

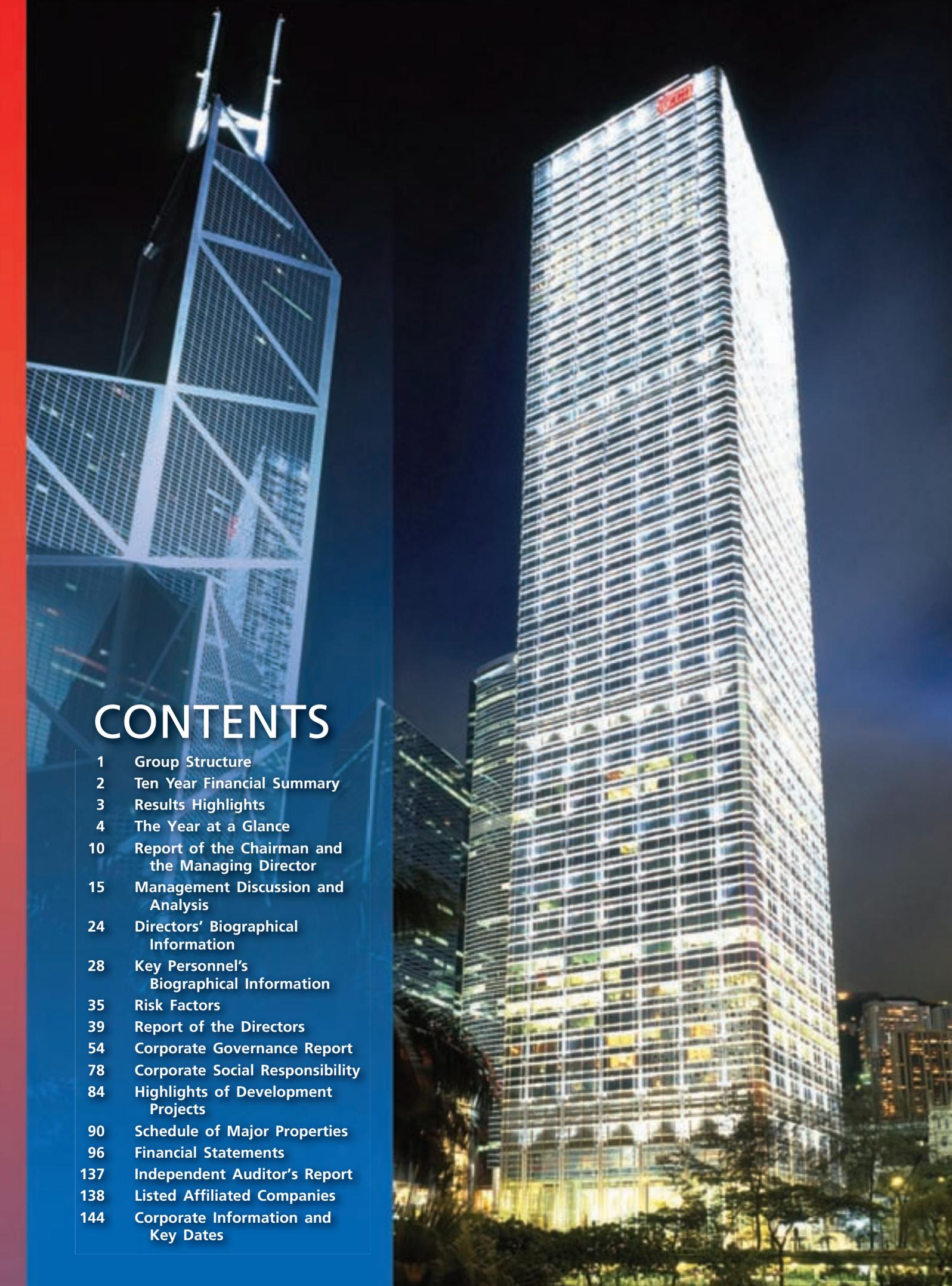
# Solid Foundation Excellent Prospects



CHEUNG KONG (HOLDINGS) LIMITED  
長江實業(集團)有限公司

STOCK CODE: 0001

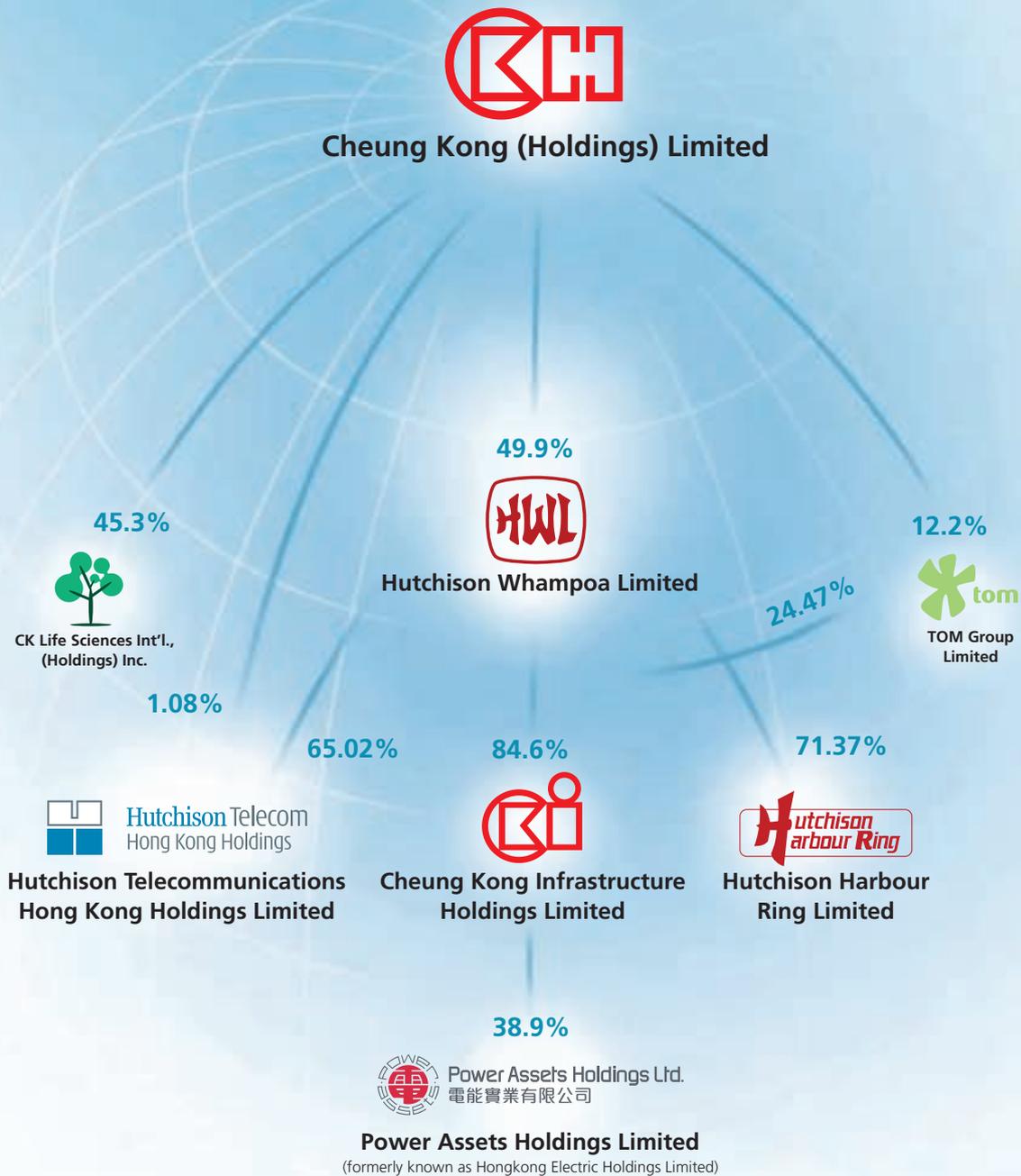
Annual Report 2010



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# Group Structure



CHEUNG KONG GROUP  
TOTAL MARKET CAPITALISATION  
**HK\$882 Billion**

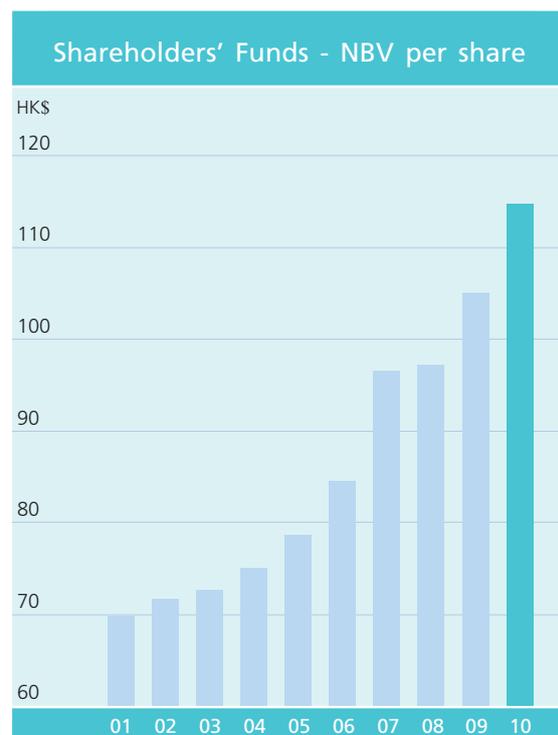
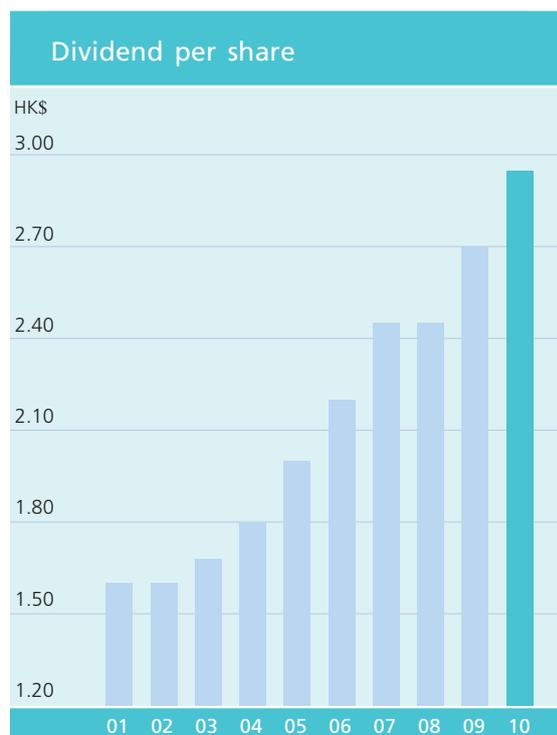
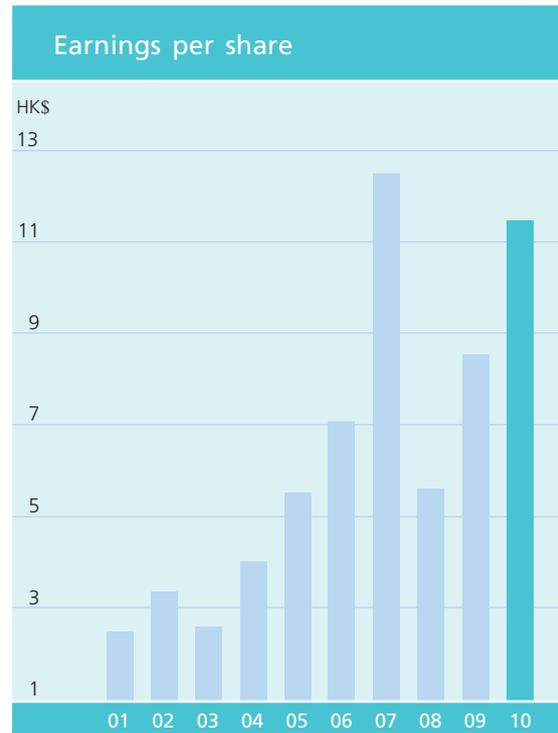
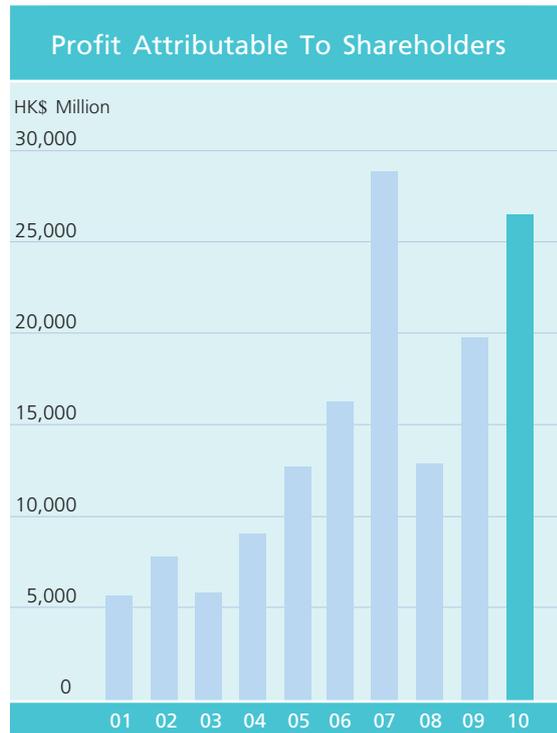
29th March, 2011

## Ten Year Financial Summary

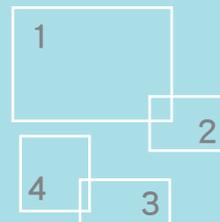
Consolidated Income Statement (HK\$ million)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Turnover	7,486	9,122	14,336	18,431	14,358	15,346	15,442	16,436	24,293	32,863
Profit attributable to Shareholders of the Company	5,792	7,835	6,015	9,305	12,845	16,443	28,899	12,913	19,618	26,478
Non-controlling interests	(42)	(73)	(19)	72	210	204	294	201	422	323
Profit for the year	5,750	7,762	5,996	9,377	13,055	16,647	29,193	13,114	20,040	26,801
Consolidated Statement of Financial Position (HK\$ million)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Fixed assets	3,274	6,762	6,987	7,385	9,612	10,222	10,560	11,624	10,696	10,399
Investment properties	11,476	11,999	9,876	10,545	11,710	14,508	15,497	15,670	19,433	21,170
Associates	118,657	121,387	120,908	122,340	123,027	129,472	142,444	144,738	147,542	154,117
Jointly controlled entities	28,932	25,724	22,513	21,259	22,849	24,130	23,614	29,391	32,591	39,431
Other non-current assets	4,873	5,546	8,160	8,864	7,572	8,925	11,016	5,771	7,470	9,639
Net current assets	17,979	18,359	20,435	26,784	31,126	46,067	52,768	56,659	56,455	59,172
Total assets less current liabilities	185,191	189,777	188,879	197,177	205,896	233,324	255,899	263,853	274,187	293,928
Bank and other loans	18,728	19,255	16,357	17,907	18,683	27,609	23,655	31,258	25,279	22,027
Other non-current liabilities	189	316	354	428	544	4,920	5,300	3,359	2,011	2,390
Net assets	166,274	170,206	172,168	178,842	186,669	200,795	226,944	229,236	246,897	269,511
Representing:										
Share capital	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158
Share premium	9,331	9,331	9,331	9,331	9,331	9,331	9,331	9,331	9,331	9,331
Reserves	151,138	155,284	157,640	163,208	171,419	185,047	213,049	214,405	232,603	255,207
Shareholders' funds	161,627	165,773	168,129	173,697	181,908	195,536	223,538	224,894	243,092	265,696
Non-controlling interests	4,647	4,433	4,039	5,145	4,761	5,259	3,406	4,342	3,805	3,815
Total equity	166,274	170,206	172,168	178,842	186,669	200,795	226,944	229,236	246,897	269,511
Shareholders' funds – NBV per share (HK\$)	69.78	71.57	72.59	74.99	78.54	84.42	96.51	97.10	104.95	114.71
Earnings per share (HK\$)	2.50	3.38	2.60	4.02	5.55	7.10	12.48	5.58	8.47	11.43
Dividend per share (HK\$)	1.60	1.60	1.68	1.80	2.00	2.20	2.45	2.45	2.70	2.95
Interim dividend	0.38	0.38	0.38	0.38	0.42	0.46	0.50	0.50	0.50	0.50
Final dividend	1.22	1.22	1.30	1.42	1.58	1.74	1.95	1.95	2.20	2.45

Note: Prior year figures have been restated to account for the prior year adjustments described in note 2(a) to financial statements.

## Results Highlights



## The Year at a Glance

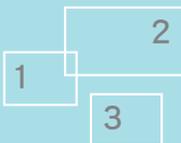


1. 2010 Annual Results Announcement
2. La Mer
3. Sale of Phase 1, Festival City
4. Release of The Vision

- CK The Group's 2010 Annual Results were announced on 29th March, 2011.
- CK 92 member companies of the Cheung Kong Group were awarded the "Caring Company Logo" by the Hong Kong Council of Social Service – the corporation with the largest number of participating companies for the 7th consecutive year.
- CK Registered good sales for La Mer in Tung Chung.
- CK Launch of Phase 1, Festival City in Tai Wai was well received by purchasers.
- CK Launch of The Vision in Singapore met with favourable responses.

- CK Grand Hyatt Beijing received various awards in 2010 – *DestinAsian*: "Reader's Choice Awards – Best Hotel in Beijing"; *National Geographic Traveler China*: "Gold List – Best Business Hotel in Beijing"; *Asia Money*: "Business Travel Poll – Best Hotel in Beijing"; *Conde Nast Traveler*: "Gold List – Best Hotel in Beijing"; *Business Traveller Asia-Pacific*: "Best Business Hotel in Beijing"; *Hurun Report*: "Best Beijing Luxury Hotel"; *Smart Travel Asia*: "Top 25 Conference Hotels"; and *Travel + Leisure*: "China's Top 100 Hotels".

# 1-3



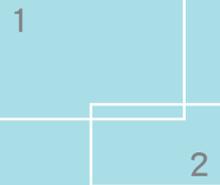
1. Awards presented by The Community Chest
2. 1881 Heritage
3. CAPITAL The Best Developer Awards 2010

☞ Won the “2010 TVB Most Popular TV Commercial Award – Residential Development/Property” for the television commercial of Le Prestige.

☞ The Cheung Kong Group was named one of The Community Chest’s Top Three Donors for the 11th consecutive year.

☞ Awarded “Outstanding Sales Performance” in “CAPITAL The Best Developer Awards 2010”.

☞ 1881 Heritage received the award of “Revitalisation of Historical Building Project” in “CAPITAL The Best Developer Awards 2010”.

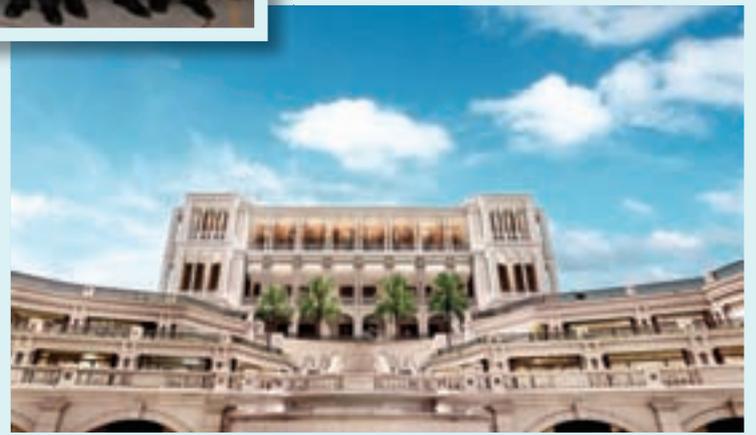
The Year at a Glance *(continued)*

1. Sponsorship of The Community Chest "Cheung Kong" Rainbow Fund
2. Asia Pacific Property Awards 2010



- CKM The Cheung Kong Group continued to sponsor The Community Chest "Cheung Kong" Rainbow Fund to provide emergency relief to those with imminent needs.
- CKM 1881 Heritage received "Commendation Merit" at "Structural Excellence Awards 2010" organised by the Hong Kong Institution of Engineers/The Institution of Structural Engineers Joint Structural Division.

- CKM 1881 Heritage won three accolades at the prestigious "Asia Pacific Property Awards 2010" – "Best Redevelopment Asia Pacific"; "Best Redevelopment Hong Kong"; and "Best Mixed Use Development Hong Kong".
- CKM "Kowloon from 1881: A Century of Change", an educational exhibition chronicling the fascinating development of Kowloon through trade, was held at 1881 Heritage.



1

1. Launch ceremony of Hang Seng Corporate Sustainability Indexes

2

2. Received awards for the video "1881 Heritage – The Story"

3

3. Launch of Oceanaire

Selected as one of the 30 Hong Kong-listed constituents of Hang Seng Corporate Sustainability Index which includes companies that perform well in corporate sustainability – encompassing environmental, social and corporate governance.

Named one of Hong Kong's top 10 companies in the Asia's 200 Most-admired Companies survey organised by *The Wall Street Journal*.

Received the Silver Award in the "Corporation – Documentary" category of the "Questar Awards 2010" and the "Distinguished Honoree Medal for the Video" in the "2010 International Business Awards" for the video "1881 Heritage – The Story".

Received good market responses for the sale of Oceanaire in Ma On Shan.

The Year at a Glance *(continued)*

1

2

3

1. Mr. Victor Li accepted the "Lifetime Achievement Award" on behalf of Mr. Li Ka-shing

2. Sheraton Chengdu Lido Hotel

3. Seminar on duties of Directors

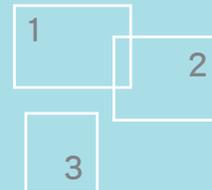
☞ The Chairman Mr. Li Ka-shing was recognised with the "Lifetime Achievement Award" at the "DHL/SCMP Hong Kong Business Awards 2010".

☞ A seminar on the duties of Directors was organised with presentations by distinguished professionals.

☞ Sheraton Chengdu Lido Hotel was named "Best Business Hotel" in Chengdu by *Business Traveller China* magazine for the 6th consecutive year.

☞ Sheraton Shenyang Lido Hotel was named "Best Business Hotel" in Shenyang by *Business Traveller China* magazine for the 4th consecutive year.

# 10-12



1. Asia Excellence Brand Awards 2010
2. CEO Supreme Brand Awards 2010
3. Sheraton Shenyang Lido Hotel

- Presented with the "Asia Excellence Brand Awards 2010" by *Yazhou Zhoukan* which honors those Asian brands with prominent results in brand recognition.
- Received the "CEO Supreme Brand Awards 2010" presented by the *Capital CEO* magazine in recognition of the Group's outstanding performance in the property development category.
- 1881 Heritage won 4 awards at the "2010 ICSC Asia Shopping Centre Awards", the highest number of awards received by a Hong Kong shopping mall in the history of the competition.

- 1881 Heritage was the first commercial development in Hong Kong to be awarded the "Best International Redevelopment" in the world-renowned "International Property Awards 2010".
- Sheraton Shenyang Lido Hotel received the "China's Top 100 Hotels" award from *Travel + Leisure*.

# 10-12

## Report of the Chairman and the Managing Director

Solid Foundation  
Excellent Prospects



## HIGHLIGHTS

	<b>2010</b>	2009 (Restated)	Change
	<b>HK\$ Million</b>	HK\$ Million	
Turnover <i>(Note)</i>	<b>32,863</b>	24,293	+35%
Profit before property revaluation	<b>11,443</b>	9,054	+26%
Property revaluation (net of tax)	<b>5,024</b>	3,754	+34%
Profit before share of results of Hutchison Whampoa Group	<b>16,467</b>	12,808	+29%
Share of profit of Hutchison Whampoa Group	<b>10,011</b>	6,810	+47%
Profit attributable to shareholders	<b>26,478</b>	19,618	+35%
Earnings per share	<b>HK\$11.43</b>	HK\$8.47	+35%
Final dividend per share	<b>HK\$2.45</b>	HK\$2.20	+11.4%
Full year dividend per share	<b>HK\$2.95</b>	HK\$2.70	+9.3%

*Note: Turnover does not include the turnover of jointly controlled entities (except for proceeds from property sales shared by the Group) or the turnover of associates, notably the Hutchison Whampoa Group. Total revenue of the Hutchison Whampoa Group for the year amounted to HK\$325.9 billion (2009 – HK\$300.5 billion).*

## PROFIT FOR THE YEAR

The Group's audited profit attributable to shareholders for the year ended 31st December, 2010 amounted to HK\$26,478 million (2009 (restated) – HK\$19,618 million). Earnings per share were HK\$11.43 (2009 (restated) – HK\$8.47).

The Group's audited profit attributable to shareholders amounted to HK\$26,478 million, increased by **35%**.

## DIVIDEND

The Directors recommend the payment of a final dividend of HK\$2.45 per share in respect of 2010 to shareholders whose names appear on the Register of Members of the Company on 20th May, 2011. This together with the interim dividend of HK\$0.50 per share gives a total of HK\$2.95 per share for the year (2009 – HK\$2.70 per share). The proposed final dividend will be paid on 25th May, 2011 following approval at the 2011 Annual General Meeting.

## Report of the Chairman and the Managing Director (*continued*)

### PROSPECTS

2010 was a year of strong growth for the Group, both in terms of business expansion and revenue generation. The good results reported for all core businesses were better than expected, and strengthened further our capability to deliver sustainable growth. For the year ended 31st December, 2010, the Group's profit before share of results of the Hutchison Whampoa Group was HK\$16,467 million, a rise of 29% over the previous year.

#### **2010 in Review**

Hong Kong's economy continued to improve solidly in 2010. GDP growth was 6.8% in real terms primarily supported by the strong recovery of private consumption and external trade, while inflationary pressure has begun to accelerate due to rising global commodity and food prices.

The local property market registered an increase in transactions throughout most of 2010 as compared to the previous year, supported by solid demand from flat buyers. In view of the Government's various measures introduced to stabilise prices over the past few months, future market developments are expected to be affected not only by demand but also by the Government's initiatives targeted at the property sector. Nevertheless, given continuing inflation, and the solid support from market demand amid improving labour market conditions and the resultant low unemployment rate, the property market is expected to continue to be healthy, barring unforeseen adverse changes.

The Group generated strong turnover from property sales last year. We will continue to strengthen our market presence and revenue base through a steady provision of diversified, high quality properties to meet market demand. Meanwhile, we will seize suitable opportunities for quality land acquisitions to replenish our well established land bank and to support further expansion of the property portfolio.

In 2010, the Group recorded a satisfactory increase in contributions from property sales and property rental, while the contribution from hotels and serviced suites increased significantly compared to the previous year. The fair value of the Group's investment property portfolio has increased as it evolved towards maturity following the growth in the amount of rentals and enhancement in the quality of tenants.

In 2010, the Group's property business continued to perform well on the Mainland, with good progress in both project development and land bank expansion. The introduction of new tightening measures reflects the Central Government's policy to promote the healthier growth of the property market, and such measures will be fundamental in guiding the market's future developments. Continuing inflation, the current favourable employment conditions, robust economic growth and strong market demand will continue to underpin the strength of the Mainland's property market over the long run.

The Group recorded good revenue from its overseas property developments for the year under review. We will continue to pursue selective investments in overseas property markets in order to enhance its portfolio quality and diversity, and generate stable, predictable returns for shareholders.

## **Listed Affiliated Companies**

We continued to benefit from the global opportunities arising from the strategic investments in our listed affiliated companies, particularly through the Hutchison Whampoa Group's diversified portfolio of global businesses. In 2010, businesses in markets beyond Hong Kong continued to grow and generate increased profits for the Group and its listed affiliated companies.

### ***The Hutchison Whampoa Group***

With only a few exceptions, the Hutchison Whampoa Group's businesses in 52 countries achieved earnings growth in 2010. The Hutchison Whampoa Group has entered into a new era of development as the 3 Group generates positive profit contributions. The initial public offering of the Hutchison Port Holdings Trust in March 2011 has provided the Group with significant cash proceeds, strengthening further its strong balance sheet and cashflows. The Hutchison Whampoa Group is well positioned to benefit from a very promising future, with its businesses in different countries delivering varying degrees of growth.

