

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



WHEELOCK AND COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 20

2013 Final Results Announcement

Core Business Charting a Steady Course

Hong Kong Development Properties Highlights

- Core business, Hong Kong Development Properties (“DP”) anchored by Wheelock Properties Limited (“WPL”), delivered a solid performance amid a challenging market environment.
- HK\$10.0 billion property sales, 45% increase over 2012, full year target achieved.
- The Austin Phase 1’s 576 residential units were sold for HK\$10.0 billion in three weeks.
- One Bay East (West Tower) was sold to Manulife for HK\$4.5 billion, Hong Kong’s single largest transaction in the last 18 months.
- 7.9 million square feet quality land bank under management as at 31 December 2013.
- Net order book accumulated to HK\$11.1 billion (June 2013: HK\$6.1 billion).

Wheelock De-consolidated Highlights

- De-consolidated core profit increased by 16% to HK\$1.3 billion, driven by DP profit growth.
- Contribution to Group consolidated core profit increased to 17% (2012: 15%).
- Financially sound with modest debt leverage backed up by strong balance sheet and cash flow:
 - Net debt to attributable net asset value ratio at 21%.
 - In 2014 and 2015, HK\$7.1 billion or 19% of gross debt maturing, HK\$5.6 billion DP receivables to be recouped.

- Steady dividend streams from Wharf and Wheelock Singapore (HK\$3.0 billion in 2013).

Wheelock Group Consolidated Highlights

- Group consolidated core profit increased by 8% to HK\$7.8 billion. Group profit attributable to equity shareholders declined by 37% to HK\$17.0 billion due to lower net investment properties revaluation surplus.
- Wharf contributed HK\$5.8 billion core profit. Core business Investment Properties (“IP”) continued to generate sustainable growth.
- Wheelock Singapore contributed HK\$0.7 billion core profit.

GROUP RESULTS

Excluding IP revaluation surplus and exceptional items, core profit was HK\$7,822 million (2012: HK\$7,267 million).

Including exceptional items but excluding IP revaluation surplus, Group profit was HK\$7,724 million (2012: HK\$8,734 million).

Group profit attributable to equity shareholders was HK\$16,954 million (2012: HK\$26,935 million). Earnings per share were HK\$8.34 (2012: HK\$13.26).

DIVIDENDS

A first interim dividend of 35 cents per share was paid on 30 September 2013. In lieu of a final dividend, a second interim dividend of 65 cents per share will be paid on 10 June 2014 to Shareholders on record as at 3 June 2014. Total distribution for the year 2013 will amount to HK\$1.00 (2012: HK\$1.10) per share.

BUSINESS REVIEW

Investment Properties

Wheelock’s two rare and valuable IP in Central have a combined market value over HK\$10.0 billion.

Wheelock House is an office development located at Hong Kong’s ground zero CBD at the corner of Pedder Street and Des Voeux Road Central, above the Central MTR station. This location has been Hong Kong’s historical commercial and trading hub since 1800s. Given this strategic location, office occupancy stood at 99% and rental income grew 18% in 2013, whilst office rentals in Central were generally under pressure. Together with Wheelock Square in Shanghai and Wheelock Place in Singapore, these three Wheelock branded landmarks anchor the Group’s brand presence in Asia’s key financial centres.

Crawford House is a commercial development at 70 Queen’s Road Central comprising 18 office floors and a 7-storey retail area with a 120-foot high street frontage and a layby along Queen’s Road Central. Given this most sought-after retail offering, Zara replaced H&M as the anchor tenant in the last quarter of 2013 occupying 55,268 square feet of retail area. The opening is scheduled for the second quarter of

2014. Its retail value is enhanced as core Central retail is spreading across to the west towards the mid-level escalators adjacent to Crawford House. Office occupancy stood firmly at 99% while rental income grew solidly at 11% in 2013.

Development Properties

Hong Kong Property Sales

Property sales were on par with full year estimates of HK\$10.0 billion despite quiet market conditions. The HK\$10.0 billion contracted sales, comprised of both residential and commercial sales, were a 45% increase over 2012. Net order book accumulated to HK\$11.1 billion.

The West Tower of One Bay East in Kowloon East was pre-sold to Manulife in March 2013 for HK\$4.5 billion. This en-bloc sale represents the largest single transaction in value over the past 18 months in Hong Kong. It is also Manulife's largest overseas property acquisition transaction. This demonstrates recognition of WPL's product quality and execution capability in office developments, maintaining a positive track record. The 21-storey grade-A office tower with a GFA of 512,000 square feet will serve as Manulife's Hong Kong headquarter. Marketing of the East Tower is planned to commence in 2014. With a GFA of 512,000 square feet, it enjoys open views towards Hoi Bun Road Park, Victoria Harbour and the Kai Tak Cruise Terminal. Superstructure works are now underway. Full completion is scheduled for 2015.

Phase 1 of The Austin, a prime city centre residential project held by a 50%-owned joint venture with New World Development, was officially launched for pre-sale in October 2013. Market sentiment prior to the sales launch was slow. First-hand property sales transactions fell to the lowest level in five years. Against this tide, all 576 residential units were successfully sold in three weeks generating sales proceeds of HK\$10.0 billion. The project was five times oversubscribed with over 3,000 registrations and achieved an average selling price of circa HK\$22,000 per square foot. This positive market response could be attributed to the Victoria Harbour views, synergies with Canton Road and Harbour City and unrivalled living destination. In addition, it is uniquely linked to three rail stations and four rail lines: Austin MTR Station underneath, Airport Express at Kowloon Station, Tung Chung MTR line at Kowloon Station and Hong Kong's only Express Rail Link terminus to China (construction completion is targeted in 2015). Finally, it guards the entrance of the West Kowloon Cultural District, Hong Kong's future cultural centre upon completion. Phase 2 is planned for pre-sale in 2014. Superstructure works for both phases are in progress. Full completion is scheduled for 2015.

Kadoorie Hill, a 66 unit development in Ho Man Tin, has sold additional units in 2013. As at 28 February 2014, 64 units (97%) and 54 car parking spaces were sold for sales proceeds of HK\$1.9 billion. The development was completed in the first half of 2013. Unit handover commenced in September 2013. It also scored 93 points versus an average of 82 in 2013 from a reputable property quality rating program by Cable TV (a subsidiary of Wheelock Group).

Land bank

WPL continues to selectively capture land banking opportunities in Hong Kong. The total development property land bank under management in Hong Kong accumulated to 7.9 million square feet as at 31 December 2013. This size is adequate to fill our development needs in coming years. During the year, 2.2 million square feet of development properties land bank was replenished for HK\$11.7 billion. The majority of the acquisitions are in city centre locations. The average land cost is considered reasonable at HK\$5,300 per square foot.

The quality of the land bank is competitive. In terms of locational diversity, 95% of the land bank is located in city centres and 66% along the Victoria Harbour. It also focuses in four city centre submarkets, namely, Tseung Kwan O South Portfolio, Kowloon East Waterfront Portfolio, Kowloon

South Portfolio and the Peak Portfolio. In terms of product diversity, residential premises representing 80% of the land bank and commercial premises for sale account for the remaining 20%. WPL maintains a well-balanced portfolio with diversified revenue streams.

The “Tseung Kwan O South Portfolio” signifies WPL’s position as one of the two dominant landholders in Tseung Kwan O South, each with one-third of the market. The four residential sites totalling 2.3 million square feet, includes the acquisitions of TKOTL112 Area 65C1 in April 2013 and TKOTL126 Area 68B2 in July 2013, provides over 2,500 residential units. Three out of four are waterfront sites. This low density lifestyle enjoys unparalleled living environment, convenience and infrastructure. The sites are surrounded by 2.2 million square feet of parks (twice the size of Kowloon Park) and over 10 kilometres of waterfront promenade and cycle paths. Among other amenities, the area will be supported by three new schools, including an international school. The Tseung Kwan O MTR station is three stops from Quarry Bay and 20 minutes from Central.

The “Kowloon East Waterfront Portfolio” comprises two key clusters: the Bay East Waterfront Cluster and the Yau Tong Harbourfront Cluster. The Bay East Waterfront Cluster in CBD2 which amounts to 1.9 million square feet includes One Bay East (100% interest), Wharf T&T Square and Kowloon Godown redevelopments (de facto 52% interest). This cluster spans over 500-metres of the Victoria Harbour coastline. It is situated in the heart of the new CBD2 and Government’s initiative of “Re-energising Kowloon East”. The Yau Tong Harbourfront Cluster consists of two redevelopments, Yau Tong Bay and Yau Tong Godown. Yau Tong Bay is a 4.0 million square feet mega harbourfront redevelopment providing over 5,000 residential units. WPL is the co-project manager with Henderson Land.

