
	Land No. 8	Medium	45%	301,378	C	2014 (99%)
Westgate Mall & Tower, Nanjing Xi Lu / Jiang Ning Lu, Jing An District, Shanghai, China	Jing An District, Shanghai	Medium	30%	1,099,361	C	Existing
Seasons Villas, Huamu Road, Pudong New District, Shanghai, China	Pudong New District, Shanghai					
	Phases 2, 3, 4A & 5	Long	50%	112,924	R	Existing
Century Link, Lot 2-4 Century Avenue, Pudong New District, Shanghai, China (site area approx 551,984 sq ft)	Lot 2-4 Century Avenue, Pudong New District, Shanghai	Medium	25%	697,888	C	2014 (50%)
		Medium	25%	1,653,561	C	2015 (20%)
Regency Cove, Qian Kun Road, Maqiao Town, Minhang District, Shanghai, China	Minhang District, Shanghai					
	Phases 1A, 1B & 2	Long	43%	262,286	R	Existing
City Link, Xin Zha Road, Jing An District, Shanghai, China (site area approx 156,378 sq ft)	Jing An District, Shanghai	Medium	30%	624,037	C	2016 (17%)
Upper West Shanghai Putuo District, Shanghai, China (site area approx 1,903,638 sq ft)	Putuo District, Shanghai					
	Phase 1A	Medium	30%	144,527	C	2014 (95%)
	Phase 1B	Medium	30%	1,112,030	C	2014 (60%)
	Phase 2	Medium	30%	1,504,696	C/H	2018 (10%)
	Phase 3	Medium	30%	2,536,416	C/H	2018 (1%)
	Phase 4	Medium	30%	446,304	C	2017 (2%)
	Phase 4	Long	30%	413,334	R	2018 (2%)
	Phase 4	Medium	30%	401,353	C	2018 (2%)
	Phase 5	Long	30%	1,136,668	R	2018 (1%)
	Phase 5	Medium	30%	54,680	C	2018 (1%)

