WHARF

Established 1886

THE WHARF (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)
Stock Code: 4

2014 Final Results Announcement

Group Profit Increased by 22% to HK$35.9 Billion

HIGHLIGHTS

- Group turnover increased by HK$6.2 billion or 20%, mainly due to Investment Properties (IP) and Development Properties (DP)
- Operating profit increased by HK$1.0 billion or 8%, net of a 33% decrease reported for DP
- Declines totalling HK$2.0 billion were reported for associates/joint ventures and other income
- Core profit declined by 7% to HK$10.5 billion
- An impairment provision of HK$2.0 billion was booked against DP assets
- Accordingly, Group profit before IP surplus decreased by 32% to HK$8.2 billion
- A net IP revaluation surplus of HK$27.7 billion was recorded
- Group profit after IP surplus increased by 22% to HK$35.9 billion

GROUP RESULTS

Underlying core profit for the year decreased by 7% to HK$10,474 million (2013: HK$11,298 million).

Including IP revaluation surplus as well as other accounting gains/losses, Group profit attributable to equity shareholders amounted to HK$35,930 million (2013: HK$29,380 million) for a 22% increase from 2013. Basic earnings per share were HK$11.86 (2013: HK$9.70).

DIVIDENDS

A first interim dividend of HK$0.55 per share was paid on 30 September 2014. In lieu of a final dividend, a second interim dividend of HK$1.26 per share will be paid on 15 May 2015 to Shareholders on record as at 4 May 2015. Total distribution for the year 2014 will amount to HK$1.81 (2013: HK$1.70) per share.

BUSINESS REVIEW

INVESTMENT PROPERTIES

HARBOUR CITY (excluding hotels)

Revenue increased by 14% to HK$8,096 million and operating profit by 14% to HK$7,054 million. Harbour City was valued at HK$160 billion at the end of 2014, representing an increase of 16% over 2013 and 38% of the Group's business assets.

Retail

In 2014, Hong Kong retail market saw a 0.2 percent year-on-year drop in sales, primarily due to the Mainland's anti-extravagance campaign that dented luxury spending and competition from Europe, Korea and Japan as their currencies continued to weaken relative to Hong Kong Dollar and Renminibi. The "Occupy Movement" towards the end of the year inflicted further damage.

Harbour City again outperformed the market in a challenging retail environment. Total sales grew by 3.4% to set another record of HK$35 billion. Market share improved further to 7.1%, manifesting its productivity and leading position in the marketplace. Revenue to Harbour City from retail increased by 16% to HK$5,674 million.

Management, size and location are the key success factors contributing to the outperformance in a competitive retail landscape. With two million square feet of contiguous mall space, Harbour City is among the world's leading shopping destinations. It is the core of the "Greater Harbour City" cluster with six million square feet spanning vibrant shopping, entertainment, dining and lifestyle in Tsimshatsui's most dynamic retail area. Its presence strengthens the prominence of the region. The coveted Harbour City and its 530-metre contiguous retail frontage along Canton Road is well positioned as a global retail showcase for celebrated brands and has become the most sought-after location for the best-of-class retailers. Demand from renowned fashion brands for expansion and flagship stores at Harbour City remains intense. New additions (*Bvlgari &Valentino)* and expansion (*Prada*) were committed on Canton Road. Other committed expansions included *Moncler, Celine*, *Roger Vivier* and *Jimmy Choo*.

New openings or commitments further refined the diverse tenant mix. These included top performers across various trade categories such as fine jeweler *Chaumet, Van Cleef & Arpels and* Italian fashion brand *Armani Collezioni*. Michelin star chef's Italian restaurant *La Locanda by Giancarlo Perbellini*, French fine dining *Dalloyau* and *Wedgewood's café* opened their debut stores in Hong Kong at Harbour City. *Jamie's Italian* is also set to open its Kowloon debut. Following the opening of *Uniqlo's* largest flagship store in Kowloon in April, *Page One's* 37,000-square-foot full concept store and *Versace's* three-level full concept store were opened in late September and October respectively.

Ocean Terminal's ("OT") value-accretive renovation is progressing to plan. Upon completion of the new escalators at KidX and a new atrium as well as creation of three new shops taken up by *Monblanc, IWC Schaffhausen* and *Hublot* in Golden Mile, new retail and F&B attractions on the third floor will be created by mid-2015.

Designed by Foster & Partners, the extension building plan for OT is pending approval. New culinary options with breathtaking panoramic views of the Hong Kong harbour and skyline will be offered at the extension building.

A series of trade-mix enhancements as well as the renovation and extension of OT will further unleash retail value, add growth impetus and bring surprises and excitement to the discerning shoppers.

Office

Demand at Harbour City was underpinned by business expansion and corporate upgrades. New lettings were largely supported by small to medium-sized requirements. Solid positive rental reversion increased revenue by 13% to HK$2,121 million. Rental rates for new commitments remained stable while occupancy reached 98% at year-end.

Lease renewal retention rate held up at 83% during the year, with favourable rental increments. These included *Mizuho Corporate Bank, West Kowloon Cultural District Authority, All Nippon Airways and AIA*.

Thanks to its favourable location and transportation, premium quality management, comprehensive ancillary features including the mega mall, three Marco Polo hotels, serviced apartments, a fitness centre and a private Pacific Club, Harbour City is a preferred office location for multinationals, as well as Mainland and local enterprises. These advantageous elements place Harbour City in an unrivalled position relative to "pure offices".

Serviced Apartments

Revenue amounted to HK$301 million, with occupancy (excluding 61 apartments closed for renovation) climbing to 87% at year-end. Upon completion of the substantial renovation, the refreshed apartments will be better-positioned to cater to customers' unique and sophisticated demands and enable the most discerning customers to enjoy an unmatched, tranquil and more blissful lifestyle.

TIMES SQUARE

The completion of a value-accretive revamp at the mall spurred a significant increase in overall revenue by 21% to HK$2,544 million and operating profit by 24% to HK$2,276 million.

Retail

Times Square, prominently located at the most dynamic retail district in Causeway Bay, is among the most successful vertical malls in the world and remains a must-visit shopping landmark in town. Its unique 17-level mall design, expertly-managed trade-mix and direct connection to the Mass Transit

Railway as well as signature Open Piazza set Times Square apart from others in the vibrant district. Similar to Harbour City, Times Square is the core of a "Greater Times Square" cluster of high-traffic shopping, entertainment, dining and lifestyle, and enhances the appeal of the region.

The enhanced Times Square has pushed the bar to new heights and caters to higher levels of service, sophistication and entertainment demands from a broader range of shoppers. This sparked new growth in retail sales and revenue in 2014. Retail sales grew by 11% to set another record of HK$10.5 billion while retail revenue increased by 26% to HK$1,883 million with occupancy maintained at virtually 100%. A line-up of new anchors and coveted luxury brands including *Chanel, Louis Vuitton, Dior Homme, Fendi* and *De Beers* sustained retail momentum. Refined culinary offerings including *Yun Yan*, *Pak Loh Chiu Chow Restaurant* and *Enmaru*, the top-ranked Izakaya style Japanese debut as well as *Laduree Tea Room*, the renowned French café's debut, have met with encouraging responses. The state-of-the-art 5 house cinema CINE TIMES across the 12th to 14th floors with top-notch audio/ visual facilities drove foot traffic, boosted sales and created value. Success also lies in the installation of bigger and faster elevators from ground level to bring shoppers to the upper levels much more conveniently.

Trade-mix was further enhanced with recruitment of a diverse range of tenants from leading high-end brands such as *Celine*, *Jimmy Choo* and *Hugo Boss* to popular mass brands such as *Topshop* and *American Eagle Outfitters*. *Gucci* is set to open a vertical duplex store by mid-2015 whereas some tenants at the atrium floors will relocate with new images. The creation of a semi-retail zone at the upper floors further strengthened the tenant mix. *il Colpo* opened a 4,800-square-foot salon and *Sulwhasoo* opened its first 10,000-square-foot flagship beauty and Spa centre on Hong Kong Island. Constant value-accretive initiatives will continue to drive growth and performance.

Office
Positive rental reversion increased revenue by 9% to HK$661 million. Occupancy was 98% at year-end. Lease renewal retention was maintained at 75%.

Times Square remained the preferred office location for multinationals in the service and consumer goods industries. New lettings in 2014 included *The Bank of East Asia, Giant Interactive and Park Linker*. Demand was fueled by in-house expansions or relocations including *AXA China Region Insurance, Huawei Investment and Dennis Lau & Ng Chun Man*.

PLAZA HOLLYWOOD

Plaza Hollywood, a leading shopping mall in Kowloon East with a population catchment area of 1.5 million residents, offers enormous growth potential. Relentless tenant mix enhancement and powerful retail marketing drove its growth and performance. Revenue increased by 8% to HK$513 million and operating profit by 9% to HK$397 million. Occupancy was 99% at year-end.

Prominent location and efficient transport infrastructure places Plaza Hollywood in an excellent position to attract phenomenal foot traffic and creates a good catchment area for the mall. It is not only located atop the Diamond Hill MTR Station, the future interchange hub for the new Shatin-Central link with the existing MTR network but also located at the entrance to Tate's Cairn tunnel, a vehicular artery linking Kowloon East with the New Territories and beyond to Shenzhen, and directly linked to the Diamond Hill bus terminus. Plaza Hollywood is set to benefit from the government's "Energizing Kowloon East" initiative as the entire region will become increasingly more attractive and vibrant.

