Energy and Infrastructure, Finance and Investments and Other Operations

- **Combined revenue for the energy and infrastructure division totalled HK$63,478 million, 25% above 2009.**

- **CKI announced turnover of HK$4,151 million and profit attributable to shareholders of HK$5,028 million.**

- **Husky Energy announced sales and operating revenues increased 21% to C$18,178 million.**

The energy and infrastructure division includes the Group's 84.58% interest in Cheung Kong Infrastructure Holdings Limited ("CKI"), a leading investor in the infrastructure sectors in Hong Kong, the UK, the Mainland, Australia, New Zealand, Canada and the Philippines, and the Group's 34.55% interest in Husky Energy Inc ("Husky Energy"), one of Canada's largest integrated energy and energy-related companies. Also reported at the end of this section are the results of the finance and investments operations and certain other businesses.

Husky Energy's Ram River Gas Plant, Canada.

Combined revenue for the energy and infrastructure division for 2010 totalled HK$63,478 million, 25% above 2009, mainly due to an increase in the Group's share of revenue from Husky Energy. EBIT totalled HK$11,527 million, a 14% increase.

	2010 HK$ millions	2009 HK$ millions	Change
Total Revenue	**63,478**	50,788	**+25%**
EBIT	**11,527**	10,151	**+14%**

HK Electric commissions Hong Kong's largest solar power system at Lamma Power Station, which comprises 5,500 photovoltaic panels.

Cheung Kong Infrastructure

The Group has an 84.58% interest in CKI, which is one of the largest publicly listed infrastructure companies listed on The Stock Exchange of Hong Kong Limited ("SEHK"), with diversified investments in energy infrastructure, transportation infrastructure, water infrastructure and infrastructure related businesses. Operating in seven jurisdictions: Hong Kong, the UK, the Mainland, Australia, New Zealand, Canada and the Philippines, it is one of the leading players in the global infrastructure arena.

CKI and Power Assets acquire a 50% stake in Seabank Power Limited, an electricity-generating company located near Bristol in the United Kingdom.

CKI announced its group turnover and its share of jointly controlled entities' turnover of HK$4,151 million, 2% above last year. Profit attributable to shareholders was HK$5,028 million, compared to a profit of $5,568 million reported in 2009. The results for 2009 benefited from a one-off disposal gain of HK$1,314 million arising from the sale of Mainland power assets to Power Assets Holdings ("Power Assets", formerly known as Hongkong Electric Holdings). Excluding the effect of this one-time gain, CKI's profit attributable to shareholders increased 18%. CKI, after adjusting for the Group's asset valuation consolidation adjustments, contributed 7% and 21% respectively to the total revenue and EBIT of the Group's established businesses.

CKI holds a 38.87% interest in Power Assets, a company listed on SEHK. Power Assets is the sole provider of electricity to Hong Kong Island and Lamma Island through its wholly-owned subsidiary, The Hongkong Electric Company ("HK Electric"). Power Assets also has interests in power businesses in the UK, the Mainland, Australia, New Zealand, Thailand and Canada. Power Assets announced profit attributable to shareholders of HK$7,194 million, an increase of 7% compared to last year's HK$6,697 million. Earnings from Power Assets' operations outside of Hong Kong were HK$2,535 million, 24% higher than 2009, mainly attributable to the acquisition of interests in Seabank Power Limited and UK Power Networks in June and October 2010 respectively, and also to the overall higher contribution from Power Assets' existing investments outside Hong Kong.

In October 2010, a consortium led by CKI and Power Assets completed a transaction with Electricité de France ("EDF") to acquire 100% of EDF Energy PLC's ownership of its UK regulated and non-regulated network activities. The newly acquired assets comprise three regional networks with a distribution area covering London, South East England and the East of England, representing the largest electricity distributor in the UK. This business was renamed UK Power Networks.

Husky Energy announces the successful drilling of a second appraisal well at the Liuhua 29-1 discovery on Block 29/26 in the South China Sea.

Husky Energy

The Group has a 34.55% interest in Husky Energy, a Canadian based international integrated energy and energy-related company listed on the Toronto Stock Exchange. Husky Energy announced sales and operating revenues, net of royalties, increased 21% to C$18,178 million in 2010, reflecting higher average realised prices on crude oil and bitumen partially offset by the effect of a stronger Canadian dollar and lower production in the upstream segment. Net earnings of C$1,173 million are 17% below last year primarily attributable to the effect of a stronger Canadian dollar, lower production, lower US refining margins, which were also 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.

Cash flow from operations of Husky Energy in 2010 was C$3,549 million, a 42% increase from last year. A total dividend of C$1.20 per share was declared in 2010. During the year cash received by the Group from dividends from Husky Energy amounted to HK$2,660 million. Husky Energy, after adjusting for the Group's asset valuation consolidation adjustments and adjustments to conform Husky Energy's accounting policies to the Group's Hong Kong Financial Reporting Standards, contributed 17% and 8% respectively to the total revenue and EBIT of the Group's established businesses.

In 2010, Husky Energy's gross production volume averaged approximately 287,100 barrels of oil equivalent per day ("BOEs per day"), a 6% decrease when compared to approximately 306,500 BOEs per day in 2009, primarily due to lower crude oil, bitumen and natural gas liquid production as a result of declining production from the White Rose field due to natural reservoir declines, as well as lower heavy oil production which was impacted by extremely wet weather conditions in the third quarter of 2010 and the subsequently delayed drilling programmes in the fourth quarter of the year. This decline was partially offset by production from the North Amethyst satellite oil field which commenced in May 2010.