Description	Lot number	Lease term	Group's interest	Approximate gross floor area (sq ft unless otherwise stated)	Type	Estimated completion date (% complete)
Oriental Financial Center, Lujiazui, Pudong New District, Shanghai, China (site area approx 100,083 sq ft)	Pudong New District, Shanghai	Medium	50%	861,112	C	2014 (85%)
Hupan Mingdi, Nanxiang Town, Jiading District, Shanghai, China (site area approx 2,277,864 sq ft)	Jiading District, Shanghai	Long	50%	649,935	R	2014 (70%)
		Long	50%	1,615,392	R	2015 (30%)
		Long	50%	838,508	R	2016 (1%)
		Medium	50%	12,841	C	2014 (90%)
		Medium	50%	434,743	C	2015 (30%)
Regency Garden, Hu Nan Road / Fang Rong Road, Zhoupu Town, Pudong New District, Shanghai, China (site area approx 2,835,394 sq ft)	Pudong New District, Shanghai					
	Phases 1, 2A & 3	Long	43%	62,325	R	Existing
	Phase 2B	Long	43%	809,592	R	2014 (80%)
	Phase 4	Long	43%	272,111	R	2014 (20%)
	Phase 5A	Long	43%	387,289	R	2014 (5%)
	Phase 5B	Long	43%	962,847	R	2015 (1%)
A residential development at Land No.16, Zhao Xiang Town, Qing Pu District, Shanghai, China (site area approx 1,555,190 sq ft)	Qing Pu District, Shanghai					
	Phase 1A	Long	50%	378,857	R	2014 (11%)
	Phase 1B	Long	50%	409,394	R	2015 (7%)
	Phase 2A	Long	50%	800,328	R	2015 (6%)
A residential development at Land No.17, Zhao Xiang Town, Qing Pu District, Shanghai, China (site area approx 797,508 sq ft)	Qing Pu District, Shanghai					
	Phase 1	Long	50%	340,301	R	2014 (15%)
	Phase 2	Long	50%	515,569	R	2015 (8%)
The Metropolitan Tianjin, Yingkoudao, Heping District, Tianjin, China	Heping District, Tianjin					
	Phases 1 & 2	Medium	40%	1,915,838	C	Existing
	Phase 2	Long	40%	6,399	R	Existing
Millennium Waterfront, Hualou Jie, Jianghan District, Wuhan, China (site area approx 1,190,692 sq ft)	Jianghan District, Wuhan					
	Phase 1A	Medium	50%	265,018	C	2014 (75%)
	Phases 1B & 2	Long	50%	4,425,298	R	2015 (32%)
	Phases 1B & 2	Medium	50%	1,583,014	C	2016 (32%)
A commercial and residential development at Laopupian, Jianghan District, Wuhan, China (site area approx 379,654 sq ft)	Jianghan District, Wuhan					
	Residential	Long	50%	879,325	R	2015 (8%)
	Commercial	Medium	50%	1,256,169	C	2015 (8%)
Regency Cove, Caidian District, Wuhan, China (site area approx 8,481,361 sq ft)	Caidian District, Wuhan					
	Phase 1	Long	50%	961,830	R	2014 (99%)
	Phases 2-9	Long	50%	15,422,688	R/C/H	2023 (1%)
The Greenwich, Xian Hi-Tech Industries Development Zone, Xian, China (site area approx 5,176,722 sq ft)	Xian Hi-Tech Industries Development Zone, Xian					
	Phases 2A & 2B	Medium	50%	285,329	R/C	Existing
	Phases 3A & 3B	Medium	50%	371,340	R	Existing
	Phases 4A & 4B	Long	50%	3,064,116	R/C	2016 (12%)
Albion Riverside, Wandsworth, London, United Kingdom	Wandsworth, London	Freehold	45%	79,242*	C	Existing
A commercial and residential development at Lots Road, Chelsea, London, United Kingdom (site area approx 384,199 sq ft)	Chelsea / Fulham, London	Freehold	95%	902,514*	R/C	2018 (3%)
A commercial and residential development at Convoys Wharf, London, United Kingdom (site area approx 1,742,400 sq ft)	Convoys Wharf, London	Freehold	100%	3,298,565*	R/C	2023 (1%)
Marina Bay Suites, Marina Boulevard / Central Boulevard, Singapore	Land Parcel 662, Singapore					
	Phase 2	Long	17%	62,066	R	Existing
The Vision, 727 West Coast Crescent, Singapore (site area approx 129,168 sq ft)	Lot 8341X Mukum 5, Singapore	Long	50%	361,670	R	2014 (57%)
Bahamas Grand Lucayan Grand Bahama, Bahamas	Freeport, Grand Bahama Island Bahamas	Freehold	100%	1,027,494	H	Existing
		Freehold	100%	320 acres	G	Existing