The favourable location alongside various adjacent cultural landmarks and tourist attractions including Tang Dynasty-styled Chi Lin Nunnery and the renowned Wong Tai Sin Temple differentiate Plaza Hollywood from other malls in the region.

Plaza Hollywood is purposely-designed without towers above it to maximize planning flexibility. It has not only a highly efficient layout (65% of GFA is lettable), but also a valuable critical mass for shoppers and retailers, with its over 250 retail outlets, 20 restaurants, and a purposely-built stadium seating six-screen multiplex with 1,614 seats.

CHINA
Higher contribution from Chengdu IFS and Shanghai Wheelock Square increased revenue for China IP by 57% to HK$1,984 million. Operating profit increased by 30% to HK$991 million.

Chengdu IFS (International Finance Square)
Prominently located at the intersection of Hongxing Road, Dacisi Road and Beishamao Street, the city's busiest pedestrian shopping area, Chengdu IFS is modeled on Harbour City in Hong Kong. The prime location comparable to a combination of Hong Kong's Central CBD, Causeway Bay and Tsim Sha Tsui, alongside the directly connected mass transit railway station (lines 2 and 3 intersect) puts Chengdu IFS in an unrivalled position to attract mainstream customers in the Western China metropolis. With a total development area of 760,000 square metres, Chengdu IFS comprises a mega shopping mall designed by Benoy, two premium-grade A office towers designed by Kohn Pederson Fox Associates, a luxurious residential tower and a premium hotel. The 206,000-square-metre mall and the twin office towers were completed in 2014. Full completion is scheduled for 2015.

Retail
Since its opening in early 2014, the mega mall has become a one-stop lifestyle shopping landmark in Western China, thanks to its unparalleled location, critical mass, world-class management and services. Its most comprehensive trade mix, lifestyle and entertainment offering fuels strong demand from the rising middle class. The presence of nearly 300 of the world's most coveted brands (including over 100 debut stores of renowned brands in Western China) underlined retailers' confidence in Wharf's management expertise. With its 530-metre-retail street frontage on par with Harbour City's Canton Road frontage, Chengdu IFS is comparable to Harbour City in terms of showcase effect and attraction power. Its 15-metre tall outdoor giant panda was not only a hugely appealing draw for local residents, but also part of the itinerary for tourists exploring Chengdu.

The shopping mall was over 99% leased, with 98% of shops already in operation. Since its opening, retail sales and foot traffic has jumped nearly 400% and 250% respectively at year-end. A spate of marketing events including *Doraemon 100 Secret Gadgets Expo* and *Charity Luxury Car Show with "19 HIGHWAY"* received overwhelming responses. The *Doraemon* campaign attracted over 280,000 shoppers on the campaign's first day and generated 106,000 media clippings throughout the campaign period. The mall generated a revenue of RMB483 million in 2014, 21% above target and is expected to reap an annual retail revenue of RMB600 million at full operation. In recognition of its top-quality management, Chengdu IFS garnered various prestigious awards in 2014 including a finalist to compete for *"VIVA Best-of-the-Best"* around the globe in Asia Pacific Shopping Centre Gold Award by ICSC, *"China Property Awards 2014 (Best Mixed-Use Development)", "The 5th Golden Mouse E-Marketing Awards (Integrated Marketing) – Bronze"* and *"2014 Five-Star Shopping Mall"* by Hua Xi Media Group.

Office, Hotel and Serviced Residence
Chengdu IFS features two premier Grade-A office towers (plus 31,000 square metres of office spaces in mixed-used tower 3) with contemporary architecture and premium management services. These

towers not only are among the top choices for multinationals and sizeable corporations but also raise the benchmark for tomorrow's offices in Western China. Targeting prestigious financial and professional tenants, the premier towers are best-positioned to be a marketplace for the tenants to conduct seamless financial business interaction. Tower One (GFA: 130,000 square metres) was completed in early 2014 and 40% occupied (primarily low-mid zone) at year-end. Another 26% is under final discussion. Such leasing status marked the highest penetration for office leasing in Chengdu, with a host of Fortune 500 companies, financial companies and leading domestic corporations committed. Newly recruited tenants included *KPMG, Lujiazui Finance and Active Network*. Tower two, same size and quality as that of Tower one, was completed at year-end and will put up for lease by mid-2015. Significant potential prospects are underway. In recognition of their world-class management and services, the office towers were awarded "*The Valuable Benchmarking Office Building*" by the Economic Observer Commercial Properties Annual Forum.

Featuring 228 rooms and suites, the premium hotel under a new brand of Niccolo by Marco Polo, is scheduled for opening in mid-2015. Luxury serviced residences are due to open in the second half of 2015. These openings will strengthen Chengdu IFS's position as a must-visit city landmark.

Shanghai Wheelock Square, is a premier office tower with distinctive design in Nanjing Xi Road overlooking Jing'an Park in the heart of the Puxi CBD in Shanghai. It is strategically located right opposite Jing'an Temple Metro Station from where frequent trains commute to Pudong International Airport and next to the Yan'an elevated expressway. It also sits between the Bund and Zhong Shan Xi Road with Hongqiao International Airport further to the west. Being the tallest landmark tower in Puxi at 270 metres, Wheelock Square is the preferred location for multinational firms and major corporations underpinned by its prime location, premium-quality services and world-class management. Key anchor tenants include *Bristol-Myers Squibb, Aecom, Takeda, Rio Tinto, Tod's* and *Toyota Tsusho*.

Office occupancy rate was 98% at year-end. Lease renewal retention rate was 76% with solid rental reversion. Various powerful promotions and marketing initiatives such as "*Climbing to the Top of Puxi*" and "*Green Monday*" with the theme of "*Go Green*" were executed to further enhance Wheelock Square's brand as a "Core Office Tower" in Puxi and to encourage the adoption of a healthier lifestyle and greener diet among working executives in the tower. In recognition of its premium-quality management and drive for greener and more sustainable office environment, Wheelock Square not only acquired "*Gold Certification – LEED for Existing Buildings: Operations and Maintenance*" by U.S. Green Building Certification Institute, but also garnered various awards including "*High-End Commercial Property Service Excellence Award*" by Golden Key Properties Alliance in 2014.

Shanghai Times Square, strategically located on Huaihai Road, has transformed to a high-end retail destination with the largest Lane Crawford store in China and a mega lifestyle specialty store City'Super, upon completion of its substantial renovation in 2013. The renewed mall alongside the new cluster on HuaiHai Road and the new Lane Crawford complements one another and creates value. Shanghai Times Square was over 99% occupied at year-end. Tenant mix was further refined with additions of various new brands, culinary and lifestyle tenants. Innovative marketing and promotional events including "free make-up workshops" for office ladies were conducted to drive traffic and sales. In the "all-inclusive" whole floor kids zone with fashion, dining and playing elements, a series of exhibition and workshop activities were held to further uplift sales and traffic.

Chengdu Times Outlet

Located in close proximity to Chengdu Shuangliu International Airport, Chengdu Times Outlet has been among the most visited outlet destinations since opening in late 2009. It also ranks among the Top Ten outlet malls across China, one of the fastest growing sectors of commercial properties in China. With over 250 top international brands spreading across 63,000 square metres of the mall, Chengdu Times Outlet continued to deliver remarkable sales performance, with a 21% growth in sales during the year.

Changsha New Outlet Mall

Extending the outlet mall strategy, the Group acquired a 120,686-square-metre commercial site in Changsha in February 2015 for RMB153.6 million. Strategically located in the city, the development has direct access to multiple major motorways (including metro and high-speed expressway) connecting Changsha to a number of popular tourist attractions nationwide, such as 張家界, 武陵園, 洞庭湖 etc. It will be developed into an outlet mall with about 70,000 square metres. Full completion is scheduled for 2016.

OTHER INTERNATIONAL FINANCE SQUARES

The Group is developing five IFSs in China, with a scale comparable to or surpassing that of Harbour City and Times Square in Hong Kong. These IFSs, upon full completion by 2017, will significantly enhance the Group's recurrent income base in China and be a significant growth driver for the Group.

In 2014, the Group completed and delivered the initial phase of Chengdu IFS: shopping mall (206,000 square metres) and the twin office towers (260,000 square metres). Completed also were Chongqing IFS four office towers (92,000 square metres attributable to the Group) and Wuxi IFS office space (148,000 square metres).

Changsha IFS

Capitalizing on the most coveted location in Furong District's Jiefang Road, Changsha IFS is best-placed to be the new landmark of the core CBD. Modeled on Harbour City in Hong Kong, Changsha IFS boasts a total development area of 1,026,000 square metres and has retail street frontage of exceeding 700 metres. It commands an underground linkage to a future Wuyi Plaza Station (metro lines 1 and 2) and is in close proximity to one of the busiest pedestrian streets in China (Huang Xing). It is flanked by financial institutions including the People's Bank of China on one side and a traditional shopping cluster on the other. Such dual cluster can be aptly dubbed as a combination of Hong Kong's Central CBD, Causeway Bay and Tsim Sha Tsui. The development features an iconic 452-metre tower and a 315-metre tower above a mega mall of 230,000 square metres, offering upscale retail, Grade A offices and a premium hotel. Designed by Benoy, the retail mall will be a must-visit destination with its world-class lifestyle, retail, entertainment, and dining offering under one roof. The development will be completed in phases from 2016.