### ***CKI***

In 2010, Cheung Kong Infrastructure Holdings Limited ("CKI") reported strong organic growth from existing businesses, while significant acquisitions were made to strengthen the Group's global portfolio. The performance of CKI's portfolio in terms of both the countries and industries in which it operates has been very strong. CKI looks ahead to optimistic prospects and promising growth in the years to come.

### ***Power Assets***

Power Assets Holdings Limited (formerly known as Hongkong Electric Holdings Limited) has made excellent progress in implementing its investment strategy of growing its earning base from outside Hong Kong. In 2010, significant expansion was undertaken together with CKI in the United Kingdom. In February 2011, the name of the company was changed to "Power Assets Holdings Limited" from "Hongkong Electric Holdings Limited" to reflect its increasingly diverse worldwide interests, and its pursuit of investment opportunities in power and utility related businesses outside Hong Kong.

### ***CK Life Sciences***

CK Life Sciences Int'l., (Holdings) Inc. ("CK Life Sciences") achieved a strong operational performance and recorded encouraging earnings growth in 2010. With the positive outlook of key markets and industries, steady organic growth of existing operations is expected to continue. CK Life Sciences' recent acquisition of Challenger Wine Trust, a trust and a registered managed investment scheme with vineyards and related infrastructure assets in Australia and New Zealand, is poised to significantly boost earnings of its agriculture businesses in Australia. CK Life Sciences is optimistic about its future prospects.

## Report of the Chairman and the Managing Director (*continued*)

### Looking Ahead

The world economy has continued to improve since the trough of the 2008 financial crisis. Abundant global liquidity following the extension of U.S. quantitative easing measures will boost the prospects for a faster economic recovery, but also increase the risk of inflation. This, together with the European debt problems, the Middle East political issues and the distressing situation in Japan, are expected to pose challenges to the global economy.

China sustained a strong economic growth in 2010, with real GDP growth reaching 10.3% for the year. 2011 represents the first year of China's "12th Five Year Plan". The overall economy is expected to continue growing steadily in a healthier manner, assisted by the Central Government's monetary tightening measures to contain inflation, and the ongoing transformation of the economic growth model.

With various external factors exerting their influence, some degree of instability is to be anticipated, but we expect Hong Kong's economy to be stable this year, and to continue benefiting from the Mainland's rapid development and growth. The Government's measures to curb speculation in the property sector will have an effect in slowing the market development. However, given strong market demand, we have confidence in the long-term prospects of the Mainland and Hong Kong.

We also have strong confidence in the Group's performance for 2011. As stated previously, the Cheung Kong Group is uniquely placed for future growth and expansion given all its strengths and potential. We firmly believe that it has the capabilities to meet the challenges and opportunities ahead, and to expand further its investments around the world. The Cheung Kong Group will continue to perform well and drive growth in the near, medium and long term. Looking ahead, we have full confidence in the promising prospects of its overall businesses.

Intelligent, creative, dedicated and loyal employees are the Group's most valuable asset in this extremely competitive and challenging global environment. We take this opportunity to thank our colleagues on the Board, the staff members of the Group and our diligent employees worldwide for their hard work, loyal service and contributions during the year.

**Li Ka-shing**

Chairman

**Li Tzar Kuoi, Victor**

Managing Director

Hong Kong, 29th March, 2011

# Management Discussion and Analysis

## BUSINESS REVIEW

### Major Business Activities

#### 1. Developments Completed during 2010:

Name	Location	Total Gross Floor Area (sq.m.)	Group's Interest
LOHAS Park Le Prestige	Site AB of The Remaining Portion of Tseung Kwan O Town Lot No. 70	125,540	Joint Venture
Conduit 18	Section A of Inland Lot No. 711	2,961	100%
Festival City Phases 1 and 2	Sha Tin Town Lot No. 529	200,744	Joint Venture
Central Park Towers II	Tin Shui Wai Town Lot No. 24	69,457	98.47%
Marina Bay Residences and Marina Bay Financial Centre Towers 1 and 2	Marina Bay, Singapore	243,797	16.67%
La Grande Ville Phase 1	Shun Yi District, Beijing	95,477	100%
Regency Residence Phases 1 and 2A(1)	Nanguan District, Changchun	21,268	50%
Noble Hills Phases 1B2 and 1B3	Wangcheng County, Changsha	72,267	50%
Le Parc Phase 2A	Chengdu High-Tech Zone	205,161	50%
Regency Oasis Phase 1A	Wenjiang District, Chengdu	27,118	50%
Noble Hills Phases 1B1, 1B2 and 1C	Douxi, Chongqing	132,825	50%
The Riverside Phase 3	Huangsha, Guangzhou	76,967	50%
Regency Cove Phases 1A and 1B	Maqiao Town, Minhang District, Shanghai	21,228	42.5%
Le Sommet Phase 1A	Longgang District, Shenzhen	5,345	50%
Regency Park Phase 3	Guanlan, Baoan District, Shenzhen	60,319	50%
The Greenwich Phase 1B	Xian Hi-Tech Industries Development Zone	139,174	50%

## Management Discussion and Analysis (continued)

## 2. Developments in Progress and Scheduled for Completion in 2011:

Name	Location	Total Gross Floor Area (sq.m.)	Group's Interest
LOHAS Park Le Prime	Site AB of The Remaining Portion of Tseung Kwan O Town Lot No. 70	101,470	Joint Venture
Festival City Phase 3	Sha Tin Town Lot No. 529	113,211	Joint Venture
Uptown	The Remaining Portion of Lot No. 2064 in D.D. 121 Hung Shui Kiu, Yuen Long	49,876	50%
Meridian Hill	New Kowloon Inland Lot No. 5099	12,795	100%
Oceanaire	The Remaining Portion of Sha Tin Town Lot No. 548	82,200	100%
The Greenwich Phase 1C	Yao Jia Yuan Dong Li, Chaoyang District, Beijing	88,979	50%
Regency Park Phase 2	Jingyue Economic Development Zone, Changchun	110,794	50%
Regency Residence Phases 1 and 2A(2)	Nanguan District, Changchun	22,544	50%
Noble Hills Phase 2	Wangcheng County, Changsha	72,663	50%
Regency Park Phases 1 and 2	Tianning District, Changzhou	32,968	50%
Le Parc Phases 2B and 3	Chengdu High-Tech Zone	342,017	50%
Regency Oasis Phases 1 and 2	Wenjiang District, Chengdu	168,789	50%
Noble Hills Phase 2A	Douxi, Chongqing	88,288	50%
Laguna Verona Phases D1a1 and G1a1	Hwang Gang Lake, Dongguan	50,712	49.91%
The Riverside and Metropolitan Plaza Phases 1 and 3	Huangsha, Guangzhou	164,842	50%

Name	Location	Total Gross Floor Area (sq.m.)	Group's Interest
Regency Cove Phase 2	Maqiao Town, Minhang District, Shanghai	24,348	42.5%
Regency Park Phase IIB	Huamu Road, Pudong New District, Shanghai	10,192	50%
Century Place Phases 1 and 2	Shennan Road, Huaqiangbei Futian District, Shenzhen	179,606	40%
Le Sommet Phase 3	Longgang District, Shenzhen	48,968	50%
Tianjin Metropolitan Phases 1 and 2	Yingkoudao, Heping District, Tianjin	159,702	40%
Regency Cove Phase 1A	Caidian District, Wuhan	59,871	50%
The Greenwich Phases 2 and 3	Xian Hi-Tech Industries Development Zone	509,781	50%

## Management Discussion and Analysis (continued)

### 3. New Acquisitions and Joint Developments and Other Major Events:

#### Hong Kong

- (1) January 2010: A wholly owned subsidiary of the Group successfully bid for the contract for the joint development of two sites located at Lai Chi Kok Road/Kweilin Street and Yee Kuk Street in Sham Shui Po in a public tender exercise. In February 2010, the Group entered into a development agreement with the Urban Renewal Authority for the joint development of the sites. With an aggregate area of approximately 3,339 sq.m., the sites are planned for a commercial and residential development estimated to have a total developable gross floor area of approximately 29,649 sq.m.
- (2) May 2010: A wholly owned subsidiary of the Group completed the lease modification with the Government in respect of the site at Nos. 106-114 Kwok Shui Road and Nos. 61-69 Yau Ma Hom Road, Kwai Chung Town Lot No. 157. With an area of approximately 4,645 sq.m., the lease allowed a residential development with a developable gross floor area of up to approximately 24,189 sq.m.
- (3) June 2010: A wholly owned subsidiary of the Group completed the lease modification with the Government in respect of the site at No. 41 Heung Yip Road, Wong Chuk Hang, Aberdeen Inland Lot No. 354. With an area of approximately 2,007 sq.m., the site is earmarked for a commercial development estimated to have a developable gross floor area of approximately 30,099 sq.m.
- (4) August 2010: A wholly owned subsidiary of the Group successfully bid for Hung Hom Bay Reclamation Area, Kowloon, Kowloon Inland Lot No. 11120 at a Government auction. With an area of approximately 7,551 sq.m., the site is planned for a residential development estimated to have a developable gross floor area of approximately 33,979 sq.m.
- (5) August 2010: A subsidiary of the Group successfully bid for Argyle Street, Kowloon, Kowloon Inland Lot No. 11125 at a Government auction. With an area of approximately 7,326 sq.m., the site is designated for a residential development estimated to have a developable gross floor area of approximately 36,630 sq.m. The Group holds an 80% interest in this development.
- (6) December 2010: A wholly owned subsidiary of the Group completed the land exchange with the Government in respect of the property at Area 85, Tseung Kwan O, Tseung Kwan O Town Lot No. 111. With an aggregate area of approximately 10,200 sq.m., the site is earmarked for a residential development estimated to have a developable gross floor area of approximately 51,000 sq.m.
- (7) March 2011: A wholly owned subsidiary of the Group was awarded a Government tender for the development at Yuen Long On Ning Road, Tai Kiu Road and Yuen Long On Lok Road, Yuen Long Town Lot No. 518. With an area of approximately 12,340 sq.m., the site is planned for a commercial and residential development estimated to have a developable gross floor area of approximately 61,700 sq.m.
- (8) During the year under review, the Group continued to acquire properties and agricultural land with potential for development. Some of the properties and agricultural land are under varying stages of design and planning applications.

## The Mainland and Overseas

- (9) October 2010: An indirect 50/50 joint venture company of the Group and the Hutchison Whampoa Group entered into a conditional share purchase agreement (the "SPA") with HSBC Institutional Trust Services (Singapore) Limited ("REIT's Trustee"), in its capacity as trustee of Suntec Real Estate Investment Trust, to dispose of one-third interest jointly and equally owned by the Group and the Hutchison Whampoa Group in Marina Bay Financial Centre Towers 1 and 2, the Marina Bay Link Mall and 695 car park lots located in Singapore's central business district, to REIT's Trustee at the agreed consideration of SGD1,495.8 million, inclusive of income support of SGD113.9 million provided by the aforesaid joint venture company as the vendor (subject to adjustment). In December 2010, the above disposal was completed pursuant to the SPA.
- (10) November 2010: An indirect 50/50 joint venture company of the Group and the Hutchison Whampoa Group successfully bid for a piece of land with an area of approximately 132,471 sq.m. and a gross floor area of approximately 275,140 sq.m. at G Zone of Dazhulin Section, Liangjiang New Area, Chongqing, the Mainland for residential purpose.
- (11) November 2010: Two joint venture companies indirectly owned as to 50/50 by each of the Group and the Hutchison Whampoa Group successfully bid for two pieces of land with an aggregate area of approximately 319,359 sq.m. and an aggregate gross floor area of approximately 402,913 sq.m. at Wolong Bay, Jinzhou New Area, Dalian, the Mainland for development into residential and commercial properties.
- (12) December 2010: An indirect 50/50 joint venture company of the Group and the Hutchison Whampoa Group successfully bid for a piece of land with an area of approximately 109,265 sq.m. and a gross floor area of approximately 57,140 sq.m. at Cuihu, Wuguishan Town, Zhongshan, the Mainland for residential and commercial purposes.
- (13) December 2010: An indirect 50/50 joint venture company of the Group and the Hutchison Whampoa Group successfully bid for a piece of land with an area of approximately 74,091 sq.m. and a gross floor area of approximately 75,073 sq.m. at Zhao Xiang Town, Qing Pu District, Shanghai, the Mainland for development into residential properties.
- (14) December 2010: An indirect 50/50 joint venture company of the Group and the Hutchison Whampoa Group successfully bid for a piece of land with an area of approximately 119,502 sq.m. and a gross floor area of approximately 359,233 sq.m. at Yingtiandajie, Jianye District, Nanjing, the Mainland for residential, commercial and office purposes.
- (15) During the year under review, the Group's property projects on the Mainland and overseas were on schedule, both in terms of sales and leasing.

## Management Discussion and Analysis (continued)

### Property Sales

Turnover of property sales for the year, including share of property sales of jointly controlled entities, was HK\$29,297 million (2009 – HK\$21,513 million), an increase of HK\$7,784 million when compared with last year, and comprised mainly the sale of residential units of three property projects completed in previous years – La Mer of Caribbean Coast and Celestial Heights in Hong Kong and Seasons Villas in Shanghai, and the sale of residential units of property projects completed during the year, including Le Prestige, Conduit 18, Festival City Phase 1 and Central Park Towers II in Hong Kong, Marina Bay Residences in Singapore, La Grande Ville Phase 1 (Zones A, B and D) in Beijing, The Greenwich Phase 1B in Xian, Noble Hills Phase 1B in Changsha, The Riverside Phase 3 in Guangzhou, Le Parc Phase 2A in Chengdu, Noble Hills Phases 1B and 1C in Chongqing, Regency Park Phase 3 in Shenzhen and Regency Cove Phase 1B in Shanghai.

Contribution from property sales, including share of results of jointly controlled entities, was HK\$8,902 million (2009 – HK\$8,396 million), an increase of HK\$506 million when compared with last year. During the year, property sales were active and measures were introduced by the government authorities both in Hong Kong and the Mainland to regulate the red-hot property markets and to facilitate its stability and long-term development.

Contribution from property sales for 2011 will mainly be derived from the sale of residential units of Le Prime, Oceanaire, Festival City Phase 2, Meridian Hill and Uptown in Hong Kong, La Grande Ville Phase 1 (Zones E, F and G) and The Greenwich Phase 1C in Beijing, Regency Park Phase 2 in Changchun, Regency Cove Phase 2 in Shanghai, Century Place Phase 1 in Shenzhen, Le Parc Phases 2B and 3 in Chengdu, Tianjian Metropolitan Phase 2 in Tianjian and several other property projects scheduled for completion.

All units of Le Prime and Oceanaire had been presold after presales were launched in 2009 and 2010 respectively whereas sale/presale of units of Festival City Phase 2 and Meridian Hill in Hong Kong and various property projects on the Mainland are underway.

### Property Rental

Turnover of the Group's property rental for the year was HK\$1,264 million (2009 – HK\$1,155 million), an increase of HK\$109 million when compared with last year, mainly attributable to a full year rental contribution in the current year from 1881 Heritage which was completed in Hong Kong in the first half of 2009. The Group's existing investment properties comprise mainly retail shopping malls and commercial office properties in Hong Kong which accounted for approximately 40% and 48% respectively of the turnover of the Group's property rental for the year.

Contribution from the Group's property rental was HK\$1,131 million (2009 – HK\$1,062 million), and contribution including share of results of jointly controlled entities was HK\$1,817 million (2009 – HK\$1,739 million), an increase of HK\$78 million when compared with last year. During the year, business sentiment and consumer confidence continued to improve and the local commercial leasing market regained its strength with growing demand for quality commercial and retail spaces.

In December 2010, the Marina Bay Financial Centre Towers 1 and 2 and Marina Bay Link Mall (the "Marina Bay Properties"), which were completed in Singapore for rental during the year and of which the Group had a 16.7% interest, were disposed of to Suntec Real Estate Investment Trust. Further to the fair value gain recognised before its completion in previous years, the disposal of the Marina Bay Properties made a contribution of HK\$2,210 million to group profit for the year.

At the year end date, the Group accounted for an increase in fair value of investment properties of HK\$1,737 million (2009 – HK\$3,857 million) based on a professional valuation and shared an increase in fair value of investment properties of HK\$4,733 million (2009 – HK\$693 million) of jointly controlled entities, largely attributable to the Group's share of an increase in fair value of the Beijing Oriental Plaza on the Mainland.

### Hotels and Serviced Suites

Turnover of the Group's hotels and serviced suites for the year was HK\$2,037 million (2009 – HK\$1,399 million), an increase of HK\$638 million when compared with last year. The increase in turnover was mainly a result of the full operation of Harbour Grand Hong Kong and Harbour Plaza 8 Degrees in the current year, both of which commenced to operate in Hong Kong during 2009.

Contribution from the Group's hotels and serviced suites was HK\$617 million (2009 – HK\$360 million) and contribution including share of results of jointly controlled entities was HK\$852 million (2009 – HK\$517 million), an increase of HK\$335 million when compared with last year. Besides the increase in contribution from the Group's two new hotels in full operation, occupancies and room rates of other hotels and serviced suites owned by the Group and jointly controlled entities also improved during the year as strong growth of the Mainland economy, coupled with gradual recovery of the world economies, boosted the demand for hotels and serviced suites in Hong Kong and the Mainland.

The Group's portfolio of hotels and serviced suites in Hong Kong and the Mainland is well positioned to achieve better results as the Mainland economy continues to grow and the world economies recover from the global financial crisis steadily.

### Property and Project Management

Turnover of property and project management for the year was HK\$265 million (2009 – HK\$226 million), of which income from property management was HK\$159 million (2009 – HK\$158 million), an increase of HK\$1 million when compared with last year, and income from project related services was HK\$106 million (2009 – HK\$68 million), an increase of HK\$38 million when compared with last year.

Contribution from property management was HK\$104 million (2009 – HK\$103 million), an increase of HK\$1 million when compared with last year, while project related services made a small contribution to group profit.

The Group is committed to providing high quality services to properties under our management. At the year end date, the total floor area under the Group's property management was approximately 87 million square feet and this is expected to grow steadily following the gradual completion of the Group's property projects in the years ahead.

### Major Associates

The Hutchison Whampoa Group, a listed associate, reported profit attributable to shareholders for the year ended 31st December, 2010 of HK\$20,038 million (2009 (restated) – HK\$13,631 million).

The CK Life Sciences Group, another listed associate, reported profit attributable to shareholders for the year ended 31st December, 2010 of HK\$208,551,000 (2009 – HK\$187,098,000).

## Management Discussion and Analysis (*continued*)

### FINANCIAL REVIEW

#### Liquidity and Financing

The Group monitors its liquidity requirements on a short to medium term basis and arranges refinancing of the Group's borrowings when appropriate. During the year, the Group issued notes with a ten-year term in Hong Kong under the Euro Medium Term Note Programme in the amount of HK\$1.3 billion and notes with a five-year term in Singapore in the amount of SGD225 million, and also redeemed notes in the total amount of HK\$2.8 billion upon maturity.

At the year end date, the Group's bonds and notes, bank loans and other loans (including a loan from a joint development partner) amounted to HK\$6.8 billion, HK\$25.8 billion and HK\$4.5 billion respectively, and the Group's total borrowings were HK\$37.1 billion, an increase of HK\$2.6 billion from the end of last year. The maturity profile is spread over a period of ten years, with HK\$15.1 billion repayable within one year, HK\$20 billion within two to five years and HK\$2 billion beyond five years.

The Group's gearing ratio at the year end date was approximately 4.5%, determined as the proportion of the Group's net borrowings (after deducting bank balances and deposits of HK\$25.1 billion) to shareholders' funds.

With cash and marketable securities in hand as well as available banking facilities, the Group's liquidity position remains strong and the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

#### Treasury Policies

The Group maintains a conservative approach on foreign exchange exposure management. At the year end date, approximately 85.7% of the Group's borrowings were in HK\$ with the balance in US\$ and SGD, mainly for the purpose of financing projects outside Hong Kong. The Group derives its revenue mainly in HK\$, cash balances and marketable securities are maintained mainly in HK\$ or US\$, and the Group ensures that its exposure to fluctuations in foreign exchange rates is minimised.

The Group's borrowings are principally on a floating rate basis and where appropriate, swaps are arranged to convert the rates and related terms of the fixed rate bonds and notes issued to a floating rate basis.

As times of interest rate or exchange rate uncertainty or volatility and when appropriate, hedging instruments including swaps and forwards are used by the Group in the management of exposure to interest rate and foreign exchange rate fluctuations.

### Charges on Assets

At the year end date, certain subsidiaries of the Group pledged assets with aggregate carrying value of HK\$938 million (2009 – HK\$1,014 million) to secure bank loan facilities utilised.

### Contingent Liabilities

At the year end date, the Group's contingent liabilities were as follows:

- (1) guarantees provided for minimum share of revenue/profit receivable by other partners of joint development projects amounted to HK\$636 million (2009 – HK\$1,398 million); and
- (2) guarantees provided for bank loans utilised by jointly controlled entities and investee company amounted to HK\$1,530 million (2009 – HK\$1,605 million) and HK\$286 million (2009 – HK\$283 million) respectively.

### Employees

At the year end date, the Group employed approximately 9,500 employees for its principal businesses. The related employees' costs for the year (excluding directors' emoluments) amounted to approximately HK\$1,829 million. The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. The Group does not have any share option scheme for employees.

## Directors' Biographical Information



**LI Ka-shing**

**LI Tzar Kuoi, Victor**

**KAM Hing Lam**

**IP Tak Chuen, Edmond**

**LI Ka-shing**, GBM, KBE, Grand Officer of the Order Vasco Nunez de Balboa, Commandeur de l'Ordre de Léopold, Commandeur de la Légion d'Honneur, JP, aged 82, is the founder of the Group. He has been the Chairman since 1971 and acted as the Managing Director from 1971 to 1998. He is the Chairman of the Remuneration Committee of the Company. Mr. Li has also been the Chairman of Hutchison Whampoa Limited, a listed company, since 1981. He has been engaged in many major commercial developments in Hong Kong for more than 60 years. Mr. Li served as a member of the Hong Kong Special Administrative Region's Basic Law Drafting Committee, Hong Kong Affairs Adviser and the Preparatory Committee for the Hong Kong Special Administrative Region. He is also an Honorary Citizen of a number of cities in the Mainland and overseas. Mr. Li is a keen supporter of community service organisations, and has served as honorary chairman of many such groups over the years. Mr. Li has received Honorary Doctorates from Peking University, The University of Hong Kong, The Hong Kong University of Science and Technology, The Chinese University of Hong Kong, City University of Hong Kong, The Open University of Hong Kong, University of Calgary in Canada and Cambridge University in the United Kingdom. Mr. Li is the recipient of many other major honors and awards from renowned institutions in the Mainland and abroad. Mr. Li Ka-shing is the father of Mr. Li Tzar Kuoi, Victor, the Managing Director and Deputy Chairman of the Company, and the brother-in-law of Mr. Kam Hing Lam, Deputy Managing Director of the Company. Mr. Li Ka-shing also holds directorships in certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

**LI Tzar Kuoi, Victor**, aged 46, joined the Group in 1985 and acted as Deputy Managing Director from 1993 to 1998. He has been Deputy Chairman since 1994 and Managing Director since 1999. He is also the Deputy Chairman of Hutchison Whampoa Limited, the Chairman of Cheung Kong Infrastructure Holdings Limited and CK Life Sciences Int'l., (Holdings) Inc., an Executive Director of Power Assets Holdings Limited (formerly known as Hongkong Electric Holdings Limited), Co-Chairman of Husky Energy Inc., all being listed companies, and a Director of The Hongkong and Shanghai Banking Corporation Limited. Mr. Victor Li serves as a member of the Standing Committee of the 11th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He is also a member of the Commission on Strategic Development and the Council for Sustainable Development of the Hong Kong Special Administrative Region, and Vice Chairman of the Hong Kong General Chamber of Commerce. Mr. Victor Li is the Honorary Consul of Barbados in Hong Kong. He holds a Bachelor of Science degree in Civil Engineering, a Master of Science degree in Structural Engineering and an honorary degree, Doctor of Laws, honoris causa (LL.D.). Mr. Victor Li is a son of Mr. Li Ka-shing, the Chairman of the Company and a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance, and a nephew of Mr. Kam Hing Lam, Deputy Managing Director of the Company. Mr. Victor Li also holds directorships in certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

**KAM Hing Lam**, aged 64, has been Deputy Managing Director since 1993. He is also the Group Managing Director of Cheung Kong Infrastructure Holdings Limited, the President and Chief Executive Officer of CK Life Sciences Int'l., (Holdings) Inc., and an Executive Director of Hutchison Whampoa Limited and Power Assets Holdings Limited (formerly known as Hongkong Electric Holdings Limited), all being listed companies. Mr. Kam is a member of the 11th Beijing Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He holds a Bachelor of Science degree in Engineering and a Master's degree in Business Administration. Mr. Kam is the brother-in-law of Mr. Li Ka-shing, Chairman of the Company and a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance, and an uncle of Mr. Li Tzar Kuoi, Victor, Managing Director and Deputy Chairman of the Company.



**CHUNG Sun Keung, Davy**

**PAU Yee Wan, Ezra**

**WOO Chia Ching, Grace**

**CHIU Kwok Hung, Justin**

**IP Tak Chuen, Edmond**, aged 58, has been an Executive Director since 1993 and Deputy Managing Director since 2005. He is also an Executive Director and Deputy Chairman of Cheung Kong Infrastructure Holdings Limited, the Senior Vice President and Chief Investment Officer of CK Life Sciences Int'l., (Holdings) Inc., a Non-executive Director of ARA Asset Management Limited (an Asian real estate fund management company listed in Singapore), TOM Group Limited, AVIC International Holding (HK) Limited, Excel Technology International Holdings Limited, Ruinian International Limited, Shougang Concord International Enterprises Company Limited (all being listed companies) and ARA Asset Management (Fortune) Limited as the manager of Fortune REIT, and a Director of ARA Trust Management (Suntec) Limited as the manager of Suntec REIT. Fortune REIT is listed in Hong Kong and Singapore whereas Suntec REIT is listed in Singapore. He holds a Bachelor of Arts degree in Economics and a Master of Science degree in Business Administration. Mr. Ip is a Director of certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

**CHUNG Sun Keung, Davy**, aged 59, has been an Executive Director since 1993. Mr. Chung is a Registered Architect. He is a member of the 11th Guangzhou Committee of the Chinese People's Political Consultative Conference of the People's Republic of China.

**PAU Yee Wan, Ezra**, aged 55, joined the Group in 1982 and has been an Executive Director since 1993. Ms. Pau is a Director of Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust, Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust and Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust, all being substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance, and a Director of certain companies controlled by certain substantial shareholders of the Company.