Description	Lot number	Lease term	Group's interest	Approximate gross floor area (sq ft unless otherwise stated)	Type	Estimated completion date (% complete)
Container Terminal No 4, Kwai Chung, New Territories	KCL No 4	Medium	28%	70 acres	CT	Existing
Container Terminal No 6, Kwai Chung, New Territories	KCL No 6	Medium	28%	71 acres	CT	Existing
Container Terminal No 7, Kwai Chung, New Territories	KCL No 7 and extension	Medium	28%	85 acres	CT	Existing
Container Terminal No 8 East, Kwai Chung, New Territories	KCL No 8 East	Medium	14%	74 acres	CT	Existing
Container Terminal No 8 West, Kwai Chung, New Territories	KCL No 8 West	Medium	28%	71 acres	CT	Existing
Container Terminal No 9, Tsing Yi, New Territories	TYTL 139 TYL 9 (co-grantee)	Medium	28%	47 acres	CT	Existing
Mid-Stream Terminal, Stonecutters Island, Hong Kong	KCTL No 479	Medium	28%	360,000	CT	Existing
River Trade Terminal, Tuen Mun, New Territories	TMTL No 393	Medium	40%	7,000,000	CT	Existing
Container Terminal at Yantian Port, Shenzhen, China (Phases I & II)	Yantian, Shenzhen	Medium	16%	13,947,657	CT	Existing
Container Terminal at Yantian Port, Shenzhen, China (Phase III & Expansion)	Yantian, Shenzhen	Medium	14%	24,341,000	CT	Existing
Container Terminal at West Port, Shenzhen, China (Phase I)	Yantian, Shenzhen	Medium	14%	1,862,522	CT	Existing
Inland Container Depot and Warehousing, Guanlan, Shenzhen, China	Guanlan, Shenzhen	Medium	22%	3,591,699	D/W	Existing
Container Terminal at Dayabay, Huizhou, Guangdong, China (Phase 1)	Dayabay, Huizhou, Guangdong	Medium	27%	5,597,417	CT	Existing
Container Terminal at Dayabay, Huizhou, Guangdong, China (Phase 2)	Dayabay, Huizhou, Guangdong	Medium	64%	6,458,558	CT	2014 (92%)
Container Terminal at Jiuzhou, Zhuhai, Guangdong, China	Lovers Avenue South, Zhuhai, Guangdong	Medium	40%	1,659,592	CT	Existing
Multi purpose Terminal at Zhuhai Port, Gaolan, Zhuhai, Guangdong, China	Zhuhai Port, Zhuhai, Guangdong	Medium	40%	2,242,392	CT	Existing
Container Terminal at Zhuhai Port, Gaolan, Zhuhai, Guangdong, China (Phase 1)	Zhuhai Port, Zhuhai, Guangdong	Medium	40%	6,072,998	CT	2014 (94%)
Container Terminal at Zhuhai Port, Gaolan, Zhuhai, Guangdong, China (Phase 2)	Zhuhai Port, Zhuhai, Guangdong	Medium	40%	7,532,875	CT	2017 (15%)
Container Terminal at Zhuchi Port, Shantou, Guangdong, China	Zhuchi Port, Shantou, Guangdong	Medium	56%	4,582,505	CT	Existing
Container Terminal at San Shan Port, Nanhai, Guangdong, China	San Shan Island, Nanhai, Guangdong	Medium	40%	4,256,425	CT	Existing
Container Terminal at Gaosha Port, Jiangmen, Guangdong, China	Gaoshawei, Baishi Administration Area, Jiangmen, Guangdong	Medium	40%	1,337,675	CT	Existing
Container Terminal at Haicang Port, Xiamen, Fujian, China	Berth 1, Haicang Port Zone, Xiamen, Fujian	Medium	39%	2,751,137	CT	Existing
Container Terminal at Haicang Port, Xiamen, Fujian, China	Berth 2 & 3, Haicang Port Zone, Xiamen, Fujian	Medium	39%	5,016,444	CT	Existing
Container Terminal at Waigaoqiao, Phase V, Shanghai, China	Waigaoqiao, Phase V, Pudong, Shanghai	Medium	40%	17,534,372	CT	Existing
Container Terminals at Beilun, Ningbo, Zhejiang, China	Beilun, Ningbo, Zhejiang	Medium	39%	8,198,101	CT	Existing