Setting the bar for future offices, the premier office towers will be an ideal location for a spate of financial institutions based in Hunan province.

Chongqing IFS

Strategically located in Jiangbei District, Chongqing's new CBD, where the Yangtze River meets the Jialing River, Chongqing IFS enjoys a fabulous panoramic river view and convenient connectivity through three nearby bridges. With light railway lines 6 and 9 set to pass that area with respective stations nearby, the development is adjacent to the Chongqing City Grand Theatre, the Chongqing Science Museum and the Central Park. The 50:50 joint venture development (with China Overseas) features an iconic 300-metre landmark tower and four other towers above a 102,000-square-meter retail podium. The boutique-sized Harbour City, providing a wide and dynamic range of offerings, is positioned to be a one-stop shopping and entertainment hub. The retail leasing progress is in good shape, with over 50% of the floor plates under offer including but not limited to the key anchors and various major players across different categories under serious negotiations. Over 80% of office towers 2 and 3 was sold as at year-end. The office towers are slated for completion in phases from 2014. Full completion of the development is scheduled for 2016.

Wuxi IFS

Wuxi IFS is a 339-metre landmark tower offering world-class Grade A offices and a premium hotel. Its positioning of being the tallest skyscraper in Wuxi CBD separates Wuxi IFS from the pack. With a GFA of 190,000 square metres, the development will sit on a 29,000-square metre overlooking the 670,000-square metre Taihu Plaza which includes the large adjacent landscaped square, a public library, the public museum and the historic Grand Canal. Various prospects including multinationals, financial institutions, media consultancies, professional service firms, I.T. and high-tech firms are under negotiation. In recognition of its efforts in delivering a greener and sustainable office environment, Wuxi IFS acquired the LEED Gold Certification in 2014, adding an extra appeal for multinational tenants. Full completion is scheduled for 2016.

Suzhou IFS

Located in the CBD overlooking Jinji Lake, Suzhou IFS is a 450-metre landmark commercial development adjacent to Xinghu Street MTR Station (Line 1). The development envisages a GFA of 278,000 square metres comprising international Grade A offices, luxury apartments and a 147-room premium hotel with full scenery of Suzhou. Neighboring high-end and large-scale shopping malls form a mature commercial cluster in the vicinity of Suzhou IFS. Full completion is scheduled for 2017.

DEVELOPMENT & OTHER PROPERTIES

China Development Properties

Policy headwinds overshadowed the private housing market. However, a loosening of restrictions on mortgage in September and a surprise interest-rate cut in November sparked a shortlived revival of sentiment in recent months. Despite early signs of stabilization of property sales towards the end of the year, the challenging market environment weighed on the Group's DP business in 2014. While DP consolidated revenue increased by 35% to HK$15,426 million, a lower profit margin reduced net profit to HK$1,410 million, representing 13% of Group total (2013: 29%). 1,662,000 square metres of GFA were completed and recognized during the year (2013: 1,228,000 square metres).

Contracted sales in 2014 exceeded 2013 but slightly lagged target. A total of 50 development projects spanning 14 cities were offered for sale or pre-sale. On an attributable basis, a total of 1.5 million square metres were sold to generate proceeds of RMB21.5 billion, 94% of the target achieved. GFA sold was above plan but average selling price below amidst various challenges in the market. The net order book (net of business tax) increased to RMB22 billion for 1.6 million square metres at the year end.

The Group acquired three DP sites in the cities of Beijing and Hangzhou at the end of 2014 and beginning of 2015 with an attributable GFA of 0.11 million square metres for a total of RMB2.4 billion. Inclusive of China IP, the current landbank was maintained at 10.2 million square metres, spanning 15 cities.

Against the backdrop of market conditions, the Group will continue to adopt a selective approach towards further acquisitions.

Eastern China
There are 25 projects on sale across six cities. Five new projects in three cities were launched during the year. In Hangzhou, the initial phases of Royal Seal were offered for pre-sale in January/March. A total of 16,700 square metres was pre-sold for proceeds of RMB724 million. The first phase of Greentown Wharf Qian Tang Ming Yue was launched for pre-sale in September, with 15,900 square metres pre-sold for proceeds of RMB400 million on an attributable basis. In Shanghai, the initial phases of Tangzhen were offered for pre-sale in May, with 28,100 square metres sold for proceeds of RMB1,230 million on an attributable basis. The first phase of Zhoupu was launched for pre-sale in December, with 3,000 square metres sold for RMB98 million. In Suzhou, the initial phases of Bellagio were offered for pre-sale in May/June, with 36,100 square metres sold for proceeds of RMB338 million.

In Suzhou, Times City and Ambassador Villa sold a further 214,700 square metres and 42,900 square metres for proceeds of RMB2,740 million and RMB1,150 million respectively. In Shanghai, the Songjiang Xianhe Road Project offered additional phases and sold a further 24,730 square metres for proceeds of RMB735 million. In Hangzhou, Palazzo Pitti and Junting sold a further 49,200 square metres and 2,860 square metres for proceeds of RMB1,165 million and RMB18 million respectively.

Western China
There are 11 projects on sale in Chengdu and Chongqing. In Chengdu, the first phase of Times City was offered for pre-sale in March and has met with good demand. Le Palais and Times Town of Shuangliu Development Zone sold a further 129,300 square metres and 61,500 square metres for proceeds of RMB1,181 million and RMB367 million respectively.

In Chongqing, International Community launched additional phases of retail and residential units and sold a further 97,100 square metres for proceeds of RMB676 million on an attributable basis. The U World and The Throne, on an attributable basis, sold a further 20,700 square metres and 41,300 square metres for proceeds of RMB384 million and RMB341 million respectively.

Southern China
There are seven projects on sale in Foshan and Guangzhou. In Foshan, initial phases of Evian Capital and Evian Kingbay were launched for pre-sale in October and November respectively and have met with favourable responses. Evian Riviera and Evian Buena Vista, on an attributable basis, sold a further 27,700 square metres and 37,600 square metres for proceeds of RMB563 million and RMB414 million respectively. Evian Town and Evian Uptown have met with good demand. These six projects are developed through 50:50 joint ventures with China Merchants Property.

In Guangzhou, Donghui City sold a further 22,100 square metres for proceeds of RMB379 million on an attributable basis. This is a joint venture development with China Vanke Co. Limited and CMP, in which the Group has a 33% interest.

Central/ Northern China
There are seven projects for sale in Beijing, Wuhan, Tianjin and Dalian. In Wuhan, the first phase of Moon Lake site B was launched for pre-sale in June, with 50,300 square metres pre-sold for proceeds of RMB515 million. In Beijing, Unique Garden offered additional phases and received overwhelming responses. A total of 35,800 square metres were promptly sold for proceeds of RMB1,651 million on an attributable basis.

Other Hong Kong Properties
Providing the most prominent and luxurious addresses in Hong Kong, Wharf's Peak Portfolio

comprises an array of premier residences on the Peak. The combined value of these distinguished addresses with an attributable GFA in excess of 397,000 square feet far exceeds that of the general bank. It is estimated to be HK$28 billion (average accommodation value: about HK$70,000 per square foot of GFA).

Mount Nicholson is a 50:50 joint venture development with Nan Fung with an attributable GFA of approximately 162,000 square feet. It is being developed into exclusive and super deluxe residences with a breathtaking panoramic view of Victoria Harbour. Construction is underway, with full completion scheduled for 2015. Pre-sale preparation is underway, with launch of the first phase possibly by mid-2015.

Redevelopment of the Peak Portfolio including 1 Plantation Road, 11 Plantation Road and 77 Peak Road is progressing as planned. The relevant redevelopment plan was approved. Foundation work for the various projects is underway.

1 Plantation Road, 11 Plantation Road and 77 Peak Road will feature 20 houses (total GFA: 91,000 square feet), seven houses (total GFA: 46,000 square feet) and eight houses (total GFA: 42,200 square feet) respectively.

Others
In light of the enormous potential to be unveiled in Kowloon East, a vibrant and alternative CBD designated by the Government, the Group boasts a good cluster of projects under development or re-development in the region. Kowloon Godown, Wharf T&T Square and Wheelock's One Bay East at the heart of the new CBD2 spanning a 500-metre coastline with a stunning view of Victoria Harbour create the "Kowloon East Waterfront Portfolio". The redevelopment of Kowloon Godown into a residential and commercial development (GFA: 829,000 square feet) has been approved.

The general building plan for the redevelopment of Wharf T&T Square into a high rise Grade A commercial building (GFA: 596,200 square feet) was approved. The premium for lease modification was settled while the premium offer for permitting bonus GFA was accepted. The building was vacated in early 2015 for demolition.

The redevelopment of Yau Tong Godown into a residential and commercial property (GFA: 256,000 square feet) was approved and the premium for lease modification was settled. Construction work is underway.

The master layout plan for the Yau Tong joint venture project, in which the Group has approximately a 15% interest, was approved. The development features 12 blocks of residential and commercial buildings (GFA: approximately four million square feet).