**WOO Chia Ching, Grace**, aged 54, joined the Group in 1987 and has been an Executive Director since 1996. She holds a Bachelor of Arts degree from the University of Pennsylvania, U.S.A. and a Master's degree in City and Regional Planning from Harvard University, U.S.A. Ms. Woo is a Director of certain companies controlled by a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

**CHIU Kwok Hung, Justin**, aged 60, joined the Group in 1997 and has been an Executive Director since 2000. He is the Chairman of ARA Asset Management Limited (an Asian real estate fund management company listed in Singapore), ARA Asset Management (Fortune) Limited as the manager of Fortune REIT (listed in Hong Kong and Singapore), ARA Trust Management (Suntec) Limited as the manager of Suntec REIT (listed in Singapore), and ARA Asset Management (Prosperity) Limited as the manager of Prosperity REIT (listed in Hong Kong). Mr. Chiu is also a Director of ARA Fund Management (Asia Dragon) Limited as the manager of the ARA Asia Dragon Fund. Mr. Chiu has more than 30 years of international experience in real estate in Hong Kong and various countries. He is a member of the 11th Shanghai Committee of the Chinese People's Political Consultative Conference of the People's Republic of China, a Fellow of The Hong Kong Institute of Directors, a Fellow of Hong Kong Institute of Real Estate Administrators and a member of the Board of Governors of Hong Kong Baptist University Foundation, and he holds Bachelor degrees in Sociology and Economics. Mr. Chiu is a Director of a company controlled by a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

## Directors' Biographical Information (continued)



LEUNG Siu Hon

FOK Kin-ning,  
Canning

Frank John SIXT

CHOW Kun Chee,  
RolandGeorge Colin  
MAGNUSKWOK Tun-li,  
Stanley

**LEUNG Siu Hon**, aged 79, is a Non-executive Director of the Company and has been a Director since 1984. He was an Independent Non-executive Director of the Company prior to his re-designation as a Non-executive Director of the Company in September 2004. Mr. Leung holds a B.A. Law (Honors) (Southampton) degree and has been awarded the Honorary degree of Doctor of Laws by the University of Southampton in July 2001. Mr. Leung is a solicitor of the High Court of the Hong Kong Special Administrative Region and an attesting officer appointed by the PRC. He is presently a consultant of Messrs. S.H. Leung and Co., Solicitors. Mr. Leung is a cousin of Mr. Chow Kun Chee, Roland, a Non-executive Director of the Company.

**FOK Kin-ning, Canning**, aged 59, is a Non-executive Director of the Company and has been a Director since 1985. Mr. Fok is currently the Group Managing Director of Hutchison Whampoa Limited and Deputy Chairman of Cheung Kong Infrastructure Holdings Limited. He is also the Chairman of Hutchison Harbour Ring Limited, Hutchison Telecommunications Hong Kong Holdings Limited, Hutchison Telecommunications (Australia) Limited, Hutchison Port Holdings Management Pte. Limited ("HPHM") as the trustee-manager of Hutchison Port Holdings Trust and Power Assets Holdings Limited (formerly known as Hongkong Electric Holdings Limited), Co-Chairman of Husky Energy Inc. and Alternate Director to Mrs. Chow Woo Mo Fong, Susan, a Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited, all being listed companies/business trust (except HPHM). He holds a Bachelor of Arts degree and a Diploma in Financial Management, and is a member of The Institute of Chartered Accountants in Australia. Mr. Fok is a Director of certain companies controlled by a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

**Frank John SIXT**, aged 59, is a Non-executive Director of the Company and has been a Director since 1991. He is the Non-executive Chairman of TOM Group Limited, the Group Finance Director of Hutchison Whampoa Limited, and an Executive Director of Cheung Kong Infrastructure Holdings Limited and Power Assets Holdings Limited (formerly known as Hongkong Electric Holdings Limited). He is also a Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited and Hutchison Port Holdings Management Pte. Limited ("HPHM") as the trustee-manager of Hutchison Port Holdings Trust, a Director of Hutchison Telecommunications (Australia) Limited and Husky Energy Inc., and an Alternate Director of Hutchison Telecommunications (Australia) Limited, all being listed companies/business trust (except HPHM). In addition, Mr. Sixt is a Director of Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust, Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust and Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust, all being substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance, and a Director of certain companies controlled by certain substantial shareholders of the Company. He holds a Master's degree in Arts and a Bachelor's degree in Civil Law, and is a member of the Bar and of the Law Society of the Provinces of Québec and Ontario, Canada.

**CHOW Kun Chee, Roland**, aged 73, is a Non-executive Director of the Company and has been a Director since 1993. He was an Independent Non-executive Director of the Company prior to his re-designation as a Non-executive Director of the Company in September 2004. Mr. Chow is a solicitor of the High Court of the Hong Kong Special

Administrative Region and is a consultant of Messrs. Herbert Tsoi and Partners, Solicitors. Mr. Chow is a cousin of Mr. Leung Siu Hon, a Non-executive Director of the Company. Mr. Chow is a Director of Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust, Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust and Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust, all being substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance, and a Director of certain companies controlled by certain substantial shareholders of the Company. He holds a Master of Laws degree from the University of London.

**George Colin MAGNUS**, OBE, aged 75, acted as an Executive Director from 1980 and Deputy Chairman from 1985 until he retired from these offices in October 2005. He has been a Non-executive Director of the Company since November 2005. He is also a Non-executive Director of Hutchison Whampoa Limited, Cheung Kong Infrastructure Holdings Limited and Power Assets Holdings Limited (formerly known as Hongkong Electric Holdings Limited), and a Director of Husky Energy Inc., all being listed companies. He holds a Master's degree in Economics.

**KWOK Tun-li, Stanley**, aged 84, is an Independent Non-executive Director, and a member of the Audit Committee and the Remuneration Committee of the Company. He has been a Director since 1989. Mr. Kwok holds a Bachelor's degree in Science (Architecture) from St. John's University, Shanghai, China, and an A.A. Diploma from the Architectural Association School of Architecture, London, England. He is also presently a Director of Amara Holdings Inc., CTC Bank of Canada, Husky Energy Inc., a listed company, and Stanley Kwok Consultants Inc.



**YEH Yuan Chang, Anthony**

**Simon MURRAY**

**CHOW Nin Mow, Albert**

**HUNG Siu-lin, Katherine**

**WONG Yick-ming, Rosanna**

**CHEONG Ying Chew, Henry**

**YEH Yuan Chang, Anthony**, aged 87, is an Independent Non-executive Director of the Company. He has been a Director since 1993. Mr. Yeh holds a Master's degree in Science (Mechanical Engineering). He is the Honorary Life President of Tai Ping Carpets International Limited, a listed company.

**Simon MURRAY**, CBE, aged 71, is an Independent Non-executive Director of the Company. He has been a Director since 1993. Mr. Murray is currently the Chairman of General Enterprise Management Services (International) Limited (GEMS Ltd.), a private equity fund management company. He is a Non-executive Director of Greenheart Group Limited (formerly known as Omnicorp Limited) and IRC Limited, and an Independent Non-executive Director of Orient Overseas (International) Limited and Wing Tai Properties Limited, all being listed companies in Hong Kong. He is also an Independent Director of Sino-Forest Corporation, and a Non-executive Director of Compagnie Financière Richemont SA and Essar Energy plc, all being listed companies. He has resigned as an Independent Non-executive Director of Arnhold Holdings Limited, a listed company, on 25th March, 2011.

**CHOW Nin Mow, Albert**, aged 61, has been a Director of the Company since 1983. Mr. Chow acted as a Non-executive Director from April 1997 to October 2004 and has been an Independent Non-executive Director of the Company since October 2004. He is the Chairman and Managing Director of Wah Yip (Holdings) Limited.

**HUNG Siu-lin, Katherine**, aged 63, joined the Group in March 1972, and acted as an Executive Director from 1985 to August 2000. She was a Non-executive Director from September 2000 to October 2004, and has been an Independent Non-executive Director of the Company since October 2004. She has been appointed as

a member of the Audit Committee of the Company on 1st January, 2007. Ms. Hung is a member of the Tianjin Committee of the 12th Chinese People's Political Consultative Conference of the People's Republic of China; also Director of Li Ka Shing Foundation Limited, Member of HKSAR Estate Agents Authority, Executive Committee Member of Hong Kong Housing Society, Court Member of The Hong Kong University of Science and Technology, Court Member of The Hong Kong Polytechnic University ("HK PolyU"), Steering Committee Member of the Institute for Enterprise of HK PolyU and Secretary of the Scout Association of Hong Kong. Ms. Hung has been awarded the University Fellowship from HK PolyU on 11th January, 2011. She was Council Member of Lingnan University from 1999 to 2004.

**WONG Yick-ming, Rosanna**, DBE, JP, aged 58, has been an Independent Non-executive Director since 2001 and is a member of the Remuneration Committee of the Company. She holds a Doctor of Philosophy degree in Sociology from the University of California (Davis), U.S.A. and has been awarded Honorary Doctorates from The Chinese University of Hong Kong, The Hong Kong Polytechnic University, The University of Hong Kong, The Hong Kong Institute of Education and University of Toronto in Canada. She is currently a member of the 11th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China, the Judicial Officers Recommendation Commission and the Commission on Strategic Development. She is a Court Member of The Hong Kong University of Science and Technology, and an elected Member of the Council and an *ex-officio* Member of the Court of The University of Hong Kong. She also serves as a Global Advisor to Mars, Incorporated. She acted as the Chairman of the Education Commission of the Hong Kong Special Administrative Region until she retired from this

office in April 2007. She is the Executive Director of The Hong Kong Federation of Youth Groups, a Non-executive Director of The Hongkong and Shanghai Banking Corporation Limited and an Independent Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited, a listed company.

**CHEONG Ying Chew, Henry**, aged 63, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since September 2004. He has been appointed as the Chairman of the Audit Committee of the Company on 1st January, 2007. He is also an Independent Non-executive Director of Cheung Kong Infrastructure Holdings Limited, CNNC International Limited, Creative Energy Solutions Holdings Limited, Excel Technology International Holdings Limited, Hutchison Telecommunications Hong Kong Holdings Limited, New World Department Store China Limited, SPG Land (Holdings) Limited and TOM Group Limited, an Independent Director of BTS Group Holdings Public Company Limited, and an Alternate Director to Dr. Wong Yick-ming, Rosanna, an Independent Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited, all being listed companies. Mr. Cheong is an Executive Director and Deputy Chairman of Worldsec Limited, a listed company. Mr. Cheong is a member of the Securities and Futures Appeals Tribunal and a member of the Advisory Committee of the Securities and Futures Commission, and was previously a member of the Disciplinary Panel (Panel A) of the Hong Kong Institute of Certified Public Accountants. Mr. Cheong holds a Bachelor of Science degree in Mathematics and a Master of Science degree in Operational Research and Management.

## Key Personnel's Biographical Information

### Accounts Department

**Man Ka Keung, Simon**, aged 53, Director, Corporate Strategy Unit & Chief Manager, joined the Group in December 1987. He is Alternate Director to Mr. Edmond Ip, Deputy Chairman and Executive Director of Cheung Kong Infrastructure Holdings Limited and a Director of Harbour Plaza Hotel Management Limited. He has over 30 years of experience in accounting, auditing, tax and finance. He holds a Bachelor's degree in Economics and is an associate member of The Institute of Chartered Accountants in Australia.

**Lee Shu Yan, Simon**, aged 47, Deputy Chief Manager, joined the Group in October 1987. He has over 28 years of experience in accounting. He holds a Postgraduate Diploma in Management Studies. He is a fellow member of The Association of Chartered Certified Accountants, a Certified Public Accountant of Hong Kong Institute of Certified Public Accountants, a non-practising member of The Chinese Institute of Certified Public Accountants and a Certified Tax Adviser (HK) and a fellow member of The Taxation Institute of Hong Kong.

**Ng Yuet Fong, Betty**, aged 62, Senior Manager, joined the Group in September 1993. She has over 38 years of experience in accounting and treasury. She holds a Bachelor of Business Administration degree in Accounting.

**Lee King Hang, Delfen**, aged 41, Manager, joined the Group in June 1996. He has over 19 years of experience in accounting and auditing. He holds a Bachelor of Arts degree with Honours in Accountancy and a Postgraduate Diploma in Business Administration. He is a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

### Administration Department

**Pau Shiu Yung, Anita**, aged 54, Senior Manager, joined the Group in December 1977. She has over 33 years of experience in office administration management. She is a member of The Hong Kong Institute of Human Resource Management.

**Ng Po Lung**, aged 49, Manager, joined the Group in November 1993. He has over 26 years of experience in office administration management. He holds a Bachelor of Social Science degree with Honours and a Master's degree in Business Administration.

**Yuen Pui Sim, Milly**, aged 48, Manager, joined the Group in June 1998. She has over 23 years of experience in office administration management. She holds a Professional Diploma in Company Secretaryship and Administration and a Master's degree in Management. She is an associate member of The Institute of Chartered Secretaries and Administrators and of The Hong Kong Institute of Chartered Secretaries.

### Building Cost & Contract Department

**Kwan Chi Kin, Anthony**, aged 55, Chief Manager, joined the Group in May 1990. He has over 33 years of experience in building construction and quantity surveying. He holds a Higher Diploma in Building Technology and Management. He is a Registered Professional Engineer, a professional member of The Royal Institution of Chartered Surveyors, a member of The Hong Kong Institute of Surveyors, a member of The Chartered Institute of Building, a member of The Hong Kong Institution of Engineers, a member of The Hong Kong Institute of Construction Managers and a member of Chartered Management Institute.

**Wong Tak On, Andy**, aged 47, Senior Contracts Manager, joined the Group in May 1997. He has over 23 years of experience in quantity surveying. He holds a Bachelor of Applied Science degree in Building Studies. He is a member of The Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors.

**Yau Charm Ping, Steve**, aged 51, Senior Contracts Manager, joined the Group in June 1987. He has over 29 years of experience in quantity surveying. He holds an Advanced Higher Diploma in Quantity Surveying and is a professional member of The Royal Institution of Chartered Surveyors.

**Cheung Ka Sing, Henry**, aged 52, Contracts Manager, joined the Group in November 1996. He has over 28 years of experience in quantity surveying. He holds a Master of Science degree in Construction Management. He is a Professional Quantity Surveyor of The Canadian Institute of Quantity Surveyors, a professional member of The Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors.

**Ho Kin Chung, Richard**, aged 55, Contracts Manager, joined the Group in March 2000. He has over 32 years of experience in quantity surveying. He holds a Higher Diploma in Building Technology & Management. He is a professional member of The Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors.

**Luk Wai Sang, Michael**, aged 49, Contracts Manager, joined the Group in June 1996. He has over 29 years of experience in quantity surveying. He holds a Diploma in Building Studies, a Diploma in Interior Design and a Diploma in Surveying (Quantity Surveying). He is a Registered Professional Surveyor, a PRC Registered Cost Engineer (H.K.), a professional member of The Royal Institution of Chartered Surveyors, a member of The Hong Kong Institute of Surveyors, a member of Association of Cost Engineers, a member of Hong Kong Institute of Project Management and a member of Australian Institute of Project Management.

### Chairman's Office

**Au Siu Yin, Amy**, aged 48, Manager, joined the Group in February 1990. She has over 26 years of experience in office and charity project management. She holds a Bachelor of Arts degree with Honours and a Master's degree in Business Administration. She is an associate member of The Institute of Chartered Secretaries and Administrators.

**Yue Shuk Chun, Jennie**, aged 50, Manager & Secretary to Chairman, joined the Group in March 1993. She has over 31 years of experience in secretarial and office management. She holds a Bachelor of Social Sciences degree.

### China Department

#### Beijing

**Chan Yuet Ming, Louis**, aged 51, General Manager, Beijing Po Garden Real Estates Development Company Limited and Beijing Chang Le Real Estate Development Company Limited, joined the Group in October 1992. He is also the General Manager of CKH (China) Investment Company Limited. He has over 26 years of experience in property development. He holds a Bachelor of Science degree in Architecture, a Bachelor's degree in Architecture and an Executive Master's degree in Business Administration. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region, a member of The Hong Kong Institute of Architects and a member of the Chinese People's Political Consultative Conference (Dong Cheng District, Beijing).

### Beijing Office

**Wong K, James**, aged 47, Manager, Business Development, joined the Cheung Kong Group in September 1991. He has over 25 years of experience in business development. He is the Chief Representative of the Beijing Office of the Company. He is also the Deputy General Manager and Chief Corporate Affairs Officer of Beijing Oriental Plaza Company Limited. He holds a Master's degree in Management Science.

### Guangzhou

**Tang Sek Wai, Max**, aged 51, Project Manager, Guangzhou Project, joined the Group in November 1986. He is the General Manager of Regal Lake Property Development Limited Guangzhou. He has over 25 years of experience in project management. He holds a Master's degree in Environmental Engineering Management and a Master's degree in Business Administration (Executive). He is a Chartered Builder, a member of The Hong Kong Institution of Engineers and a member of Hong Kong Institute of Construction Managers.

**Lam Ka Keung**, aged 53, Project Manager, Guangzhou Project, joined the Group in June 1994. He has over 33 years of experience in project management. He holds a Higher Certificate in Construction Technology.

**Wu Kwok Leung, Eddy**, aged 54, Finance Manager, Guangzhou Project, joined the Group in May 2008. He has over 34 years of experience in accounting. He holds a Diploma in Chinese Law and a Professional Diploma for Financial Controllers & Finance Directors of Foreign Investment & Foreign Enterprise in China.

### Shanghai

**Lam Yuk, Bruce**, aged 42, Project Manager, Shanghai Project, joined the Group in June 1998. He is the General Manager of Shanghai Changrun Jianghe Property Development Company Limited. He has over 17 years of experience in project management. He holds a Bachelor of Arts degree with Honours in Architectural Studies, a Master's degree in Architecture, a Master's degree in Business Administration and a Postgraduate Diploma in Project Management. He is a Registered Architect, a member of The Hong Kong Institute of Architects and possesses the qualification of PRC Class 1 Registered Architect.

**Ma Ching Che, Christina**, aged 52, Project Manager, Shanghai Project, joined the Group in August 2007. She is the General Manager of Shanghai Cheung Tai Property Development Limited, Shanghai Lianya Investment Consultancy Limited (上海聯雅投資諮詢有限公司) and Shanghai Heya Property Development Company Limited (上海和雅房地產開發有限公司). She has over 24 years of experience in project management. She holds a Bachelor of Science degree with Honours in Architectural Studies and Structural Design and a Diploma in Architecture. She is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region, a member of The Royal Institute of British Architects and a member of The Hong Kong Institute of Architects.

**Au Hoe Kye, Quincy**, aged 55, Finance Manager, Shanghai Project, joined the Group in September 1994. He has over 23 years of experience in accounting. He is an associate member of The Institute of Chartered Accountants in England and Wales, a fellow member of The Association of Chartered Certified Accountants and a fellow of Hong Kong Institute of Certified Public Accountants.

**Cheung Wing Cheong, Alan**, aged 61, E & M Manager, Shanghai Project, joined the Group in December 2006. He has over 36 years of experience in electrical & mechanical engineering. He holds a Master of Science degree in Engineering Management. He is a member of The Chartered Institution of Building Services Engineers (UK) and a member of The Hong Kong Institution of Engineers.

### China Hotels

**Hui Tung Keung, Tommy**, aged 48, Business Development Manager, China Hotels, joined the Group in January 1994. He is the General Manager of Lido Hotel Company Limited in Beijing. He has over 27 years of experience in accounting, hotel and property management. He holds a Master's degree in Business Administration.

**Lee Chi Kin, Casey**, aged 48, Business Development Manager, China Hotels, joined the Group in August 1998. He is responsible for the Group's business investment in Sheraton Shenyang Lido Hotel. He has over 26 years of experience in accounting, hotel management and property development. He holds a Bachelor of Social Sciences degree with Honours. He is a member of The Chinese Institute of Certified Public Accountants, a Certified Public Accountant of Hong Kong Institute of Certified Public Accountants, a member of The Institute of Chartered Accountants in England and Wales and a member of the Chinese People's Political Consultative Conference (Shenyang).

**Chu Yu Fai, Kenneth**, aged 58, Business Development Manager, China Hotels, joined the Group in July 1994. He is responsible for the Group's business investment in Sheraton Chengdu Lido Hotel. He has over 32 years of experience in finance, accounting, auditing, hotel management and business development. He holds a Bachelor of Arts degree in Economics and a Bachelor of Commerce degree in Business Administration. He is a Certified Management Accountant.

**Cheung Sau Ying, Dorothy**, aged 49, Finance Manager, China Hotels, joined the Group in August 2000. She is the Deputy Director of Finance of Lido Hotel Company Limited in Beijing. She has over 28 years of experience in accounting. She holds a Higher Certificate in Company Secretaries and Administration. She is an associate member of The Institute of Chartered Secretaries and Administrators and an associate member of The Hong Kong Institute of Chartered Secretaries.

**Ng Hok Leung, Sidney**, aged 55, Project Manager, China Hotels, joined the Group in June 1998. He is the Project Manager of Shenyang Lido Business Company Limited. He has over 36 years of experience in hotel construction, E & M engineering and property management.

## Key Personnel's Biographical Information (continued)

### Company Secretarial Department

**Yeung, Eirene**, aged 50, Director, Corporate Strategy Unit and Company Secretary, joined the Group in August 1994. She is also Alternate Director to Mr. Kam Hing Lam, the Group Managing Director of Cheung Kong Infrastructure Holdings Limited; the Company Secretary of Cheung Kong Infrastructure Holdings Limited and CK Life Sciences Int'l., (Holdings) Inc.; and a Non-executive Director of ARA Asset Management (Fortune) Limited. She is a member of the Dual Filing Advisory Group of the Securities and Futures Commission, a member of the Board of Review (Inland Revenue Ordinance), a member of the Companies Ordinance Rewrite Advisory Group, a member of the Advisory Group on BBA-JD Programme of The Chinese University of Hong Kong and a member of the Public Affairs Forum, Home Affairs Bureau of the Hong Kong Special Administrative Region ("HKSAR"). She is a solicitor of the High Court of HKSAR and of the Supreme Court of Judicature in England and Wales. She is also a fellow member of The Hong Kong Institute of Directors, The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. She holds a Master of Science degree in Finance, a Master's degree in Business Administration and a Bachelor's degree in Laws.

**Tse Kwok Yee, Erica**, aged 36, Deputy Chief Manager, joined the Group in September 2002. She has over 13 years of experience in the legal field. She holds a Bachelor's degree in Laws and a Postgraduate Certificate in Laws. She is a solicitor of the High Court of the Hong Kong Special Administrative Region and of the Supreme Court of England and Wales. She is a member of The Law Society of Hong Kong and of The Law Society of England and Wales.

**Pao Ting Ting, Nicole**, aged 37, Deputy Chief Manager, joined the Group in November 2008. She has over 12 years of experience in corporate finance and commercial legal work, listing, regulatory and compliance. She holds a Bachelor of Commerce degree in Accounting & Finance and a Master of Laws degree in Corporate & Financial Law. She is a Certified Practising Accountant of CPA Australia and a solicitor of the High Court of the Hong Kong Special Administrative Region.

**Chan Siu Yin, Bomie**, aged 40, Senior Manager, joined the Group in April 2007. She has over 17 years of experience in company secretarial, accounting, finance and the auditing field. She holds a Master of Science degree in Accountancy and a Graduate Diploma in China Business Law. She is a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of Hong Kong Institute of Certified Public Accountants.

**Tse Kin Keung, Augustine**, aged 41, Senior Manager, joined the Group in October 2010. He has over 18 years of experience in the legal field. He holds a Bachelor's degree in Laws, a Postgraduate Certificate in Laws and a Master's degree in Business Administration. He is a solicitor of the Supreme Court of the Hong Kong Special Administrative Region.

**Cheng Shuk Chi, Bridie**, aged 39, Manager, joined the Group in September 2004. She has over 15 years of experience in the company secretarial field. She holds a Bachelor's degree with Honours in Business Administration. She is an associate member of The Institute of Chartered Secretaries and Administrators and an associate member of The Hong Kong Institute of Chartered Secretaries.

**Chan Ho Choi, Bons**, aged 46, Manager, joined the Group in March 1997. He has over 20 years of experience in company secretarial field. He holds a Bachelor of Laws degree with Honours and a Master of Business degree. He is an associate member of The Institute of Chartered Secretaries and Administrators and an associate member of The Hong Kong Institute of Chartered Secretaries.

**Pang Pui Ki, Joe**, aged 34, Manager, joined the Group in February 2009. She has over 10 years of experience in the legal field. She holds a Bachelor's degree in Laws and a Postgraduate Certificate in Laws. She is a solicitor of the High Court of the Hong Kong Special Administrative Region.

### Construction Audit & Quality Assurance Department

**Tsui Ying Kit, Simon**, aged 51, Senior Manager, joined the Group in March 1976. He has over 30 years of experience in electrical and mechanical engineering and building quality management. He holds a Master of Science degree in Facility Management, and is a Certified Facility Manager and a member of International Facility Management Association.

### Corporate Affairs Department

**Tong Barnes Wai Che, Wendy**, aged 50, Chief Corporate Affairs Officer, joined the Group in March 1999. She is also the Chief Corporate Affairs Officer of Cheung Kong Infrastructure Holdings Limited and CK Life Sciences Int'l., (Holdings) Inc. She has over 26 years of experience in public relations, marketing communications and corporate affairs. She holds a Bachelor's degree in Business Administration.

**Tsui Sau Yuen, Anita**, aged 47, Deputy Chief Manager, joined the Group in August 2005. She has over 22 years of experience in advertising and marketing communications. She holds a Diploma in Journalism.

**Cheong Yuen Mei, Winnie**, aged 42, Deputy Chief Manager, joined the Group in March 1999. She is also the Deputy Chief Manager of Cheung Kong Infrastructure Holdings Limited. She has over 20 years of experience in public relations and corporate affairs. She holds a Bachelor of Arts degree with Honours in Philosophy.

**Cheung Yim Lam, Carolina**, aged 37, Senior Corporate Affairs Manager, joined the Group in May 2003. She has over 14 years of experience in public relations and corporate affairs. She holds a Bachelor of Social Science degree with Honours in Journalism and Communication.

**Lai Man Yee, Emily**, aged 43, Senior Marketing Communications Manager, joined the Group in April 1995. She has over 19 years of experience in advertising and marketing communications. She holds a Bachelor of Business Administration degree with Honours.

**Ng Yee Wa, Eva**, aged 32, Corporate Affairs Manager, joined the Cheung Kong Group in June 2005. She has over 9 years of experience in public relations and corporate affairs. She holds a Bachelor of Arts degree with Honours in Humanities and a Master of Arts degree in Communication.

**Yim Wai Fan, Abby**, aged 36, Marketing Communications Manager, joined the Group in November 2009. She has over 12 years of experience in the marketing communications field. She holds a Bachelor of Science degree with Honours in Sociology.

## Corporate Business Development

**Ma Lai Chee, Gerald**, aged 43, Director, Corporate Strategy Unit & Chief Manager, joined the Group in February 1996. He is an Alternate Director to Mr. Dominic Lai, Non-Executive Director of Hutchison Telecommunications Hong Kong Holdings Limited and a Non-Executive Director of ARA Asset Management (Prosperity) Limited as the manager of Prosperity Real Estate Investment Trust ("Prosperity REIT"). He is also Alternate Director to Mr. Ip Tak Chuen, Edmond in respect of certain of his directorships, namely, ARA Trust Management (Suntec) Limited as the manager of Suntec Real Estate Investment Trust ("Suntec REIT") and ARA Asset Management (Fortune) Limited as the manager of Fortune Real Estate Investment Trust ("Fortune REIT"). Prosperity REIT is listed on The Stock Exchange of Hong Kong Limited whereas Suntec REIT is listed on the Singapore Exchange Securities Trading Limited. Fortune REIT is listed on both The Stock Exchange of Hong Kong Limited and the Singapore Exchange Securities Trading Limited. He has over 21 years of experience in banking, investment and portfolio management, real estate development and marketing, and managing IT related ventures and services. He holds a Bachelor of Commerce degree in Finance and a Master of Arts degree in Global Business Management. He is a member of the Hospitality Services Committee of Caritas Hong Kong and a member of the Finance Committee of The Scout Association of Hong Kong. He is also a member of the President's Circle of the University of British Columbia, Canada ("UBC") and a member of the Dean's Advisory Board for the Faculty of Arts of UBC.

**Lee Kwong Wang, Francis**, aged 40, Deputy Chief Manager, joined the Cheung Kong Group in August 2000. He is a Director of iMarkets Limited, Videofone Company Limited and Beijing Net-Infinity Technology Development Company Limited and Responsible Officer of iMarkets Limited and iMarkets Structured Products Limited. He has over 18 years of experience in banking, investment and managing technology related ventures. He holds a Bachelor of Science degree with Honours and a Master's degree in Business Administration. He is a Chartered Financial Analyst, a member of The CFA Institute and a member of The Hong Kong Society of Financial Analysts Limited.