Description	Lot number	Lease term	Group's interest	Approximate gross floor area (sq ft unless otherwise stated)	Type	Estimated completion date (% complete)
Multi-Purpose Terminal at Laem Chabang, Thailand	A2, Laem Chabang	Medium	70%	1,829,825	CT	Existing
Container Terminal at Laem Chabang, Thailand	A3, C1, C2, D1, D2, D3, Laem Chabang	Medium	64%	356 acres	CT	2019 (49%)
Container Terminals at Thi Vai-Cai Mep Port Area, Ba Ria-Vung Tau Province, Vietnam	Lot No.105 (Map Street No. 08) Phu My Town, Tan Thanh District, Ba Ria-Vung Tau Province, Vietnam	Medium	56%	3,631,171	CT	Existing
Container Terminal at Tanjung Priok, Jakarta, Indonesia	CT 1 & CT 2 Tanjung Priok, Jakarta	Medium	41%	246 acres	CT	2015 (90%)
Container Terminal at Tanjung Priok, Jakarta, Indonesia	CT 3 Tanjung Priok, Jakarta	Medium	36%	76 acres	CT	Existing
Container Terminal at Port Klang, Selangor, Malaysia	Westports, Port Klang, Pulau Indah	Medium	19%	63,162,000	CT	Existing
Container Terminal at Karachi, Pakistan (Phases I & II)	Berth Nos 28 to 30 West Wharf	Medium	80%	1,466,284	CT	Existing
Container Terminal at Karachi, Pakistan (Phase III)	Berth Nos 26 to 27 West Wharf	Medium	80%	1,336,084	CT	Existing
Container Terminal at 1116, Jwachon-dong, Dong-ku, Busan, South Korea	Jwachon, Busan	Medium	80%	154 acres	CT	Existing
Container Terminal at 1379, Hwanggil-dong, Gwangyang-si, Jeollanam-do, South Korea	Gwangyang, Gwangyang-si Phase 2-2	Medium	71%	5,737,851	CT	Existing
Container Terminal at Sohar, Sultanate of Oman (Phase 2B)	Plot 2B, Sohar Industrial Port	Short	52%	69 acres	CT	Existing
Container Terminal at Sohar, Sultanate of Oman (Phase 2C1)	Plot 2C1, Sohar Industrial Port	Medium	52%	74 acres	CT	2014 (50%)
Multi-Purpose Terminal at Ajman, United Arab Emirates	Ajman Port	Short	80%	1,388,544	CT	Existing
Container Terminal No 11 at Port of Brisbane, Queensland, Australia	Port of Brisbane, Queensland, Australia	Medium	80%	34 acres	CT	Existing
Container Terminal No 12 at Port of Brisbane, Queensland, Australia	Port of Brisbane, Queensland, Australia	Medium	80%	30 acres	CT	2018 (1%)
Intermodal Terminal at Enfield, New South Wales, Australia	Enfield, New South Wales, Australia	Medium	80%	36 acres	D/W	2014 (1%)
Empty Container Storage "A" at Enfield, New South Wales, Australia	Enfield, New South Wales, Australia	Medium	80%	13 acres	D/W	2018 (0%)
Empty Container Storage "B" at Enfield, New South Wales, Australia	Enfield, New South Wales, Australia	Medium	80%	12 acres	D/W	2016 (0%)
Container Terminal No 3 at Port Botany, New South Wales, Australia	Port Botany, New South Wales, Australia	Medium	80%	119 acres	CT	Existing
Container Terminal at Felixstowe, United Kingdom	Felixstowe, County of Suffolk	Long Freehold	80% 80%	479 acres 250 acres	CT CT	Existing Existing
Container Terminal at Thamesport, United Kingdom	Isle of Grain County of Kent	Long	64%	240 acres	CT	Existing
Multi purpose freight & passenger port & Bathside Bay Land, Harwich, United Kingdom	Harwich, County of Essex	Freehold Freehold	80% 80%	185 acres 250 acres	P CT	Existing 2021 (25%)
Container Terminal in Taranto Port, Molo Polisettoriale, Italy	Molo Polisettoriale, Taranto Port, S.S. 106	Long	40%	252 acres	CT	Existing
Container Terminal at Amsterdam, The Netherlands	Amsterdam Container Terminal	Long	56%	136 acres	CT	Existing
Container Terminal at Rotterdam, The Netherlands	Home Terminal, Rotterdam Delta Terminal, Rotterdam Euromax Terminal, Rotterdam	Short Medium Medium	75% 71% 75%	161 acres 672 acres 208 acres	CT CT CT	Existing Existing Existing

