Chairman's Statement

The Group's global operations continued to perform well despite the continuing economic challenges as the world's major economies recover from the severe financial crisis in 2008. The Group's total revenue was HK$325,922 million, 8% higher than last year. The Group's total earnings before interest expense and other finance costs, taxation and non-controlling interests ("EBIT"), before property revaluation and profits on disposal of investments, increased 50% to HK$42,140 million, reflecting a milestone EBIT positive contribution from **3** Group, increased contributions from the property and hotels, retail, Cheung Kong Infrastructure ("CKI"), ports and related services divisions as well as Hutchison Telecommunications Hong Kong Holdings ("HTHKH"). These increases were partially offset by the loss of contribution from the Israel telecommunications operation which was disposed in October 2009 and decreased contributions from the finance and investment division as well as Husky Energy Inc ("Husky Energy").

Subsequent to the year end, the Group completed an Initial Public Offer ("IPO") of units in Hutchison Port Holdings Trust ("HPH Trust") which was listed on the Main Board of the Singapore Stock Exchange on 18 March 2011. HPH Trust holds and operates the Group's interests in deep water container port businesses in the Pearl River Delta in Guangdong Province, including Hong Kong and Yantian ports. The Group currently retains a 27.6% interest in HPH Trust. The market capitalisation of HPH Trust at listing was approximately US$8,800 million (approximately HK$68,500 million) and the Group will report a gain on disposal of approximately US$5,650 million (approximately HK$44,000 million) in its 2011 results.

Results

The Group's profit attributable to shareholders for the year was HK$20,038 million, a 47% increase compared to last year's restated profit of HK$13,631 million. Earnings per share were HK$4.70 (2009 – restated HK$3.20).

The results for the year include the Group's share of its joint venture's profits on revaluation of Beijing Oriental Plaza of HK$2,407 million, which is the subject of a potential IPO. The results also include non-cash profit on revaluation of investment properties of HK$1,791 million (2009 – HK$1,663 million). There were no profits on disposal of investments in 2010 (2009 – HK$12,472 million). Excluding the non-cash revaluation of investment properties in both years and the 2009 profits on disposal of investments, profit attributable to shareholders totalled HK$18,559 million in 2010, 323% higher than the comparable results in 2009.

Dividends

The Board recommends the payment of a final dividend of HK$1.41 per share, a 16% increase, (2009 – HK$1.22 per share) payable on 23 May 2011 to those persons registered as shareholders on 20 May 2011. Combined with the interim dividend of HK$0.51 per share, the full year dividend amounts to HK$1.92 per share (2009 – HK$1.73 per share), an 11% increase. The register of members will be closed from 13 May 2011 to 20 May 2011, both dates inclusive.

Established Businesses

Ports and Related Services

The ports and related services division's total throughput grew 15% to 75.0 million twenty-foot equivalent units in 2010 and total revenue grew 13% to HK$37,728 million. The division reported EBIT of HK$11,610 million, 12% higher than last year, mainly due to higher throughput, improved operational efficiency and the benefits from cost saving initiatives implemented last year.

Property and Hotels

The property and hotels division reported total revenue of HK$16,159 million, a 16% increase compared to 2009. Gross rental income of HK$3,949 million was 4% higher than last year, with the rental properties portfolio 97% let. Development profits for 2010 were 16% higher than for last year and arose mainly from the completion and sale of property units in various residential projects in the Mainland, and also in Singapore and Hong Kong. In addition, a profit of HK$1,638 million was realised on the disposal of the Group's interest in an investment property. The hotel operations also reported strong earnings growth. This division's total EBIT, excluding property revaluation gains, increased 40% to HK$8,994 million.

Retail

The retail division delivered strong EBIT growth in the year. Total revenue grew by 8% in local currencies and by 6% in Hong Kong dollars to HK$123,177 million. EBIT increased 38% to HK$7,866 million, driven by management's strong commitment to improving operating efficiencies, reducing inventory levels, increasing centralised purchasing and continued expansion in high growth markets.

Cheung Kong Infrastructure

CKI, a Hong Kong listed subsidiary, announced its group turnover and its share of jointly controlled entities' turnover totalling HK$4,151 million, a 2% increase over last year, and profit attributable to shareholders of HK$5,028 million, compared to a profit of HK$5,568 million in 2009. While the profit was lower than the previous year, the result for 2009 benefited from a one-time disposal gain of HK$1,314 million arising from the sale of Mainland China power assets to Power Assets Holdings (formerly known as Hongkong Electric Holdings). Excluding the effect of this one-time gain, CKI's profit attributable to shareholders increased 18%.

Husky Energy

Husky Energy, a Canadian listed associate company, announced sales and operating revenues of C$18,178 million, 21% above last year, mainly due to higher average realised crude oil and bitumen prices, partially offset by the effects of a stronger Canadian dollar and lower oil and natural gas production. Average total upstream production in 2010 was 287,100 barrels of oil equivalent per day ("BOEs per day") compared to 306,500 BOEs per day in 2009. Net earnings of C$1,173 million in 2010 were 17% lower than last year, primarily attributable to the effects of a stronger Canadian dollar, lower production, lower US refining margins, which were also adversely impacted by a pipeline for delivery to the US that was damaged and closed for a period, as well as increased depletion charges in South East Asia.