**Chan Cheuk Man, Curley**, aged 39, Senior Manager, joined the Cheung Kong Group in July 2000. He has over 16 years of experience in finance, investment and business development. He holds a Bachelor of Arts degree with Honours in Accountancy and a Master of Science degree in Accounting and Finance. He is a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

**Lau Yuen Sun**, aged 46, Senior Manager, Project Management, joined the Cheung Kong Group in August 2001. He has over 20 years of experience in project management. He holds a Bachelor of Engineering degree with Honours, a Master of Science degree and a Diploma in Professional Project Management.

**Chan Chuen Kit, Dickie**, aged 39, Manager, Engineering, joined the Cheung Kong Group in August 1995. He has over 15 years of experience in networking & system engineering. He holds a Bachelor of Science degree in Computer Science and a Master of Science degree in E-Commerce.

**Kwok Stephen Joseph**, aged 40, Manager, Engineering, joined the Cheung Kong Group in May 2001. He has over 15 years of experience in networking & system engineering. He holds a Bachelor of Arts degree in Economics.

**Lau Chun Yu, Sophia**, aged 31, Manager, joined the Cheung Kong Group in August 2000. She has over 10 years of experience in business development. She holds a Bachelor of Science degree, a Bachelor of Commerce degree and a Master's degree in International and Public Affairs.

**Luk Ting Chung, Mike**, aged 38, Manager, Project Marketing, joined the Cheung Kong Group in February 1998. He has over 20 years of experience in sales & marketing. He holds a Bachelor's degree in Management Studies.

## Design & Promotion Department

**Leung Yuen Kwan, Josephine**, aged 42, Deputy Chief Manager, joined the Group in July 1995. She has over 17 years of experience in design, promotion, market research and property sales. She holds a Bachelor of Commerce degree in Marketing and Finance.

**Chan Yee, Ringo**, aged 43, Design Manager, joined the Group in November 2006. He has over 17 years of experience in design, advertising and promotion. He holds a Bachelor of Arts degree in Graphic Design.

## Development Department

**Shen Wai Yee, Grace**, aged 59, Chief Manager, Construction Management Division, joined the Group in September 1989. She has over 29 years of experience in project management. She holds a Bachelor of Arts degree in Sociology and a Bachelor of Architecture degree. She is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region and a member of The Hong Kong Institute of Architects.

**Chan Ho Kei, Kevin**, aged 38, Project Manager, joined the Group in June 2003. He has over 12 years of experience in project management. He holds a Bachelor of Arts degree with Honours in Architectural Studies and a Master's degree in Architecture. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region and a member of The Hong Kong Institute of Architects.

**Chan Hon Shing**, aged 49, Project Manager, joined the Group in December 1995. He has over 24 years of experience in architectural profession and project management. He holds a Bachelor of Arts degree with Honours in Architectural Studies and a Bachelor of Architecture degree. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region and a member of The Hong Kong Institute of Architects.

**Chan Kwok Keung, Dennis**, aged 43, Project Manager, joined the Group in May 1997. He has over 17 years of experience in project management. He holds a Bachelor of Arts degree with Honours in Architecture, a Master's degree in Architecture, and a Master's degree in Business Administration in Digital Technologies Management. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region, a member of The Hong Kong Institute of Architects, and a member of The Chartered Institute of Arbitrators.

## Key Personnel's Biographical Information (continued)

**Chu Tak Kwong, Andy**, aged 50, Project Manager, joined the Group in June 1998. He has over 26 years of experience in architectural profession and project management. He holds a Bachelor's degree in Architecture. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region, a member of The Royal Australian Institute of Architects and a member of The Hong Kong Institute of Architects.

**Leung Chun Fung, Victor**, aged 52, Project Manager, joined the Group in May 1995. He has over 27 years of experience in project management. He holds a Bachelor of Engineering degree with Honours in Civil Engineering and a Diploma in Construction Management.

**Leung Chung Ping, Louis**, aged 43, Project Manager, joined the Group in November 2003. He is a Director of Property Enterprises Development (Singapore) Pte Limited. He has over 15 years of experience in project management. He holds a Bachelor of Science degree with Honours in Architecture and a Master's degree in Architecture. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region and a member of The Hong Kong Institute of Architects.

**Lo Kin Yip, Terence**, aged 47, Project Manager, joined the Group in January 1999. He has over 21 years of experience in project management. He holds a Bachelor of Arts degree with Honours in Architectural Studies and a Bachelor of Architecture degree. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region, a member of The Royal Institute of British Architects and The Hong Kong Institute of Architects and an associate member of The Chartered Institute of Arbitrators.

**Pun Wing Chiu, Anthony**, aged 47, Project Manager, Structural, joined the Group in September 1999. He has over 23 years of experience in project / structural engineering management. He holds a Bachelor of Science degree with Honours in Civil Engineering. He is a Chartered Engineer, a Registered Professional Engineer, a Registered Structural Engineer, a member of The Hong Kong Institution of Engineers and a member of The Institution of Structural Engineers.

**Yiu Chi Wai, Albert**, aged 39, Project Manager, joined the Group in June 2001. He has over 14 years of experience in project management. He holds a Bachelor of Arts degree with Honours in Architectural Studies, a Master's degree in Architecture and a Postgraduate Diploma in Construction Project Management. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region, a member of The Hong Kong Institute of Architects and a member of Hong Kong Institute of Construction Managers.

**Mak Kwok Keung, Charles**, aged 49, Senior Construction Manager, joined the Group in January 1994. He has over 28 years of experience in construction management. He holds a Postgraduate Diploma in Construction Management.

**Wong Yin Li, Raymond**, aged 54, Senior Construction Manager, joined the Group in November 1989. He has over 25 years of experience in construction management. He holds a Higher Diploma in Building Technology and Management.

**Chau Chi Wai, Jeff**, aged 40, Construction Manager, joined the Group in November 2005. He has over 14 years of experience in construction management. He holds a Diploma in Surveying, a Bachelor of Science degree in Building Technology and Management and a Master's degree in Business Administration. He is a member of The Australian Institute of Building, a member of The Chartered Institute of Building and a member of Hong Kong Institute of Construction Managers.

**Li Kwok Sum**, aged 47, Construction Manager, joined the Group in August 2004. He has over 23 years of experience in construction management. He holds a Diploma in Civil Engineering Studies, a Professional Diploma in Construction Project Management and a Master of Science degree in Construction Project Management.

### E & M Department

**Lo Kin Hing, Isaac**, aged 49, Senior Manager, joined the Group in April 2003. He has over 24 years of experience in electrical & mechanical engineering. He holds a Master of Science degree in Construction Project Management. He is a Chartered Engineer, a Registered Professional Engineer, a fellow of The Chartered Institution of Building Services Engineers (UK), a fellow of The Institute of Engineering and Technology and a fellow of The Hong Kong Institution of Engineers.

**Lau Man Bun, Barry**, aged 43, Manager, joined the Group in July 2003. He has over 21 years of experience in electrical & mechanical engineering. He holds a Bachelor of Engineering degree with Honours in Building Services Engineering and a Master of Science degree in Environmental Management. He is a Chartered Engineer, a Registered Professional Engineer, a member of The Chartered Institution of Building Services Engineers (UK) and a member of The Hong Kong Institution of Engineers.

### Human Resources Department

**Yip Kim Wing, Kim**, aged 47, Manager, joined the Group in November 2003. He has over 17 years of experience in human resources management. He holds a Bachelor's degree in Business Administration and a Postgraduate Diploma in Corporate Administration.

**Lee Wing Man, Shirley**, aged 41, Manager, joined the Group in September 2005. She has over 16 years of experience in human resources management. She holds a Bachelor of Arts degree with Honours in Public & Social Administration, a Master's degree in Business Administration, a Diploma in Human Resource Management and a Certificate in Human Resource Management in the PRC.

**Tsang Chi Lun, Alan**, aged 42, Manager, joined the Group in April 2002. He has over 18 years of experience in human resources management. He holds a Bachelor of Arts degree with Honours in Hospitality Management and a Master's degree in Business Administration. He is a professional member of The Hong Kong Institute of Human Resource Management.

### Information Technology Department

**Lum Man Fai, Brian**, aged 43, Senior Manager, joined the Cheung Kong Group in August 2000. He has over 19 years of experience in information technology and telecommunication. He holds a Bachelor of Science degree with Honours in Electronics and a Master's degree in Business Administration.

**Lau Yau Keung, Sam**, aged 45, Manager, Networking & Operations, joined the Group in July 2005. He has over 19 years of experience in information technology management and network operations. He holds a Bachelor of Science degree with Honours in Mathematics Science and a Bachelor of Science degree with Honours in Computing and Information Systems. He is a member of The Hong Kong Computer Society.

**Yung Wing Hung, Nelson**, aged 40, System Manager, joined the Group in November 1994. He has over 16 years of experience in information technology management. He holds a Bachelor of Science degree with Honours in Computer Science and a Master of Finance degree. He is a member of The Hong Kong Computer Society, a Certified Information Systems Auditor of Information Systems Audit & Control Association and a Project Management Professional of Project Management Institute.

### Internal Audit Department

**Lee King Yuen, Albert**, aged 55, Senior Manager, joined the Group in November 1987. He has over 33 years of experience in auditing. He holds a Bachelor of Science degree in Business Administration. He is a fellow member of The Association of Chartered Certified Accountants and a fellow of The Hong Kong Institute of Certified Public Accountants.

**Tse Chun Wai, Richard**, aged 44, Senior Manager, joined the Group in January 2009. He has over 19 years of experience in auditing. He holds a Master's degree in Business Administration, a Master of Science degree in Information Systems Management and a Master of Science degree in Investment Management. He is a fellow member of The Association of Chartered Certified Accountants, an associate member of The Chartered Institute of Management Accountants and a Certified Public Accountant of The Hong Kong Institute of Certified Public Accountants.

**Chau Wai Keung, Allen**, aged 56, Manager, joined the Group in November 1994. He has over 31 years of experience in auditing. He holds a Bachelor of Business Administration degree and a Master's degree in Business Administration.

**Chu Kai Wah, Richard**, aged 48, Manager, joined the Group in August 1995. He has over 22 years of experience in auditing. He holds a Professional Diploma in Accountancy and a Master of Business degree in Electronic Commerce. He is a fellow member of The Association of Chartered Certified Accountants, an associate member of The Institute of Chartered Accountants in England and Wales and a fellow of The Hong Kong Institute of Certified Public Accountants.

### Leasing Department

**Wong See Hang, Resina**, aged 47, Deputy Chief Manager, Leasing, joined the Group in June 1990. She is a Director of Cheung Kong Real Estate Limited and E-Park Parking Management Limited. She has over 25 years of experience in property leasing. She holds a Bachelor of Arts degree with Honours in History and a Master of Science degree in Facilities Management.

**Lee Po Chu, Eileen**, aged 50, Senior Leasing Manager, joined the Group in October 2003. She has over 29 years of experience in property leasing. She holds a Diploma in Business.

**Wong Ling Fei, Mable**, aged 49, Senior Leasing Manager, joined the Group in September 2002. She has over 22 years of experience in property leasing.

**Chong Kwan Yi, Charles**, aged 35, Leasing Manager, joined the Group in January 2006. He has over 12 years of experience in property leasing. He holds a Bachelor of Science degree with Honours in Mathematics, a Master of Science degree in Real Estate, a Master of Arts degree in Quantitative Analysis for Business and a Master of Science degree in China Business Studies.

**Deng Chi Yung, Jonathan**, aged 40, Leasing Manager, joined the Group in April 2008. He has over 14 years of experience in property leasing. He holds a Bachelor of Business degree in Property and a Master's degree in Business Administration. He is an associate member of Australian Property Institute and a member of The Hong Kong Institute of Surveyors.

**Fung Kam Sun, Kam**, aged 50, Leasing Manager, joined the Group in June 2007. He has over 24 years of experience in property leasing. He holds a Bachelor of Arts degree and a Master's degree of Housing Management. He is a Registered Professional Housing Manager, a member of The Chartered Institute of Marketing, a corporate member of the Chartered Institute of Housing, a corporate member of The Hong Kong Institute of Housing, and a member of The Hong Kong Institute of Real Estate Administration.

**Leung Ho Shan, Susana**, aged 42, Leasing Manager, joined the Group in March 1996. She has over 22 years of experience in property leasing. She holds a Bachelor of Science degree with Honours in Estate Management and a Master's degree in Business Administration.

**Ling Yiu Man, Winnie**, aged 41, Leasing Manager, joined the Group in May 2007. She has over 10 years of experience in property leasing. She holds a Diploma in Legal Studies, a Bachelor of Commerce degree in Management and Marketing and a Master's degree in Business Administration.

**Ng Kwok Leung, Christopher**, aged 49, Manager, E-Park, joined the Group in October 2007. He has over 18 years of experience in car park management. He holds a Bachelor of Science degree with Honours in Engineering and a Postgraduate Diploma in Business Administration.

## Key Personnel's Biographical Information (continued)

### Legal Department

**Yip Kin Ming, Emmanuel**, aged 58, Chief Manager, joined the Group in July 1985. He has over 27 years of experience in legal field. He holds a Diploma in Economics.

**Wong Fung King, Amy**, aged 51, Senior Legal Manager, joined the Group in June 1998. She has over 26 years of experience in legal field. She holds a Bachelor of Laws degree with Honours and a Postgraduate Certificate in Laws. She is a solicitor of the High Court of the Hong Kong Special Administrative Region.

### Managerial

**Fung Chi Wai, Chris**, aged 47, Manager, joined the Group in April 2000. He has over 21 years of experience in financial management and investment. He holds a Bachelor of Social Sciences degree with Honours and a Master's degree in Business Administration. He is a Chartered Financial Analyst, a member of The CFA Institute and a member of The Hong Kong Society of Financial Analysts Limited.

### Property Investment & Valuation Department

**Chiu Siu Kam, Selene**, aged 44, Assistant Chief Manager, joined the Group in February 1997. She has over 21 years of experience in property development & investment, land management and property valuation. She holds a Bachelor of Science degree with Honours in Estate Management and a Master's degree in Business Administration. She is a Registered Professional Surveyor and a member of The Hong Kong Institute of Surveyors.

**Chan Man Wai, Anthony**, aged 48, Senior Manager, joined the Group in January 1994. He has over 21 years of experience in property development & investment, land management and property valuation. He holds a Bachelor of Science degree with Honours in Electrical Engineering, a Master's degree in Business Administration and a Master of Science degree in Land Management. He is a Registered Professional Surveyor and a member of The Hong Kong Institute of Surveyors.

**Ho Kwong Ngai, Eric**, aged 47, Senior Manager, joined the Group in July 2005. He has over 20 years of experience in property development & investment, land management and property valuation. He holds a Bachelor of Science degree with Honours in Estate Management and a Master of Science degree in International Real Estate. He is a Registered Professional Surveyor, a professional member of The Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors.

**Leung Hon Man, Alex**, aged 39, Manager, joined the Group in May 1996. He has over 16 years of experience in property development & investment, land management and property valuation. He holds a Bachelor of Social Science degree with Honours. He is a member of The Hong Kong Institute of Surveyors.

### Sales Department

**Lau Kai Man, Joseph**, aged 52, Deputy Chief Manager, Sales, joined the Group in June 1981. He is a Director of Cheung Kong Real Estate Limited, Goodwell-Fortune Property Services Limited and Goodwell-Prosperity Property Services Limited. He has over 32 years of experience in property sales.

**Kwok Tze Wai, William**, aged 45, Deputy Chief Manager, Sales, joined the Group in May 1989. He is a Director of Cheung Kong Real Estate Limited. He has over 22 years of experience in property sales. He holds a Bachelor of Science degree in Business Administration Marketing.

**Wong See Chung, Francis**, aged 49, Deputy Chief Manager, Sales, joined the Group in January 1994. He is a Director of Cheung Kong Real Estate Limited and Property Enterprises Development (Singapore) Pte Limited. He has over 15 years of experience in property sales. He holds a Master's degree in Business Administration.

**Yuen Tim Hung**, aged 53, Senior Sales Manager, joined the Group in March 1984. He has over 29 years of experience in advertising, marketing and property sales. He holds a Diploma in Communications and a Certificate in Daoist Culture. He is an affiliate member (Professional) of The Chartered Institute of Marketing.

**Cho Kau Ming, Iris**, aged 42, Sales Manager, joined the Group in May 1995. She has over 16 years of experience in property sales. She holds a Bachelor of Science degree in Business Administration.

**Fung Hoi Lun, Helen**, aged 40, Sales Manager, joined the Group in March 2001. She has over 17 years of experience in property sales. She holds a Higher Diploma in Hotel and Catering Management.

**Ho Ka Yan, Cannas**, aged 33, Sales Manager, joined the Group in April 2007. She has over 11 years of experience in property sales. She holds a Bachelor of Science degree with Honours in Surveying and a Master of Science degree in Marketing. She is a member of The Hong Kong Institute of Surveyors and a professional member of The Royal Institute of Chartered Surveyors.

**Ng Chui Ha, Fiona**, aged 47, Manager, Sales Administration, joined the Group in December 1990. She has over 24 years of experience in sales administration. She holds a Bachelor of Arts degree in History.

**Tai Mei Ling, Marinda**, aged 52, Manager, Customer Service, joined the Group in August 1985. She has over 25 years of experience in customer service.

**Wong Oi Ling, Irene**, aged 42, Manager, Sales Administration, joined the Group in May 1996. She has over 17 years of experience in sales administration. She holds a Bachelor of Arts degree.

### Sales Department – Building Management

**Ho Kwong Fai, Ellickey**, aged 48, Assistant Chief Manager, Building Management, joined the Group in September 1994. He is a Director of E-Park Parking Management Limited, Goodwell-Fortune Property Services Limited and Goodwell-Prosperity Property Services Limited. He has over 25 years of experience in building management and holds a Professional Diploma in Real Estate Administration.

**Wong Wo Muk, Philip**, aged 51, Manager, Building Management, joined the Group in May 1987. He is a Director of Goodwell-Fortune Property Services Limited and Goodwell-Prosperity Property Services Limited. He has over 28 years of experience in building management. He holds a Bachelor of Arts degree with Honours in Business Studies and a Postgraduate Diploma in Surveying (Real Estate Development).

## Risk Factors

The Group's businesses, financial conditions, results of operations or growth prospects may be affected by risks and uncertainties pertaining to the Group's businesses. The factors set out below are those that could result in the Group's businesses, financial conditions, results of operations or growth prospects differing materially from expected or historical results. These factors are by no means exhaustive or comprehensive, and there may be other risks in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future. In addition, this Annual Report does not constitute a recommendation or advice to invest in the shares of the Company and investors are advised to make their own judgment or consult their own investment advisors before making any investment in the shares of the Company.

### Global Financial and Credit Crisis

The global financial and credit crisis triggered in 2008 by the U.S. subprime mortgage predicament resulted in unprecedented adverse fallout across various countries and economic sectors. The negative repercussions of a tight global credit market had demonstrated that stock and commodity markets experienced unprecedented volatility, high unemployment rate, and a contraction of economic activities in emerging markets as well as major developed economies. Despite the recovery in the various global markets in the latter half of 2009, the debt crisis that occurred or rumoured in certain countries since late 2009 reflected continuing market risks and uncertain outlook. The Group has diversified operations in 52 countries around the world. Any continuing adverse economic conditions in those countries and places in which the Group operates may potentially impact on the Group's financial position or potential income, asset value and liabilities.

### Property Developments

There exist general risks inherent in property development and in the ownership of properties, including, among other things, risks that financing for development may not be available on favourable terms, that construction may not be completed on schedule or within budget, that long-term financing may not be available on completion of construction, that developed properties may not be sold or leased on profitable terms, that there will be intense competition from other developers or property owners which may lead to vacant properties or an inability to sell or rent properties on favourable terms, that purchasers or tenants may default, that properties held for rental purpose will need to be renovated, repaired and re-let on a periodic basis, that it may not be possible to renew leases or re-let spaces when existing leases expire, and that the property market conditions are subject to changes in environmental laws and regulations and zoning laws and other governmental rules and fiscal policies. Property values and rental values are also affected by factors such as political developments, governmental regulations and changes in planning or tax laws, levels of interest rates and consumer prices, the overall supply of properties, and the imposition of governmental measures to dampen property prices.

Investment in property is generally illiquid, which may limit the ability of the Group in timely realising property assets into cash.

In addition, suitable land of significant size at appropriate prices is not easy to obtain due to limited supply of land in Hong Kong, while acquisition of land on the Mainland and other overseas markets may be subject to various other regulatory requirements or restrictions. Future growth prospects of the property development business is therefore affected by the availability and price levels of prime sites in Hong Kong, the Mainland and other overseas markets.

## Risk Factors (*continued*)

Properties could suffer physical damage by fire or other causes and the Group may be exposed to any potential risks associated with public liability claims, resulting in losses (including loss of rent and value of properties) which may not be fully compensated for by insurance proceeds, and such events may in turn affect the Group's financial conditions or results of operations. There is also the possibility of other losses for which the Group may not obtain insurance at a reasonable cost or at all. Should an uninsured loss or a loss in excess of insured limits occur, payment of compensation may be required and this may affect the returns on capital invested in that property. The Group would also remain liable for any debt or other financial obligation, such as committed capital expenditures, related to that property. In addition, insurance policies will have to be renewed every year and acceptable terms for coverage will have to be negotiated, thus exposing the Group to the volatility of the insurance markets, including the possibility of rate increases.

### Industry Trends and Interest Rates

The trends in the industries in which the Group operates, including the property market sentiment and conditions, the property values in Hong Kong, mark to market value of securities investments, the currency environment and interest rates cycles, may pose significant impact on the Group's results. There can be no assurance that the combination of industry trends and interest rates the Group experiences in the future will not adversely affect its financial conditions or results of operations.

In particular, income from finance and treasury operations is dependent upon the capital market, interest rate and currency environment, and the worldwide economic and market conditions, and therefore there can be no assurance that changes in these conditions will not adversely affect the Group's financial conditions or results of operations. The volatilities in the financial markets may also adversely affect the income to be derived by the Group from its finance and treasury activities.

### Highly Competitive Markets

The Group's principal business operations face significant competition across the markets in which they operate. New market entrants and intensified price competition among existing market players could adversely affect the Group's financial conditions or results of operations. Competition risks faced by the Group include (a) an increasing number of developers undertaking property investment and development in Hong Kong, the Mainland and in other overseas markets, which may affect the market share and returns of the Group; and (b) significant competition and pricing pressure from other developers and may adversely affect the financial performance of the Group's operations.

### Currency Fluctuations

The results of the Group is recorded in Hong Kong dollars but its various subsidiaries, associates and joint ventures may receive revenue and incur expenses in other currencies. Any currency fluctuations on translation of the accounts of these subsidiaries, associates and joint ventures and also on the repatriation of earnings, equity investments and loans may therefore impact on the Group's performance. Although currency exposures have been managed by the Group, a depreciation or fluctuation of the currencies in which the Group conducts operations relative to the Hong Kong dollar could adversely affect the Group's financial conditions or results of operations.

## Strategic Partners

Some of the businesses of the Group are conducted through non wholly-owned subsidiaries, associates and joint ventures in which the Group shares control (in whole or in part) and strategic alliances had been formed by the Group with other strategic or business partners. There can be no assurance that any of these strategic or business partners will continue their relationships with the Group in the future or that the Group will be able to pursue its stated strategies with respect to its non wholly-owned subsidiaries, associates and joint ventures and the markets in which they operate. Furthermore, the joint venture partners may (a) have economic or business interests or goals that are inconsistent with those of the Group; (b) take actions contrary to the Group's policies or objectives; (c) undergo a change of control; (d) experience financial and other difficulties; or (e) be unable or unwilling to fulfill their obligations under the joint ventures, which may affect the Group's financial conditions or results of operations.

## Impact of Local, National and International Regulations

The local business risks in different countries and cities in which the Group operates could have a material impact on the financial conditions, results of operations and growth prospects of the businesses in the relevant market. The Group has investments in different countries and cities around the world and the Group is, and may increasingly become, exposed to different and changing political, social, legal, tax, regulatory and environmental requirements at the local, national or international level. Also, new policies or measures by governments, whether fiscal, tax, regulatory, environmental or other competitive changes, may lead to an increase in additional or unplanned capital expenditure, pose a risk to the overall investment return of the Group's businesses and may delay or prevent the commercial operation of a business with resulting loss of revenue and profit.

## Impact of New Accounting Standards

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has from time to time issued new and revised Hong Kong Financial Reporting Standards ("HKFRS"). As accounting standards continue to develop, HKICPA may in the future issue more new and revised HKFRS and the Group may be required to adopt new accounting policies which might or could have a significant impact on the Group's financial position or results of operations.

## Outbreak of Highly Contagious Disease

In 2003, there was an outbreak of Severe Acute Respiratory Syndrome ("SARS") in Hong Kong, the Mainland and other places. The SARS outbreak had a significant adverse impact on the economies of the affected areas. The spread of Influenza A H1N1 in 2009 also affected many areas of the world and there were reported cases of NDM-1 in many countries and regions. There can be no assurance that there will not be another significant global outbreak of a severe communicable disease such as avian influenza or SARS. If such an outbreak were to occur, it may have a material adverse impact on the operations of the Group and its results of operations may suffer.

## Risk Factors (*continued*)

### Connected Transactions

Hutchison Whampoa Limited (“Hutchison”) is also listed on The Stock Exchange of Hong Kong Limited. Although the Group believes that its relationship with Hutchison provides it with significant business advantages, the relationship results in various connected transactions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and accordingly any transactions entered into between the Group and Hutchison, its subsidiaries or associates are connected transactions, which, unless one of the exemptions is available, will be subject to compliance with the applicable requirements of the Listing Rules, including the issuance of announcements, the obtaining of independent shareholders’ approval at general meetings and disclosure in annual reports and accounts. Independent shareholders’ approval requirements may also lead to unpredictable outcomes causing disruptions to as well as increase the risks of the Group’s business activities. Independent shareholders may also take actions that are in conflict with the interests of the Group.

### The Group’s Financial Conditions or Results of Operations are affected by those of the Hutchison Whampoa Group

The Group owns approximately 49.9% of the Hutchison Whampoa Group which operates in 52 countries around the world and hence its financial conditions and results of operations may be affected by the local market conditions and the economy of the places where business operations are located as well as any litigation against them. The Group’s financial conditions and results of operations are materially affected by the financial conditions and results of operations of the Hutchison Whampoa Group. In addition, the core businesses of the Hutchison Whampoa Group are different from those of the Group, and as a result, the Group is indirectly exposed to the risks the Hutchison Whampoa Group is facing.

### Natural Disasters

Some of the Group’s assets and businesses, and many of the Group’s customers and suppliers are located in areas at risk of damage from earthquakes, floods and similar events and the occurrence of any of these events could disrupt the Group’s business and materially and adversely affect the Group’s financial conditions and results of operations. For example, in recent years, a number of countries including the Mainland, New Zealand and Japan experienced severe earthquakes that caused significant property damage and loss of life.

Although the Group has not experienced any major structural damage to its property development projects or assets or facilities from earthquakes to date, there can be no assurance that future earthquakes or other natural disasters will not occur and result in major damage to the Group’s property development projects or assets or facilities or on the general supporting infrastructure facilities in the vicinity, which could adversely affect the Group’s financial conditions and results of operations.

### Past Performance and Forward Looking Statements

The performance and the results of operations of the Group during the past years as contained in this Annual Report are historical in nature and past performance can be no guarantee of future results of the Group. This Annual Report may contain forward-looking statements and opinions that involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. Neither the Group nor the Directors, employees or agents of the Group assume (a) any obligation to correct or update the forward-looking statements or opinions contained in this Annual Report; and (b) any liability in the event that any of the forward-looking statements or opinions does not materialise or turns out to be incorrect.

## Report of the Directors

The Directors have pleasure in presenting to shareholders their report together with the audited financial statements of the Group for the year ended 31st December, 2010 on pages 96 to 136.