Non-Property

Hotels
Currently, the Group operates 14 Marco Polo hotels in the Asia Pacific region, five of which are owned by the Group.

As an integral part of the Group's expansion plan in the Asia Pacific, there will be a portfolio of 11 owned hotels (including six new hotels in the Mainland) in five years' time. Conveying an aura of exquisiteness and modishness, these new hotels are poised to offer superb design and impeccable service. At least three of the new hotels are luxury hotels with a splash of modern and chic under

Niccolo, a new brand by Marco Polo. These contemporary urban luxury hotels with the most desirable addresses will raise the bar in style, service and hospitability for the group. The first Niccolo hotel will open in Chengdu IFS by mid-2015, thanks to the untapped potential of business and leisure travel across the region.

Marco Polo Changzhou, destined to be an exclusive urban oasis and the city's prime destination for sophisticated events and weddings, has opened since late August 2014.

In Hong Kong, the "Occupy Movement" curtailed the performance of the three hotels in Harbour City. Initial operating losses for Marco Polo Changzhou further weighed on the hotel segment. Total revenue increased by 5% to HK$1,600 million while operating profit decreased by 4% to HK$387 million. Consolidated occupancy of the three Macro Polo hotels in Hong Kong reached 89% with a 10% increase in average room rate.

Murray Building is a prominent landmark building with an intricate design and nearly 50 years of history. It guards the intersection of traffic arteries in Central that run east-west and north-south and commands open green views over Hong Kong Park. It is also well connected to other buildings in the neighborhood, as well as to the Mass Transit Railway. The Group will convert this iconic building into a unique urban chic hotel which will feature 340 deluxe guestrooms overlooking the heart of Central, for a total investment exceeding HK$7 billion. Foundation works have commenced, with hotel opening targeted for 2017.

Modern Terminals

Global trade flows ended with a lukewarm growth in 2014 driven by the fledging recovery of US and European economies. South China's container throughput gained 5% year-on-year, with Kwai Tsing and Shenzhen throughput increasing by 3% and 7% respectively. Market shares of Kwai Tsing and Shenzhen were 43% and 57% respectively.

In 2014, consolidated revenue at Modern Terminal reached HK$3,206 million, HK$100 million more than in 2013. Contracted throughput in Hong Kong was 5.4 million TEUs, in line with that of 2013. Operating profit increased by HK$90 million to HK$1,034 million despite continuous margin pressure arising from the shift of business mix towards the less profitable trans-shipment.

In the Mainland, throughput at Da Chan Bay Terminal One in Shenzhen and Taicang International Gateway in Suzhou grew by 25% and 23% to 1.3 million TEUs and 1.8 million TEUs respectively. Shekou Container Terminals in Shenzhen, in which Modern Terminals holds a 20% stake, handled 5.1 million TEUs. Chiwan Container Terminals, in which Modern Terminals holds an 8% attributable stake, handled 2.6 million TEUs.

A solid base in the Pearl River Delta and Yangtze River Delta places Modern Terminals in a good position to benefit from China' steady economic development.

Communications, Media & Entertainment ("CME")

i-CABLE

Weaker local consumption depressed demand, while intense competition and product substitution increased supply. They combined to put significant pressure on both subscription and airtime sales revenue. TV customer base contraction continued on weaker sales in a shrinking market despite signs of stabilization towards the end of the year. Broadband business reported minor growth in revenue and operating margin. It has become more necessary than ever to invest prudently in programming and other initiatives to prepare for challenging times ahead. Past operating losses have weakened i-CABLE's financial position. Net cash totaled HK$62 million (2013: HK$182 million). To sustain this investment, i-CABLE will evaluate funding options from internal resources, external debt as well as fresh equity. Net loss for the year was HK$139 million (2013: HK$93 million).

Wharf T&T

The importance of ICT investment to business results and *modus operandi* continue to rise in the business sector. The market, therefore, enjoyed robust demand for the best part of 2014. Underpinned by the solid growth in its telecom business, Wharf T&T achieved another record-breaking year in its growth journey.

Total revenue rose by 5% to HK$1,950 million. Data business continued to deliver promising double-digit growth that reflected increased penetration in the market. EBITDA increased by 7% to HK$755 million, with margin improving to 39%. Operating profit increased by 17% to set a record of HK$352 million. Free cash flow improved to HK$380 million. Over and above the strong financial performance, Wharf T&T's continuous effort in service excellence earned a two-point gain, from a year earlier, in the annual Customer Satisfaction Index (CSI), and set another new record in the company's service history.

Building on a solid growth trajectory with relentless product and service focus, Wharf T&T is very well positioned to challenge the incumbent and benefit from the increased adoption of cloud services in the business sector.

The "Star" Ferry

The "Star" Ferry, a franchised public-service ferry operator, serves the community by providing passengers with reliable ferry crossings and one of the best value-for-money sightseeing trips in the world. A notable increase in rental revenue boosted Star Ferry's revenue and operating profit in 2014.

Hong Kong Air Cargo Terminals

Hong Kong Air Cargo Terminals, a 20.8% associate of the Group, handled 1.8 million tonnes in 2014. It is the leading air cargo terminal operator in Hong Kong, one of the world's busiest airports for international cargo.

FINANCIAL REVIEW

(I) Review of 2014 results

The Group's Investment Properties ("IP") core profit continued growing strongly in 2014 and achieved a year-on-year increase of 16% to HK$7,624 million, representing 73% (2013: 58%) of the Group underlying core profit. Unlike previous years of having higher margin projects, Development Property ("DP") profit, including joint ventures, declined by 55% to HK$1,474 million. Consolidated underlying core profit before impairment provisions, as further impacted by the absence of non-operating and investment disposal gains, decreased by 7% to HK$10,474 million (2013: HK$11,298 million).

The profit attributable to shareholders was HK$35,930 million (2013: HK$29,380 million), increased by 22% mainly due to higher investment property surplus arising from year-end revaluation.

Revenue and Operating Profit

IP revenue increased by 20% to HK$13,397 million (2013: HK$11,133 million). Hong Kong increased by 16% to HK$11,413 million, attributable to firm retail base rent persistently achieved from lease commitments and stable positive rental reversion for offices in both Harbour City and Times Square. Mainland revenue increased by 57% to HK$1,984 million from the expanding portfolio, particularly benefitting from the re-opening of the renovated mall at Shanghai Times Square and the newly-opened Chengdu IFS. Operating profit increased by 18% to HK$10,896 million (2013: HK$9,268 million) with Hong Kong increasing by 16% to HK$9,905 million and Mainland by 30% to HK$991 million.

DP recorded HK$15,539 million (2013: HK$11,514 million) of revenue and HK$1,762 million (2013: HK$2,633 million) of operating profit with lower margin from various Mainland projects.

Hotel revenue increased by 5% to HK$1,600 million (2013: HK$1,526 million), benefitting from Gateway Hotel in Hong Kong after its renovation completed last year. Operating profit decreased by 4% to HK$387 million (2013: HK$404 million) partly impacted by operating losses of Marco Polo Changzhou, which was still building up its business since the soft opening in August.

Logistics revenue increased by 3% to HK$3,319 million (2013: HK$3,226 million), reflecting mainly the increase in throughput handled by Modern Terminals. Operating profit increased by 8% to HK$1,051 million (2013: HK$974 million).

CME revenue fell by 5% to HK$3,616 million (2013: HK$3,789 million). Wharf T&T's revenue increased by 5% against i-CABLE's decrease by 14%. Operating profit stabilised at HK$211 million (2013: HK$212 million) as Wharf T&T's operating profit increased by 17% to HK$352 million while i-CABLE recorded an operating loss of HK$140 million.

Investment and Others revenue fell by 2% to HK$1,035 million (2013: HK$1,052 million) and operating profit fell by 1% to HK$714 million (2013: HK$723 million), primarily due to a decrease in interest income.

Consolidated revenue and operating profit increased by 20% and 8% to HK$38,136 million and HK$14,283 million, respectively.

Fair Value Gain of Investment Properties

The book value of the Group's IP portfolio as at 31 December 2014 increased to HK$301.9 billion (2013: HK$261.1 billion) with HK$286.2 billion thereof stated at fair value based on an independent valuation as at that date, which produced a revaluation gain of HK$28,293 million (2013: HK$18,739 million), mainly reflecting the continuous rental growth of the IP portfolio. The attributable net revaluation gain of HK$27,683 million (2013: HK$17,174 million), after deducting related deferred tax and non-controlling interests, was credited to the consolidated income statement.

IP under development in the amount of HK$15,684 million is carried at cost and will not be carried at fair value until the earlier of their fair values first becoming reliably measurable or the dates of completion.

Other Net (Charge)/Income

Other net charge of HK$1,743 million was reported due to the inclusion of a provision for diminution in value of HK$1,812 million for certain Mainland DP projects (2013: income HK$277 million after impairment provision of HK$543 million for Changzhou Marco Polo Hotel).

Finance Costs

Finance costs charged to the consolidated income statement amounted to HK$1,930 million (2013: HK$552 million), including an unrealised mark-to-market loss of HK$230 million (2013: gain of HK$1,256 million) on the cross currency / interest rate swaps in accordance with the prevailing accounting standards. Net of non-controlling interests, the mark-to-market loss is HK$229 million (2013: gain of HK$1,231 million).