Schedule of Principal Properties

at 31 December 2013

Description	Lot number	Lease term	Group's interest	gross floor area (sq ft unless otherwise stated)	Type	Estimated completion date (% complete)
Inland Container Terminal at Venlo, The Netherlands	TCT Venlo Terminal (Rail)	Freehold	75%	16 acres	CT	Existing
	TCT Venlo Terminal (Barge)	Long	75%	5 acres	CT	Existing
Inland Container Terminal at Moerdijk, The Netherlands	Moerdijk Container Terminal	Long	37%	58 acres	CT	Existing
Inland Container Terminal at Willebroek, Belgium	TCT Belgium Terminal, Willebroek	Freehold	75%	25 acres	CT	Existing
Inland Container Terminal at Duisburg, Germany	DeCeTe Terminal, Duisburg	Short	39%	23 acres	CT	Existing
		Medium	39%	3 acres	CT	Existing
	ECT Duisburg, Duisburg	Short	75%	12 acres	CT	Existing
Container Terminal at Stockholm, Sweden	Stockholm Container Terminal (CTF)	Medium	80%	21 acres	CT	Existing
Container Depot at Can Tunis, Barcelona, Spain	Barcelona Europe South Terminal (BEST) Barcelona, Spain	Medium	80%	625,308	D/W	Existing
Container Terminal at Muelle Prat, Barcelona, Spain	Barcelona Europe South Terminal (BEST) Barcelona, Spain					
	Phase 1A	Medium	80%	6,436,504	CT	Existing
	Phase 1B.1	Medium	80%	1,555,973	CT	2015 (33%)
Container Terminal at Gdynia, Poland	Port of Gdynia, Poland	Long	79%	48 acres	CT	2016 (70%)
Container Terminal at Alexandria, Egypt	Alexandria	Medium	40%	1,207,731	CT	Existing
	El Dekheila	Medium	40%	2,004,848	CT	Existing
Container Terminal at Veracruz, Mexico	Recinio portuario, Zona II Puerto de Veracruz, Veracruz	Medium	80%	4,492,133	CT	Existing
Container Terminal at Ensenada, Baja California, Mexico	Ensenada, Baja California	Medium	80%	1,522,508	CT	Existing
Cruise Port & Marina at Ensenada, Baja California, Mexico	Ensenada, Baja California	Medium	80%	2,137,449	P	Existing
Container Terminal at Manzanillo, Mexico	CT Manzanillo	Medium	80%	914,468	CT	Existing
Inland Container Depot at Manzanillo, Mexico	Ejido Tapeixtles	Freehold	80%	645,835	D/W	Existing
Inland Container Depot at Santa Fe, Veracruz, Mexico	Ejido Delfino Vict.	Freehold	80%	1,723,141	D/W	Existing
Container Terminal at Lazaro Cardenas, Michoacan, Mexico	Lazaro Cardenas, Michoacan	Freehold	80%	2,220,024	CT	Existing
	Phase I	Medium	80%	3,049,416	CT	Existing
	Phase II	Medium	80%	3,049,416	CT	Existing
	Multipurpose Terminals	Medium	80%	2,105,752	CT	Existing
Container Terminal at Buenos Aires, Argentina	Puerto Nuevo, Buenos Aires	Short	80%	2,918,520	CT	Existing
Grand Bahama Airport Company Bahamas	Freeport, Grand Bahamas Island	Freehold	40%	2,655 acres	A	Existing
Sea Air Business Centre at Freeport, Bahamas	Freeport, Grand Bahamas Island	Freehold	40%	721 acres	C	Existing
Freeport Harbour Company Bahamas	Freeport, Grand Bahamas Island	Freehold	40%	1,630 acres	P/CT	Existing
Freeport Container Port Bahamas	Freeport, Grand Bahamas Island	Long	41%	168 acres	CT	Existing

Lease term: Long = lease not less than 50 years; Medium = lease less than 50 years but not less than 10 years; Short = lease less than 10 years.