The “Kowloon South Portfolio” consists of three developments with a total of 1.8 million square feet GFA, mainly The Austin Phase 2, Ho Man Tin and One HarbourGate (formerly known as Hung Luen Road commercial development). These developments are located in Kowloon’s prime city centre and are highly accessible to MTR stations. WPL acquired a residential site in Ho Man Tin Fat Kwong Street for HK\$3.8 billion in June 2013. This development is located in the traditional luxury residential area of Kowloon and adjacent to the future Ho Man Tin MTR station.

The “Peak Portfolio”, held by The Wharf (Holdings) Limited, provides 0.5 million square feet GFA of rare luxury residential land parcels on the Peak. It is the most prestige addresses and sought after collection in Hong Kong where supply is limited. The Mount Nicholson site was acquired at HK\$10.4 billion by a 50:50 joint venture with Nan Fung group. It is a mountain top private enclave and will be developed into a limited number of deluxe villas and apartments. Total GFA is 324,000 square feet. Pre-sales is planned in 2015. Prestigious addresses of 1 and 11 Plantation Road and 77 Peak Road are under redevelopment as planned.

Tuen Mun So Kwun Wat development, which has a vast site area close to 300,000 square feet, was acquired in January 2013. This low-density development, of 376,893 square feet GFA, offers a tranquil living environment with apartment towers and villas. It is adjacent to the new Harrow International School and conveniently served by a transportation network to Tsim Sha Tsui and Central via Tuen Mun Road and Route 3. The Gold Coast Yacht and Country Club is a 10-minute drive.

A Timely Move to Develop Office Properties

The timely acquisitions of office sites in the last few years have proven to be attractive diversification, especially in the face of recent cooling measures in the residential sector. In the past three years, 1.9 million square feet of office properties were sold. On average, one project was launched for pre-sales every year. The successful sales of One Bay East, One Island South and One Midtown are all good examples.

WPL currently has 1.7 million square feet of waterfront office portfolio and is well-positioned to meet the increasing office demand. The remaining tower of One Bay East and One HarbourGate are ready for pre-sales in the 2014 and 2015.

One HarbourGate comprises of twin grade-A office towers and a pair of low-rise retail villas with 180-degree Victoria Harbour view. It is located in Hung Hom's core commercial hub, in close proximity to MTR East and West Rails, through-train services to Guangzhou, the future Shatin-to-Central cross-harbour MTR service and the future Whampoa MTR Station.

Successful and Sustainable Urban Redevelopments

Wheelock's capability in identification of aged buildings in good locations and their redevelopment into premium quality residences has been well proven. The Babington, Lexington Hill and Kadoorie Hill were all sold strongly with positive market feedback and attractive margins. High Street project in the Western district of the Hong Kong Island is scheduled for pre-sales in 2014.

A redevelopment site at 175-179 Shau Kei Wan Road was acquired through private acquisition in February 2013. It will be jointly developed with an adjacent site acquired in 2012 for a total GFA of 96,294 square feet.

WPL won BCI Asia's "Top 10 Developers" Award for two consecutive years. This achievement demonstrated that Wheelock has an experienced, stable and transparent management team competent in acquisition, product development and property sales.

76% Equity Investment in Wheelock Properties (Singapore) Limited ("WPSL")

In accordance with Hong Kong Financial Reporting Standards, WPSL's profit contribution to Wheelock for the year ended 31 December 2013 was HK\$227 million (2012: HK\$396 million). The decrease was mainly due to the lower property sales recognised compared to the revenue recognised from the sales of Orchard View and Scotts Square in 2012. Included in WPSL's 2013 results is an accounting profit on disposal of the SC Global shares of HK\$573 million which was offset by a provision for diminution in value for the Ang Mo Kio project (The Panorama) of HK\$681 million.

Wheelock Place, a prime commercial development on Orchard Road comprising a retail podium and offices achieved an overall occupancy rate of 96% and an overall average rent of above S\$13 per square foot as at 31 December 2013, with steady recurrent income generated. The shopping podium has stabilised with the full year trading of the two basement floors with linkage to the Orchard MRT.

Scotts Square Retail is located in the heart of the Orchard Road shopping belt next to the Grand Hyatt and Tangs Plaza with internationally renowned brands including Anne Fontaine, Hermes, Michael Kors, On Pedder, Kiton and Paul & Shark. Retail occupancy rate stood at 95% at an average monthly rent of S\$23 per square foot as at 31 December 2013. With increased competition from new malls, changing consumer preferences as well as softening retail sales, the mall will undergo a revamp of its trade and tenancy mix.

Scotts Square, a 43-storey luxury residential development located in downtown Orchard Road, was 79% or 268 units sold at an average price of S\$4,004 per square foot as at 31 December 2013. The full sales launch of Ardmore Three is being reviewed in light of current market conditions. In light of the challenging environment, an accounting provision of S\$110 million has been made for The Panorama. This site was acquired in January 2013 and is located in Singapore's traditional residential district of Ang Mo Kio. In China, construction for Phase 1 of the Fuyang project is currently in process. The show suite has been completed and the launch of the project is expected to commence in the first half of 2014.

52% Equity Investment in The Wharf (Holdings) Limited (“Wharf”)

Wharf is a property company with unique IP in Hong Kong and China with a strategic focus on China DP. The Company is now among the top five local blue chip stocks on the Hong Kong Stock Exchange in terms of trading turnover, signalling its high liquidity and attractiveness to investors. The IP portfolio accounts for 58% of its core profit in 2013, which generated strong dividend streams to Wheelock.

Investment Properties

Harbour City remained one of the world’s leading shopping destinations (for total retail sales) with two million square feet of contiguous mall space. Market share was maintained at 6.8% of total Hong Kong retail sales. In May, Harbour City launched the “Rubber Duck Project” which soon became a talk-of-the-town event and attracted phenomenal foot traffic from locals and tourists and retail sales. Ocean Terminal’s renovation is an important part of Harbour City’s substantial premises improvement initiatives for value creation, which initiatives commenced in April and are progressing to plan. Office demand continued to be fuelled by business expansion, corporate upgrades and decentralisation.

With the unique 17-level retail mall design, diverse trade-mix and direct thoroughfare to the MTR, Times Square is among the most successful vertical malls in the world and remains a must-visit shopping landmark in Hong Kong. The substantial completion of the bold revamp by the end of 2013 stoked the formation of the new Times Square with the most extensive product range, entertainment and culinary choices at the heart of Causeway Bay. The new Times Square includes a lineup of coveted luxury brands and the sky escalators in the atrium with a brand new and contemporary five-house cinema CINE TIMES across the 12th–14th floors with a wider range of movie choices. On the back of positive rental reversion, the office occupancy stood strong at 95% at the end of 2013.

Plaza Hollywood is the market leading shopping mall in Kowloon East. It is located atop the Diamond Hill MTR station, the future interchange hub with the existing MTR network for the new Shatin-Central link. It is 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 is directly linked to the Diamond Hill bus terminus. With its prominent location and efficient transport infrastructure, Plaza Hollywood is well-positioned to attract high volumes to double foot traffic.

Shanghai Wheelock Square continued to be the preferred location for multinational firms and major corporations given its prestigious location, distinctive design and premium-quality management services. Dalian Times Square, a premier luxury shopping landmark in the heart of the city, houses a spate of luxury brands. Chongqing Times Square, located at “ground zero” Liberation Statue Square, the commercial and financial hub of Chongqing, is a renewed shopping mall with world-class facilities and services. Chengdu Times Outlets has become one of the most-visited outlet destinations in Chengdu thanks to its convenient location in close proximity to the Chengdu Shuangliu International Airport. Shanghai Times Square, strategically located on Huai Hai Zhong Road, re-opened in late 2013 providing a true “one-stop-shopping” experience. The new Shanghai Times Square, along with the new cluster on Huai Hai Zhong Road and the new Lane Crawford will seamlessly complement one another and create significant value.

Wharf is developing a series of five IFSs in China, with a scale comparable to or surpassing that of Harbour City and Times Square in Hong Kong. Upon completion of these IFSs by 2017, the recurrent income base in China will be significantly strengthened.