Excluding the unrealised mark-to-market loss, finance costs before capitalisation were HK$2,604 million (2013: HK$2,555 million), representing an increase of HK$49 million. The Group's effective borrowing rate for the period was 3.2% (2013: 3.2%).

Excluding the unrealised mark-to-market loss, finance costs after capitalisation of HK$904 million (2013: HK$747 million) in respect of the Group's related assets were HK$1,700 million (2013: HK$1,808 million), representing a decrease of HK$108 million.

Share of Results (after tax) of Associates and Joint Ventures

The attributable profit from associates decreased by 43% to HK$1,262 million (2013: HK$2,207 million) as impacted by the decrease in profit contributions from the Mainland DP projects.

Joint ventures reported a small loss of HK$11 million (2013: profit of HK$509 million) as impacted by lower profit contributions and HK$186 million attributable impairment provision recognised for the Mainland DP projects.

Income Tax

Taxation charge for the period was HK$3,730 million (2013: HK$4,328 million), which included deferred taxation of HK$543 million (2013: HK$1,459 million) provided for the current period's revaluation gain attributable to investment properties in the Mainland.

Excluding the above deferred tax, the tax charge increased by 11% to HK$3,187 million (2013: HK$2,869 million) mainly due to higher profit from IP segment.

Non-controlling Interests

Group profit attributable to non-controlling interests decreased by 34% to HK$494 million (2013: HK$752 million), reflecting the decrease in net profits of certain non-wholly-owned subsidiaries.

Profit Attributable to Equity Shareholders

Group profit attributable to equity shareholders for the year ended 31 December 2014 amounted to HK$35,930 million (2013: HK$29,380 million), representing an increase of 22%. Basic earnings per share were HK$11.86, based on weighted average of 3,030 million shares (2013: HK$9.70 based on 3,030 million shares).

Excluding the net IP revaluation gain of HK$27,683 million (2013: HK$17,174 million), Group profit attributable to shareholders for the year was HK$8,247 million (2013: HK$12,206 million), representing a decrease of 32%.

Excluding the net IP revaluation gain and exceptional items, which included the attributable net mark-to-market loss on certain financial instruments totalling HK$229 million (2013: gain of HK$1,231 million) and net provision for diminution in value for Mainland properties totalling HK$1,998 million (2013: HK$323 million) , the Group's underlying core profit dropped by 7% to HK$10,474 million (2013: HK$11,298 million). Underlying core earnings per share were HK$3.46 (2013: HK$3.73).

(II) Liquidity, Financial Resources and Capital Commitments

Shareholders' and Total Equity

As at 31 December 2014, the Group's shareholders' equity increased by HK$29,938 million or 11% to HK$305,495 million (2013: HK$275,557 million), equivalent to HK$100.82 per share based on 3,030 million issued shares (2013: HK$90.94).

The Group's total equity including the non-controlling interests increased by HK$29,856 million to HK$314,111 million (2013: HK$284,255 million).

Assets

The Group's total assets as at 31 December 2014 amounted to HK$445 billion (2013: HK$415.1 billion). Total business assets, excluding bank deposit and cash, certain available-for-sale investments, deferred tax assets and other derivative financial assets, increased by 9% to HK$422.4 billion (2013: HK$387.7 billion).

Including in the Group's total assets is the IP portfolio of HK$301.9 billion, representing 71% of its total business assets. The core assets in this portfolio are Harbour City and Times Square in Hong Kong, which were valued at HK$159.7 billion (excluding the three Marco Polo hotels) and HK$52.1 billion, respectively as at 31 December 2014, together representing 70% of the IP portfolio. Mainland IP amounted to HK$56.8 billion, including those under development at a cost of HK$15.5 billion.

DP (mainly in the Mainland) decreased by 12% to HK$47.5 billion (2013: HK$53.8 billion). In addition, DP undertaken through associates and joint ventures amounted to HK$32.4 billion (2013: HK$33.5 billion). Other major business assets included other properties and fixed assets of HK$25 billion.

Geographically, the Mainland business assets, mainly comprising properties and terminals, amounted to HK$155 billion (2013: HK$155.6 billion), representing 37% (2013: 40%) of the Group's total business assets.

Debts and Gearing

The Group's net debt as at 31 December 2014 increased by HK$1.2 billion to HK$59.3 billion (2013: HK$58.1 billion), which was made up of HK$78.0 billion in debts and HK$18.7 billion in bank deposits and cash. Included in the net debt was HK$10.3 billion (2013: HK$11.4 billion) attributable to Modern Terminals, HCDL and other subsidiaries, which is without recourse to the Company and its other subsidiaries. Excluding this non-recourse debt, the Group's net debt was HK$49.0 billion (2013: HK$46.7 billion). An analysis of the net debt is set out below:

Net debt/(cash)	31 December 2014 HK$ Million	31 December 2013 HK$ Million
Wharf (excluding below subsidiaries)	48,965	46,656
Modern Terminals	11,023	11,185
HCDL	(767)	413
i-CABLE	38	(182)
	59,259	58,072

As at 31 December 2014, the ratio of net debt to total equity was 18.9% (2013: 20.4%).

Finance and Availability of Facilities

The Group's total available loan facilities and issued debt securities as at 31 December 2014 amounting to HK$99.2 billion, of which HK$78.0 billion was utilised, are analysed as set out below:

	31 December 2014		
	Available Facility HK$ Billion	Total Debts HK$ Billion	Undrawn Facility HK$ Billion
Company/wholly-owned subsidiaries			
Committed bank facilities	48.4	32.2	16.2
Debt securities	30.3	30.2	0.1
	78.7	62.4	16.3
Non-wholly-owned subsidiaries			
Committed and uncommitted			
- Modern Terminals	14.5	11.2	3.3
- HCDL	5.8	4.4	1.4
- i-CABLE	0.2	-	0.2
	99.2	78.0	21.2

Of the above debts, HK$7.8 billion (2013: HK$18.2 billion) was secured by a mortgage over certain fixed assets, IP and DP with total carrying value of HK$39.9 billion (2013: HK$44.0 billion).

The Group diversified the debt portfolio across a bundle of currencies including primarily United States dollar ("USD"), Hong Kong dollar ("HKD") and Renminbi ("RMB"). The funding sourced from such debt portfolio was mainly used to finance the Group's IP, DP and port investments in the Mainland.

The use of derivative financial instruments is strictly monitored and controlled. The majority of the derivative financial instruments entered into by the Group are primarily used for management of the Group's interest rate and foreign currency exposures.

The Group continued to maintain a strong financial position with ample surplus cash denominated principally in RMB, HKD and USD and undrawn committed facilities to facilitate the Group's business and investment activities. In addition, the Group also maintained a portfolio of available-for-sale investments with an aggregate market value of HK$3.7 billion (2013: HK$3.7 billion), which is immediately available for liquidation for the Group's use.

Cash Flows for the Group's Operating and Investing Activities

For the year under review, the Group recorded net cash inflows before changes in working capital of HK$15.1 billion (2013: HK$14.0 billion). The changes in working capital increased the net cash inflow from operating activities to HK$18.2 billion (2013: HK$15.8 billion). For investing activities, the Group recorded a cash outflow of HK$10.7 billion (2013: HK$12.0 billion), mainly for the acquisition of Crawford House and construction of various investment properties projects both in Hong Kong and Mainland and other fixed assets, which was partially offset by the proceeds received from redemption of the convertible securities issued by Greentown of HK$2.7 billion.

Major Capital and Development Expenditure and Commitments

The Group's major capital and development expenditure incurred in 2014 is analysed as follows:

A. Major capital and development expenditure

	Hong Kong HK$ Million	Mainland China HK$ Million	Total HK$ Million
Properties			
IP	6,760	6,560	13,320
DP	317	16,109	16,426
	7,077	22,669	29,746
Others			
Hotels	271	488	759
Modern Terminals	359	42	401
Wharf T&T	351	-	351
i-CABLE	188	-	188
	1,169	530	1,699
Group total	8,246	23,199	31,445

i. IP expenditure incurred during the period was mainly for the renovation of Harbour City, acquisition of Crawford House and construction of the IFS projects.

ii. DP expenditure in 2014 included HK$8.8 billion attributable DP projects undertaken by associates and joint ventures.

iii. For Modern Terminals, the capital expenditure was mainly for the additions to fixed assets and terminal equipment while those for Wharf T&T and i-CABLE were incurred substantially for procurement of production and broadcasting equipment, network rollout and internet service equipment. Modern Terminals and i-CABLE, respectively 67.6% and 73.8% owned by the Group, independently funded their own capital expenditure programmes.

B. Commitments to capital and development expenditure

As at 31 December 2014, the Group's major commitments to capital and development expenditure that are to be incurred in the forthcoming years were estimated at HK$60.6 billion, of which HK$22.0 billion was authorised and contracted for. By segment, the commitments are analysed as set out below:

	As at 31 December 2014		
	Authorised and contracted for HK$ Million	**Authorised but not contracted for HK$ Million**	**Total HK$ Million**
IP			
Hong Kong	1,598	1,011	2,609
Mainland China	6,221	9,909	16,130
	7,819	10,920	18,739
DP			
Hong Kong	1,123	-	1,123
Mainland China	12,520	25,325	37,845
	13,643	25,325	38,968
Others			
Hotels	173	2,042	2,215
Modern Terminals	277	16	293
Wharf T&T	106	109	215
i-CABLE	5	208	213
	561	2,375	2,936
Group total	22,023	38,620	60,643

Properties commitments are mainly for land and construction costs, inclusive of attributable commitments to associates and joint ventures, to be incurred by stages in the forthcoming years.