### Principal Activities

The principal activities of the Company are investment holding and project management. Its subsidiaries are active in the field of property development and investment, hotel and serviced suite operation, property and project management and investment in securities.

### Results and Dividends

Results of the Group for the year ended 31st December, 2010 are set out in the consolidated income statement on page 96.

The Directors recommend the payment of a final dividend of HK\$2.45 per share which, together with the interim dividend of HK\$0.50 per share paid on 22nd September, 2010, makes a total dividend of HK\$2.95 per share for the year.

### Fixed Assets

Movements in fixed assets during the year are set out in note (8) to the financial statements.

### Reserves

Movements in reserves of the Company and the Group during the year are set out in note (22) to the financial statements and in the consolidated statement of changes in equity on page 100 respectively.

### Group Financial Summary

Results, assets and liabilities of the Group for the last ten years are summarised on page 2.

### Properties

Particulars of major properties held by the Group are set out on pages 90 to 95.

### Directors

The Directors of the Company are listed on page 144. The Directors' biographical information is set out on pages 24 to 27.

In accordance with the Company's Articles of Association, the Directors of the Company (including Non-executive Directors) shall be subject to retirement by rotation at each annual general meeting. Mr. Li Ka-shing, Mr. Chung Sun Keung, Davy, Ms. Pau Yee Wan, Ezra, Mr. Leung Siu Hon, Mr. George Colin Magnus, Mr. Simon Murray and Mr. Cheong Ying Chew, Henry will retire from office and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Each of the Independent Non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). The Company is of the view that all Independent Non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

Report of the Directors (*continued*)

## Disclosure of Interests

## Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31st December, 2010, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

## 1. Long Positions in Shares

## (a) The Company

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	-	-	49,642,000 (Note 1)	936,462,744 (Note 2)	986,104,744	42.57 %
Li Tzar Kuoi, Victor	Beneficial owner, interest of child or spouse, interest of controlled corporations & beneficiary of trusts	220,000	100,000	1,529,000 (Note 4)	936,462,744 (Note 2)	938,311,744	40.51%
Kam Hing Lam	Beneficial owner	10,000	-	-	-	10,000	0.0004%
Leung Siu Hon	Beneficial owner & interest of child or spouse	645,500	64,500	-	-	710,000	0.03%
Chow Kun Chee, Roland	Beneficial owner	65,600	-	-	-	65,600	0.003%
George Colin Magnus	Beneficial owner, interest of child or spouse & beneficiary of trust	56,000	10,000	-	184,000 (Note 5)	250,000	0.01%
Yeh Yuan Chang, Anthony	Interest of child or spouse	-	384,000	-	-	384,000	0.02%
Simon Murray	Beneficial owner	74,000	-	-	-	74,000	0.003%
Hung Siu-lin, Katherine	Beneficial owner	20,000	-	-	-	20,000	0.0009%

**(b) Associated Corporations****Hutchison Whampoa Limited**

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	–	–	89,404,000 (Note 1)	2,141,698,773 (Note 3)	2,231,102,773	52.33%
Li Tzar Kuoi, Victor	Interest of controlled corporations & beneficiary of trusts	–	–	1,086,770 (Note 4)	2,141,698,773 (Note 3)	2,142,785,543	50.26%
Kam Hing Lam	Beneficial owner & interest of child or spouse	60,000	40,000	–	–	100,000	0.002%
Leung Siu Hon	Beneficial owner & interest of child or spouse	11,000	28,600	–	–	39,600	0.0009%
Fok Kin-ning, Canning	Interest of controlled corporation	–	–	6,010,875 (Note 7)	–	6,010,875	0.14%
Frank John Sixt	Beneficial owner	200,000	–	–	–	200,000	0.005%
Chow Kun Chee, Roland	Beneficial owner	49,931	–	–	–	49,931	0.001%
George Colin Magnus	Beneficial owner, interest of child or spouse & founder & beneficiary of a discretionary trust	40,000	9,900	–	950,100 (Note 6)	1,000,000	0.02%
Yeh Yuan Chang, Anthony	Interest of child or spouse	–	124,000	–	–	124,000	0.003%
Chow Nin Mow, Albert	Beneficial owner	97	–	–	–	97	≈ 0%
Hung Siu-lin, Katherine	Beneficial owner	34,000	–	–	–	34,000	0.0008%

## Report of the Directors (continued)

## Cheung Kong Infrastructure Holdings Limited

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Founder of discretionary trusts	-	-	-	1,912,109,945 (Note 9)	1,912,109,945	84.82%
Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	1,912,109,945 (Note 9)	1,912,109,945	84.82%
Kam Hing Lam	Beneficial owner	100,000	-	-	-	100,000	0.004%

## CK Life Sciences Int'l., (Holdings) Inc.

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Founder of discretionary trusts	-	-	-	4,355,634,570 (Note 10)	4,355,634,570	45.31%
Li Tzar Kuoi, Victor	Beneficial owner & beneficiary of trusts	2,250,000	-	-	4,355,634,570 (Note 10)	4,357,884,570	45.34%
Kam Hing Lam	Interest of child or spouse	-	6,225,000	-	-	6,225,000	0.06%
Ip Tak Chuen, Edmond	Beneficial owner	2,250,000	-	-	-	2,250,000	0.02%
Chung Sun Keung, Davy	Beneficial owner	375,000	-	-	-	375,000	0.004%
Pau Yee Wan, Ezra	Beneficial owner	900,000	-	-	-	900,000	0.009%
Woo Chia Ching, Grace	Beneficial owner	1,125,000	-	-	-	1,125,000	0.01%
Leung Siu Hon	Beneficial owner, interest of child or spouse & interest of controlled corporation	1,688,130	2,000	2,970 (Note 8)	-	1,693,100	0.017%
Fok Kin-ning, Canning	Interest of controlled corporation	-	-	1,500,000 (Note 7)	-	1,500,000	0.015%
Frank John Sixt	Beneficial owner	900,000	-	-	-	900,000	0.009%
Chow Kun Chee, Roland	Beneficial owner	903,936	-	-	-	903,936	0.009%
George Colin Magnus	Beneficial owner, interest of child or spouse & beneficiary of trust	753,360	600	-	11,040 (Note 5)	765,000	0.008%
Kwok Tun-li, Stanley	Interest of child or spouse	-	200,000	-	-	200,000	0.002%
Hung Siu-lin, Katherine	Beneficial owner	9,000	-	-	-	9,000	≈ 0%

## Other Associated Corporations

Name of Company	Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
			Personal Interest	Family Interest	Corporate Interest	Other Interest		
Beautiland Company Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	100,000,000 (Note 11)	100,000,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	100,000,000 (Note 11)	100,000,000	100%
Jabrin Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	10,000 (Note 11)	10,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	10,000 (Note 11)	10,000	100%
Kobert Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	4,900 (Note 11)	4,900	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	4,900 (Note 11)	4,900	100%
Tsing-Yi Realty, Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	3,150,000 (Note 11)	3,150,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	3,150,000 (Note 11)	3,150,000	100%
Tosbo Limited	Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	-	-	4 (Note 1)	6 (Note 12)	10	100%
Hutchison Harbour Ring Limited	Fok Kin-ning, Canning	Interest of controlled corporation	-	-	5,000,000 (Note 7)	-	5,000,000	0.05%
Hutchison Telecommunications (Australia) Limited	Fok Kin-ning, Canning	Beneficial owner & interest of controlled corporation	4,100,000	-	1,000,000 (Note 7)	-	5,100,000	0.037%
	Frank John Sixt	Beneficial owner	1,000,000	-	-	-	1,000,000	0.007%

Report of the Directors (*continued*)

Name of Company	Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
			Personal Interest	Family Interest	Corporate Interest	Other Interest		
Hutchison Telecommunications Hong Kong Holdings Limited	Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	–	–	389,653,499 (Note 1)	3,185,136,120 (Note 13)	3,574,789,619	74.23%
	Li Tzar Kuoi, Victor	Interest of controlled corporations & beneficiary of trusts	–	–	2,519,250 (Note 4)	3,185,136,120 (Note 13)	3,187,655,370	66.19%
	Fok Kin-ning, Canning	Interest of controlled corporation	–	–	1,202,380 (Note 7)	–	1,202,380	0.025%
	George Colin Magnus	Beneficial owner & interest of child or spouse	13,201	132	–	–	13,333	0.0003%

## 2. Long Positions in Underlying Shares

Name of Company	Name of Director	Capacity	Number of Underlying Shares				Total
			Personal Interest	Family Interest	Corporate Interest	Other Interest	
Hutchison Telecommunications Hong Kong Holdings Limited	Frank John Sixt	Beneficial owner	255,000 (Note 14)	–	–	–	255,000

### 3. Long Positions in Debentures

Name of Company	Name of Director	Capacity	Amount of Debentures				Total
			Personal Interest	Family Interest	Corporate Interest	Other Interest	
Hutchison Whampoa International (03/13) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	-	-	US\$10,208,000 6.5% Notes due 2013 (Note 4)	-	US\$10,208,000 6.5% Notes due 2013
	Fok Kin-ning, Canning	Interest of controlled corporation	-	-	US\$1,216,000 6.5% Notes due 2013 (Note 7)	-	US\$1,216,000 6.5% Notes due 2013
Hutchison Whampoa International (09) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	-	-	US\$45,792,000 7.625% Notes due 2019 (Note 4)	-	US\$45,792,000 7.625% Notes due 2019
Hutchison Whampoa International (09/19) Limited	Fok Kin-ning, Canning	Interest of controlled corporation	-	-	US\$4,000,000 5.75% Notes due 2019 (Note 7)	-	US\$4,000,000 5.75% Notes due 2019
Hutchison Whampoa International (10) Limited	Fok Kin-ning, Canning	Interest of controlled corporation	-	-	US\$5,000,000 Subordinated Guaranteed Perpetual Capital Securities (Note 7)	-	US\$5,000,000 Subordinated Guaranteed Perpetual Capital Securities
	Frank John Sixt	Beneficial owner	US\$1,000,000 Subordinated Guaranteed Perpetual Capital Securities	-	-	-	US\$1,000,000 Subordinated Guaranteed Perpetual Capital Securities

**Report of the Directors (continued)**

## Notes:

- (1) Such interests are held by certain companies of which Mr. Li Ka-shing is interested in the entire issued share capital.
- (2) The two references to 936,462,744 shares relate to the same block of shares in the Company. Mr. Li Ka-shing is the settlor of each of The Li Ka-Shing Unity Discretionary Trust ("DT1") and another discretionary trust ("DT2"). Each of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1", which is the trustee of DT1) and Li Ka-Shing Unity Trustcorp Limited ("TDT2", which is the trustee of DT2) holds units in The Li Ka-Shing Unity Trust ("UT1") but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT1 and DT2 are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard. Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of UT1 and companies controlled by TUT1 as trustee of UT1 ("TUT1 related companies") hold a total of such 936,462,744 shares.

The entire issued share capital of TUT1 and of the trustees of DT1 and DT2 are owned by Li Ka-Shing Unity Holdings Limited ("Unity Holdco"). Each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Unity Holdco. TUT1 is only interested in the shares of the Company by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of the Company independently without any reference to Unity Holdco or any of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard as a holder of the shares of Unity Holdco as aforesaid.

As Mr. Li Ka-shing may be regarded as a founder of each of DT1 and DT2 for the purpose of the SFO and Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT1 and DT2, and by virtue of the above, both Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to the shares of the Company held by TUT1 as trustee of UT1 and TUT1 related companies under the SFO as Directors of the Company. Although Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Unity Holdco and is a discretionary beneficiary of each of DT1 and DT2, he is not a Director of the Company and has no duty of disclosure in relation to the shares of the Company held by TUT1 as trustee of UT1 and TUT1 related companies under the SFO.

- (3) The two references to 2,141,698,773 shares in Hutchison Whampoa Limited ("HWL") relate to the same block of shares comprising:
  - (a) 2,130,202,773 shares held by certain subsidiaries of the Company. By virtue of the interests in shares of the Company in relation to which each of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor has a duty of disclosure under the SFO in the issued share capital of the Company as described in Note (2) above and as a Director of the Company, they are taken to have a duty of disclosure in relation to the said shares of HWL under the SFO; and

- (b) 11,496,000 shares held by Li Ka-Shing Castle Trustee Company Limited ("TUT3") as trustee of The Li Ka-Shing Castle Trust ("UT3"). Mr. Li Ka-shing is the settlor of each of the two discretionary trusts ("DT3" and "DT4"). Each of Li Ka-Shing Castle Trustee Corporation Limited ("TDT3", which is the trustee of DT3) and Li Ka-Shing Castle Trustcorp Limited ("TDT4", which is the trustee of DT4) holds units in UT3 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT3 and DT4 are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard.

The entire issued share capital of TUT3 and the trustees of DT3 and DT4 are owned by Li Ka-Shing Castle Holdings Limited ("Castle Holdco"). Each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Castle Holdco. TUT3 is only interested in the shares of HWL by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of HWL independently without any reference to Castle Holdco or any of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard as a holder of the shares of Castle Holdco as aforesaid.

As Mr. Li Ka-shing may be regarded as a founder of each of DT3 and DT4 for the purpose of the SFO and Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT3 and DT4, and by virtue of the above, both Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to the said shares of HWL held by TUT3 as trustee of UT3 under the SFO as Directors of the Company. Although Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Castle Holdco and is a discretionary beneficiary of each of DT3 and DT4, he is not a Director of the Company and has no duty of disclosure in relation to the shares of HWL held by TUT3 as trustee of UT3 under the SFO.

- (4) Such interests are held by certain companies of which Mr. Li Tzar Kuoi, Victor is interested in the entire issued share capital.
- (5) Such interests in the shares are held by a company controlled by a trust under which Mr. George Colin Magnus is a discretionary beneficiary.
- (6) Such interests are indirectly held by a trust of which Mr. George Colin Magnus is the settlor and a discretionary beneficiary.
- (7) Such interests are held by a company which is equally owned by Mr. Fok Kin-ning, Canning and his wife.
- (8) Such interests are held by a company which is wholly-owned by Mr. Leung Siu Hon and his wife.

**Report of the Directors (continued)**

- (9) The two references to 1,912,109,945 shares in Cheung Kong Infrastructure Holdings Limited (“CKI”) relate to the same block of shares comprising:
- (a) 1,906,681,945 shares held by a subsidiary of HWL. Certain subsidiaries of the Company hold more than one-third of the issued share capital of HWL. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, by virtue of their deemed interests in the shares of the Company as described in Note (2) above, are taken to have a duty of disclosure in relation to such shares of CKI held by the subsidiary of HWL under the SFO; and
  - (b) 5,428,000 shares held by TUT1 as trustee of UT1. By virtue of the deemed interests in TUT1 as trustee of UT1 as described in Note (2) above, each of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to such shares of CKI under the SFO.
- (10) The two references to 4,355,634,570 shares in CK Life Sciences Int’l., (Holdings) Inc. (“CKLS”) relate to the same block of shares which are held by a subsidiary of the Company. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, are taken to have a duty of disclosure in relation to such shares of CKLS held by the subsidiary of the Company by virtue of their deemed interests in the shares of the Company as described in Note (2) above under the SFO.
- (11) These are subsidiaries of the Company and such shares are held through the Company and TUT1 as trustee of UT1. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, by virtue of their deemed interests in the shares of the Company and TUT1 as trustee of UT1 as described in Note (2) above, are taken to have a duty of disclosure in relation to such shares under the SFO.
- (12) These shares are held by a subsidiary of the Company. By virtue of the deemed interests in the shares of the Company as described in Note (2) above and as a Director of the Company, Mr. Li Ka-shing is taken to have a duty of disclosure in relation to such shares under the SFO.
- (13) Such shares of Hutchison Telecommunications Hong Kong Holdings Limited (“HTHKH”) comprise:
- (a) 3,184,982,840 ordinary shares of which 52,092,587 ordinary shares and 3,132,890,253 ordinary shares are held by certain wholly-owned subsidiaries of the Company and HWL respectively. By virtue of the interests in the shares of the Company and HWL in relation to which Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor have a duty of disclosure under the SFO in the issued share capital of each of the Company and HWL as described in Notes (2) and (3) above and as Directors of the Company, Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to the said shares of HTHKH under the SFO; and
  - (b) 153,280 ordinary shares held by TUT3 as trustee of UT3. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, by virtue of Mr. Li Ka-shing may being regarded as a founder and Mr. Li Tzar Kuoi, Victor as a discretionary beneficiary of each of DT3 and DT4 and their deemed interests in TUT3 as trustee of UT3 as described in Note (3)(b) above, are taken to have a duty of disclosure in relation to the said shares of HTHKH under the SFO.
- (14) Such underlying shares are derived from the 17,000 American Depositary Shares (each representing 15 ordinary shares) in HTHKH beneficially owned by Mr. Frank John Sixt.

As at 31st December, 2010, by virtue of their deemed interests in the shares of the Company as described in Note (2) above and as Directors of the Company, Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, are deemed to be interested in the securities of the subsidiaries and associated companies of the Company held through the Company under the provisions of the SFO.

Certain Directors held qualifying shares in certain subsidiaries in trust for the Company and other subsidiaries.

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 31st December, 2010, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

At no time during the year was the Company or subsidiary a party to any arrangements which enabled any Director to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate.

No other contracts of significance to which the Company or a subsidiary was a party and in which a Director has a material interest subsisted at the year end date or at any time during the year.

None of the Directors has any service contract with the Company or any of its subsidiaries.

## Report of the Directors (continued)

### Interests and Short Positions of Shareholders

So far as is known to any Director or chief executive of the Company, as at 31st December, 2010, shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

#### Long Positions of Substantial Shareholders in the Shares of the Company

Name of Shareholder	Capacity	Number of Ordinary Shares	Approximate % of Shareholding
Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust	Trustee	936,462,744 (Note)	40.43%
Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust	Trustee & beneficiary of a trust	936,462,744 (Note)	40.43%
Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust	Trustee & beneficiary of a trust	936,462,744 (Note)	40.43%

Note: The three references to 936,462,744 shares relate to the same block of shares in the Company. Each of TUT1 as trustee of UT1, TDT1 as trustee of DT1 and TDT2 as trustee of another discretionary trust is taken to have a duty of disclosure in relation to the said shares of the Company as described in Note (2) under the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" under the SFO.

Save as disclosed above, as at 31st December, 2010, the Company has not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

### Major Customers and Suppliers

During the year, 82% of the Group's purchases were attributable to the Group's five largest suppliers with the largest supplier accounting for 62% of the Group's purchases. The Group's turnover attributable to the Group's five largest customers was less than 30%.

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) has any interest in the Group's five largest suppliers.

## Directors' Interests In Competing Businesses

During the year, the interests of Directors in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group ("Competing Business") as required to be disclosed pursuant to the Listing Rules were as follows:

### 1. Core Business Activities of the Group

- (1) Property development and investment.
- (2) Hotel and serviced suite operation.
- (3) Property and project management.
- (4) Investment in securities.
- (5) Information technology, e-commerce and new technology.

### 2. Interests in Competing Business

Name of Director	Name of Company	Nature of Interest	Competing Business (Note)
Li Ka-shing	Hutchison Whampoa Limited	Chairman	(1), (2), (3), (4) & (5)
Li Tzar Kuoi, Victor	Hutchison Whampoa Limited	Deputy Chairman	(1), (2), (3), (4) & (5)
	Cheung Kong Infrastructure Holdings Limited	Chairman	(4) & (5)
	Power Assets Holdings Limited <i>(formerly known as Hongkong Electric Holdings Limited)</i>	Executive Director	(4) & (5)
	CK Life Sciences Int'l., (Holdings) Inc.	Chairman	(4) & (5)
Kam Hing Lam	Hutchison Whampoa Limited	Executive Director	(1), (2), (3), (4) & (5)
	Cheung Kong Infrastructure Holdings Limited	Group Managing Director	(4) & (5)
	Power Assets Holdings Limited	Executive Director	(4) & (5)
	CK Life Sciences Int'l., (Holdings) Inc.	President and Chief Executive Officer	(4) & (5)
Ip Tak Chuen, Edmond	Cheung Kong Infrastructure Holdings Limited	Executive Director and Deputy Chairman	(4) & (5)
	CK Life Sciences Int'l., (Holdings) Inc.	Senior Vice President and Chief Investment Officer	(4) & (5)
	TOM Group Limited	Non-executive Director	(4) & (5)
	ARA Asset Management Limited	Non-executive Director	(3) & (4)
	ARA Asset Management (Fortune) Limited	Non-executive Director	(3)
	ARA Trust Management (Suntec) Limited	Director	(3)
	AVIC International Holding (HK) Limited	Non-executive Director	(1) & (4)
	Excel Technology International Holdings Limited	Non-executive Director	(4) & (5)
	Ruinian International Limited	Non-executive Director	(5)
	Shougang Concord International Enterprises Company Limited	Non-executive Director	(4)

Report of the Directors *(continued)*

Name of Director	Name of Company	Nature of Interest	Competing Business (Note)
Chiu Kwok Hung, Justin	ARA Asset Management Limited	Chairman	(3) & (4)
	ARA Asset Management (Fortune) Limited	Chairman	(3)
	ARA Trust Management (Suntec) Limited	Chairman	(3)
	ARA Asia Dragon Limited	Director	(1) & (3)
	Al Islami Far Eastern Real Estate Fund Limited <i>(in Members' Voluntary Liquidation)</i>	Chairman	(3) & (4)
	ARA Asset Management (Prosperity) Limited	Chairman	(3)
Leung Siu Hon	Rich Surplus Limited	Director and Substantial Shareholder	(1) & (2)
	Rich More Enterprises Limited	Director and Substantial Shareholder	(1)
Fok Kin-ning, Canning	Hutchison Whampoa Limited	Group Managing Director	(1), (2), (3), (4) & (5)
	Cheung Kong Infrastructure Holdings Limited	Deputy Chairman	(4) & (5)
	Power Assets Holdings Limited	Chairman	(4) & (5)
	Hutchison Harbour Ring Limited	Chairman	(1) & (5)
	Hutchison Telecommunications Hong Kong Holdings Limited	Chairman	(5)
	Hutchison Telecommunications International Limited <i>(whose shares were withdrawn from listing on 25th May, 2010)</i>	Chairman <i>(resigned on 26th May, 2010)</i>	(5)
Frank John Sixt	Hutchison Whampoa Limited	Group Finance Director	(1), (2), (3), (4) & (5)
	Cheung Kong Infrastructure Holdings Limited	Executive Director	(4) & (5)
	Power Assets Holdings Limited	Executive Director	(4) & (5)
	TOM Group Limited	Non-executive Chairman	(4) & (5)
	Hutchison Telecommunications Hong Kong Holdings Limited	Non-executive Director	(5)
	Hutchison Telecommunications International Limited <i>(whose shares were withdrawn from listing on 25th May, 2010)</i>	Non-executive Director <i>(resigned on 26th May, 2010)</i>	(5)
George Colin Magnus	Hutchison Whampoa Limited	Non-executive Director	(1), (2), (3), (4) & (5)
	Cheung Kong Infrastructure Holdings Limited	Non-executive Director	(4) & (5)
	Power Assets Holdings Limited	Non-executive Director	(4) & (5)

Note: Such businesses may be made through subsidiaries, associated companies or by way of other forms of investments.

Save as disclosed above, none of the Directors is interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with businesses of the Group.

## Purchase, Sale or Redemption of the Company's Listed Securities

During the year ended 31st December, 2010, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## Sufficiency of Public Float

Based on information publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

## Community Relations

During the year, the Group supported a wide variety of charitable activities of the community. Donations of approximately HK\$1,400,000 were made by the Group to various charitable organisations.

## Audit Committee

The Group's annual report for the year ended 31st December, 2010 has been reviewed by the audit committee (the "Audit Committee"). Information on the work of Audit Committee and its composition are set out in the Code Provision C.3 of the Corporate Governance Report on pages 62 to 64.

## Auditor

The financial statements for the year have been audited by Messrs. Deloitte Touche Tohmatsu who retire and offer themselves for re-appointment.

On behalf of the Board

### **Li Ka-shing**

Chairman

Hong Kong, 29th March, 2011

## Corporate Governance Report

The Board of Directors ("Board") and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders' value. The corporate governance principles of the Company emphasise a quality Board, sound internal controls, and transparency and accountability to all shareholders. The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Code on Corporate Governance Practices ("Code on CG Practices") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") ("Listing Rules") throughout the year ended 31st December, 2010.