Chengdu IFS is Wharf’s flagship development modelled on Harbour City. The development comprises a mega shopping mall, two premium Grade A office towers, a luxurious residential tower and a five-star international hotel. A new city landmark in the western China, retail pre-leasing

continued to exceed plan with 95% of total 210,000-square-metre retail space committed at year end at well above-budget rental rates. The mall was officially opened on 14 January 2014 and attracted wide attention from the public, local and international media. Chengdu IFS has a retail shop street frontage of more than 530 metres on par with Harbour City's Canton Road frontage. The launch also featured the world's largest giant panda art piece and marked the recruitment of nearly 300 of the world's most coveted brands. Full completion is scheduled for 2015.

Chongqing IFS comprises an iconic 300-metre landmark tower and four other towers offering retail with diverse trade mix, Grade A offices and a five-star sky hotel. Retail pre-leasing activities have commenced and relevant leases are under close discussion. The office towers are slated for completion by the end of 2014. Full completion of the complex is scheduled for 2015. Changsha IFS features an iconic 452-metre tall tower and a 315-metre tall tower mega-sized mall, offering upscale retail, Grade A offices and a five-star sky hotel. Full completion is scheduled for 2016.

Wuxi IFS's full completion is scheduled for 2014. The development of Suzhou IFS is in progress.

China Development Properties

In 2013, contracted sales continued to gain pace bolstered by Wharf's reputation for quality residences in sought after locations. A total of 41 development projects spanning 14 cities were launched for sale or pre-sale. Wharf also acquired seven DP sites in the cities of Shanghai, Ningbo, Tianjin, Foshan and Hangzhou with an attributable GFA of 0.67 million square metres for RMB6.8 billion. Inclusive of China IP, the current land bank was maintained at 11.7 million square metres spanning 15 cities.

Wharf holds approximately 24.3% of the equity interest in Greentown, a leading high-end real estate developer in China with strong brand recognition, and perpetual subordinated convertible securities. The investment in Greentown is for the long term, complementing the business strategy of continual expansion in China DP.

Others

In November, Wharf, through its listed subsidiary, Harbour Centre Development Limited, acquired the 27-storey Murray Building in Cotton Tree Drive in Central, for HK\$4.4 billion. Wharf will convert this iconic building to a unique, fashionable lifestyle hotel for a total investment of over HK\$7 billion. Target opening is scheduled for 2017.

Marco Polo Hotels currently operates 13 owned or managed hotels in the Asia Pacific region. A solid portfolio of Wharf's 10 owned hotels serves as a core platform of an expanding hotel network in five years' time. These hotels, destined to offer superior levels of design and impeccable quality of service, will take the hotel group to the next level of services and hospitality.

Modern Terminals gained in market share and increased the consolidated revenue, with the global trade flows staging a muted recovery given the US and European economies showing signs of stabilising.

i-CABLE maintained a healthy financial position. It was granted an in-principal approval by government in October for Fantastic TV to provide a free TV service. Fantastic TV will be ready to broadcast within weeks of the license award.

Wharf T&T's revenue and operating profit reached an "All Time High" in 2013, driven by the thriving data business.

FINANCIAL REVIEW

(I) Review of 2013 Results

Wheelock & Company (before consolidation of listed subsidiaries WPSL and Wharf)

Wheelock's own net profit decreased by 39% to HK\$1,572 million (2012: HK\$2,596 million) due to a lower IP revaluation surplus. Excluding the IP revaluation surplus of HK\$320 million (2012: HK\$1,474 million) and the mark-to-market loss of HK\$51 million (2012: Nil) on swaps, core profit increased by 16% to HK\$1,303 million (2012: HK\$1,122 million), mainly attributable to the completion of and successful property sales from Kadoorie Hill and higher profit contribution from associates.

Wheelock Group

The Group continued to deliver solid financial results in 2013 with its core profit increased by 8% to HK\$7,822 million (2012: HK\$7,267 million). The favourable results were mainly attributable to continuous rental revenue growth, higher profit contribution from associates and from sale of available-for-sale investments, which was partly offset by a lower DP contribution.

Group profit attributable to equity shareholders, however, decreased by 37% to HK\$16,954 million (2012: HK\$26,935 million), due to a lower IP revaluation surplus, provision for diminution in value for properties and the absence of one off accounting gain recognised on the acquisition of Greentown China Holdings Limited ("Greentown") as compared to 2012.

Revenue and Operating Profit

Group revenue increased by 6% to HK\$35,071 million (2012: HK\$33,124 million) attributable to the double-digit rental revenue increase.

Group operating profit decreased by 4% to HK\$14,938 million (2012: HK\$15,570 million), of which HK\$1,187 million (2012: HK\$666 million) was contributed by Wheelock, HK\$471 million (2012: HK\$734 million) by WPSL, and HK\$13,280 million (2012: HK\$14,170 million) by Wharf.

Investment Property

Revenue and operating profit both increased by 13% to HK\$11,949 million (2012: HK\$10,613 million) and HK\$9,891 million (2012: HK\$8,731 million) respectively, attributable to higher retail rental income through better sales performance achieved by retail tenants and the continuous positive rental reversions for office areas particularly in Harbour City and Times Square. Revenue from the Mainland increased by 25% to HK\$1,261 million (2012: HK\$1,005 million), mainly due to the escalating revenue generated by Shanghai Wheelock Square and Chengdu Times Outlet.

Development Property

Revenue virtually remained unchanged at HK\$13,430 million (2012: HK\$13,370 million) but operating profit decreased by 39% to HK\$3,341 million (2012: HK\$5,458 million) in the absence of the exceptionally large profit contribution recognised from the Shanghai Xiyuan and Hong Kong One Midtown in 2012.

In Hong Kong, recognised property sales and operating profit decreased to HK\$1,972 million (2012: HK\$3,019 million) and HK\$790 million (2012: HK\$1,536 million) respectively. Kadoorie Hill was completed with 97% residential units sold enabling the recognition of revenue of HK\$1,894 million and operating profit of HK\$728 million.

In the Mainland, recognised property sales increased by 20% to HK\$11,442 million (2012: HK\$9,573 million), mainly derived from Chengdu Tian Fu Times Square, Suzhou Times City and Changzhou Times Palace on completion. However, operating profit decreased by 28% to HK\$2,565 million (2012: HK\$3,562 million) with tighter operating profit margins.

In Singapore, recognised property sales were HK\$16 million (2012: HK\$778 million) with an operating loss of HK\$14 million (2012: operating profit of HK\$360 million), mainly from the sale of miscellaneous stock in Singapore.

Inclusive of associates and joint ventures (other than Greentown) on an attributable basis, the Group's contracted property sales in 2013 increased to HK\$36.6 billion (2012: HK\$26.2 billion), increasing its net order book to HK\$37.4 billion (December 2012: HK\$22.5 billion), as at 31 December 2013 of which about 70% is in the Mainland and the balance is in Hong Kong pending recognition on completion.

Hotels

Revenue increased by 8% to HK\$1,498 million (2012: HK\$1,391 million) through improved rooms rates but operating profit decreased by 4% to HK\$377 million (2012: HK\$391 million) adversely affected by pre-operating expenses incurred for the Changzhou Marco Polo Hotel and operating loss from the Marco Polo Wuhan Hotel.

Logistics

Revenue increased by 5% to HK\$3,226 million (2012: HK\$3,070 million) but operating profit decreased by 16% to HK\$974 million (2012: HK\$1,161 million), mainly due to higher operating costs.

Communications, Media and Entertainment ("CME")

Revenue decreased by 4% to HK\$3,789 million (2012: HK\$3,953 million), whereas an operating profit of HK\$212 million (2012: operating loss of HK\$22 million) was reported. Wharf T&T's operating profit increased by 20% to HK\$300 million (2012: HK\$250 million) while i-CABLE's operating loss narrowed to HK\$88 million (2012: HK\$271 million).

Investment and Others

Operating profit increased to HK\$1,177 million (2012: HK\$456 million) with higher dividend and interest income.

Increase in Fair Value of Investment Properties

The book value of the Group's investment property portfolio as at 31 December 2013 increased to HK\$282.0 billion (2012: HK\$250.7 billion), with HK\$260.8 billion thereof stated at fair value based on independent valuations as at that date. That resulted in a revaluation surplus of HK\$19,089 million (2012: HK\$35,924 million). The attributable net revaluation surplus of HK\$9,230 million (2012: HK\$18,201 million), after deducting related deferred tax and non-controlling interests in total of HK\$9,859 million (2012: HK\$17,723 million), was credited to the consolidated income statement.

IP under development of HK\$21.2 billion is carried at cost and will not be carried at fair value until the earlier of when the fair values first become reliably measurable or the dates of their respective completion.