The above commitments and planned expenditure will be funded by Group's internal financial resources including its surplus cash of HK$18.7 billion, cash flows from operations, as well as bank and other financings with the construction costs self-financed mainly by pre-sale proceeds and project loans. Other available resources include available-for-sale investments.

(III) Human Resources

The Group had approximately 15,800 employees as at 31 December 2014, including about 2,600 employed by managed operations. Employees are remunerated according to their job responsibilities and the market pay trends with a discretionary annual performance bonus as variable pay for rewarding individual performance and contributions to the respective group's achievement and results.

CONSOLIDATED INCOME STATEMENT
For The Year Ended 31 December 2014

	Note	**2014 HK$ Million**	2013 HK$ Million
Revenue	2	**38,136**	31,887
Direct costs and operating expenses		**(19,472)**	(14,141)
Selling and marketing expenses		**(1,363)**	(1,329)
Administrative and corporate expenses		**(1,496)**	(1,692)
Operating profit before depreciation, amortisation, interest and tax		**15,805**	14,725
Depreciation and amortisation		**(1,522)**	(1,445)
Operating profit	2 & 3	**14,283**	13,280
Increase in fair value of investment properties		**28,293**	18,739
Other net (charge)/income	4	**(1,743)**	277
		40,833	32,296
Finance costs	5	**(1,930)**	(552)
Share of results after tax of:			
Associates		**1,262**	2,207
Joint ventures		**(11)**	509
Profit before taxation		**40,154**	34,460
Income tax	6	**(3,730)**	(4,328)
Profit for the year		**36,424**	30,132
Profit attributable to :			
Equity shareholders		**35,930**	29,380
Non-controlling interests		**494**	752
		36,424	30,132
Earnings per share	7		
Basic		**HK$11.86**	HK$9.70
Diluted		**HK$11.86**	HK$9.52

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended 31 December 2014

	2014 HK$ Million	2013 HK$ Million
Profit for the year	**36,424**	30,132
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss :		
Exchange difference on translation of foreign operations	**(426)**	2,638
Net revaluation reserves of available-for-sale investments:	**(76)**	(615)
Deficit on revaluation	**(76)**	(496)
Transferred to consolidated income statement on disposal	**-**	(119)
Share of other comprehensive income of associates/joint ventures	**(288)**	697
Others	**9**	31
Other comprehensive income for the year	**(781)**	2,751
Total comprehensive income for the year	**35,643**	32,883
Total comprehensive income attributable to:		
Equity shareholders	**35,157**	32,026
Non-controlling interests	**486**	857
	35,643	32,883

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 31 December 2014

	Note	**31 December 2014 HK$ Million**	31 December 2013 HK$ Million
Non-current assets			
Investment properties		**301,890**	261,097
Fixed assets		**25,027**	24,161
Interest in associates		**22,449**	19,205
Interest in joint ventures		**19,030**	19,585
Available-for-sale investments		**3,740**	3,744
Convertible securities		**-**	2,824
Goodwill and other intangible assets		**305**	297
Programming library		**168**	137
Deferred tax assets		**673**	721
Derivative financial assets		**885**	142
Other non-current assets		**41**	38
		374,208	331,951
Current assets			
Properties for sale		**47,543**	53,764
Inventories		**48**	47
Trade and other receivables	9	**3,851**	4,456
Derivative financial assets		**283**	319
Bank deposits and cash		**18,725**	24,515
		70,450	83,101
Current liabilities			
Trade and other payables	10	**(23,664)**	(20,089)
Deposits from sale of properties		**(14,496)**	(15,330)
Derivative financial liabilities		**(1,116)**	(209)
Taxation payable		**(1,476)**	(1,615)
Bank loans and other borrowings		**(8,653)**	(9,502)
		(49,405)	(46,745)
Net current assets		**21,045**	36,356
Total assets less current liabilities		**395,253**	368,307

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 31 December 2014	Note	**31 December 2014 HK$ Million**	31 December 2013 HK$ Million
Non-current liabilities			
Derivative financial liabilities		**(1,071)**	(1,034)
Deferred tax liabilities		**(10,425)**	(9,630)
Other deferred liabilities		**(315)**	(303)
Bank loans and other borrowings		**(69,331)**	(73,085)
		(81,142)	(84,052)
NET ASSETS		**314,111**	284,255
Capital and reserves			
Share capital : nominal value		**-**	3,030
Other statutory capital reserves		**-**	26,346
Share capital and other statutory capital reserves	11	**29,376**	29,376
Reserves		**276,119**	246,181
Shareholders' equity		**305,495**	275,557
Non-controlling interests		**8,616**	8,698
TOTAL EQUITY		**314,111**	284,255

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

The annual results set out in the announcement are extracted from the Group's financial statements for the year ended 31 December 2014.

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. The financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies and methods of computation used in the preparation of the financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2013 except the changes mentioned below.

The HKICPA has issued certain amendments to HKFRSs and new interpretations that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements but the adoption of which has no effect on reported profit or loss, total income and expenses or net assets for any period presented.

With effect from 1 January 2014, the Group has adopted the below amendments to Hong Kong Financial Reporting Standards which are relevant to the Group's financial statements:

Amendments to HKAS 32	Financial instruments: Presentation – Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amounts disclosure for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuance of hedge accounting

Amendments to HKAS 32 clarified some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. The amendments do not have a significant impact on the Group's financial statements.

Amendments to HKAS 36 modified certain disclosure requirements for impaired non-financial assets. Among them, the amendments expand the disclosures required for an impaired asset or cash generating units whose recoverable amount is based on fair value less costs of disposal. The amendments do not have a significant impact on the Group's financial statements.

Amendments to HKAS 39 provided relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The amendments do not have a significant impact on the Group's financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2. SEGMENT INFORMATION

The Group manages its diversified businesses according to the nature of services and products provided. Management has determined five reportable operating segments for measuring performance and allocating resources. The segments are investment property ("IP"), development property ("DP"), hotels, logistics and communications, media and entertainment ("CME"). No operating segments have been aggregated to form the following reportable segments.

Investment property segment primarily includes property leasing operations. Currently, the Group's properties portfolio, which mainly consists of retail, office and serviced apartments, is primarily located in Hong Kong and Mainland China.

Development property segment encompasses activities relating to the acquisition, development, design, construction, sale and marketing of the Group's trading properties primarily in Hong Kong and Mainland China.

Hotels segment includes hotel operations in the Asia Pacific region. Currently, the Group operates 14 Marco Polo hotels in the Asia Pacific region, five of which owned by the Group.

Logistics segment mainly includes the container terminal operations in Hong Kong and Mainland China undertaken by Modern Terminals Limited ("Modern Terminals"), Hong Kong Air Cargo Terminals Limited ("Hactl") and other public transport operations.

CME segment comprises pay television, internet and multimedia and other businesses operated by i-CABLE Communications Limited ("i-CABLE") and the telecommunication businesses operated by Wharf T&T Limited.

Management evaluates performance primarily based on operating profit as well as the equity share of results of associates and joint ventures of each segment. Inter-segment pricing is generally determined on an arm's length basis.

Segment business assets principally comprise all tangible assets, intangible assets and current assets directly attributable to each segment with the exception of bank deposits and cash, certain financial investments, deferred tax assets and other derivative financial assets.

Revenue and expenses are allocated with reference to sales generated by those segments and expenses incurred by those segments or which arise from the depreciation of assets attributable to those segments.