Key corporate governance principles and corporate governance practices of the Company are summarised below:

### I. Code Provisions

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices																																																
<b>A.</b>	<b>DIRECTORS</b>																																																		
<b>A.1</b>	<b>The Board</b>  <i>Corporate Governance Principle</i> <i>The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.</i>																																																		
A.1.1	Regular board meetings should be held at least four times a year involving active participation, either in person or through other electronic means of communication, of majority of directors.	√	<ul style="list-style-type: none"> <li>The Board meets regularly and held meetings in March, May, August and November 2010.</li> <li>Details of Directors' attendance records in 2010: <table border="1"> <thead> <tr> <th>Members of the Board</th> <th>Attendance</th> </tr> </thead> <tbody> <tr> <td colspan="2"><b>Executive Directors</b></td> </tr> <tr> <td>LI Ka-shing (<i>Chairman</i>)</td> <td>4/4</td> </tr> <tr> <td>LI Tzar Kuoi, Victor (<i>Managing Director and Deputy Chairman</i>)</td> <td>4/4</td> </tr> <tr> <td>KAM Hing Lam</td> <td>4/4</td> </tr> <tr> <td>IP Tak Chuen, Edmond</td> <td>4/4</td> </tr> <tr> <td>CHUNG Sun Keung, Davy</td> <td>4/4</td> </tr> <tr> <td>PAU Yee Wan, Ezra</td> <td>4/4</td> </tr> <tr> <td>WOO Chia Ching, Grace</td> <td>4/4</td> </tr> <tr> <td>CHIU Kwok Hung, Justin</td> <td>4/4</td> </tr> <tr> <td colspan="2"><b>Non-executive Directors</b></td> </tr> <tr> <td>LEUNG Siu Hon</td> <td>4/4</td> </tr> <tr> <td>FOK Kin-ning, Canning</td> <td>4/4</td> </tr> <tr> <td>Frank John SIXT</td> <td>4/4</td> </tr> <tr> <td>CHOW Kun Chee, Roland</td> <td>4/4</td> </tr> <tr> <td>George Colin MAGNUS</td> <td>4/4</td> </tr> <tr> <td colspan="2"><b>Independent Non-executive Directors</b></td> </tr> <tr> <td>KWOK Tun-li, Stanley</td> <td>4/4</td> </tr> <tr> <td>YEH Yuan Chang, Anthony</td> <td>4/4</td> </tr> <tr> <td>Simon MURRAY</td> <td>4/4</td> </tr> <tr> <td>CHOW Nin Mow, Albert</td> <td>4/4</td> </tr> <tr> <td>HUNG Siu-lin, Katherine</td> <td>4/4</td> </tr> <tr> <td>WONG Yick-ming, Rosanna</td> <td>4/4</td> </tr> <tr> <td>CHEONG Ying Chew, Henry</td> <td>4/4</td> </tr> </tbody> </table> </li> <li>The Directors may attend meetings in person, by phone or through other means of electronic communication or by their alternate directors in accordance with the Company's Articles of Association.</li> </ul>	Members of the Board	Attendance	<b>Executive Directors</b>		LI Ka-shing ( <i>Chairman</i> )	4/4	LI Tzar Kuoi, Victor ( <i>Managing Director and Deputy Chairman</i> )	4/4	KAM Hing Lam	4/4	IP Tak Chuen, Edmond	4/4	CHUNG Sun Keung, Davy	4/4	PAU Yee Wan, Ezra	4/4	WOO Chia Ching, Grace	4/4	CHIU Kwok Hung, Justin	4/4	<b>Non-executive Directors</b>		LEUNG Siu Hon	4/4	FOK Kin-ning, Canning	4/4	Frank John SIXT	4/4	CHOW Kun Chee, Roland	4/4	George Colin MAGNUS	4/4	<b>Independent Non-executive Directors</b>		KWOK Tun-li, Stanley	4/4	YEH Yuan Chang, Anthony	4/4	Simon MURRAY	4/4	CHOW Nin Mow, Albert	4/4	HUNG Siu-lin, Katherine	4/4	WONG Yick-ming, Rosanna	4/4	CHEONG Ying Chew, Henry	4/4
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A.1.2	All directors are given an opportunity to include matters in the agenda for regular board meetings.	√	<ul style="list-style-type: none"> <li>All Directors are consulted as to whether they may want to include any matter in the agenda before the agenda for each regular Board meeting is issued.</li> </ul>																																																
A.1.3	<ul style="list-style-type: none"> <li>At least 14 days notice for regular board meetings</li> <li>Reasonable notice for other board meetings</li> </ul>	<ul style="list-style-type: none"> <li>√</li> <li>√</li> </ul>	<ul style="list-style-type: none"> <li>Regular Board meetings in a particular year are usually scheduled towards the end of the immediately preceding year to give all Directors adequate time to plan their schedules to attend the meetings.</li> <li>At least 14 days formal notice would be given before each regular meeting.</li> <li>According to the Company's Articles of Association, a Director may waive notice of any meeting and any such waiver may be prospective or retrospective.</li> </ul>																																																

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices
A.1.4	All directors should have access to the advice and services of the company secretary with a view to ensuring that board procedures, and all applicable rules and regulations, are followed.	√	<ul style="list-style-type: none"> <li>Directors have access to the Company Secretary and key officers of the Company Secretarial Department who are responsible to the Board for ensuring that Board procedures, and all applicable rules and regulations, are followed.</li> <li>Memos are issued to Directors from time to time to update them with legal and regulatory changes and matters of relevance to Directors in the discharge of their duties.</li> </ul>
A.1.5	<ul style="list-style-type: none"> <li>Minutes of board meetings and meetings of board committees should be kept by a duly appointed secretary of the meeting.</li> <li>Such minutes should be open for inspection at any reasonable time on reasonable notice by any director.</li> </ul>	<p>√</p> <p>√</p>	<ul style="list-style-type: none"> <li>The Company Secretary prepares written resolutions or minutes and keeps records of matters discussed and decisions resolved at all Board and Board Committee meetings.</li> <li>Board and Board Committee minutes/resolutions are sent to all Directors/Board Committee members within a reasonable time (generally within 14 days) after each Board and Board Committee meeting.</li> <li>Board and Board Committee minutes/resolutions are available for inspection by Directors/Board Committee members.</li> </ul>
A.1.6	<ul style="list-style-type: none"> <li>Minutes of board meetings and meetings of board committees should record in sufficient detail the matters considered by the board and decisions reached.</li> <li>Draft and final versions of board minutes for all directors to comment and to keep records within a reasonable time after the board meeting</li> </ul>	<p>√</p> <p>√</p>	<ul style="list-style-type: none"> <li>Minutes record in sufficient detail the matters considered by the Board/Board Committees and decisions reached.</li> <li>Directors are given an opportunity to comment on draft Board minutes.</li> <li>Final version of Board minutes is placed on record within a reasonable time after the Board meeting.</li> </ul>
A.1.7	<ul style="list-style-type: none"> <li>A procedure agreed by the board to enable directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the company's expense</li> <li>The board should resolve to provide separate independent professional advice to directors to assist the relevant director or directors to discharge his/their duties to the company.</li> </ul>	<p>√</p> <p>√</p>	<ul style="list-style-type: none"> <li>Directors have been advised that the Company Secretary can arrange independent professional advice at the expense of the Company should such advice be considered necessary by any Director.</li> </ul>
A.1.8	<ul style="list-style-type: none"> <li>If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should not be dealt with by way of circulation or by a committee but a board meeting should be held.</li> <li>Independent non-executive directors who, and whose associates, have no material interest in the transaction should be present at such board meeting.</li> </ul>	<p>√</p> <p>√</p>	<ul style="list-style-type: none"> <li>Important matters are usually dealt with by way of written resolutions so that all Directors (including Independent Non-executive Directors) can note and comment, as appropriate, the matters before approval is granted.</li> <li>Director must declare his/her interest in the matters to be passed in the resolution, if applicable.</li> <li>If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with in accordance with applicable rules and regulations and, if appropriate, an independent Board committee will be set up to deal with the matter.</li> </ul>

## Corporate Governance Report (continued)

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices																																		
A.2	<p><b>Chairman and Chief Executive Officer</b></p> <p><i>Corporate Governance Principle</i></p> <p><i>There should be a clear division of responsibilities between the Chairman and the Managing Director of the Company to ensure a balance of power and authority.</i></p>																																				
A.2.1	<ul style="list-style-type: none"> <li>– Separate roles of chairman and chief executive officer not to be performed by the same individual</li> <li>– Division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.</li> </ul>	<p>✓</p> <p>✓</p>	<ul style="list-style-type: none"> <li>• The positions of the Chairman of the Board and the Managing Director are currently held by separate individuals.</li> <li>• The Chairman determines the broad strategic direction of the Group in consultation with the Board and is responsible for the high-level oversight of management.</li> <li>• The Managing Director, with the support of the Executive Directors, is responsible for strategic planning of different business functions and day-to-day management and operation of the Group.</li> </ul>																																		
A.2.2	The chairman should ensure that all directors are properly briefed on issues arising at board meetings.	✓	<ul style="list-style-type: none"> <li>• With the support of the Executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and receive adequate and reliable information on a timely basis.</li> <li>• In addition to regular Board meetings, the Chairman of the Board met with the Non-executive Directors (including the Independent Non-executive Directors) without the presence of the Executive Directors in May and November 2010. Details of the attendance records of the meetings are as follows: <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: right;"><b>Attendance</b></th> </tr> </thead> <tbody> <tr> <td colspan="2"><b>Chairman</b></td> </tr> <tr> <td style="border-top: 1px solid black;">LI Ka-shing</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td colspan="2"><b>Non-executive Directors</b></td> </tr> <tr> <td style="border-top: 1px solid black;">LEUNG Siu Hon</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td style="border-top: 1px solid black;">FOK Kin-ning, Canning</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td style="border-top: 1px solid black;">Frank John SIXT</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td style="border-top: 1px solid black;">CHOW Kun Chee, Roland</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td style="border-top: 1px solid black;">George Colin MAGNUS</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td colspan="2"><b>Independent Non-executive Directors</b></td> </tr> <tr> <td style="border-top: 1px solid black;">KWOK Tun-li, Stanley</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td style="border-top: 1px solid black;">YEH Yuan Chang, Anthony</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td style="border-top: 1px solid black;">Simon MURRAY</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td style="border-top: 1px solid black;">CHOW Nin Mow, Albert</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td style="border-top: 1px solid black;">HUNG Siu-lin, Katherine</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td style="border-top: 1px solid black;">WONG Yick-ming, Rosanna</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td style="border-top: 1px solid black;">CHEONG Ying Chew, Henry</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> </tbody> </table> <p>Note: The Chairman and the Non-executive Directors (including the Independent Non-executive Directors) may attend meetings in person, by phone or through other means of electronic communication or by their alternate directors in accordance with the Company's Articles of Association.</p> </li> </ul>	<b>Attendance</b>		<b>Chairman</b>		LI Ka-shing	2/2	<b>Non-executive Directors</b>		LEUNG Siu Hon	2/2	FOK Kin-ning, Canning	2/2	Frank John SIXT	2/2	CHOW Kun Chee, Roland	2/2	George Colin MAGNUS	2/2	<b>Independent Non-executive Directors</b>		KWOK Tun-li, Stanley	2/2	YEH Yuan Chang, Anthony	2/2	Simon MURRAY	2/2	CHOW Nin Mow, Albert	2/2	HUNG Siu-lin, Katherine	2/2	WONG Yick-ming, Rosanna	2/2	CHEONG Ying Chew, Henry	2/2
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A.2.3	The chairman should be responsible for ensuring that directors receive adequate information, which must be complete and reliable, in a timely manner.	✓	<ul style="list-style-type: none"> <li>• The Board papers including supporting analysis and related background information are normally sent to the Directors at least three days before Board meetings.</li> <li>• Communications between Non-executive Directors (including Independent Non-executive Directors) on the one hand, and the Company Secretary as co-ordinator for the other business units of the Group on the other, is a dynamic and interactive process to ensure that queries raised and clarification sought by the Directors are dealt with and further supporting information and/or documentation is provided if appropriate.</li> </ul>																																		



## Corporate Governance Report (continued)

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices
A.5	<p><b>Responsibilities of directors</b></p> <p><i>Corporate Governance Principle</i></p> <p><i>Every Director is required to keep abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Company.</i></p>		
A.5.1	<ul style="list-style-type: none"> <li>– Every newly appointed director of the company should receive a comprehensive, formal and tailored induction on the first occasion of his appointment, and subsequently such briefing and professional development as is necessary.</li> <li>– To ensure that he has a proper understanding of the operations and business of the company and that he is fully aware of his responsibilities under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements and the business and governance policies of the company</li> </ul>	<p>✓</p> <p>✓</p>	<ul style="list-style-type: none"> <li>• The Company Secretary and key officers of the Company Secretarial Department liaise closely with newly appointed Directors both immediately before and after his/her appointment to acquaint the newly appointed Directors with the duties and responsibilities as a Director of the Company and the business operation of the Company.</li> <li>• A package compiled and reviewed by the Company's legal advisers setting out such duties and responsibilities under the Listing Rules, Companies Ordinance and other related ordinances and relevant regulatory requirements of Hong Kong is provided to each newly appointed Director. A revised information package comprising the latest developments in laws, rules and regulations relating to the duties and responsibilities of directors will be forwarded to each Director from time to time for his/her information and ready reference. Guidelines for directors issued by the Companies Registry of Hong Kong and The Hong Kong Institute of Directors have been forwarded to each Director for his/her information and ready reference.</li> <li>• Memos are issued from time to time to keep Directors up to date with legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties.</li> <li>• Seminars are organised from time to time at which distinguished professionals are invited to present to the Directors on subjects relating to directors' duties and corporate governance, etc.</li> </ul>
A.5.2	<p>The functions of non-executive directors include:</p> <ul style="list-style-type: none"> <li>– bring independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct at board meetings</li> <li>– take the lead on potential conflicts of interests</li> <li>– serve on the audit, remuneration, nomination and other governance committees, if invited</li> <li>– scrutinise the company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance</li> </ul>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<ul style="list-style-type: none"> <li>• The Non-executive Directors exercise their independent judgement and advise on the future business direction and strategic plans of the Company.</li> <li>• The Non-executive Directors review the financial information and operational performance of the Company on a regular basis.</li> <li>• The Independent Non-executive Directors are invited to serve on the Audit and Remuneration Committees of the Company.</li> </ul>
A.5.3	<p>Every director should ensure that he can give sufficient time and attention to the affairs of the company and should not accept the appointment if he cannot do so.</p>	<p>✓</p>	<ul style="list-style-type: none"> <li>• There is satisfactory attendance at Board meetings during the year. Please refer to A.1.1 of Part I above for details of attendance records.</li> <li>• Every Executive Director has hands-on knowledge and expertise in the areas and operation in which he/she is charged with. Appropriate attention to the affairs of the Company is measured in terms of time as well as the quality of such attention and the ability of the Directors to contribute with reference to his/her necessary knowledge and expertise.</li> </ul>
A.5.4	<ul style="list-style-type: none"> <li>– Directors must comply with the Model Code.</li> <li>– Board should establish written guidelines on no less exacting terms than the Model Code for relevant employees.</li> </ul>	<p>✓</p> <p>✓</p>	<ul style="list-style-type: none"> <li>• The Company had adopted the model code for securities transactions by directors of listed issuers ("Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions effective from 31st March, 2004. A revised Model Code has been adopted by the Company to comply with the new requirements set out in Appendix 10 to the Listing Rules effective from 1st April, 2009.</li> <li>• Confirmation has been received from all Directors that they have complied with the required standards set out in the Model Code for the year ended 31st December, 2010.</li> <li>• Written guidelines on no less exacting terms than the Model Code relating to securities transactions for employees are set out in the Employee Handbook of the Company.</li> </ul>

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices								
<b>A.6</b>	<b>Supply of and access to information</b>										
	<b>Corporate Governance Principle</b> <i>Directors should be provided in a timely manner with appropriate information in such form and of such quality as will enable them to make an informed decision and to discharge their duties and responsibilities as Directors of the Company.</i>										
A.6.1	<ul style="list-style-type: none"> <li>– Send agenda and full board papers to all directors at least 3 days before regular board or board committee meeting</li> <li>– So far as practicable for other board or board committee meetings</li> </ul>	<ul style="list-style-type: none"> <li>√</li> <li>√</li> </ul>	<ul style="list-style-type: none"> <li>• Board/Board Committee papers are circulated not less than three days before the regular Board/Board Committee meetings to enable the Directors/Board Committee members to make informed decisions on matters to be raised at the Board/Board Committee meetings.</li> </ul>								
A.6.2	<ul style="list-style-type: none"> <li>– Management has an obligation to supply the board and its committees with adequate information in a timely manner to enable it to make informed decisions.</li> <li>– The board and each director should have separate and independent access to the company's senior management for making further enquiries where necessary.</li> </ul>	<ul style="list-style-type: none"> <li>√</li> <li>√</li> </ul>	<ul style="list-style-type: none"> <li>• The Company Secretary and the Chief Manager of the Accounts Department attend all regular Board meetings to advise on corporate governance, statutory compliance, and accounting and financial matters, as appropriate.</li> <li>• Communications between Directors on the one hand, and the Company Secretary, who acts as co-ordinator for the other business units of the Group on the other, is a dynamic and interactive process to ensure that queries raised and clarification sought by the Directors are dealt with and that further supporting information is provided if appropriate.</li> </ul>								
A.6.3	<ul style="list-style-type: none"> <li>– All directors are entitled to have access to board papers and related materials.</li> <li>– Steps must be taken to respond as promptly and fully as possible to queries raised by directors.</li> </ul>	<ul style="list-style-type: none"> <li>√</li> <li>√</li> </ul>	<ul style="list-style-type: none"> <li>• Please see A.6.1 and A.6.2 of Part I above.</li> </ul>								
<b>B.</b>	<b>REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT</b>										
<b>B.1</b>	<b>The level and make-up of remuneration and disclosure</b>										
	<b>Corporate Governance Principle</b> <i>There should be a formal and transparent procedure for setting policy on Executive Directors' remuneration and for fixing the remuneration packages for all Directors.</i>										
B.1.1	Establish a remuneration committee with specific written terms of reference comprising a majority of independent non-executive directors	√	<ul style="list-style-type: none"> <li>• In accordance with the Code on CG Practices, the Company has set up a remuneration committee ("Remuneration Committee") with a majority of the members being Independent Non-executive Directors.</li> <li>• The Company established its Remuneration Committee on 1st January, 2005.</li> <li>• The Remuneration Committee comprises the Chairman of the Board, Mr. Li Ka-shing (Chairman of the Remuneration Committee), and two Independent Non-executive Directors, namely, Mr. Kwok Tun-li, Stanley and Dr. Wong Yick-ming, Rosanna.</li> <li>• Since the publication of the Company's 2009 annual report in April 2010, meetings of the Remuneration Committee were held in November 2010 and January 2011. Details of the attendance records of the members of the Remuneration Committee are as follows:</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Members of the Remuneration Committee</th> <th style="text-align: right;">Attendance</th> </tr> </thead> <tbody> <tr> <td>LI Ka-shing (Chairman of the Remuneration Committee)</td> <td style="text-align: right;">2/2</td> </tr> <tr> <td>KWOK Tun-li, Stanley</td> <td style="text-align: right;">2/2</td> </tr> <tr> <td>WONG Yick-ming, Rosanna</td> <td style="text-align: right;">2/2</td> </tr> </tbody> </table> <p>Note: The members of the Remuneration Committee may attend meetings in person, by phone or through other means of electronic communication or by their alternates in accordance with the Company's Articles of Association.</p>	Members of the Remuneration Committee	Attendance	LI Ka-shing (Chairman of the Remuneration Committee)	2/2	KWOK Tun-li, Stanley	2/2	WONG Yick-ming, Rosanna	2/2
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## Corporate Governance Report (continued)

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices
B.1.1 (cont'd)			<ul style="list-style-type: none"> <li>The following is a summary of the work for the Remuneration Committee during the said meetings:               <ol style="list-style-type: none"> <li>Review of the remuneration policy for 2010/2011;</li> <li>Review of the remuneration of Non-executive Directors;</li> <li>Review of the annual performance bonus policy; and</li> <li>Approval of remuneration packages of Executive Directors.</li> </ol> </li> </ul>
B.1.2	The remuneration committee should consult the chairman and/or chief executive officer about their proposals relating to the remuneration of other executive directors and have access to professional advice if considered necessary.	√	<ul style="list-style-type: none"> <li>The Remuneration Committee has consulted the Chairman and/or the Managing Director about proposals relating to the remuneration packages and other human resources issues of the Directors and senior management, including, without limitation, succession plan and key personnel movements as well as policies for recruiting and retaining qualified personnel.</li> <li>The emoluments of Directors are based on the skill, knowledge, involvement in the Company's affairs and the performance of each Director, together with reference to the profitability of the Company and prevailing market conditions.</li> <li>To enable them to better advise on the Group's future remuneration policy and related strategies, the Remuneration Committee has been advised of the Group's existing remuneration policy and succession plan, such as guidelines on designing employees' remuneration packages and related market trends and information.</li> </ul>
B.1.3	<p>Terms of reference of the remuneration committee should include:</p> <ul style="list-style-type: none"> <li>determine the specific remuneration packages of all executive directors and senior management</li> <li>review and approve performance-based remuneration and the compensation payable on loss or termination of office or appointment</li> <li>ensure that no director or any of his associates is involved in deciding his own remuneration</li> </ul>	√	<ul style="list-style-type: none"> <li>The terms of reference of the Remuneration Committee, which follow closely the requirements of the Code Provisions and have been adopted by the Board, are posted on the Company's website.</li> </ul>
B.1.4	The remuneration committee should make available its terms of reference, explaining its role and the authority delegated to it by the board.	√	<ul style="list-style-type: none"> <li>The terms of reference of the Remuneration Committee are posted on the Company's website.</li> <li>The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration of Directors and senior management, and reviewing the specific remuneration packages of all Executive Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.</li> </ul>
B.1.5	The remuneration committee should be provided with sufficient resources to discharge its duties.	√	<ul style="list-style-type: none"> <li>The Human Resources Department provides administrative support and implements the approved remuneration packages and other human resources related decisions approved by the Remuneration Committee.</li> </ul>
<b>C. ACCOUNTABILITY AND AUDIT</b>			
<b>C.1 Financial reporting</b>			
<i>Corporate Governance Principle</i>			
<i>The Board should present a balanced, clear and comprehensible assessment of the Company's performance, position and prospects.</i>			
C.1.1	Management should provide such explanation and information to the board as will enable the board to make an informed assessment of the financial and other information put before the board for approval.	√	<ul style="list-style-type: none"> <li>Directors are provided with a review of the Group's major business activities and key financial information on a quarterly basis.</li> </ul>

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices
C.1.2	<ul style="list-style-type: none"> <li>– The directors should acknowledge in the Corporate Governance Report their responsibility for preparing the accounts.</li> <li>– There should be a statement by the auditors about their reporting responsibilities in the auditors' report on the financial statements.</li> <li>– Unless it is inappropriate to assume that the company will continue in business, the directors should prepare the accounts on a going concern basis, with supporting assumptions or qualifications as necessary.</li> <li>– When the directors are aware of material uncertainties relating to events or conditions that may cast significant doubt upon the company's ability to continue as a going concern, such uncertainties should be clearly and prominently set out and discussed at length in the Corporate Governance Report.</li> </ul>	<ul style="list-style-type: none"> <li>√</li> <li>√</li> <li>√</li> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>• The Directors annually acknowledge in writing their responsibility for preparing the financial statements of the Group.</li> <li>• Directors are not aware of material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern as referred to in C.1.2 of the Code on CG Practices.</li> <li>• With the assistance of the Company's Accounts Department which is under the supervision of the Chief Manager who is a professional accountant, the Directors ensure the preparation of the financial statements of the Group are in accordance with statutory requirements and applicable accounting standards.</li> <li>• The Directors also ensure the publication of the financial statements of the Group is in a timely manner.</li> <li>• The statement by the auditor of the Company regarding its reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on page 137.</li> </ul>
C.1.3	The board's responsibility to present a balanced, clear and understandable assessment extends to annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.	√	<ul style="list-style-type: none"> <li>• The Board aims to present a clear, balanced and understandable assessment of the Group's performance and position in all shareholder communications.</li> <li>• The Board is aware of the requirements under the applicable rules and regulations about timely disclosure of price-sensitive information or matters regarding the Company and will authorise the publication of such announcements as and when the occasion arises. The Company Secretary and key officers of the Company Secretarial Department work closely and in consultation with legal advisers to review the materiality and sensitivity of transactions and proposed transactions and advise the Board accordingly.</li> </ul>
<b>C.2</b>	<p><b>Internal controls</b></p> <p><i>Corporate Governance Principle</i></p> <p><i>The Board should ensure that the Company maintains sound and effective internal controls to safeguard the shareholders' investment and the Company's assets.</i></p>		
C.2.1	<ul style="list-style-type: none"> <li>– Directors to review the effectiveness of system of internal control of the company and its subsidiaries at least annually and to report that they have done so in the Corporate Governance Report</li> <li>– The review should cover all material controls, including financial, operational and compliance controls and risk management functions.</li> </ul>	<ul style="list-style-type: none"> <li>√</li> <li>√</li> </ul>	<ul style="list-style-type: none"> <li>• The Board has overall responsibility for maintaining sound and effective internal control system of the Group. The Group's system of internal control includes a defined management structure with limits of authority, is designed to help the achievement of business objectives, safeguard assets against unauthorised use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensure compliance with relevant legislation and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievement of the Group's objectives.</li> </ul> <p><b>Internal Control Environment</b></p> <ul style="list-style-type: none"> <li>• An organisational structure with operating policies and procedures, lines of responsibility and delegated authority has been established.</li> <li>• The relevant Executive Directors and senior management are delegated with respective levels of authorities with regard to key corporate strategy and policy and contractual commitments.</li> <li>• Operational budgets are prepared by operational departments and reviewed by the responsible Directors prior to being adopted. There are procedures for the appraisal, review and approval of major capital and recurrent expenditure. Results of operations against budgets are reported regularly to the Executive Directors.</li> </ul>

## Corporate Governance Report (continued)

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices								
C.2.1 (cont'd)			<ul style="list-style-type: none"> <li>Proper controls are in place for the recording of complete, accurate and timely accounting and management information. Regular reviews and audits are carried out to ensure that the preparation of financial statements is carried out in accordance with generally accepted accounting principles, the Group's accounting policies and applicable laws and regulations.</li> <li>The Internal Control Self Assessment process is established that requires the senior management in each material business unit to annually assess the effectiveness of controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations and the related risks.</li> <li>The Internal Audit Department provides an independent appraisal of the Group's financial and operational activities, and makes constructive recommendations to the relevant management for necessary actions.</li> </ul> <p>The Internal Audit Department carries out annual risk assessment on each audit area and derives a yearly audit plan according to their risk ratings. The audit plan is reviewed and endorsed by the audit committee of the Company ("Audit Committee"). In addition to its agreed schedule of work, the Internal Audit Department conducts other review and investigative work as may be required. The results of internal audit reviews and agreed action plans in response to the Internal Audit Department's recommendations are reported to the Executive Directors and Audit Committee periodically. The Internal Audit Department also follows up the corrective actions to ensure that satisfactory controls are maintained.</p> <ul style="list-style-type: none"> <li>Reports from the external auditor, Messrs. Deloitte Touche Tohmatsu ("Deloitte"), on internal controls and relevant financial reporting matters, are presented to the Audit Committee and management.</li> <li>The Board, through the Audit Committee, has conducted an annual review of the effectiveness of the system of internal control of the Company and its subsidiaries and considers it is adequate and effective. The review covers all material controls, including financial, operational and compliance controls and risk management functions. The Board is not aware of any significant areas of concern which may affect the shareholders. The Board is satisfied that the Group has fully complied with the code provisions on internal controls as set forth in the Code on CG Practices.</li> </ul>								
C.2.2	The board's annual review should, in particular, consider the adequacy of resources, qualifications and experience of staff of the company's accounting and financial reporting function, and their training programmes and budget.	√	<ul style="list-style-type: none"> <li>The Board, through the Audit Committee and with the appraisal performed by the Internal Audit Department, reviewed the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget at the Board meeting held in March 2011 and noted that the Company has been in compliance with the Code Provision for the year 2010. Please also refer to C.3.3 of Part I.</li> </ul>								
C.3	<p><b>Audit Committee</b></p> <p><i>Corporate Governance Principle</i></p> <p><i>The Board should establish formal and transparent arrangements for considering how it will apply the financial reporting and internal control principles and for maintaining an appropriate relationship with the Company's auditors.</i></p>										
C.3.1	<ul style="list-style-type: none"> <li>Full minutes of audit committee meetings should be kept by a duly appointed secretary of the meeting.</li> <li>Draft and final versions of minutes for all members of the audit committee to comment and to keep records within a reasonable time after the meeting</li> </ul>	<p>√</p> <p>√</p>	<ul style="list-style-type: none"> <li>Minutes drafted by the Company Secretary are circulated to members of the Audit Committee within a reasonable time after each meeting.</li> <li>Audit Committee meetings were held in March and August 2010. Details of the attendance records of members of the Audit Committee are as follows:</li> </ul> <table border="1"> <thead> <tr> <th>Members of the Audit Committee</th> <th>Attendance</th> </tr> </thead> <tbody> <tr> <td>CHEONG Ying Chew, Henry (<i>Chairman of the Audit Committee</i>)</td> <td>2/2</td> </tr> <tr> <td>KWOK Tun-li, Stanley</td> <td>2/2</td> </tr> <tr> <td>HUNG Siu-lin, Katherine</td> <td>2/2</td> </tr> </tbody> </table> <p>Note: The members of the Audit Committee may attend meetings in person, by phone or through other means of electronic communication or by their alternates in accordance with the Company's Articles of Association.</p>	Members of the Audit Committee	Attendance	CHEONG Ying Chew, Henry ( <i>Chairman of the Audit Committee</i> )	2/2	KWOK Tun-li, Stanley	2/2	HUNG Siu-lin, Katherine	2/2
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HUNG Siu-lin, Katherine	2/2										