Other Net Income

Other net income amounted to HK\$337 million (2012: HK\$3,116 million), comprising mainly profit on disposal of available-for-sale investments of HK\$1,094 million (2012: HK\$492 million), which included WPSL's profit on disposal of SC Global shares of HK\$573 million, and net exchange gain of HK\$335 million (2012: HK\$274 million). The profit was partially offset by provision for diminution in value of HK\$681 million made by WPSL for its Ang Mo Kio project (The Panorama) and HK\$543 million by Harbour Centre Development Limited for its Changzhou Marco Polo Hotel project. In 2012, a non-recurrent book accounting gain of HK\$2,233 million arising from Wharf's acquisition of the equity interest in Greentown was recognised.

Finance Costs

Finance costs charged to the consolidated income statement were HK\$899 million (2012: HK\$1,162 million), which included an unrealised mark-to-market gain of HK\$1,205 million (2012: HK\$573 million) on the cross currency/interest rate swaps. Net of non-controlling interests, the attributable gain is HK\$587 million (2012: HK\$334 million).

Excluding the unrealised mark-to-market gain, finance costs were HK\$3,586 million (2012: HK\$2,757 million) before capitalisation of HK\$1,482 million (2012: HK\$1,022 million), and HK\$2,104 million (2012: HK\$1,735 million) after capitalisation. The increase in finance costs was mainly due to an increase in borrowings and higher borrowing rates. The Group's effective borrowing rate for the year was 3.1% (2012: 2.8%) per annum.

Share of Results of Associates and Joint Ventures

Share of profits of associates increased by 62% to HK\$2,631 million (2012: HK\$1,621 million) mainly due to inclusion of attributable full year profit of HK\$1,497 million (2012: HK\$893 million for the period from June to December 2012) from Greentown and an increase in profit contribution from DP projects in the Mainland undertaken by associates.

Share of profits of joint ventures decreased by 27% to HK\$461 million (2012: HK\$634 million), reflecting a lower profit contribution from DP projects in the Mainland.

Income Tax

The taxation charge was HK\$4,539 million (2012: HK\$4,347 million), which included deferred taxation of HK\$1,459 million (2012: HK\$1,087 million) provided for the revaluation surplus of IP located in the Mainland.

Excluding deferred tax, the tax charge decreased to HK\$3,080 million (2012: HK\$3,260 million), mainly due to lower profits recognised by the DP segment.

Non-controlling Interests

Profit attributable to non-controlling interests decreased by HK\$9,357 million to HK\$15,064 million (2012: HK\$24,421 million), which was mainly attributable to the reduction in profits of WPSL and Wharf.

Profit Attributable to Equity Shareholders

Group profit attributable to equity shareholders decreased by 37% to HK\$16,954 million (2012: HK\$26,935 million). Earnings per share were HK\$8.34 (2012: HK\$13.26).

Excluding the net IP revaluation surplus of HK\$9,230 million (2012: HK\$18,201 million), Group profit attributable to equity shareholders decreased by 12% to HK\$7,724 million (2012: HK\$8,734 million).

Further stripping out the attributable mark-to-market gain of HK\$587 million (2012: HK\$334 million) on swaps and other financial assets, attributable provision for diminution in value of properties of HK\$685 million (2012: Nil) and the exceptional attributable book accounting gain arising from the acquisition of equity interest in Greentown of HK\$1,133 million in 2012, core profit increased by 8% to HK\$7,822 million (2012: HK\$7,267 million). Core earnings per share were HK\$3.85 (2012: HK\$3.58).

Set out below is an analysis of the Group profit attributable to the equity shareholders as contributed by each of Wheelock, WPSL and Wharf.

| | 2013 | 2012 |
|---|---------------------|--------------|
| | HK\$ Million | HK\$ Million |
| Profit attributable to | | |
| Wheelock | 1,303 | 1,122 |
| WPSL group | 665 | 528 |
| Wharf group | 5,854 | 5,617 |
| Core profit | 7,822 | 7,267 |
| Attributable mark-to-market gain on swaps and other financial assets | 587 | 334 |
| Attributable provision for diminution in value of properties | (685) | — |
| Attributable book accounting gain arising from the acquisition of equity interest in Greentown | — | 1,133 |
| Profit before IP surplus | 7,724 | 8,734 |
| IP surplus (after deferred tax) | 9,230 | 18,201 |
| Profit attributable to equity shareholders | 16,954 | 26,935 |

WPSL's profit for the year ended 31 December 2013 was S\$40.0 million (2012: S\$63.3 million) according to the accounting standards adopted in Singapore. In accordance with Hong Kong Financial Reporting Standards, WPSL's contributed profit to the Group was HK\$227 million (2012: HK\$396 million).

Wharf's profit for the year ended 31 December 2013 decreased by 38% to HK\$29,380 million (2012: HK\$47,263 million). Excluding the net IP revaluation surplus, Wharf's net profit decreased by 12% to HK\$12,206 million (2012: HK\$13,927 million). Before the IP revaluation surplus and the abovementioned exceptionals, Wharf's core profit increased by 2% to HK\$11,298 million (2012: HK\$11,040 million).

(II) Liquidity, Financial Resources and Capital Commitments

Shareholders' and Total Equity

The Group's Shareholders' equity increased by 10% to HK\$166.6 billion (2012: HK\$152.0 billion), or HK\$81.99 per share (2012: HK\$74.83 per share) as at 31 December 2013.

Including the non-controlling interests, the Group's total equity increased by 9% to HK\$311.6 billion (2012: HK\$285.9 billion).

Total Assets

The Group's total assets increased by 13% to HK\$486.8 billion (2012: HK\$429.8 billion). Total business assets, i.e. excluding bank deposits and cash, certain financial investments, deferred tax assets and other derivative financial assets, increased by 16% to HK\$444.8 billion (2012: HK\$381.9 billion).

The Group's IP portfolio was HK\$282.0 billion, representing 63% of total business assets. Together, Harbour City (excluding the three hotels) and Times Square in Hong Kong were valued at HK\$184.0 billion, representing 65% of the value of the portfolio. Wharf's IP in the Mainland amounted to HK\$50.6 billion, including those under development of HK\$22.5 billion.

Other major business assets included properties under development and held for sale of HK\$87.2 billion, interests in associates and joint ventures (mainly for the Mainland DP and port projects) of HK\$40.6 billion and other fixed assets of HK\$24.2 billion.

Geographically, the Group's business assets in the Mainland, mainly properties and terminals, increased to HK\$158.0 billion (2012: HK\$134.6 billion), representing 36% of the Group's total business assets.

Debt and Gearing

The Group's net debt increased by HK\$21.1 billion to HK\$94.3 billion (2012: HK\$73.2 billion) as at 31 December 2013, comprising debt of HK\$123.6 billion less bank deposits and cash of HK\$29.3 billion. The increase in net debt was mainly due to payment of land and construction costs for DP and IP (mainly Chengdu IFS), and the acquisition of the Murray Building. Excluding WPSL's net debt of HK\$1.1 billion and Wharf's net debt of HK\$58.1 billion, which are non-recourse to the Company and its other subsidiaries, Wheelock's own net debt was HK\$35.1 billion (2012: HK\$20.4 billion). An analysis of the net debt by group is as below:

| | 2013 | 2012 |
|-------------------|---------------------|--------------|
| Net debt / (cash) | HK\$ Million | HK\$ Million |
| Wheelock | 35,153 | 20,417 |
| WPSL group | 1,070 | (2,801) |
| Wharf group | 58,072 | 55,625 |
| Group | 94,295 | 73,241 |

As at 31 December 2013, the ratio of net debt to total equity (on a consolidated basis) was 30.3% (2012: 25.6%). Excluding the net debt of WPSL and Wharf, Wheelock's own net debt to Shareholders' equity (on an attributable net asset value basis) was 21.1% (2012: 13.4%).

Finance and Availability of Facilities

The Group's available loan facilities and issued debt securities amounting to HK\$157.4 billion (2012: HK\$127.9 billion), of which HK\$123.6 billion were drawn, as at 31 December 2013 are analysed as below:

| | Available Facilities HK\$ Billion | Total Debts HK\$ Billion | Undrawn Facilities HK\$ Billion |
|-------------|--|-------------------------------------|--|
| Wheelock | 47.9 | 37.1 | 10.8 |
| WPSL group | 6.5 | 3.9 | 2.6 |
| Wharf group | 103.0 | 82.6 | 20.4 |
| Group | 157.4 | 123.6 | 33.8 |

Of the above debts, HK\$24.3 billion (2012: HK\$19.4 billion) was secured by mortgage over certain DP, IP and fixed assets with total carrying value of HK\$57.9 billion (2012: HK\$31.7 billion).