2. SEGMENT INFORMATION

a. Analysis of segment revenue and results

For the year ended 31 December 2014	Revenue HK$ Million	Operating profit HK$ Million	Increase in fair value of investment properties HK$ Million	Other net (charge) /income HK$ Million	Finance costs HK$ Million	Associates HK$ Million	Joint ventures HK$ Million	Profit before taxation HK$ Million
Investment property	**13,397**	**10,896**	**28,293**	**69**	**(1,303)**	**-**	**-**	**37,955**
Hong Kong	**11,413**	**9,905**	**27,864**	**18**	**(1,269)**	**-**	**-**	**36,518**
Mainland China	**1,984**	**991**	**429**	**51**	**(34)**	**-**	**-**	**1,437**
Development property	**15,539**	**1,762**	**-**	**(1,778)**	**(100)**	**930**	**(64)**	**750**
Hong Kong	**113**	**93**	**-**	**-**	**-**	**9**	**(23)**	**79**
Mainland China	**15,426**	**1,669**	**-**	**(1,778)**	**(100)**	**921**	**(41)**	**671**
Hotels	**1,600**	**387**	**-**	**-**	**(6)**	**-**	**-**	**381**
Logistics	**3,319**	**1,051**	**-**	**(61)**	**(246)**	**332**	**53**	**1,129**
Terminals	**3,206**	**1,034**	**-**	**(20)**	**(246)**	**234**	**53**	**1,055**
Others	**113**	**17**	**-**	**(41)**	**-**	**98**	**-**	**74**
CME	**3,616**	**211**	**-**	**1**	**(37)**	**-**	**-**	**175**
i-CABLE	**1,666**	**(140)**	**-**	**1**	**-**	**-**	**-**	**(139)**
Telecommunications	**1,950**	**352**	**-**	**-**	**(37)**	**-**	**-**	**315**
Others	**-**	**(1)**	**-**	**-**	**-**	**-**	**-**	**(1)**
Inter-segment revenue	**(370)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Segment total	**37,101**	**14,307**	**28,293**	**(1,769)**	**(1,692)**	**1,262**	**(11)**	**40,390**
Investment and others	**1,035**	**714**	**-**	**26**	**(238)**	**-**	**-**	**502**
Corporate expenses	**-**	**(738)**	**-**	**-**	**-**	**-**	**-**	**(738)**
Group total	**38,136**	**14,283**	**28,293**	**(1,743)**	**(1,930)**	**1,262**	**(11)**	**40,154**
For the year ended 31 December 2013								
Investment property	11,133	9,268	18,739	-	(1,162)	-	-	26,845
Hong Kong	9,872	8,507	15,675	-	(1,059)	-	-	23,123
Mainland China	1,261	761	3,064	-	(103)	-	-	3,722
Development property	11,514	2,633	-	170	(143)	1,881	462	5,003
Hong Kong	72	68	-	-	-	12	(4)	76
Mainland China	11,442	2,565	-	170	(143)	1,869	466	4,927
Hotels	1,526	404	-	(543)	(16)	-	-	(155)
Logistics	3,226	974	-	116	(160)	326	47	1,303
Terminals	3,106	944	-	157	(160)	199	47	1,187
Others	120	30	-	(41)	-	127	-	116
CME	3,789	212	-	(42)	(42)	-	-	128
i-CABLE	1,932	(88)	-	1	(3)	-	-	(90)
Telecommunications	1,857	300	-	(43)	(39)	-	-	218
Inter-segment revenue	(353)	-	-	-	-	-	-	-
Segment total	30,835	13,491	18,739	(299)	(1,523)	2,207	509	33,124
Investment and others	1,052	723	-	576	971	-	-	2,270
Corporate expenses	-	(934)	-	-	-	-	-	(934)
Group total	31,887	13,280	18,739	277	(552)	2,207	509	34,460

2. SEGMENT INFORMATION

b. Analysis of inter-segment revenue

	2014 Total Revenue HK$ Million	**2014** Inter-segment revenue HK$ Million	**2014** Group Revenue HK$ Million	2013 Total Revenue HK$ Million	2013 Inter-segment revenue HK$ Million	2013 Group Revenue HK$ Million
Investment property	**13,397**	**(144)**	**13,253**	11,133	(148)	10,985
Development property	**15,539**	**-**	**15,539**	11,514	-	11,514
Hotels	**1,600**	**-**	**1,600**	1,526	-	1,526
Logistics	**3,319**	**-**	**3,319**	3,226	-	3,226
CME	**3,616**	**(94)**	**3,522**	3,789	(105)	3,684
Investment and others	**1,035**	**(132)**	**903**	1,052	(100)	952
	38,506	**(370)**	**38,136**	32,240	(353)	31,887

c. Analysis of segment business assets

	2014 HK$ Million	2013 HK$ Million
Investment property	**303,498**	262,412
Hong Kong	**246,005**	211,275
Mainland China	**57,493**	51,137
Development property	**87,421**	94,715
Hong Kong	**4,703**	4,288
Mainland China	**82,718**	90,427
Hotels	**7,208**	6,189
Logistics	**20,197**	20,260
Terminals	**19,148**	19,138
Others	**1,049**	1,122
CME	**4,088**	4,120
i-CABLE	**1,284**	1,295
Telecommunications	**2,804**	2,825
Total segment business assets	**422,412**	387,696
Unallocated corporate assets	**22,246**	27,356
Total assets	**444,658**	415,052

Unallocated corporate assets mainly comprise certain financial investments, deferred tax assets, bank deposits and cash and other derivative financial assets.

Segment assets held through associates and joint ventures included in above are:

	2014 HK$ Million	2013 HK$ Million
Development property	**36,187**	33,509
Logistics	**5,292**	5,281
Group total	**41,479**	38,790

d. Other segment information

	Capital expenditure		Increase in interests in associates and joint ventures		Depreciation and amortisation	
	2014 HK$ Million	2013 HK$ Million	**2014 HK$ Million**	2013 HK$ Million	**2014 HK$ Million**	2013 HK$ Million
Investment property	**13,316**	9,732	**-**	-	**98**	115
Hong Kong	**6,757**	1,063	**-**	-	**23**	68
Mainland China	**6,559**	8,669	**-**	-	**75**	47
Development property	**-**	-	**4,644**	3,209	**-**	-
Hong Kong	**-**	-	**201**	771	**-**	-
Mainland China	**-**	-	**4,443**	2,438	**-**	-
Hotels	**759**	4,868	**-**	-	**204**	132
Logistics	**403**	309	**2**	3	**469**	462
Terminals	**402**	309	**2**	3	**466**	458
Others	**1**	-	**-**	-	**3**	4
CME	**504**	533	**-**	-	**751**	736
i-CABLE	**188**	150	**-**	-	**348**	331
Telecommunications	**316**	383	**-**	-	**403**	405
Group total	**14,982**	15,442	**4,646**	3,212	**1,522**	1,445

In addition, the CME segment incurred HK$152 million (2013: HK$122 million) for its programming library. The Group had no significant non-cash expenses other than (i) the provision for diminution in value of HK$1,812 million for development properties undertaken by the Group's subsidiaries in the Mainland China (2013: HK$543 million for the Changzhou Marco Polo Hotel) and (ii) depreciation and amortisation.

e. Geographical information

	Revenue		Operating Profit	
	2014	2013	**2014**	2013
	HK$ Million	HK$ Million	**HK$ Million**	HK$ Million
Hong Kong	**19,126**	17,626	**11,549**	9,882
Mainland China	**18,977**	14,229	**2,701**	3,362
Singapore	**33**	32	**33**	36
Group total	**38,136**	31,887	**14,283**	13,280

	Specified non-current assets		Total business assets	
	2014	2013	**2014**	2013
	HK$ Million	HK$ Million	**HK$ Million**	HK$ Million
Hong Kong	**264,523**	229,754	**267,328**	232,129
Mainland China	**106,443**	99,874	**155,084**	155,567
Group total	**370,966**	329,628	**422,412**	387,696

Specified non-current assets excluded deferred tax assets, certain available-for-sale investments, derivative financial assets and certain non-current assets.

The geographical location of revenue and operating profit are analysed based on the location at which services are provided and in the case of equity instruments, where they are listed. The geographical location of specified non-current assets and total business assets are based on the physical location of operations.

3. OPERATING PROFIT

Operating profit is arrived at:

	2014 **HK$ Million**	2013 HK$ Million
After charging/(crediting):		
Depreciation and amortisation on		
- assets held for use under operating leases	**169**	155
- other fixed assets	**1,158**	1,110
- leasehold land	**74**	86
- programming library	**121**	94
Total depreciation and amortisation	**1,522**	1,445
Impairment loss recognised on trade receivables	**18**	17
Staff costs (Note a)	**3,740**	3,444
Auditors' remuneration		
- audit services	**23**	23
- other services	**2**	2
Cost of trading properties for recognised sales	**13,291**	8,387
Rental charges under operating leases in respect of telecommunications equipment and services	**63**	57
Rental income less direct outgoings (Note b)	**(10,963)**	(9,352)
Rental income under operating leases in respect of owned plant and equipment	**(9)**	(11)
Interest income (Note c)	**(633)**	(718)
Dividend income from listed investments	**(152)**	(148)
Loss on disposal of fixed assets	**4**	16

Notes:

a. Staff costs included contributions to defined contribution pension schemes of HK$271 million (2013: HK$238 million), which included MPF schemes after a forfeiture of HK$2 million (2013: HK$3 million), and equity-settled share-based payment expenses of HK$84 million (2013: HK$124 million).

b. Rental income included contingent rentals of HK$2,036 million (2013: HK$2,069 million).

c. Included in the interest income are amounts totalling HK$602 million (2013: HK$488 million) in respect of financial assets, mainly comprising bank deposits, that are stated at amortised cost.

4. OTHER NET (CHARGE) / INCOME

Other net charge for the year amounted to HK$1,743 million (2013: net gain of HK$277 million) mainly comprises:

a. Net foreign exchange gain of HK$123 million (2013: HK$449 million) which included the fair value loss on forward foreign exchange contracts of HK$29 million (2013: gain of HK$186 million).

b. Provision for diminution in value of HK$1,812 million was made in respect of certain development properties in the Mainland China undertaken by the Group's subsidiaries (2013: HK$543 million made in respect of the Changzhou Marco Polo Hotel by a listed subsidiary, Harbour Centre Development Limited).

