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