The Group's debts were primarily denominated in United States dollars ("USD"), Hong Kong dollars ("HKD"), Renminbi ("RMB") and Singapore dollars ("SGD"). The borrowings were mainly used to fund the Group's IP, DP and port investments in the Mainland, and DP projects in Singapore and Hong Kong.

The use of derivative financial instruments is strictly monitored and controlled. The majority of the derivative financial instruments entered into by the Group were 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, USD and SGD and undrawn committed facilities to facilitate the Group's expanding business and investment activities. The Group also maintained a portfolio of financial investments, primarily in blue-chip securities, with an aggregate market value of HK\$13.2 billion (2012: HK\$14.8 billion) as at 31 December 2013, 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's operating cash inflow before changes in working capital was HK\$15.3 billion (2012: HK\$16.2 billion). The changes in working capital and others of HK\$15.5 billion (2012: HK\$4.6 billion) resulted in a net cash outflow from operating activities of HK\$0.2 billion (2012: inflow of HK\$11.6 billion), chiefly due to payment of land costs for DP projects. For investing activities, the Group recorded a net cash outflow of HK\$15.2 billion (2012: HK\$28.3 billion), mainly for additions to IP in the Mainland, including the land and construction costs for Chengdu IFS, and payment for the acquisition of the Murray Building in Hong Kong.

Major Capital and Development Expenditure and Commitments

The Group's major capital and development expenditure incurred in 2013 is analysed as follows:

A. Major capital and development expenditure

| | Hong Kong / Singapore HK\$ Million | Mainland China HK\$ Million | Total HK\$ Million |
|----------------------|---|--|-------------------------------|
| Wheelock | | | |
| IP | 1,724 | — | 1,724 |
| DP | 14,295 | 86 | 14,381 |
| | <u>16,019</u> | <u>86</u> | <u>16,105</u> |
| WPSL group | | | |
| IP | 5 | — | 5 |
| DP | 3,985 | 281 | 4,266 |
| | <u>3,990</u> | <u>281</u> | <u>4,271</u> |
| Wharf group | | | |
| IP | 1,063 | 8,669 | 9,732 |
| DP | 56 | 12,830 | 12,886 |
| Hotels / Others | 5,433 | 277 | 5,710 |
| | <u>6,552</u> | <u>21,776</u> | <u>28,328</u> |
| Analysis by segment: | | | |
| IP | 2,792 | 8,669 | 11,461 |
| DP | 18,336 | 13,197 | 31,533 |
| Hotels / Others | 5,433 | 277 | 5,710 |
| Group total | <u>26,561</u> | <u>22,143</u> | <u>48,704</u> |

- i. Wheelock's own expenditure for IP and DP amounted to HK\$16.1 billion, mainly attributable to land cost payments for its Hong Kong DP projects.
- ii. WPSL's expenditure of HK\$4.3 billion is mainly for land cost payments for Ang Mo Kio project.
- iii. Wharf's expenditure totalled HK\$28.3 billion, comprising expenditure of HK\$9.7 billion for IP (mainly land and construction costs for Chengdu IFS), HK\$12.9 billion for DP (mainly related to Mainland projects) and HK\$5.7 billion for Hotels, Modern Terminals, Wharf T&T and i-CABLE (including HK\$4.4 billion for the acquisition of the Murray Building).

B. Commitments to capital and development expenditure

As at 31 December 2013, the Group's major commitments to capital and development expenditure that are expected to be incurred in the forthcoming years was estimated at HK\$100.3 billion, of which HK\$35.4 billion was authorised and contracted for. By segment, the commitments are analysed as below:

| | As at 31 December 2013 | | Total HK\$ Million |
|------------------------------------|---|---|-----------------------|
| | Authorised and contracted for HK\$ Million | Authorised but not contracted for HK\$ Million | |
| Wheelock | | | |
| IP | 2 | — | 2 |
| DP | 6,345 | 11,651 | 17,996 |
| | 6,347 | 11,651 | 17,998 |
| WPSL group | | | |
| IP | 7 | — | 7 |
| DP | 473 | 3,349 | 3,822 |
| | 480 | 3,349 | 3,829 |
| Wharf group | | | |
| IP | 9,717 | 11,793 | 21,510 |
| DP | 18,058 | 35,043 | 53,101 |
| Hotels / Others | 777 | 3,125 | 3,902 |
| | 28,552 | 49,961 | 78,513 |
| Analysis by segment: | | | |
| IP | 9,726 | 11,793 | 21,519 |
| DP | 24,876 | 50,043 | 74,919 |
| Hotels / Others | 777 | 3,125 | 3,902 |
| Group total | 35,379 | 64,961 | 100,340 |
| Analysis by geographical location: | | | |
| Hong Kong | 8,134 | 11,867 | 20,001 |
| Mainland China | 26,357 | 48,438 | 74,795 |
| Singapore | 111 | 1,531 | 1,642 |
| Properties total | 34,602 | 61,836 | 96,438 |
| Hotels / Others | 777 | 3,125 | 3,902 |
| | 35,379 | 64,961 | 100,340 |

- i. Wheelock's own commitments of HK\$18.0 billion are mainly related to construction costs for DP in Hong Kong.
- ii. WPSL's commitments of HK\$3.8 billion are mainly related to construction costs of HK\$1.6 billion for DP in Singapore and of HK\$2.2 billion in the Mainland.
- iii. Wharf's commitments of HK\$78.5 billion mainly comprised expenditure of HK\$21.5 billion for IP, HK\$53.1 billion for DP mainly land and construction costs in the Mainland (which included attributable land costs of HK\$5.2 billion payable in 2014) and HK\$3.9 billion for Hotels, Modern Terminals, Wharf T&T and i-CABLE.

- iv. The above commitments and planned expenditure will be funded by the respective groups' own internal financial resources including surplus cash, cash flow 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 financial investments.

(III) Human Resources

The Group had approximately 16,500 employees as at 31 December 2013, 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 2013

| | Note | 2013 HK\$ Million | 2012 HK\$ Million |
|---|-------|----------------------|----------------------|
| Revenue | 2 | 35,071 | 33,124 |
| Direct costs and operating expenses | | (15,450) | (13,298) |
| Selling and marketing expenses | | (1,430) | (1,243) |
| Administrative and corporate expenses | | (1,801) | (1,577) |
| Operating profit before depreciation, amortisation, interest and tax | | 16,390 | 17,006 |
| Depreciation and amortisation | 3 | (1,452) | (1,436) |
| Operating profit | 2 & 3 | 14,938 | 15,570 |
| Increase in fair value of investment properties | | 19,089 | 35,924 |
| Other net income | 4 | 337 | 3,116 |
| | | 34,364 | 54,610 |
| Finance costs | 5 | (899) | (1,162) |
| Share of results after tax of: | | | |
| Associates | | 2,631 | 1,621 |
| Joint ventures | | 461 | 634 |
| Profit before taxation | | 36,557 | 55,703 |
| Income tax | 6 | (4,539) | (4,347) |
| Profit for the year | | 32,018 | 51,356 |
| Profit attributable to: | | | |
| Equity shareholders | | 16,954 | 26,935 |
| Non-controlling interests | | 15,064 | 24,421 |
| | | 32,018 | 51,356 |
| Earnings per share | 7 | | |
| Basic | | HK\$8.34 | HK\$13.26 |
| Diluted | | HK\$8.34 | HK\$13.26 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2013

| | 2013 | 2012 |
|--|----------------------|---------------------|
| | HK\$ Million | HK\$ Million |
| Profit for the year | <u>32,018</u> | <u>51,356</u> |
| Other comprehensive income | | |
| Items that may be reclassified subsequently to profit or loss: | | |
| Exchange gain on translation of foreign operations | 2,111 | 956 |
| Net revaluation of available-for-sale investments: | (2,349) | 3,477 |
| (Deficit)/surplus on revaluation | (1,427) | 3,737 |
| Transferred to consolidated income statement on disposal | (922) | (260) |
| Share of other comprehensive income of associates/joint ventures | 697 | 62 |
| Actuarial gain on defined benefit pension scheme | 25 | – |
| Others | 6 | (1) |
| Other comprehensive income for the year | <u>490</u> | <u>4,494</u> |
| Total comprehensive income for the year | <u>32,508</u> | <u>55,850</u> |
| Total comprehensive income attributable to: | | |
| Equity shareholders | 16,458 | 29,981 |
| Non-controlling interests | 16,050 | 25,869 |
| | <u>32,508</u> | <u>55,850</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2013