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices
C.3.1 (cont'd)			<ul style="list-style-type: none"> <li>• The following is a summary of the work of the Audit Committee during 2010:               <ol style="list-style-type: none"> <li>1. Review of the financial reports for 2009 annual results and 2010 interim results;</li> <li>2. Review of the findings and recommendations of the Internal Audit Department on the work of various departments and related companies;</li> <li>3. Review of the effectiveness of the internal control system;</li> <li>4. Review of the external auditor's audit findings;</li> <li>5. Review of the auditor's remuneration;</li> <li>6. Review of risks of different business units and analysis thereof provided by the relevant business units; and</li> <li>7. Review of the control mechanisms for such risks and advising on action plans for improvement of the situations.</li> </ol> </li> <li>• After due and careful consideration of reports from management and the internal and external auditors, the Audit Committee was of the view that no suspected fraud or irregularities, significant internal control deficiencies, or suspected infringement of laws, rules, or regulations had been found, and concluded at the meeting held on 25th March, 2011 that the system of internal controls was adequate and effective.</li> <li>• On 25th March, 2011, the Audit Committee met to review the Group's 2010 consolidated financial statements, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditor. After review and discussions with the management, internal auditor and external auditor, the Audit Committee endorsed the accounting treatment adopted by the Company, and the Audit Committee had to the best of its ability assured itself that the disclosure of the financial information in the 2010 Annual Report complied with the applicable accounting standards and Appendix 16 to the Listing Rules. The Audit Committee therefore recommended the Board's approval of the consolidated financial statements for the year ended 31st December, 2010.</li> <li>• The Audit Committee also recommended to the Board the re-appointment of Deloitte as the Company's external auditor for 2011 and that the related resolution shall be put forth for shareholders' consideration and approval at the 2011 annual general meeting.</li> <li>• The Group's Annual Report for the year ended 31st December, 2010 has been reviewed by the Audit Committee.</li> </ul>
C.3.2	A former partner of existing auditing firm shall not act as a member of the committee for 1 year after he ceases to be a partner or to have any financial interest in, the firm, whichever is the later.	√	<ul style="list-style-type: none"> <li>• No member of the Audit Committee is a former partner of the existing auditing firm of the Company during the one year after he/she ceases to be a partner of the auditing firm.</li> </ul>
C.3.3	<p>Terms of reference of the audit committee should include:</p> <ul style="list-style-type: none"> <li>– recommendation to the board on the appointment and removal of external auditor and approval of their terms of engagement</li> <li>– review and monitor external auditor's independence and effectiveness of audit process</li> <li>– review of financial information of the company</li> <li>– oversight of the company's financial reporting system and internal control procedures, including the adequacy of resources, qualifications and experience of staff of the company's accounting and financial reporting function, and their training programmes and budget</li> </ul>	√	<ul style="list-style-type: none"> <li>• The terms of reference of the Audit Committee, which follow closely the requirements of the Code Provisions and have been modified from time to time and adopted by the Board, are posted on the Company's website.</li> </ul>

## Corporate Governance Report (continued)

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices
C.3.4	The audit committee should make available its terms of reference, explaining its role and the authority delegated to it by the board.	√	<ul style="list-style-type: none"> <li>The Listing Rules require every listed issuer to establish an audit committee comprising at least three members who must be non-executive directors only, and the majority thereof must be independent non-executive directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. The Company established the Audit Committee in December 1998 with reference to "A Guide for the Formation of an Audit Committee" issued by the Hong Kong Institute of Certified Public Accountants.</li> <li>In accordance with the requirements of the Code on CG Practices, the terms of reference of the Audit Committee were revised from time to time in terms substantially the same as the provisions set out in the Code on CG Practices. The latest version of the terms of reference of the Audit Committee is available on the Company's website.</li> <li>The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information and review of the relationship with the external auditor of the Company. Regular meetings have been held by the Audit Committee since its establishment.</li> <li>The Audit Committee comprises three Independent Non-executive Directors, namely, Mr. Cheong Ying Chew, Henry (Chairman of the Audit Committee), Mr. Kwok Tun-li, Stanley and Ms. Hung Siu-lin, Katherine, held two meetings during the year.</li> </ul>
C.3.5	Where the board disagrees with the audit committee's view on the selection, appointment, resignation or dismissal of the external auditors, the company should include in the Corporate Governance Report a statement from the audit committee explaining its recommendation and also the reason(s) why the board has taken a different view.	N/A	<ul style="list-style-type: none"> <li>The Audit Committee recommended to the Board that, subject to shareholders' approval at the forthcoming annual general meeting, Deloitte be re-appointed as the Company's external auditor for 2011.</li> <li>For the year ended 31st December, 2010, the external auditor of the Company received approximately HK\$6 million for audit services and HK\$1 million for tax and other services.</li> </ul>
C.3.6	The audit committee should be provided with sufficient resources to discharge its duties.	√	<ul style="list-style-type: none"> <li>The Audit Committee has been advised that the Company Secretary can arrange independent professional advice at the expense of the Company should the seeking of such advice be considered necessary by the Audit Committee.</li> </ul>
<b>D. DELEGATION BY THE BOARD</b>			
<b>D.1 Management functions</b>			
<i>Corporate Governance Principle</i>			
<i>The Company should have a formal schedule of matters specifically reserved to the Board and those delegated to management.</i>			
D.1.1	When the board delegates aspects of its management and administration functions to management, it must at the same time give clear directions as to the powers of management, in particular, with respect to the circumstances where management should report back and obtain prior approval from the board before making decisions or entering into any commitments on behalf of the company.	√	<ul style="list-style-type: none"> <li>Executive Directors are in charge of different businesses and functional divisions in accordance with their respective areas of expertise.</li> <li>Please refer to the Management Structure Chart set out on page 77.</li> <li>For matters or transactions of a material nature, the same will be referred to the Board for approval.</li> <li>For matters or transactions of a magnitude requiring disclosure under the Listing Rules or other applicable rules or regulations, appropriate disclosure will be made and where necessary, circular will be prepared and shareholders' approval will be obtained in accordance with the requirements of the applicable rules and regulations.</li> </ul>
D.1.2	Formalise functions reserved to the board and those delegated to management and to review those arrangements on a periodic basis to ensure that they remain appropriate to the needs of the company.	√	<ul style="list-style-type: none"> <li>The Board, led by the Chairman, is responsible for the Group's future development directions; overall strategies and policies; evaluation of the performance of the Group and the management; and approval of matters that are of a material or substantial nature.</li> <li>Under the leadership of the Managing Director, management is responsible for the day-to-day operations of the Group.</li> </ul>

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices
<b>D.2</b>	<b>Board Committees</b>		
	<i>Corporate Governance Principle</i> <i>Board Committees should be formed with specific written terms of reference which deal clearly with the committees' authority and duties.</i>		
D.2.1	Where board committees are established to deal with matters, the board should prescribe sufficiently clear terms of reference to enable such committees to discharge their functions properly.	√	<ul style="list-style-type: none"> <li>Two Board Committees, namely, Audit Committee and Remuneration Committee, have been established with specific terms of reference as mentioned in C.3.3 and B.1.3 of Part I above.</li> </ul>
D.2.2	The terms of reference of board committees should require such committees to report back to the board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).	√	<ul style="list-style-type: none"> <li>Board Committees report to the Board of their decisions and recommendations at the Board meetings.</li> </ul>
<b>E.</b>	<b>COMMUNICATION WITH SHAREHOLDERS</b>		
<b>E.1</b>	<b>Effective communication</b>		
	<i>Corporate Governance Principle</i> <i>The Board should endeavour to maintain an on-going dialogue with shareholders and in particular, use annual general meetings or other general meetings to communicate with shareholders and encourage their participation.</i>		
E.1.1	In respect of each substantially separate issue at a general meeting, a separate resolution should be proposed by the chairman of that meeting.	√	<ul style="list-style-type: none"> <li>Separate resolutions are proposed at the general meetings of the Company on each substantially separate issue, including the election of individual directors.</li> </ul>
E.1.2	<ul style="list-style-type: none"> <li>The chairman of the board should attend the annual general meeting and arrange for the chairmen of the audit, remuneration and nomination committees (as appropriate) or in the absence of the chairman of such committees, another member of the committee to be available to answer questions at the annual general meeting.</li> <li>The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that is subject to independent shareholders' approval.</li> </ul>	√  √	<ul style="list-style-type: none"> <li>In 2010, the Chairman of the Board, Chairman of the Audit Committee and Chairman of the Remuneration Committee attended the annual general meeting and were available to answer questions.</li> <li>The Company establishes different communication channels with shareholders and investors, including (i) printed copies of corporate communications (including but not limited to annual reports, interim reports, notices of meetings, circulars and proxy forms) required under the Listing Rules, and shareholders can choose (or are deemed to have consented) to receive such documents using electronic means through the Company's website; (ii) the annual general meeting provides a forum for shareholders to raise comments and exchange views with the Board; (iii) updated and key information on the Group is available on the website of the Company; (iv) the Company's website offers a communication channel between the Company and its shareholders and stakeholders; (v) regular press conferences and briefing meetings with analysts are arranged from time to time to update interested parties on the performance of the Group; (vi) the Company's Registrar deals with shareholders for share registration and related matters; and (vii) the Corporate Affairs Department of the Company handles enquiries from shareholders and investors generally.</li> </ul>
E.1.3	The company should arrange for the notice to shareholders to be sent in the case of annual general meeting at least 20 clear business days before the meeting and to be sent at least 10 clear business days in the case of all other general meetings.	√	<ul style="list-style-type: none"> <li>The Company's notice to shareholders for the 2010 annual general meeting of the Company was sent at least 20 clear business days before the meeting.</li> </ul>

## Corporate Governance Report (continued)

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices
E.2	<p><b>Voting by poll</b></p> <p><b>Corporate Governance Principle</b></p> <p><i>The Company should ensure that shareholders are familiar with the detailed procedures for conducting a poll.</i></p>		
E.2.1	<p>The chairman of a meeting should at the commencement of the meeting ensure that an explanation is provided of the detailed procedures for conducting a poll and then answer any questions from shareholders regarding voting by way of a poll.</p>	√	<ul style="list-style-type: none"> <li>• At the 2010 annual general meeting, the Chairman of the meeting explained the detailed procedures for conducting a poll, and answered questions from shareholders.</li> <li>• At the 2010 annual general meeting, the Chairman of the meeting exercised his power under the Company's Articles of Association to put each resolution set out in the notice to be voted by way of a poll.</li> <li>• Representatives of the Share Registrar of the Company were appointed as scrutineers to monitor and count the poll votes cast at the 2010 annual general meeting.</li> <li>• Since the Company's 2003 annual general meeting, all the resolutions put to vote at the Company's general meetings were taken by poll.</li> <li>• Poll results were posted on the websites of the Company and the Stock Exchange.</li> </ul>



## Corporate Governance Report (continued)

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.1.10 (cont'd)	<p>A.1.5</p> <ul style="list-style-type: none"> <li>– Minutes of board meetings and meetings of board committees should be kept by a duly appointed secretary of the meeting.</li> <li>– Such minutes should be open for inspection at any reasonable time on reasonable notice by any director.</li> </ul> <p>A.1.6</p> <ul style="list-style-type: none"> <li>– Minutes of board meetings and meetings of board committees should record in sufficient detail the matters considered by the board and decisions reached.</li> <li>– Draft and final versions of board minutes for all directors to comment and to keep records within a reasonable time after the board meeting</li> </ul> <p>A.1.7</p> <ul style="list-style-type: none"> <li>– A procedure agreed by the board to enable directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the company's expense</li> <li>– The board should resolve to provide separate independent professional advice to directors to assist the relevant director or directors to discharge his/her duties to the company.</li> </ul> <p>A.1.8</p> <ul style="list-style-type: none"> <li>– If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should not be dealt with by way of circulation or by a committee but a board meeting should be held.</li> <li>– Independent non-executive directors who, and whose associates, have no material interest in the transaction should be present at such board meeting.</li> </ul>	<p>C</p> <p>C</p> <p>C</p> <p>C</p> <p>C</p> <p>C</p> <p>C</p>	<ul style="list-style-type: none"> <li>• The Company Secretary prepares minutes/written resolutions and keeps records of substantive matters discussed and decisions resolved at Board Committee meetings.</li> <li>• Board Committee minutes/written resolutions are sent to all Board Committee members within a reasonable time (generally within 14 days) after each Board Committee meeting.</li> <li>• Board Committee minutes/written resolutions are available for inspection by Board Committee members.</li> <li>• The minutes of the Board Committees record in sufficient detail the matters considered by the Board Committees and decisions reached.</li> <li>• Board Committee members are given an opportunity to comment on the draft Board Committee minutes.</li> <li>• Final version of Board Committee minutes is placed on record within a reasonable time after the Board Committee meeting.</li> <li>• Board Committee members have been advised that the Company Secretary can arrange independent professional advice at the expense of the Company should such advice be considered necessary by any Board Committee member.</li> <li>• Board Committee members must declare his/her interest in the matters to be considered by the Board Committee, if applicable.</li> <li>• In case of conflict of interests, relevant Directors will refrain from voting. Mr. Li Ka-shing, the Chairman of the Board, is also the Chairman of the Remuneration Committee. He refrained from voting at decisions made in respect of his own remuneration package.</li> </ul>

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.2	<b>Chairman and Chief Executive Officer</b>		
	<b>Corporate Governance Principle</b>		
	<i>There should be a clear division of responsibilities between the Chairman and the Managing Director of the Company to ensure a balance of power and authority.</i>		
A.2.4	<ul style="list-style-type: none"> <li>– Chairman to provide leadership for the board</li> <li>– The chairman should ensure that the board works effectively and discharges its responsibilities, and that all key and appropriate issues are discussed by the board in a timely manner.</li> <li>– The chairman should be primarily responsible for drawing up and approving the agenda for each board meeting taking into account, where appropriate, any matters proposed by the other directors for inclusion in the agenda. The chairman may delegate such responsibility to a designated director or the company secretary.</li> </ul>	<p>C</p> <p>C</p> <p>C</p>	<ul style="list-style-type: none"> <li>• The Chairman of the Board is an Executive Director who is responsible for the leadership and effective running of the Board.</li> <li>• The Chairman determines the broad strategic direction of the Group in consultation with the Board and is responsible for the high-level oversight of management.</li> <li>• The Board meets regularly and held meetings in March, May, August and November 2010.</li> <li>• With the support of the Executive Directors and the Company Secretary, the Chairman ensures that all Directors are properly briefed on all key and appropriate issues on a timely manner.</li> <li>• The Company Secretary assists the Chairman in preparing the agenda for each Board meeting and ensures that, where applicable, matters proposed by other Directors are included in the agenda; and that all applicable rules and regulations are followed.</li> </ul>
A.2.5	The chairman should take responsibility for ensuring that good corporate governance practices and procedures are established.	C	<ul style="list-style-type: none"> <li>• The Board as a whole and the management of the Company are committed to the maintenance of good corporate governance practices and procedures.</li> </ul>
A.2.6	The chairman should encourage all directors to make a full and active contribution to the board's affairs and take the lead to ensure that the board acts in the best interests of the company.	C	<ul style="list-style-type: none"> <li>• Please refer to A.2.4 and A.2.5 of Part II above for the details.</li> </ul>
A.2.7	The chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present.	C	<ul style="list-style-type: none"> <li>• In addition to regular Board meetings, the Chairman of the Board met with the Non-executive Directors (including the Independent Non-executive Directors) without the presence of the Executive Directors in May and November 2010. Please refer to A.2.2 of Part I above for details of attendance records.</li> </ul>
A.2.8	The chairman should ensure that appropriate steps are taken to provide effective communication with shareholders and that views of shareholders are communicated to the board as a whole.	C	<ul style="list-style-type: none"> <li>• The Company establishes different communication channels with shareholders and investors as set out in E.1.2 of Part I above.</li> </ul>
A.2.9	The chairman should facilitate the effective contribution of non-executive directors in particular and ensure constructive relations between executive and non-executive directors.	C	<ul style="list-style-type: none"> <li>• Please refer to A.2.4 and A.2.5 of Part II above for the details.</li> </ul>

## Corporate Governance Report (continued)

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.3	<p><b>Board composition</b></p> <p><i>Corporate Governance Principle</i></p> <p><i>The Board should have a balance of skills and experience appropriate for the requirements of the business of the Company and should include a balanced composition of Executive and Non-executive Directors so that independent judgement can effectively be exercised.</i></p>		
A.3.2	The company should appoint independent non-executive directors representing at least one-third of the board.	C	<ul style="list-style-type: none"> <li>The Board consists of a total of twenty Directors, comprising eight Executive Directors, five Non-executive Directors and seven Independent Non-executive Directors. More than one-third of the Board are Independent Non-executive Directors of which more than one have appropriate professional qualifications, or accounting or related financial management expertise.</li> </ul>
A.3.3	The company should maintain on its website an updated list of its directors identifying their role and function and whether they are independent non-executive directors.	C  E	<ul style="list-style-type: none"> <li>The Company maintains on its website an updated list of its Directors together with their biographical information, and identifies whether they are independent non-executive directors. The Company has also posted on its website the Terms of Reference of the Board Committees to enable the shareholders to understand the role played by those Independent Non-executive Directors who serve on the relevant Board Committees.</li> <li>The Company is of the view that Executive Directors are collectively in charge of the overall executive functions of the Group as a team for the purposes of efficiency and effectiveness, and hence it is neither appropriate nor meaningful to identify on its website the role and function of its individual Executive Directors.</li> </ul>
A.4	<p><b>Appointments, re-election and removal</b></p> <p><i>Corporate Governance Principle</i></p> <p><i>There should be a formal, considered and transparent procedure for the appointment of new Directors and plans in place for orderly succession for appointments to the Board. All Directors should be subject to re-election at regular intervals.</i></p>		
A.4.3	<ul style="list-style-type: none"> <li>If an independent non-executive director serves more than 9 years, any further appointment of such independent non-executive director should be subject to a separate resolution to be approved by shareholders.</li> <li>The board should set out to shareholders in the papers accompanying a resolution to elect such an independent non-executive director the reasons they believe that the individual continues to be independent and why he should be re-elected.</li> </ul>	C  C	<ul style="list-style-type: none"> <li>Each Independent Non-executive Director who was subject to retirement by rotation was appointed by a separate resolution in the Company's annual general meeting. Each Independent Non-executive Director who was eligible for re-election at the annual general meeting had made a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company had expressed the view in its circular that each Independent Non-executive Director who was eligible for re-election had met the independence guidelines set out in Rule 3.13 of the Listing Rules and was independent in accordance with the terms of the guidelines. While in accordance with the recommended best practices, the Company has to include its own recommendation in the circular to explain why a particular candidate should be re-elected, as their relevant credentials have been included in the circular for the shareholders' information, the Company opines that it is more important for the shareholders themselves to make their own independent decision on whether to approve a particular re-election or not.</li> </ul>
A.4.4 – A.4.8	<ul style="list-style-type: none"> <li>The company should establish a nomination committee. A majority of the members of the nomination committee should be independent non-executive directors.</li> <li>The nomination committee should be established with specific written terms of reference which deal clearly with the committee's authority and duties.</li> </ul>	E	<ul style="list-style-type: none"> <li>The Company does not have a nomination committee. The Board as a whole is responsible for the appointment of new Directors and the nomination of Directors for re-election by shareholders at the general meeting of the Company. Under the Company's Articles of Association, the Board may from time to time appoint a Director either to fill a casual vacancy or as an addition to the Board. Any such new Director shall hold office until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board) and shall then be eligible for re-election at the same general meeting.</li> </ul>

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.4.4 – A.4.8 (cont'd)	<p>– It is recommended that the nomination committee should discharge the following duties:–</p> <p>(a) review the structure, size and composition (including the skills, knowledge and experience) of the board on a regular basis and make recommendations to the board regarding any proposed changes;</p> <p>(b) identify individuals suitably qualified to become board members and select or make recommendations to the board on the selection of, individuals nominated for directorships;</p> <p>(c) assess the independence of independent non-executive directors; and</p> <p>(d) make recommendations to the board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors in particular the chairman and the chief executive officer.</p> <p>– The nomination committee should make available its terms of reference explaining its role and the authority delegated to it by the board.</p> <p>– The nomination committee should be provided with sufficient resources to discharge its duties.</p> <p>– Where the board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe the individual should be elected and the reasons why they consider the individual to be independent.</p>		<ul style="list-style-type: none"> <li>• At present, the Company does not consider it necessary to have a nomination committee as the full Board is responsible for reviewing the structure, size and composition of the Board from time to time to ensure that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of the Company, and the Board as a whole is also responsible for reviewing the succession plan for the Directors, in particular the Chairman and the Managing Director.</li> <li>• Under the Company's Articles of Association, the Board may from time to time appoint a Director either to fill a casual vacancy or as an addition to the Board. The Company adopts a formal, considered and transparent procedure for the appointment of new Directors. Before a prospective Director's name is formally proposed, the opinions of the existing Directors (including the Independent Non-executive Directors) are sought. After considering the proposal for the appointment of a new Director, the Board as a whole will make the final decision.</li> <li>• The Board as a whole is responsible for assessing the independence of the Independent Non-executive Directors according to the relevant rules and requirements under the Listing Rules. The Company is of the view that all Independent Non-executive Directors meet the independence guidelines set out in the relevant requirements of the Listing Rules and are independent in accordance with the terms of the guidelines.</li> </ul> <p>• Please refer to A.4.3 of Part II above for the details.</p>

## Corporate Governance Report (continued)

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.5	<p><b>Responsibilities of directors</b></p> <p><i>Corporate Governance Principle</i></p> <p><i>Every Director is required to keep abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Company.</i></p>		
A.5.5	All directors should participate in a programme of continuous professional development to develop and refresh their knowledge and skills to help ensure that their contribution to the board remains informed and relevant. The company should be responsible for arranging and funding a suitable development programme.	C	<ul style="list-style-type: none"> <li>The Company regularly reminds all Directors of their functions and responsibilities. Through regular Board meetings and the circulation of written resolutions, memos and board papers, all Directors are kept abreast of the conduct, business activities and development of the Company.</li> <li>A package compiled and reviewed by the Company's legal advisers setting out the duties and responsibilities of directors under the Listing Rules, the Companies Ordinance and other related ordinances and relevant regulatory requirements of Hong Kong is provided to each newly appointed Director. A revised information package comprising the latest developments in laws, rules and regulations relating to the duties and responsibilities of directors will be forwarded to each Director from time to time for his/her information and ready reference. Guidelines for directors issued by the Companies Registry of Hong Kong and The Hong Kong Institute of Directors have been forwarded to each Director for his/her information and ready reference.</li> <li>Memos are issued from time to time to keep Directors up to date with legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties.</li> <li>Seminars are organised from time to time at which distinguished professionals are invited to present to the Directors on subjects relating to directors' duties and corporate governance, etc.</li> </ul>
A.5.6	Each director should disclose to the company at the time of his appointment, and on a periodic basis, the number and nature of offices held in public companies or organisations and other significant commitments, with the identity of the public companies or organisations and an indication of the time involved. The board should determine for itself how frequently such disclosure should be made.	C	<ul style="list-style-type: none"> <li>The Directors have disclosed to the Company at the time of their appointment and from time to time thereafter the number and nature of offices held in public companies or organisations and other significant commitments, identifying the public companies or organisations involved.</li> </ul>
A.5.7	Non-executive directors, as equal board members, should give the board and any committees on which they serve such as the audit, remuneration or nomination committees the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders.	C	<ul style="list-style-type: none"> <li>There is satisfactory attendance at Board meetings, Board Committee meetings, the meetings between the Chairman and the Non-executive Directors (including the Independent Non-executive Directors) and the general meeting during the year. Please refer to A.1.1, A.2.2, B.1.1 and C.3.1 of Part I above for details of attendance records.</li> <li>Extent of participation and contribution should be viewed both quantitatively and qualitatively.</li> </ul>
A.5.8	Non-executive directors should make a positive contribution to the development of the company's strategy and policies through independent, constructive and informed comments.	C	<ul style="list-style-type: none"> <li>There is satisfactory attendance at Board meetings, Board Committee meetings, the meetings between the Chairman and the Non-executive Directors (including the Independent Non-executive Directors) and the general meeting during the year. Please refer to A.1.1, A.2.2, B.1.1 and C.3.1 of Part I above for details of attendance records.</li> </ul>
A.6	<p><b>Supply of and access to information</b></p> <p><i>Corporate Governance Principle</i></p> <p><i>Directors should be provided in a timely manner with appropriate information in such form and of such quality as will enable them to make an informed decision and to discharge their duties and responsibilities as Directors of the Company.</i></p>		
There is no recommended best practice under Section A.6 in the Code on CG Practices.			

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
<b>B. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT</b>			
<b>B.1 The level and make-up of remuneration and disclosure</b>			
<i>Corporate Governance Principle</i>			
<i>There should be a formal and transparent procedure for setting policy on Executive Directors' remuneration and for fixing the remuneration packages for all Directors.</i>			
B.1.6	A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.	C	<ul style="list-style-type: none"> <li>A significant proportion of Executive Directors' remuneration has been structured so as to link rewards to corporate and individual performance in 2010. Please refer to note (4) in the Notes to Financial Statements for details of discretionary bonus.</li> </ul>
B.1.7	The company should disclose details of any remuneration payable to members of senior management, on an individual and named basis, in their annual reports and accounts.	E	<ul style="list-style-type: none"> <li>The remuneration payable to senior management represents only a small portion of the turnover and profits of the Company. As a matter of practice, disclosing details of the remuneration payable to senior management on an individual basis does not bring significant benefits or provide useful information to the shareholders.</li> </ul>
B.1.8	Where the board resolves to approve any remuneration or compensation arrangements which the remuneration committee has previously resolved not to approve, the board must disclose the reasons for its resolution in its next annual report.	N/A	<ul style="list-style-type: none"> <li>The Board has never approved any remuneration or compensation arrangements which have previously been rejected by the Remuneration Committee.</li> </ul>
<b>C. ACCOUNTABILITY AND AUDIT</b>			
<b>C.1 Financial reporting</b>			
<i>Corporate Governance Principle</i>			
<i>The Board should present a balanced, clear and comprehensible assessment of the Company's performance, position and prospects.</i>			
C.1.4 – C.1.5	<ul style="list-style-type: none"> <li>The company should announce and publish quarterly financial results within 45 days after the end of the relevant quarter, disclosing such information as would enable shareholders to assess the performance, financial position and prospects of the company. Any such quarterly financial reports should be prepared using the accounting policies applied to the company's half-year and annual accounts.</li> <li>Once the company decides to announce and publish its quarterly financial results, it should continue to adopt quarterly reporting for each of the first 3 and 9 months periods of subsequent financial years. Where the company decides not to announce and publish its financial results for a particular quarter, it should publish an announcement to disclose the reason(s) for such decision.</li> </ul>	E	<ul style="list-style-type: none"> <li>The Company issued half-yearly financial results within 2 months after the end of the relevant period, and annual financial results within 3 months after the end of the relevant year. In addition, all significant and price-sensitive transactions have been announced and disclosed in accordance with the Listing Rules during the year. The shareholders of the Company are therefore able to assess the performance, financial position and prospects of the Company. The Company does not consider it necessary, nor is it in the interests of the Company and its shareholders, to issue quarterly financial results. This would result in incurring costs disproportionate to any additional benefits to the shareholders.</li> <li>Quarterly financial reports may not fairly reflect the actual performance of the Company given that the development cycle of property projects often spans a period of three to five years.</li> </ul>
		E	