* Total net floor area for UK projects

A = Airport C = Commercial CT = Container Terminal D = Depot G = Golf Course H = Hotel I = Industrial

P = Cruise Port SA = Serviced Apartment R = Residential W = Warehouse

Ten Year Summary

	2004	2005	2006	2007	2008	2009	2010	2011	2012	**2013**
CONSOLIDATED INCOME STATEMENT										
HK$ millions										
Revenue	134,592	182,526	183,790	218,678	235,478	208,808	209,180	233,700	243,089	**256,234**
Profit attributable to ordinary shareholders of the Company	11,088	12,465	17,041	33,171	12,113	13,722	20,005	55,824	25,897	**31,112**
Dividends	7,375	7,375	7,375	7,375	7,375	7,375	8,185	8,868	8,868	**9,806**
CONSOLIDATED STATEMENT OF FINANCIAL POSITION										
HK$ millions										
ASSETS										
Non-current assets										
Fixed assets	153,273	129,467	145,280	186,342	178,143	176,192	167,851	155,502	167,588	**177,324**
Investment properties	31,741	38,557	41,657	43,680	41,282	42,323	43,240	42,610	43,652	**42,454**
Leasehold land	25,367	27,150	30,194	31,272	29,848	29,191	27,561	10,004	9,495	**9,849**
Telecommunications licences	103,060	84,624	89,077	91,897	72,175	70,750	68,333	75,503	78,655	**86,576**
Goodwill	10,577	17,959	21,840	31,573	30,436	28,858	27,332	26,338	26,492	**38,028**
Brand names and other rights	1,559	3,579	7,582	10,901	10,486	7,351	12,865	12,615	15,328	**18,755**
Associated companies	54,952	62,201	71,603	71,966	71,525	77,270	84,799	105,505	113,306	**112,058**
Interests in joint ventures	35,703	40,383	41,833	43,144	50,462	58,141	74,891	99,758	108,949	**111,271**
Deferred tax assets	12,248	15,623	17,146	17,605	13,236	14,645	14,091	16,985	18,059	**18,548**
Other non-current assets	8,230	4,426	3,762	5,082	8,904	5,286	9,131	10,184	9,579	**7,934**
Liquid funds and other listed investments	66,503	60,669	66,251	69,192	30,735	23,213	24,585	20,239	23,499	**17,136**
	503,213	484,638	536,225	602,654	537,232	533,220	554,679	575,243	614,602	**639,933**
Current assets	137,160	106,208	130,721	187,680	130,581	157,260	166,614	145,292	189,269	**175,589**
Total assets	640,373	590,846	666,946	790,334	667,813	690,480	721,293	720,535	803,871	**815,522**
Current liabilities	91,267	84,202	90,291	142,732	107,818	93,867	106,911	109,359	120,923	**108,290**
Non-current liabilities										
Bank and other debts	254,779	233,454	260,970	260,086	234,141	242,851	228,134	189,719	220,440	**207,195**
Interest bearing loans from non-controlling shareholders	5,096	5,429	12,030	12,508	13,348	13,424	13,493	6,502	6,307	**5,445**
Deferred tax liabilities	8,745	10,234	11,067	13,703	9,501	9,063	9,856	8,888	8,968	**10,228**
Pension obligations	2,424	2,323	2,431	1,520	2,584	2,480	1,741	3,041	3,616	**3,095**
Other non-current liabilities	2,167	4,354	6,368	5,929	4,586	4,520	3,945	4,296	5,076	**5,037**
	273,211	255,794	292,866	293,746	264,160	272,338	257,169	212,446	244,407	**231,000**
Net assets	275,895	250,850	283,789	353,856	295,835	324,275	357,213	398,730	438,541	**476,232**
CAPITAL AND RESERVES										
Share capital	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	**1,066**
Perpetual capital securities	–	–	–	–	–	–	15,600	15,600	23,400	**39,587**
Reserves	248,146	239,870	266,324	304,818	262,945	285,784	297,325	342,905	367,053	**385,956**
Total ordinary shareholders' funds and perpetual capital securities	249,212	240,936	267,390	305,884	264,011	286,850	313,991	359,571	391,519	**426,609**
Non-controlling interests	26,683	9,914	16,399	47,972	31,824	37,425	43,222	39,159	47,022	**49,623**
Total equity	275,895	250,850	283,789	353,856	295,835	324,275	357,213	398,730	438,541	**476,232**