| | Note | 2013 HK\$ Million | 2012 HK\$ Million |
|--|------|----------------------|----------------------|
| Non-current assets | | | |
| Investment properties | | 282,015 | 250,729 |
| Fixed assets | | 24,180 | 19,888 |
| Interest in associates | | 19,003 | 16,046 |
| Interest in joint ventures | | 21,603 | 21,219 |
| Financial investments | | 13,246 | 14,843 |
| Convertible securities | | 2,824 | 2,709 |
| Goodwill and other intangible assets | | 297 | 297 |
| Programming library | | 137 | 109 |
| Deferred tax assets | | 730 | 798 |
| Derivative financial assets | | 176 | 487 |
| Other non-current assets | | 42 | 391 |
| | | <u>364,253</u> | <u>327,516</u> |
| Current assets | | | |
| Properties for sale | | 87,178 | 65,007 |
| Inventories | | 47 | 45 |
| Trade and other receivables | 9 | 5,645 | 6,693 |
| Derivative financial assets | | 346 | 489 |
| Bank deposits and cash | | 29,345 | 30,016 |
| | | <u>122,561</u> | <u>102,250</u> |
| Current liabilities | | | |
| Trade and other payables | 10 | (21,721) | (16,086) |
| Deposits from sale of properties | | (16,379) | (11,968) |
| Derivative financial liabilities | | (283) | (215) |
| Taxation payable | | (1,898) | (2,093) |
| Bank loans and other borrowings | | (11,964) | (6,930) |
| | | <u>(52,245)</u> | <u>(37,292)</u> |
| Net current assets | | <u>70,316</u> | 64,958 |
| Total assets less current liabilities | | <u>434,569</u> | 392,474 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2013

| | 2013 | 2012 |
|----------------------------------|-----------------------|-----------------------|
| | HK\$ Million | HK\$ Million |
| Non-current liabilities | | |
| Derivative financial liabilities | (1,292) | (1,913) |
| Deferred tax liabilities | (9,726) | (8,071) |
| Other deferred liabilities | (303) | (283) |
| Bank loans and other borrowings | (111,676) | (96,327) |
| | <u>(122,997)</u> | <u>(106,594)</u> |
| NET ASSETS | <u>311,572</u> | <u>285,880</u> |
| | | |
| Capital and reserves | | |
| Share capital | 1,016 | 1,016 |
| Reserves | 165,566 | 151,025 |
| Shareholders' equity | <u>166,582</u> | <u>152,041</u> |
| Non-controlling interests | <u>144,990</u> | <u>133,839</u> |
| TOTAL EQUITY | <u>311,572</u> | <u>285,880</u> |

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 2013.

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These 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 2012 except for the changes mentioned below.

The HKICPA has issued certain new and revised HKFRSs and amendments to HKFRSs 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.

| | |
|-----------------------|---|
| Amendments to HKAS 1 | Presentation of financial statements – Presentation of items of other comprehensive income |
| Amendments to HKFRS 7 | Financial instruments: Disclosures – Offsetting financial assets and financial liabilities |
| HKFRSs (Amendments) | Annual improvements to HKFRSs 2009-2011 Cycle |
| HKFRS 10 | Consolidated financial statements |
| HKFRS 11 | Joint arrangements |
| HKFRS 12 | Disclosure of interests in other entities |
| HKFRS 13 | Fair value measurement |
| HKAS 19 (Revised) | Employee benefits |

The amendments to HKAS 1 require companies to classify items within other comprehensive income under two categories: (i) items which may be reclassified to profit or loss in the future if certain conditions are met and (ii) items which would never be reclassified to profit or loss. The Group's presentation of other comprehensive income in the financial statements has been modified accordingly.

The amendments to HKFRS 7 require companies to disclose information about rights of offset and related arrangements for financial instruments under an enforceable master netting agreement or similar arrangement. The Group has outstanding derivative financial instruments presented as financial assets/liabilities in the consolidated statement of financial position which are under master netting agreements. The amendments to HKFRS 7 require retrospective application. The application of the amendments has had no impact on the results or financial position of the Group but results in additional disclosures in the Group's consolidated financial statements.

HKFRS 10 introduces a single control model to determine whether an investee should be consolidated, based on the concept of power over the investee, exposure or rights to variability of returns and the ability to use power to affect the amount of returns. This replaces the previous approach which emphasised legal control under HKAS 27 (Revised) (for companies) or exposure to risks and rewards under HK(SIC)-INT 12 (for special purpose entities). The adoption of

HKFRS 10 does not have any financial impact on the Group as all subsidiaries within the Group satisfied the requirements for control under HKFRS 10 as at 1 January 2013.

HKFRS 11 provides guidance on what constitutes a joint arrangement by focusing on the rights and obligations of the arrangement, rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and are recognised on a line-by-line basis to the extent of the joint operator's interest in the joint operation. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and are required to be accounted for using the equity method in the Group's consolidated financial statements. HKFRS 11 replaces HKAS 31 Interests in joint ventures and SIC-13 Jointly-controlled entities – Non-monetary contributions by ventures. Unlike HKAS 31, proportional consolidation of joint ventures is no longer allowed. As a result of the adoption of HKFRS 11, the Group has changed its accounting policy with respect to its interests in joint arrangements and re-evaluated its involvement in its joint arrangements. The Group has reclassified investments in jointly controlled entities as investments in joint ventures. The investments continue to be accounted for using the equity method and therefore this classification does not have any material impact on the financial position and the financial result of the Group.

HKFRS 12 consolidates and replaces the previous disclosure requirements for subsidiaries and associates in the old HKAS 27 (Revised) Consolidated and separate financial statements and HKAS 28 Investment in associates and introduces new disclosure requirements for unconsolidated structured entities, such as the judgement and basis of exclusion of the entities for consolidation. This new standard does not have a significant impact on the results and financial position of the Group. To the extent that the requirements are applicable to the Group, the Group provides these disclosures in the financial statements.

HKFRS 13 establishes a single source of guidance for all fair value measurements required or permitted by HKFRSs. It clarifies the definition of fair value as an exit price, which is defined as a price at which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date under market conditions. HKFRS 13 contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. To the extent that the requirements are applicable to the Group, the Group provides these disclosures in the 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, development property, 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, Mainland China and Singapore.

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, Mainland China and Singapore.

Hotels segment includes hotel operations in the Asia Pacific region. Currently, the Group owns or manages 13 Marco Polo Hotels.

Logistics segment mainly includes the container terminal operations in Hong Kong and Mainland China undertaken by Modern Terminals Limited, Hong Kong Air Cargo Terminals Limited 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, financial investments, deferred tax assets and 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.

(a) Analysis of segment revenue and results

| | Revenue HK\$ Million | Operating profit HK\$ Million | Increase in fair value of investment properties HK\$ Million | Other net income HK\$ Million | Finance costs HK\$ Million | Associates HK\$ Million | Joint ventures HK\$ Million | Profit before taxation HK\$ Million |
|-------------------------------------|----------------------------|--|--|---|-------------------------------------|-------------------------------|--------------------------------------|---|
| For the year ended 31 December 2013 | | | | | | | | |
| Investment property | 11,949 | 9,891 | 19,089 | – | (1,293) | – | – | 27,687 |
| Hong Kong | 10,250 | 8,813 | 15,995 | – | (1,190) | – | – | 23,618 |
| Mainland China | 1,261 | 761 | 3,064 | – | (103) | – | – | 3,722 |
| Singapore | 438 | 317 | 30 | – | – | – | – | 347 |
| Development property | 13,430 | 3,341 | – | (511) | (143) | 2,305 | 414 | 5,406 |
| Hong Kong | 1,972 | 790 | – | – | – | – | (52) | 738 |
| Mainland China | 11,442 | 2,565 | – | 170 | (143) | 2,305 | 466 | 5,363 |
| Singapore | 16 | (14) | – | (681) | – | – | – | (695) |
| Hotels | 1,498 | 377 | – | (543) | (16) | – | – | (182) |
| 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 | (453) | – | – | – | – | – | – | – |
| Segment total | 33,439 | 14,795 | 19,089 | (980) | (1,654) | 2,631 | 461 | 34,342 |
| Investment and others | 1,632 | 1,177 | – | 1,317 | 755 | – | – | 3,249 |
| Corporate expenses | – | (1,034) | – | – | – | – | – | (1,034) |
| Group total | 35,071 | 14,938 | 19,089 | 337 | (899) | 2,631 | 461 | 36,557 |
| For the year ended 31 December 2012 | | | | | | | | |
| Investment property | 10,613 | 8,731 | 35,924 | 73 | (1,168) | – | – | 43,560 |
| Hong Kong | 9,206 | 7,812 | 34,548 | 73 | (1,032) | – | – | 41,401 |
| Mainland China | 1,005 | 634 | 1,677 | – | (136) | – | – | 2,175 |
| Singapore | 402 | 285 | (301) | – | – | – | – | (16) |
| Development property | 13,370 | 5,458 | – | 2,273 | (110) | 1,229 | 578 | 9,428 |
| Hong Kong | 3,019 | 1,536 | – | 22 | – | 2 | (7) | 1,553 |
| Mainland China | 9,573 | 3,562 | – | 2,251 | (110) | 1,227 | 585 | 7,515 |
| Singapore | 778 | 360 | – | – | – | – | – | 360 |
| Hotels | 1,391 | 391 | – | – | (8) | – | – | 383 |
| Logistics | 3,070 | 1,161 | – | (39) | (255) | 392 | 56 | 1,315 |
| Terminals | 2,969 | 1,142 | – | 2 | (255) | 205 | 56 | 1,150 |
| Others | 101 | 19 | – | (41) | – | 187 | – | 165 |
| CME | 3,953 | (22) | – | 2 | (41) | – | – | (61) |
| i-CABLE | 2,127 | (271) | – | 2 | (4) | – | – | (273) |
| Telecommunications | 1,826 | 250 | – | – | (37) | – | – | 213 |
| Others | – | (1) | – | – | – | – | – | (1) |
| Inter-segment revenue | (452) | – | – | – | – | – | – | – |
| Segment total | 31,945 | 15,719 | 35,924 | 2,309 | (1,582) | 1,621 | 634 | 54,625 |
| Investment and others | 1,179 | 456 | – | 807 | 420 | – | – | 1,683 |
| Corporate expenses | – | (605) | – | – | – | – | – | (605) |
| Group total | 33,124 | 15,570 | 35,924 | 3,116 | (1,162) | 1,621 | 634 | 55,703 |