Husky Energy and its joint venture partner, BP, continue to advance the development in multiple stages of the Sunrise Energy Project in the Fort McMurray region of northern Alberta. The Phase I development was sanctioned and major contracts for engineering and construction for central processing facilities and field facilities were awarded in the fourth quarter of the year. First oil production for Phase I is expected in 2014.

Husky Energy continues to progress plans for a staged development of the West White Rose field. In August 2010, Husky Energy received regulatory approval for a two-well pilot project to be drilled from existing infrastructure at the White Rose field. A production licence for the White Rose pilot was received in the fourth quarter of 2010 and first production is anticipated in mid 2011.

In October 2010, Husky Energy announced that it and its partner, China National Offshore Oil Corporation ("CNOOC"), had received approval from the government of Indonesia for a 20-year extension to the existing Madura Strait Production Sharing Contract, which provides the basis for the development of the Madura BD field and the plan of development has been approved by the government. The Madura BD field, which contains natural gas and natural gas liquids, is located in the Madura Strait, offshore East Java, Indonesia. In October 2010, both Husky Energy and CNOOC agreed to each sell a 10% equity share in Husky Oil (Madura) Limited ("HOML") to Samudra Energy Ltd through its affiliate, SMS Development Ltd ("SMS"). Following the completion of the sale in January 2011, Husky Energy and CNOOC each hold a 40% equity interest in HOML with the remaining balance held by SMS.

In November 2010, Husky Energy announced that it had signed a purchase and sale agreement with ExxonMobil Canada Ltd to acquire oil and natural gas properties in Alberta and northeast British Columbia. The acquisition, which closed in February 2011, added 21,900 BOEs per day of production and 104 million BOEs of proved and nine million BOEs of probable reserves. Total consideration paid at closing was C$826 million.

In December 2010, Husky Energy raised C$1,000 million by way of a public offering of common shares and a concurrent private placement of common shares to the principal shareholders. Husky Energy has issued a total of 11.9 million common shares pursuant to the public offering at a price of C$24.50 per share for total gross proceeds of C$293 million and has issued a total of 28.9 million common shares to the principal shareholders at the same price for total gross proceeds of C$707 million. Further, in February 2011, Husky Energy received shareholders approval to establish a mechanism, which provides common shareholders with the ability to receive dividends in cash or in common shares. Husky Energy's principal shareholders have agreed to take their dividends in shares commencing from the first quarter of 2011 to the end of 2012.

In December 2010, Husky Energy announced that its wholly-owned subsidiary, Husky Oil China Ltd, had signed a Heads of Agreement with CNOOC, specifying the key principles of the joint venture to fund, develop and operate the Liwan 3-1 deep water gas field and its shallow water and onshore gas processing facilities. Husky Energy continues to hold a 49% working interest in the Liwan 3-1 development under the existing Petroleum Contract with CNOOC. First gas from the Liwan 3-1 development is anticipated in late 2013.

Husky Energy's White Rose project reaches a major milestone, achieving 150 million barrels of production from the main White Rose pool.

	2010 HK$ millions	2009 HK$ millions	Change
Total Revenue	**1,867**	2,515	**-26%**
EBIT	**1,152**	4,079	**-72%**

Finance and Investments

Finance and investments mainly represents returns earned on the Group's holdings of cash and liquid investments, which totalled HK$116,237 million at 31 December 2010 compared to HK$115,734 million at the end of last year. The EBIT reported by this operation decreased by 72% to HK$1,152 million, primarily 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. This division contributed 3% to the Group's EBIT from established businesses. Further information on the treasury function of this division can be found in the "Group Capital Resources and Liquidity" section of the annual report.

Hutchison Hain Organic (Hong Kong) Limited imports over 3,000 natural and organic products to support 'Healthy Living'.

Other Operations

The Group's share of the results of Hutchison Whampoa (China), listed subsidiary Hutchison Harbour Ring ("HHR") and listed associate TOM Group ("TOM") are reported under this division.

Hutchison Whampoa (China)

Hutchison Whampoa (China) operates various manufacturing, service and distribution joint ventures in the Mainland, Hong Kong, the UK and France, and also has an investment in Hutchison China MediTech Limited ("Chi-Med"), a 70.9% owned subsidiary listed on the Alternative Investment Market of the London Stock Exchange PLC in the UK. Chi-Med manufactures, distributes and retails healthcare and traditional Chinese medical and pharmaceutical products.

Hutchison Harbour Ring

HHR, a 71.4% owned subsidiary as at 31 December 2010, is listed on SEHK and holds certain investment properties in the Mainland. HHR announced revenue from continuing operations of HK$82 million, a 3% decrease compared to last year. Profit attributable to shareholders of HHR decreased by 19% to HK$152 million, mainly due to the effect of one-time gains in 2009 on disposal of investments and others.

TOM Group

TOM, a 24.5% associate, is listed on SEHK and its businesses include Internet, e-commerce, publishing, outdoor media, and television and entertainment. TOM announced turnover of HK$2,464 million, a slight increase of 1% from last year. Loss attributable to shareholders increased from HK$61 million in 2009 to HK$168 million in 2010.