Ten Year Summary

	2004	2005	2006	2007	2008	2009	2010	2011	2012	**2013**
PERFORMANCE DATA										
Earnings per share for profit attributable to ordinary shareholders of the Company – (HK$)	2.60	2.92	4.00	7.78	2.84	3.22	4.69	13.09	6.07	**7.30**
Dividends per share – (HK$)	1.73	1.73	1.73	1.73	1.73	1.73	1.92	2.08	2.08	**2.30**
Dividend cover	1.5	1.7	2.3	4.5	1.6	1.9	2.4	6.3	2.9	**3.2**
Return on average ordinary shareholders' funds (%)	4.5%	5.1%	6.7%	11.6%	4.3%	5.0%	6.8%	17.4%	7.3%	**8.2%**
Current ratio	1.5	1.3	1.4	1.3	1.2	1.7	1.6	1.3	1.6	**1.6**
Net debts – (HK$ millions)	137,596	153,187	157,111	130,780	165,863	143,355	131,125	127,076	124,705	**121,035**
Net debt / Net total capital (%) (1)	32.7%	37.1%	34.5%	26.1%	34.7%	29.7%	26.0%	23.8%	21.9%	**20.0%**
Net assets attributable to ordinary shareholders of the Company per share – book value (HK$)	58.5	56.5	62.7	71.8	61.9	67.3	70.0	80.7	86.3	**90.6**
Number of shares (million)	4,263.3	4,263.3	4,263.3	4,263.3	4,263.3	4,263.3	4,263.3	4,263.3	4,263.3	**4,263.3**

(1) 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.

(2) The comparatives have been restated to reflect the effect of adoption of new and revised accounting policies in 2013 (see note 1 to the accounts).

Information for Shareholders

LISTING

The Company's ordinary shares are listed on The Stock Exchange of Hong Kong Limited

STOCK CODE

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PUBLIC FLOAT CAPITALISATION

Approximately HK$210,964 million (approximately 47% of the issued share capital of the Company) as at 31 December 2013

FINANCIAL CALENDAR

Payment of 2013 Interim Dividend:	11 September 2013
2013 Final Results Announcement:	28 February 2014
Closure of Register of Members:	13 May 2014 - 16 May 2014
Annual General Meeting:	16 May 2014
Record Date for 2013 Final Dividend:	22 May 2014
Payment of 2013 Final Dividend:	3 June 2014
2014 Interim Results Announcement:	July 2014

REGISTERED OFFICE

22nd Floor, Hutchison House
10 Harcourt Road, Hong Kong
Telephone: +852 2128 1188
Facsimile: +852 2128 1705

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Rooms 1712-1716, 17th Floor
Hopewell Centre, 183 Queen's Road East
Wanchai, Hong Kong
Telephone: +852 2862 8628
Facsimile: +852 2865 0990

INVESTOR INFORMATION

Corporate press releases, financial reports and other investor information on the Group are available on the website of the Company

INVESTOR RELATIONS CONTACT

Please direct enquiries to:
Group Corporate Affairs Department
22nd Floor, Hutchison House
10 Harcourt Road, Hong Kong
Telephone: +852 2128 1188
Facsimile: +852 2128 1705
Email: info@hwl.com.hk

WEBSITE ADDRESS

www.hutchison-whampoa.com

Hutchison Whampoa Limited

22nd Floor, Hutchison House, 10 Harcourt Road, Hong Kong

Telephone: +852 2128 1188
Facsimile: +852 2128 1705

www.hutchison-whampoa.com