Finance and Investments

The Group's EBIT from its finance and investments operations represents returns earned on the Group's holdings of cash and liquid investments and amounted to HK$1,152 million, 72% below last year, mainly due to one-time 2009 profits totalling HK$2,340 million, which included profits from the disposal of certain listed equity investments, repurchase of some of the Group's bonds and foreign exchange gains on repayment of loans, as well as lower market interest rates in 2010.

At 31 December 2010, the Group's consolidated cash and liquid investments totalled HK$116,237 million and consolidated debt amounted to HK$247,362 million, resulting in consolidated net debt of HK$131,125 million. In March 2011, the Group's consolidated net debt benefited from the net cash proceeds of approximately HK$45,000 million from the IPO of HPH Trust which significantly reduced consolidated net debt and the Group's net debt to net total capital ratio is expected to reduce to around 20% in 2011.

Hutchison Telecommunications Hong Kong

HTHKH, a Hong Kong listed subsidiary with telecommunications operations in Hong Kong and Macau, announced turnover of HK$9,880 million and net profit attributable to shareholders of HK$755 million, a 17% and 61% increase respectively over last year. HTHKH announced its total mobile active customer base in Hong Kong and Macau had reached 3.2 million as of 31 December 2010.

Hutchison Asia Telecommunications

Hutchison Asia Telecommunications' start-up mobile operations in Indonesia and Vietnam, as well as mobile operations in Sri Lanka reported total revenue of HK$2,486 million, a 34% increase compared to last year. LBIT of HK$2,688 million was in line with the LBIT of HK$2,681 million last year. At 31 December 2010, Hutchison Asia Telecommunications had a mobile customer base of 25.7 million, a 101% increase during the year.

3 Group

3 Group revenue grew 10% in local currencies for the year and after translation to Hong Kong dollars, increased 11% to total HK$64,205 million. **3** Group overall achieved a major milestone of EBIT positive operating results in the second half of 2010. All operations, except **3** Ireland, achieved EBIT positive operating results in this period. In addition, **3** UK recognised a one-time substantial benefit of HK$6,010 million arising from a revised **3** UK network sharing arrangement whereby **3** UK received the right of use of approximately 3,000 cell sites, free of acquisition and future operating costs, partially offset by one-time provisions of HK$3,742 million mainly related to the restructuring of **3** UK's network infrastructure. **3** Italia also recognised a one-time substantial benefit of HK$1,489 million with reference to the assignment of two blocks of 5MHz of 1,800MHz spectrum. These one-time gains more than offset the LBIT of the **3** Group in the first half of 2010 and these new valuable assets provide a significant contribution to the **3** Group's competitive position and cost saving initiatives. **3** Group achieved its first full year positive EBIT result totalling HK$2,931 million, an HK$11,853 million or 133% turnaround from last year's LBIT of HK$8,922 million. The improvement in **3** Group's operating results reflect customer base and revenue growth and a continuing focus on reducing operating costs.

3 Group's customer base continued to grow, particularly in the second half of the year when the **3** Group focused on attracting higher value, smartphone customers, supported by the enhanced supply of high quality smartphones. The Group's registered 3G customer base increased 13% during the year and currently totals over 29.6 million customers. The **3** Group's customer base includes approximately 6.0 million mobile broadband access customers, a 32% increase from last year.

Barring any significant adverse market or regulatory developments, going forward management expects the **3** Group to continue to make a positive contribution to the Group's EBIT results.

Outlook

The global financial crisis in 2008 presented one of the most severe economic challenges of the last one hundred years and the continuing recovery process adds an element of instability to markets and the potential for inflationary pressures. Despite these challenges, the Group's businesses performed well and reported both improved and growing profits in 2010.

The economy of Hong Kong is expected to be stable and continues to benefit from the Mainland's rapid development. While economic conditions remain challenging, the Group's global operations are still expected to continue to perform well. With the completion of the investment phase of the **3** Group, and its EBIT positive results, the Group has entered a new era when the **3** Group will no longer be a drag on profits and instead, make a positive contribution. The established businesses are expected to continue their strong growth and generate strong profits as well as harvest surplus cash. Combined with the substantial net cash proceeds of HK$45,000 million received from the IPO of HPH Trust, the Group's stronger balance sheet and cash flow provide a firm foundation for the Group's future. The Group has a very healthy future in the near, medium and long term, and it is expected that there will be varying degrees of growth among the Group's operations in 52 countries. The Group will continue to increase its investments around the world. Looking ahead, I am optimistic and confident about the Group's future prospects.

I would like to thank the Board of Directors and all employees around the world for their continued loyalty, diligence, professionalism, and contributions to the Group.

Li Ka-shing
Chairman

Hong Kong, 29 March 2011