(b) Analysis of inter-segment revenue

| | 2013 | | | 2012 | | |
|-----------------------|-------------------------------------|---|-------------------------------------|-------------------------------------|---|-------------------------------------|
| | Total revenue HK\$ Million | Inter- segment revenue HK\$ Million | Group revenue HK\$ Million | Total revenue HK\$ Million | Inter- segment revenue HK\$ Million | Group revenue HK\$ Million |
| Investment property | 11,949 | (182) | 11,767 | 10,613 | (167) | 10,446 |
| Development property | 13,430 | – | 13,430 | 13,370 | – | 13,370 |
| Hotels | 1,498 | – | 1,498 | 1,391 | – | 1,391 |
| Logistics | 3,226 | – | 3,226 | 3,070 | – | 3,070 |
| CME | 3,789 | (105) | 3,684 | 3,953 | (104) | 3,849 |
| Investment and others | 1,632 | (166) | 1,466 | 1,179 | (181) | 998 |
| | 35,524 | (453) | 35,071 | 33,576 | (452) | 33,124 |

(c) Analysis of segment business assets

| | 2013 | 2012 |
|-------------------------------|----------------|--------------|
| | HK\$ Million | HK\$ Million |
| Investment property | 283,427 | 251,783 |
| Hong Kong | 224,746 | 205,927 |
| Mainland China | 51,137 | 38,108 |
| Singapore | 7,544 | 7,748 |
| Development property | 130,779 | 103,769 |
| Hong Kong | 32,563 | 18,558 |
| Mainland China | 92,848 | 82,122 |
| Singapore | 5,368 | 3,089 |
| Hotels | 6,189 | 1,953 |
| Logistics | 20,260 | 20,223 |
| Terminals | 19,138 | 19,045 |
| Others | 1,122 | 1,178 |
| CME | 4,120 | 4,151 |
| i-CABLE | 1,295 | 1,336 |
| Telecommunications | 2,825 | 2,815 |
| Total segment business assets | 444,775 | 381,879 |
| Unallocated corporate assets | 42,039 | 47,887 |
| Total assets | 486,814 | 429,766 |

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

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

| | 2013 | 2012 |
|----------------------|---------------|--------------|
| | HK\$ Million | HK\$ Million |
| Development property | 35,325 | 31,914 |
| Logistics | 5,281 | 5,351 |
| Group total | 40,606 | 37,265 |

(d) Other information

| | Capital expenditure | | Increase in interests in associates and joint ventures | | Depreciation and amortisation | |
|----------------------|---------------------|---------|--|---------|----------------------------------|---------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ |
| | Million | Million | Million | Million | Million | Million |
| Investment property | 11,461 | 14,343 | - | - | 122 | 67 |
| Hong Kong | 2,787 | 8,754 | - | - | 73 | 24 |
| Mainland China | 8,669 | 5,520 | - | - | 47 | 41 |
| Singapore | 5 | 69 | - | - | 2 | 2 |
| Development property | - | - | 3,586 | 7,238 | - | - |
| Hong Kong | - | - | 1,148 | 400 | - | - |
| Mainland China | - | - | 2,438 | 6,838 | - | - |
| Hotels | 4,868 | 702 | - | - | 132 | 129 |
| Logistics | 309 | 616 | 3 | 33 | 462 | 492 |
| Terminals | 309 | 611 | 3 | 33 | 458 | 488 |
| Others | - | 5 | - | - | 4 | 4 |
| CME | 533 | 715 | - | - | 736 | 748 |
| i-CABLE | 150 | 209 | - | - | 331 | 350 |
| Telecommunications | 383 | 506 | - | - | 405 | 398 |
| Group total | 17,171 | 16,376 | 3,589 | 7,271 | 1,452 | 1,436 |

In addition, the CME segment incurred HK\$122 million (2012: HK\$100 million) for its programming library. The Group has no significant non-cash expenses other than the impairment losses of HK\$681 million for the Ang Mo Kio project (The Panorama) and HK\$543 million for the Changzhou Marco Polo Hotel project and depreciation and amortisation.

(e) Geographical information

| | Revenue | | Operating profit | |
|--------------------|---------------|--------------|------------------|--------------|
| | 2013 | 2012 | 2013 | 2012 |
| | HK\$ Million | HK\$ Million | HK\$ Million | HK\$ Million |
| Hong Kong | 20,290 | 20,382 | 11,208 | 10,817 |
| Mainland China | 14,229 | 11,434 | 3,362 | 4,019 |
| Singapore | 552 | 1,308 | 368 | 734 |
| Group total | 35,071 | 33,124 | 14,938 | 15,570 |

| | Specified non-current assets | | Total business assets | |
|--------------------|------------------------------|--------------|-----------------------|--------------|
| | 2013 | 2012 | 2013 | 2012 |
| | HK\$ Million | HK\$ Million | HK\$ Million | HK\$ Million |
| Hong Kong | 245,190 | 221,001 | 273,875 | 236,485 |
| Mainland China | 99,660 | 82,615 | 157,988 | 134,557 |
| Singapore | 7,531 | 7,757 | 12,912 | 10,837 |
| Group total | 352,381 | 311,373 | 444,775 | 381,879 |

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

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

3. OPERATING PROFIT

| | 2013 | 2012 |
|---|---------------------|--------------|
| | HK\$ Million | HK\$ Million |
| Operating profit is arrived at after charging/(crediting): | | |
| Depreciation and amortisation on | | |
| – assets held for use under operating leases | 155 | 141 |
| – other fixed assets | 1,117 | 1,102 |
| – leasehold land | 86 | 95 |
| – programming library | 94 | 98 |
| Total depreciation and amortisation | 1,452 | 1,436 |
| Staff costs (Note a) | 3,816 | 3,286 |
| Auditors' remuneration | | |
| – audit services | 30 | 26 |
| – other services | 4 | 5 |
| Cost of trading properties for recognised sales | 9,498 | 7,400 |
| Rental charges under operating leases in respect of telecommunications equipment and services | 57 | 53 |
| Impairment loss recognised on | | |
| – fixed assets | 586 | – |
| – trade receivables | 17 | 11 |
| Rental income less direct outgoings (Note b) | (9,993) | (8,760) |
| Rental income under operating leases in respect of owned plant and equipment | (11) | (13) |
| Interest income (Note c) | (853) | (586) |
| Dividend income from listed investments | (404) | (308) |
| Loss/(profit) on disposal of fixed assets | 16 | (4) |

Notes:

- (a) Staff costs included contributions to defined contribution pension schemes of HK\$256 million (2012: HK\$199 million) which included MPF schemes (after a forfeiture of HK\$3 million (2012: HK\$3 million)) and equity-settled share-based payment expenses of HK\$170 million (2012: HK\$60 million).
- (b) Rental income included contingent rentals of HK\$2,070 million (2012: HK\$1,953 million).
- (c) Included in interest income are amounts totalling HK\$537 million (2012: HK\$490 million) in respect of financial assets, which mainly comprise bank deposits, that are stated at amortised cost.