5. FINANCE COSTS

	2014 HK$ Million	2013 HK$ Million
Interest charged on :		
Bank loans and overdrafts		
– repayable within five years	**817**	953
– repayable after five years	**274**	157
Other borrowings		
– repayable within five years	**873**	823
– repayable after five years	**323**	357
Total interest charge	**2,287**	2,290
Other finance costs	**317**	265
Less : Amount capitalised	**(904)**	(747)
	1,700	1,808
Fair value loss/(gain) :		
Cross currency interest rate swaps	**97**	(521)
Interest rate swaps	**133**	(735)
	230	(1,256)
Total	**1,930**	552

6. INCOME TAX

Taxation charged to the consolidated income statement includes:

	2014 **HK$ Million**	2013 HK$ Million
Current income tax		
Hong Kong		
- provision for the year	**1,540**	1,345
- over-provision in respect of prior years	**(56)**	(102)
Outside Hong Kong		
- provision for the year	**860**	816
- under-provision in respect of prior years	**9**	17
	2,353	2,076
Land appreciation tax ("LAT") (Note (c))	**515**	618
Deferred tax		
Change in fair value of investment properties	**543**	1,459
Origination and reversal of temporary differences	**375**	196
Benefit of previously unrecognised tax losses now recognised	**(56)**	(21)
	862	1,634
Total	**3,730**	4,328

a. The provision for Hong Kong profits tax is based on the profit for the year as adjusted for tax purposes at a rate of 16.5% (2013: 16.5%).

b. Income tax on profits assessable outside Hong Kong is mainly China corporate income tax calculated at a rate of 25% (2013: 25%) and China withholding tax at a rate of up to 10%.

c. Under the Provisional Regulations on LAT, all gains arising from transfer of real estate property in Mainland China are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of the land value, being the proceeds of sales of properties less deductible expenditure including cost of land use rights, borrowings costs and all property development expenditure.

d. Tax attributable to associates and joint ventures for the year ended 31 December 2014 of HK$1,389 million (2013: HK$1,623 million) is included in the share of results of associates and joint ventures.

7. EARNINGS PER SHARE

a. Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders for the year of HK$35,930 million (2013: HK$29,380 million) and the weighted average of 3,030 million ordinary shares in issue during the year (2013: 3,030 million ordinary shares).

b. Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders for the year of HK$35,930 million (2013: HK$29,527 million) and the weighted average of 3,030 million ordinary shares in issue during the year (2013: 3,100 million ordinary shares), calculated as follows:

i. Profit attributable to ordinary equity shareholders (diluted)

	2014 **HK$ Million**	2013 HK$ Million
Profit attributable to ordinary equity shareholders	**35,930**	29,380
After tax effect of effective interest on the liability component of convertible bonds	**-**	147
	35,930	29,527

ii. Weighted average number of ordinary shares (diluted)

	2014 **No. of shares** **Million**	2013 No. of shares Million
Weighted average number of ordinary shares at 31 December	**3,030**	3,030
Effect of conversion of convertible bonds	**-**	69
Effect of share options	**-**	1
	3,030	3,100

8. DIVIDENDS ATTRIBUTABLE TO EQUITY SHAREHOLDERS

	2014 **HK$** **per share**	**2014** **HK$** **Million**	2013 HK$ per share	2013 HK$ Million
First interim dividend declared and paid	**0.55**	**1,667**	0.50	1,515
Second interim dividend proposed after the end of the reporting period	**1.26**	**3,819**	1.20	3,636
	1.81	**5,486**	1.70	5,151

a. The proposed second interim dividend based on 3,031 million issued ordinary shares (2013: 3,030 million shares) after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

b. The second interim dividend of HK$3,636 million for 2013 was approved and paid in 2014.

9. TRADE AND OTHER RECEIVABLES

Included in this item are trade receivables (net of allowance for bad and doubtful debts) with an ageing analysis based on invoice date as at 31 December 2014 as follows:

	2014 **HK$ Million**	2013 HK$ Million
Trade receivables		
0 - 30 days	**749**	860
31 – 60 days	**165**	164
61 – 90 days	**74**	48
Over 90 days	**79**	83
	1,067	1,155
Other receivables and prepayments	**2,784**	3,301
	3,851	4,456

The Group has established credit policies for each of its core businesses. The general credit terms allowed range from 0 to 60 days, except for sale of properties the proceeds from which are receivable pursuant to the terms of the agreements. All the receivables are expected to be virtually recoverable within one year.

10. TRADE AND OTHER PAYABLES

Included in this item are trade payables with an ageing analysis as at 31 December 2014 as follows:

	2014 **HK$ Million**	2013 HK$ Million
Trade payables		
0 - 30 days	**396**	352
31 - 60 days	**235**	209
61 - 90 days	**48**	49
Over 90 days	**123**	184
	802	794
Rental and customer deposits	**3,552**	3,019
Construction costs payable	**9,599**	7,656
Amounts due to associates	**2,798**	3,263
Amounts due to joint ventures	**2,045**	1,030
Other payables	**4,868**	4,327
	23,664	20,089

11. SHARE CAPITAL

a. Share capital

	31 December 2014 No. of shares Million	31 December 2013 No. of shares Million	**31 December 2014 HK$ Million**	31 December 2013 HK$ Million
Issued and fully paid Ordinary shares				
At 1 January	**3,030**	3,029	**3,030**	3,029
Transfer to no-par value regime on 3 March 2014	**-**	-	**26,346**	-
Shares issued under the share option scheme	**-**	1	**-**	1
At 31 December	**3,030**	3,030	**29,376**	3,030

As at 31 December 2013, 10,000 million ordinary shares, with par value of HK$1 each, were authorised for issue. Under the new Hong Kong Companies Ordinance (Cap. 622), which commenced operation on 3 March 2014, the concepts of "authorised share capital" and "par value" no longer exist. As part of the transition to the no-par value regime, the amount of the Company's issued and fully paid capital of HK$3,030 million, and the amount of HK$26,346 million standing to the credit of the share premium account and the capital redemption reserves on 3 March 2014 have become part of the Company's share capital, under the transitional provisions set out in section 37 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622). These changes do not have an impact on the number of shares in issue or the relative entitlement of any of the shareholders. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

b. Share premium and capital redemption reserves

Prior to 3 March 2014, the application of the share premium account and the capital redemption reserves were governed by sections 48B and 49H respectively of the predecessor Hong Kong Companies Ordinance (Cap. 32). In accordance with the transitional provisions set out in section 37 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622), on 3 March 2014 any amount standing to the credit of the share premium account and the capital redemption reserves have become part of the Company's share capital (see note 11(a)). The use of share capital as from 3 March 2014 is governed by the new Hong Kong Companies Ordinance (Cap. 622).

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

13. REVIEW OF RESULTS

The financial results for the year ended 31 December 2014 have been reviewed with no disagreement by the Audit Committee of the Company. The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2014 have been agreed by the Company's Auditors to the amounts set out in the Group's consolidated financial statements for the year.

CORPORATE GOVERNANCE CODE

During the financial year ended 31 December 2014, all the code provisions set out in the Corporate Governance Code in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited were met by the Company, with the exception of two deviations, namely, (i) Code Provision A.2.1 (the "First Deviation") providing for the roles of the chairman and chief executive to be performed by different individuals; and (ii) Code Provision F.1.3 (the "Second Deviation") providing for the company secretary to report to the board chairman or the chief executive.

Regarding the First Deviation, it is deemed appropriate as it is considered to be more efficient to have one single person to be the Chairman of the Company as well as to discharge the executive functions of a chief executive. The Board of Directors believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high-calibre individuals, with more than half of them being Independent Non-executive Directors ("INEDs"). As regards the Second Deviation, the Company Secretary of the Company has for some years directly reported to, and continues to report to, the Deputy Chairman of the Company, which is considered appropriate and reasonable given the size of the Group. In the view of the Directors, this reporting arrangement would in no way adversely affect the efficient discharge by the Company Secretary of his job duties.

PURCHASE, SALE OR REDEMPTION OF SHARES

On 7 June 2014, Wharf Finance (2014) Limited, a wholly-owned subsidiary of the Company, fully redeemed its 3-year convertible bonds of HK$6,220 million on maturity, which were issued in 2011 and listed on the Singapore Exchange Securities Trading Limited.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities during the financial period under review.

BOOK CLOSURE

The Register of Members of the Company will be closed from Monday, 4 May 2015 to Friday, 15 May 2015, both days inclusive, during which period no transfer of shares of the Company can be registered. In order to qualify for the abovementioned second interim dividend and to ascertain Shareholders' rights for the purpose of attending and voting at the forthcoming Annual General Meeting to be held on 15 May 2015, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Registrars, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 30 April 2015.

By Order of the Board
Kevin C. Y. Hui
Company Secretary

Hong Kong, 14 March 2015

As at the date of this announcement, the Board of Directors of the Company comprises Hon. Peter K. C. Woo, Mr. Stephen T. H. Ng, Mr. Andrew O. K. Chow, Ms. Doreen Y. F. Lee, Mr. Paul Y. C. Tsui and Ms. Y. T. Leng, together with eight INEDs, namely, Mr. Alexander S. K. Au, Professor Edward K. Y. Chen, Dr. Raymond K. F. Ch'ien, Hon. Vincent K. Fang, Mr. Hans Michael Jebsen, Mr. Wyman Li, Mr. David M. Turnbull and Professor E. K. Yeoh.