4. OTHER NET INCOME

Other net income amounted to HK\$337 million (2012: HK\$3,116 million) and mainly comprised:

- (a) Net profit on disposal of available-for-sale investments of HK\$1,094 million (2012: HK\$492 million) which included a revaluation surplus, before deduction of non-controlling interests, of HK\$922 million (2012: HK\$260 million) transferred from the investments revaluation reserves.
- (b) Net foreign exchange gain of HK\$335 million (2012: HK\$274 million) which included a fair value gain on forward foreign exchange contracts of HK\$150 million (2012: HK\$280 million).
- (c) In 2013, provision for diminution in value of HK\$681 million was made by a listed subsidiary, Wheelock Properties (Singapore) Limited, for its Ang Mo Kio project (The Panorama) and HK\$543 million by a listed subsidiary, Harbour Centre Development Limited, for its Changzhou Marco Polo Hotel project.
- (d) In 2012, a book accounting gain representing the negative goodwill of HK\$2,233 million was recognised in respect of Wharf's acquisition of a 24.6% equity interest in Greentown China Holdings Limited, a listed associate.

5. FINANCE COSTS

| | 2013 HK\$ Million | 2012 HK\$ Million |
|------------------------------------|----------------------|----------------------|
| Interest charged on: | | |
| Bank loans and overdrafts | | |
| – repayable within five years | 1,255 | 956 |
| – repayable after five years | 157 | 141 |
| Other borrowings | | |
| – repayable within five years | 1,252 | 945 |
| – repayable after five years | 504 | 441 |
| Total interest charge | <u>3,168</u> | 2,483 |
| Other finance costs | 418 | 274 |
| Less: Amount capitalised | <u>(1,482)</u> | (1,022) |
| | <u>2,104</u> | <u>1,735</u> |
| Fair value (gain)/loss: | | |
| Cross currency interest rate swaps | (470) | (875) |
| Interest rate swaps | <u>(735)</u> | 302 |
| | <u>(1,205)</u> | (573) |
| Total | <u>899</u> | <u>1,162</u> |

6. INCOME TAX

Taxation charged to the consolidated income statement includes:

| | 2013 | 2012 |
|---|---------------------|--------------|
| | HK\$ Million | HK\$ Million |
| Current income tax | | |
| Hong Kong | | |
| – provision for the year | 1,436 | 1,597 |
| – overprovision in respect of prior years | (102) | (39) |
| Outside Hong Kong | | |
| – provision for the year | 1,033 | 998 |
| – under/(over) provision in respect of prior years | 12 | (8) |
| | <u>2,379</u> | <u>2,548</u> |
| Land appreciation tax (“LAT”) in Mainland China | | |
| (Note c) | <u>618</u> | <u>584</u> |
| Deferred tax | | |
| Change in fair value of investment properties | 1,459 | 1,087 |
| Origination and reversal of temporary differences | 47 | 212 |
| Benefit of previously unrecognised tax losses now utilised/(recognised) | 36 | (84) |
| | <u>1,542</u> | <u>1,215</u> |
| Total | <u>4,539</u> | <u>4,347</u> |

- (a) The provision for Hong Kong profits tax is based on the profit for the year as adjusted for tax purposes at the rate of 16.5% (2012: 16.5%).
- (b) Income tax on profits assessable outside Hong Kong is mainly China corporate income tax calculated at a rate of 25% (2012: 25%), China withholding income tax at a rate of up to 10% (2012: 10%) and Singapore income tax at a rate of 17% (2012: 17%).
- (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 land value, being the proceeds of sales of properties less deductible expenditure including cost of land use rights, borrowing costs and all property development expenditure.
- (d) Tax attributable to associates and joint ventures for the year ended 31 December 2013 of HK\$1,921 million (2012: HK\$1,481 million) is included in the share of results after tax of associates and joint ventures.

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following data:

(a) Earnings for the purpose of basic and diluted earnings per share

| | 2013 HK\$ Million | 2012 HK\$ Million |
|--|----------------------|----------------------|
| Profit attributable to equity shareholders | <u>16,954</u> | <u>26,935</u> |

(b) Weighted average number of ordinary shares

| | 2013 No. of shares | 2012 No. of shares |
|--|-----------------------|-----------------------|
| Weighted average number of ordinary shares for the purpose of basic earnings per share | 2,031,849,287 | 2,031,849,287 |
| Effect of dilutive potential shares - Share options | <u>124,678</u> | <u>—</u> |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share | <u>2,031,973,965</u> | <u>2,031,849,287</u> |

8. DIVIDENDS ATTRIBUTABLE TO EQUITY SHAREHOLDERS

| | 2013 HK\$ Million | 2012 HK\$ Million |
|---|----------------------|----------------------|
| First interim dividend declared and paid of 35.0 cents (2012: 25.0 cents) per share | <u>711</u> | <u>508</u> |
| Dividends declared after the end of the reporting period | | |
| Second interim dividend of 65.0 cents (2012: 60.0 cents) per share | 1,321 | 1,219 |
| Special dividend of nil cent (2012: 25.0 cents) per share | — | 508 |
| | <u>1,321</u> | <u>1,727</u> |
| | <u>2,032</u> | <u>2,235</u> |

(a) The second interim dividend (2012: second interim dividend and special dividend) proposed 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 and special dividend of HK\$1,219 million and HK\$508 million respectively for 2012 were approved and paid in 2013.

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 dates as at 31 December 2013 as follows:

| | 2013 HK\$ Million | 2012 HK\$ Million |
|-----------------------------------|----------------------|----------------------|
| Trade receivables | | |
| 0 - 30 days | 872 | 678 |
| 31 - 60 days | 168 | 116 |
| 61 - 90 days | 141 | 57 |
| Over 90 days | 85 | 78 |
| | <u>1,266</u> | <u>929</u> |
| Accrued sales receivables | 3 | 1,139 |
| Other receivables and prepayments | 4,376 | 4,625 |
| | <u>5,645</u> | <u>6,693</u> |

Accrued sales receivables mainly represent consideration for property sales to be billed or received after the end of the reporting period. In accordance with the Group's accounting policy, upon receipt of the occupation permit or architect's completion certificate, the balance of the sales consideration to be billed is included as accrued sales receivables.

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 recoverable within one year.

10. TRADE AND OTHER PAYABLES

Included in this item are trade payables with an ageing analysis as at 31 December 2013 as follows:

| | 2013 HK\$ Million | 2012 HK\$ Million |
|-------------------------------|----------------------|----------------------|
| Trade payables | | |
| 0 - 30 days | 366 | 535 |
| 31 - 60 days | 216 | 192 |
| 61 - 90 days | 51 | 50 |
| Over 90 days | 209 | 138 |
| | <u>842</u> | <u>915</u> |
| Rental and customer deposits | 3,267 | 2,751 |
| Construction costs payable | 8,483 | 4,949 |
| Amounts due to associates | 3,241 | 2,694 |
| Amounts due to joint ventures | 1,030 | 549 |
| Other payables | 4,858 | 4,228 |
| | <u>21,721</u> | <u>16,086</u> |

11. REVIEW OF FINANCIAL RESULTS

The financial results for the year ended 31 December 2013 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 2013 have been agreed with 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 2013, 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, such a deviation 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 half of them being Independent Non-executive Directors. 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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the financial year under review.

BOOK CLOSURE

The Register of Members of the Company will be closed from Tuesday, 3 June 2014 to Tuesday, 10 June 2014, 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 10 June 2014, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Registrars, Tricor Tengis Limited, whose office is presently situate at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (to be relocated to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong on Monday, 31 March 2014), not later than 4:30 p.m. on Friday, 30 May 2014.

By Order of the Board
Wilson W. S. Chan
Company Secretary

Hong Kong, 28 March 2014

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Douglas C. K. Woo, Mr. Peter K. C. Woo, Mr. Stephen T. H. Ng, Mr. Stewart C. K. Leung and Mr. Paul Y. C. Tsui, together with two Non-executive Directors, namely, Mrs. Mignonne Cheng and Mr. Ricky K. Y. Wong, and seven Independent Non-executive Directors, namely, Mr. Tak Hay Chau, Mr. Winston K. W. Leong, Mr. Alan H. Smith, Mr. Richard Y. S. Tang, Mr. Kenneth W. S. Ting, Ms. Nancy S. L. Tse and Mr. Glenn S. Yee.