## Corporate Governance Report (continued)

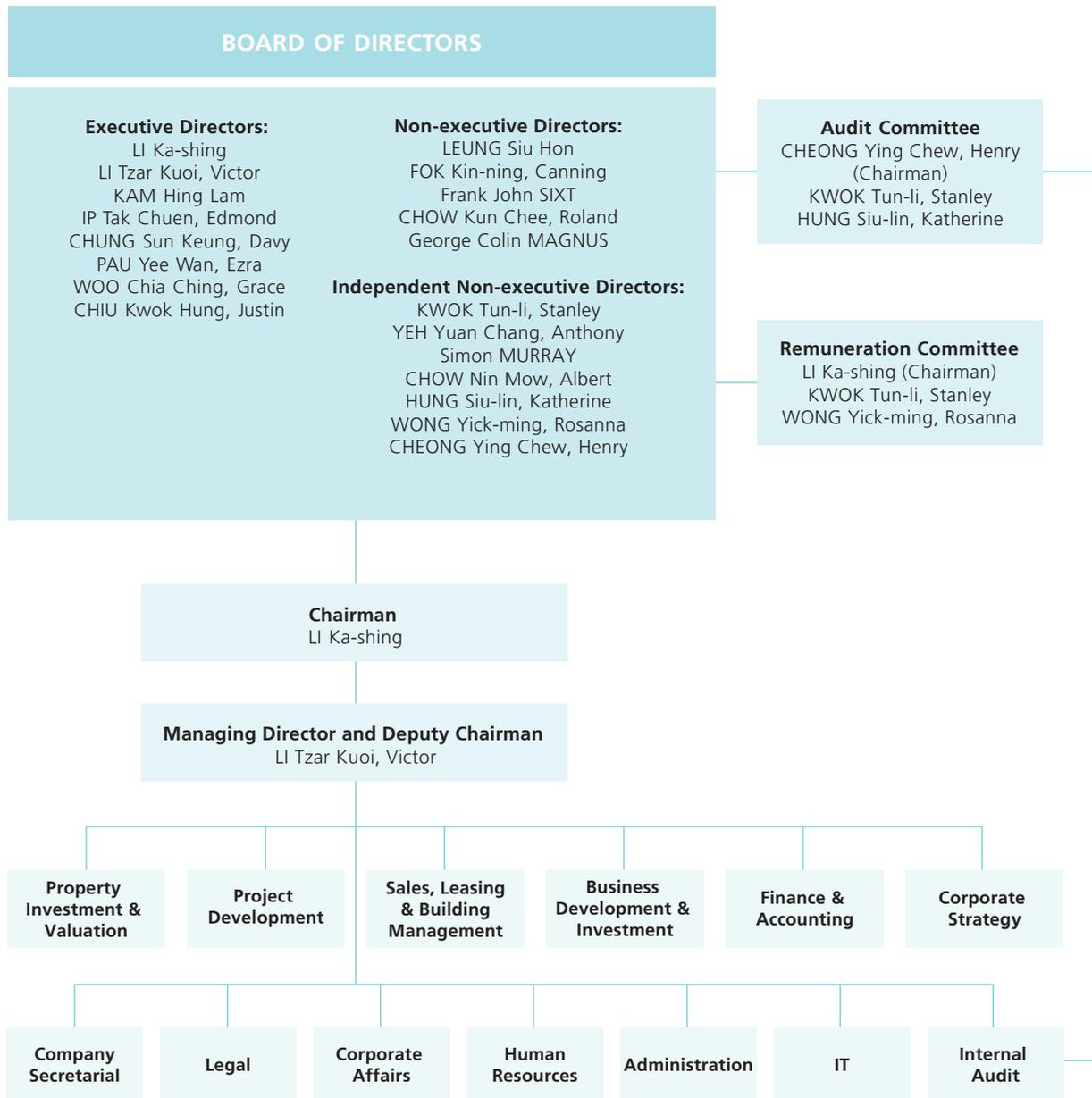
Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.2	<p><b>Internal controls</b></p> <p><i>Corporate Governance Principle</i></p> <p><i>The Board should ensure that the Company maintains sound and effective internal controls to safeguard the shareholders' investment and the Company's assets.</i></p>		
C.2.3	<p>The board's annual review should, in particular, consider:</p> <ul style="list-style-type: none"> <li>– the changes since the last annual review in the nature and extent of significant risks, and the company's ability to respond to changes in its business and the external environment;</li> <li>– the scope and quality of management's ongoing monitoring of risks and of the system of internal control, and where applicable, the work of its internal audit function and other providers of assurance;</li> <li>– the extent and frequency of the communication of the results of the monitoring to the board (or board committee(s)) which enables it to build up a cumulative assessment of the state of control in the company and the effectiveness with which risk is being managed;</li> <li>– the incidence of significant control failings or weakness that has been identified at any time during the period and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the company's financial performance or conditions; and</li> <li>– the effectiveness of the company's processes relating to financial reporting and Listing Rule compliance.</li> </ul>	<p>C</p> <p>C</p> <p>C</p> <p>C</p> <p>C</p>	<ul style="list-style-type: none"> <li>• The Board, through the Audit Committee, reviews annually the effectiveness of system of internal control of the Company and its subsidiaries, such review considers: <ul style="list-style-type: none"> <li>– the changes in the significant risks since the last review, and the Company's ability to respond to changes in its business and the external environment;</li> <li>– the management's ongoing monitoring of risks and the system of internal control, and the work of the internal audit function;</li> <li>– the communication of the monitoring results to the Board that enables it to build up a cumulative assessment of the state of control in the Company and the effectiveness of the risk management;</li> <li>– any incidence of significant control failings or weaknesses identified and the extent to which they have caused unforeseeable outcomes or contingencies that had or might have material impact on the Company's financial performance or condition; and</li> <li>– the effectiveness of the Company's processes relating to financial reporting and Listing Rules compliance.</li> </ul> </li> </ul>
C.2.4	<p>The company should disclose as part of the Corporate Governance Report a narrative statement how they have complied with the code provisions on internal control during the reporting period. The disclosures should also include the following items:</p> <ul style="list-style-type: none"> <li>– the process that the company has applied for identifying, evaluating and managing the significant risks faced by it;</li> </ul>	C	<ul style="list-style-type: none"> <li>• In the Corporate Governance Report, the Company, in particular item C.2.1 of Part I, discloses: <ul style="list-style-type: none"> <li>– the process of identifying, evaluating and managing the significant risks;</li> <li>– any additional information to assist understanding of the risk management processes and internal control system;</li> <li>– an acknowledgement by the Board that it is responsible for the internal control system and for reviewing its effectiveness;</li> <li>– the process applied in reviewing the effectiveness of internal control system; and</li> <li>– the process applied to deal with material internal control aspects of any significant problems disclosed in its Annual Reports and Financial Statements.</li> </ul> </li> </ul>

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.2.4 (cont'd)	<ul style="list-style-type: none"> <li>– any additional information to assist understanding of the company's risk management processes and system of internal control;</li> <li>– an acknowledgement by the board that it is responsible for the company's system of internal control and for reviewing its effectiveness;</li> <li>– the process that the company has applied in reviewing the effectiveness of the system of internal control; and</li> <li>– the process that the company has applied to deal with material internal control aspects of any significant problems disclosed in its annual reports and accounts.</li> </ul>	C	
C.2.5	The company should ensure that their disclosures provide meaningful information and do not give a misleading impression.	C	<ul style="list-style-type: none"> <li>• The Company aims to ensure disclosures provide meaningful information and do not give a misleading impression.</li> </ul>
C.2.6	The company without an internal audit function should review the need for one on an annual basis and should disclose the outcome of such review in the company's Corporate Governance Report.	N/A	<ul style="list-style-type: none"> <li>• Please refer to C.2 of Part I above for the details.</li> </ul>
<p><b>C.3 Audit Committee</b></p> <p><i>Corporate Governance Principle</i></p> <p><i>The Board should establish formal and transparent arrangements for considering how it will apply the financial reporting and internal control principles and for maintaining an appropriate relationship with the Company's auditors.</i></p>			
C.3.7	<p>The terms of reference of the audit committee should also require the audit committee:</p> <ul style="list-style-type: none"> <li>– to review arrangements by which employees of the company may, in confidence, raise concerns about possible improprieties in financial reporting, internal control or other matters. The audit committee should ensure that proper arrangements are in place for the fair and independent investigation of such matters and for appropriate follow-up action; and</li> <li>– to act as the key representative body for overseeing the company's relation with the external auditor.</li> </ul>	E	<ul style="list-style-type: none"> <li>• The Company has issued an employee's handbook to its staff, which contains the mechanism for employees to raise any questions they may have to their department head and to the human resources department for necessary action (whether these relate to their career development or any other grievances and complaints they may have). The Company considers such mechanisms to be sufficient to ensure that there is a channel for employees to have a direct communication with the management of the Company.</li> </ul>

## Corporate Governance Report (continued)

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
<b>D. DELEGATION BY THE BOARD</b>			
<b>D.1 Management functions</b>			
<p><b>Corporate Governance Principle</b>  <i>The Company should have a formal schedule of matters specifically reserved to the Board and those delegated to management.</i></p>			
D.1.3	The company should disclose the division of responsibility between the board and management to assist those affected by corporate decisions to better understand the respective accountabilities and contributions of the board and management.	C	<ul style="list-style-type: none"> <li>Please refer to the Management Structure Chart set out on page 77.</li> </ul>
D.1.4	Directors should clearly understand delegation arrangements in place. To that end, the company should have formal letters of appointment for directors setting out the key terms and conditions relative to their appointment.	E	<ul style="list-style-type: none"> <li>It is not the Company's practice to have formal letters of appointment for its Directors. Nevertheless, Directors clearly understand their duties to the Company, to which they are collectively and individually responsible for. In addition, part of these duties relate to fiduciary duties, duties of skill, care and diligence established under common law over a long period of time, and it is not feasible to attempt to formulate these comprehensively in writing. To have a formal letter of appointment may also lead to inflexibility.</li> </ul>
<b>D.2 Board Committees</b>			
<p><b>Corporate Governance Principle</b>  <i>Board Committees should be formed with specific written terms of reference which deal clearly with the committees' authority and duties.</i></p>			
There is no recommended best practice under Section D.2 in the Code on CG Practices.			
<b>E. COMMUNICATION WITH SHAREHOLDERS</b>			
<b>E.1 Effective communication</b>			
<p><b>Corporate Governance Principle</b>  <i>The Board should endeavour to maintain an on-going dialogue with shareholders and in particular, use annual general meetings or other general meetings to communicate with shareholders and encourage their participation.</i></p>			
There is no recommended best practice under Section E.1 in the Code on CG Practices.			
<b>E.2 Voting by poll</b>			
<p><b>Corporate Governance Principle</b>  <i>The Company should ensure that shareholders are familiar with the detailed procedures for conducting a poll.</i></p>			
There is no recommended best practice under Section E.2 in the Code on CG Practices.			

## Management Structure Chart



## Corporate Social Responsibility

### OUR PHILOSOPHY

Cheung Kong (Holdings) Limited is the flagship of the Cheung Kong Group which has business operations in 52 countries around the world and employs a total of about 250,000 staff. In Hong Kong alone, the Cheung Kong Group has eight listed companies with a combined market capitalisation of approximately HK\$882 billion as of 29th March, 2011. Hutchison Whampoa Limited is a Fortune Global 500 company. Based in Hong Kong, the Cheung Kong Group's businesses encompass such diverse areas as property development and investment, real estate agency and estate management, hotels, telecommunications and e-commerce, finance and investments, retail, ports and related services, energy, infrastructure projects and materials, media, and biotechnology.

Against this backdrop, the Cheung Kong Group envisions its role in corporate social responsibility in the context of a global corporate citizen, bearing in mind Hong Kong as its hometown, and its accountability to stakeholders around the world in the creation of economic value. The Cheung Kong Group is committed to a diverse range of corporate social responsibility activities to the communities, covering community involvement, environmental impact and workplace practices. We have embraced the sustainability concept to adopt and integrate appropriate practices of corporate social responsibility into our operations, aligning our business objectives with sustainable growth and social prosperity. Going forward, the Cheung Kong Group will continue to leverage on its business portfolio and identify opportunities to promote sustainability through its business operations, as well as to strengthen its partnership with charitable organisations to support community and charitable activities.

### COMMUNITY INVOLVEMENT

#### Funding Community Initiatives

The Cheung Kong Group has been supportive of a wide variety of charitable activities of the community. Donations were made by the Cheung Kong Group to various charitable organisations.

Each of the Cheung Kong Group and Li Ka Shing Foundation has committed to donate HK\$250 million to The Community Care Fund, a trust fund with the Secretary for Home

Affairs Incorporated of the HKSAR Government as its trustee. The main objective of The Community Care Fund is to provide assistance to people facing economic difficulties, in particular those who fall outside the social safety net or those within the net but who, for their special circumstances, are not covered. It aims to build a caring culture in society, gathering the efforts of various sectors of the community and encouraging the better-off to contribute.

The Cheung Kong Group contributed \$100 million each towards the construction of the National Aquatics Center at the Beijing Olympics and of the China Pavilion at the Expo 2010 Shanghai China. Both the Beijing Olympics and the Expo 2010 Shanghai China have concluded with great success.

The Cheung Kong Group was ranked as the "Third Top Donor of the Year" at The Community Chest 2009/2010 Annual Presentation of Awards, maintaining its mantle as a Top Three Donor for the 11th consecutive year. The Cheung Kong Group has been a longstanding supporter of The Community Chest. With a view to arousing the awareness of the public and fostering a culture of



The Community Chest 2009/2010 Annual Presentation of Awards

giving, the Cheung Kong Group has worked with The Community Chest in previous years to appeal to the public for their contributions. A donation hotline was launched by the Cheung Kong Group in 2010 to raise money for The Community Chest's "Cheung Kong" Rainbow Fund. 2010 was the 5th year that the Cheung Kong Group sponsored this initiative. All contributions made through the hotline by the public were matched dollar-for-dollar by the Cheung Kong Group. During the year, members of the Cheung Kong Group participated in a number of fund-raising campaigns organised by The Community Chest, including the Corporate and Employee Contribution Programme, Walk for Millions, Dress Special Day, The Community Chest Green Day and Laisee for The Chest.

### Serving Community Interests

In addition to monetary aid, the Cheung Kong Group continues to support community activities through various means. A total of 92 member companies of the Cheung Kong Group have been awarded the "Caring Company Logo" by the Hong Kong Council of Social Service. The "Caring Company Logo" is awarded to companies that inspire corporate social



Caring Company Logo

responsibility through caring for the community, employees and the environment. This represents the highest number of participating companies for a Hong Kong corporation, a record maintained by the Cheung Kong Group for the 7th consecutive year.

HK Electric's "CAREnival for the Elderly" Programme has continued to encourage the single elderly to seek help when needed and bring them closer to the community. Two district-based carnivals for single elderly were held in the first half of the year to promote the messages, plus monthly home visits by volunteers. About 300 elderly ambassadors were also engaged to help in the Programme.



HK Electric's "CAREnival for the Elderly" Programme

### Inspiring Creativity

1881 Heritage at Tsim Sha Tsui, the first private sector adaptive re-use project of its kind in Hong Kong, was awarded for "Revitalisation of Historical Building Project" from "CAPITAL The Best Developer Awards 2010". As one of the flagship developments of the Cheung Kong Group, 1881 Heritage turns a new page in the revitalisation of historical buildings in Hong Kong. The project preserves and revitalises the key historical monuments on site, including the Main Building of the Former Marine Police Headquarters, the Stable Block and the Time Ball Tower, that well integrate into shopping and dining facilities of the development and houses the only heritage hotel in Hong Kong. In recognition of its contribution in preserving and revitalising historical buildings in Hong Kong, apart from "CAPITAL The Best Developer Awards 2010", 1881 Heritage has also received a number of accolades from prestigious international awards including the "Asia Pacific Property Awards 2010", the "Stevie Awards 2010", the "Questar Awards 2010", the "2010 ICSC Asia Shopping Centre Awards" and the "International Property Awards 2010". The development is an iconic spot

## Corporate Social Responsibility (*continued*)

that has attracted millions of local and overseas visitors. The revitalisation work has successfully given the historical compound back to society and allows Hong Kong people as well as overseas visitors to get acquainted with Hong Kong's history while enjoying the shopping and leisure facilities.

**3** Hong Kong supported an innovative contest organised by the Hong Kong Tourism Board ("HKTB") and Visa, "Visa go Hong Kong Super Shopper 2010" in which participants received shopping instructions and viewed shopping tips through smartphones provided by **3**. Apps of HKTB and local shopping malls were downloaded on the mobile phones giving contestants convenient access to information on travelling and shopping in Hong Kong.

### Cultivating the Talents

Our next generation is the pillar of our future community and the Cheung Kong Group recognises the importance of talent development as a key driver for community sustainable prosperity. The Cheung Kong Group boosted the spirit of global awareness and personal growth by honouring the recipients of the Endeavour Australia Cheung Kong Awards. In 2010, 77 recipients of the Endeavour Australia Cheung Kong Awards had participated in educational exchange opportunities between Hong Kong and Australia, with 39 Hong Kong students going to Australia and 38 Australian students coming to Hong Kong. The Endeavour Australia Cheung Kong Awards represent an initiative between the Cheung Kong Group and the Australian Government to promote educational exchange opportunities between Asia and Australia. More than 1,200 undergraduates and postgraduates have been awarded the scholarship since the programme's inception in 2004. Over the scholarship's projected span of 15 years, a total of A\$22.5 million (contributed equally by the Cheung Kong Group and the Australian Government) will fund approximately 3,500 to 4,000 student exchanges.

The Cheung Kong Group has also been dedicated to nurturing the young generation as tomorrow's leaders. Talented young students were given the opportunity to work in different business sectors of the Cheung Kong Group, like hotels, sales and leasing departments, and estate management offices, through certain summer internship programmes and management trainee programmes arranged by the Cheung Kong Group.

On the Mainland, Watsons China helped provide education assistance to children in underdeveloped regions to support school reconstruction since 2008. Staff and volunteers also formed the "Sunshine Smileys" team to bring stationery supplies to students in remote mountainous regions in Yunnan. Shanghai Hutchison Pharmaceuticals started a nationwide plan to help build libraries in elementary and middle schools in the Mainland's impoverished areas. TOM Group and the Oriental Daily News Charitable Fund co-organised book donations to provide books and services to seven community centres of all age groups.



1881 Heritage



Endeavour Australia Cheung Kong Awards

Same as in previous years, the “HK Electric Centenary Trust” donated HK\$340,000 worth of scholarships to 170 secondary school students in Hong Kong. In addition, HK\$260,000 was donated to 5 social service organisations for running the U3A (University of Third Age) programme for the elderly.

## ENVIRONMENTAL IMPACT

As a major property player in Hong Kong, the Cheung Kong Group understands the importance of protecting the environment, a most vital global issue today, and will continue to reinforce our philosophy that is conducive to the sustainability and long term development of our environment for the future generations.

In creating a green living environment, the Cheung Kong Group has adopted a series of measures in planning, design, material sourcing, construction and landscaping of our property developments, for instance, by capturing natural lighting and enhancing natural ventilation so as to reduce energy consumption; by using non-structural prefabricated external walls and prefabricated internal partition so as to minimise construction waste on site; by providing balconies and utility platforms so as to provide for a natural environment and ventilation; and by adopting T5 fluorescent tubes for lighting so as to save energy.

In recognition of its sustainable practices, Marina Bay Residences, our Singapore joint-venture development, received a “Green Mark Gold” award from the Building and Construction Authority of Singapore for the achievements in good environmental performance for buildings.

The Cheung Kong Group also supports environmental protection in various other ways and participates in or sponsors the activities held by conservation groups, such as Earth Hour 2010 (organised by World Wildlife Fund (“WWF”) by switching off external and decorative lighting at our buildings), Green Power Hike 2010 (an annual charitable walkathon for Green Power), Walk for Nature 2010 and Big Bird Race 2010 (charitable fund raising events organised by WWF), and Green Country (a bi-monthly magazine published by Green Power).

To demonstrate its strong commitment to emission reduction, the Cheung Kong Group had supported the Carbon Audit programme in accordance with the Government’s Carbon Reduction Charter. A large number of commercial and residential properties under the management of the Cheung Kong Group had implemented several eco-friendly initiatives in their daily management operations. With the aim of reducing carbon dioxide emissions, more than 60,000 households were involved.

Moreover, the Cheung Kong Group’s property management companies proactively promote environmental protection and have organised various kinds of green activities, including upkeeping landscape and greenery at all managed properties, energy conservation programmes, waste rebate programme and recycling programmes. These property management companies were awarded by the Hong Kong Eco-Business Awards and the Hong Kong Awards for Environmental Excellence organised by the Environmental Protection Department, the Horticultural Maintenance Awards organised by the Leisure and Cultural Services Department as well as the Champion of Big Units Cuts Award in the Power Smart Competition organised by Friends of the Earth (HK).

The Cheung Kong Group implements green practices in its internal operations by saving energy in offices, recycling office resources, minimising the use of paper, using energy-saving lightings, printing corporate reports on FSC recycled paper and smart-use of the Company’s vehicles.

## Corporate Social Responsibility (*continued*)

Yantian International Container Terminals has helped reduce its pollution by purchasing a fleet of 27 liquefied natural gas container trucks in 2010. The tractors emit 80% less air pollution than diesel tractors, virtually no carbon monoxide, no inhalable particulates and over 30% less nitrogen oxide.

HK Electric's Smart Power Campaign 2010 attracted a record number of participants with over 46,000 people joining in different activities promoting a low carbon lifestyle. The EV decoration competition, the Low Carbon App writing competition, Lamma Power Station open days and school talks received encouraging responses from the local education sector.

### WORKPLACE PRACTICES

The Cheung Kong Group always regards talented employees as our valuable assets and the key to drive its business growth and development. The Cheung Kong Group is an equal opportunities employer, offering its staff competitive remuneration and benefit packages, and maintains a working environment to realise their full potential. For assessing work performance and considering promotional opportunities, regard will only be paid to the competence and experience of the relevant employees to ensure that both genders will enjoy equal opportunities and to contribute to a greater diversity of perspectives and experiences.



HK Electric's Smart Power Campaign 2010

### Programmes for Skills Enhancement

A wide range of programmes for continuing skills enhancement, such as language courses, job-related seminars or workshops and scholarships, are provided to colleagues at all levels from time to time for their continuing education and career development. Employees are encouraged to attend job-related training courses or professional seminars and entitled to full pay examination leave for attending related professional examinations. Corporate orientation programmes were held to provide new staff with a better understanding of the Cheung Kong Group's business and to assist them to acclimatise to the corporate culture.

During the year, the Cheung Kong Group had awarded three Executive MBA Program scholarships at the University of Western Ontario's Richard Ivey School of Business to highly-motivated employees wishing to expand their professional potential. At a worth of HK\$700,000, each scholarship award will cover the entire cost of the program, including textbooks, all cases and course materials, meals, airfare and in-residence accommodations in Hong Kong and Canada.

The Cheung Kong Group takes its anti-corruption responsibilities very seriously. Throughout 2010, colleagues at all levels of major business units were encouraged to attend seminars coordinated with the Independent Commission Against Corruption to review good business practices, corruption-preventing practices and guidelines, and operating practices for enhancing personal and business ethics.

### Care, Health and Safety

Employees were offered diverse fringe benefits including comprehensive medical, life and disability insurance coverage, free annual body check and retirement schemes. To promote camaraderie across the Cheung Kong Group, employees are given a wide range of product and service discounts offered by various Group companies and the opportunity to participate in the delightful annual dinner of the Cheung Kong Group.

The Cheung Kong Group is committed to ensuring a high standard in occupational health and safety. Risks assessments of workstations and equipment for all users as defined in The Occupational Safety and Health (Display Screen Equipment) Regulation are performed on a regular basis to ensure that the equipment and facilities are upgraded as appropriate in commensuration with the pace of technology development and ever changing needs and demands of the colleagues.

Employees who perform work duties on construction sites must receive mandatory safety training and must possess a valid Construction and Industrial Safety Card in accordance with the Factories and Industrial Undertakings Ordinance. The registered general contractor of each construction site and the Company will provide each employee working on the construction site with protective equipments.

The Cheung Kong Group encourages staff to pursue a healthy and a balanced work life, by maintaining a hygienic office, providing fresh fruits and nutraceutical soup, arranging fire-drill programmes, and encouraging staff and their families to take part in charitable and recreational activities like Green Power Hike and Walk for Nature.



Walk for Nature

## LI KA SHING FOUNDATION

Mr. Li Ka-shing, the Chairman of the Group, sets an example for the culture of giving by establishing a charity foundation using his personal resources. The Li Ka Shing Foundation was founded in 1980 and the total amount of donations made to date has been in excess of HK\$12 billion, of which approximately 90% was donated towards the Mainland and Hong Kong. It is expected that during the next decade or so, the aggregate amount of donations made by the Li Ka Shing Foundation will be close to the total amount it has donated over the past years.

In September 2010, the Li Ka Shing Foundation introduced a HK\$300 million public philanthropic campaign “Love HK Your Way!” to call for everyone in Hong Kong to come together and make a difference. The funds, to be expended over several years, support projects that benefit the people of Hong Kong.

“Love Ideas, Love HK” was launched in September 2010 as the first project under the campaign. Registered online voters in the first round elected 177 worthwhile projects to receive a total of HK\$28 million in grants. The second round is scheduled to be unveiled at the end of April 2011. In March 2011, in the second project of the “Love HK Your Way!” campaign, the Li Ka Shing Foundation contributed HK\$40 million to extend the “Heart of Gold” Hong Kong Hospice Service Program in collaboration with the Hospital Authority, a program initiated in 2007. The new funding supports expanded services for terminal cancer patients and will run until 2013.

## Highlights of Development Projects

# Oceanaire

### A prestigious seashore residence

*With a prime location along the seashore, this premium residential development in Ma On Shan overlooks the scenic Tolo Harbour and sets against a backdrop of lush mountains.*



# LOHAS Park – Le Prime

## A new model of premier living

*With an exclusive MTR connection via LOHAS Park Station, this premier residence in Tseung Kwan O enjoys convenient access to all major commercial, shopping and entertainment hubs.*



Highlight of Development Projects (*continued*)

## Phase 2, Festival City

### An enchanting modern lifestyle

*Adjacent to Tai Wai Station, this contemporary residential property features an approximately 620,000 sq.ft. Club Festival, with more than 60 recreational facilities catering for diversity of leisure.*



# A Luxury Project at Alnwick Road

## A touch of sophistication and elegance

*Exclusively located on a prime site in Kowloon Tong, this low-density deluxe residence with aesthetic architecture and stylish design offers residents a truly exquisite lifestyle.*

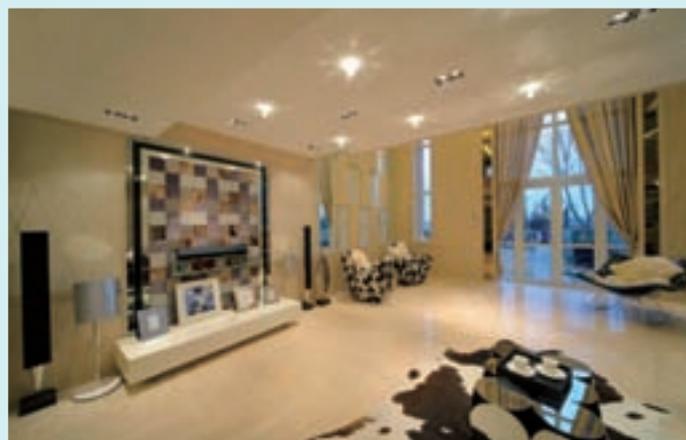


Highlight of Development Projects (*continued*)

# La Grande Ville

## The grandeur of affluence

*Located in Shunyi District, Beijing, this luxury residential complex, characterised by distinctive craftsmanship, exudes grace and prestige that set it apart.*



# Marina Bay Financial Centre

## A nexus of work, leisure and living

*As a new landmark in Singapore's Marina Bay district, this development complex has a site area of more than 380,000 sq.ft. and consists of two phases comprising Grade A office towers, residential blocks and retail premises.*



## Schedule of Major Properties

Dated the 31st day of December, 2010

### A. PROPERTIES FOR/UNDER DEVELOPMENT

Description	Lot Number/Location	Group's Interest	Approx. Site Area (sq.m.)
<b>Hong Kong</b>			
Oceanaire, Ma On Shan	S.T.T.L. 548	100.0%	16,440
Uptown, Hung Shui Kiu	Lot 2064 in D.D. 121	50.0%	16,292
Meridian Hill, Kowloon Tong	N.K.I.L. 5099	100.0%	4,265
Crown by the Sea, Tuen Mun	T.M.T.L. 334	100.0%	1,220
A site at Kowloon Tong	N.K.I.L. 4782	100.0%	4,174
A site at Mid-level	I.L. 1381 s.A & s.B R.P.	100.0%	1,018
A site at Lai Chi Kok	N.K.M.L. 21	100.0%	2,844
A site at Fung Yuen, Tai Po	T.P.T.L. 183	100.0%	126,290
A site at Kwai Chung	K.C.T.L. 157	100.0%	4,645
A site at Hung Hom	Various sections and subsections in K.M.L. 53	100.0%	543
A site at Ho Man Tin	K.I.L. 11125	80.0%	7,326
A site at Aberdeen	A.I.L. 354	100.0%	2,006
A site at Hung Hom Bay	K.I.L. 11120	100.0%	7,551
A site at North Point	I.L. 3319 R.P.	100.0%	723
A site at Tseung Kwan O	T.K.O.T.L. 111	100.0%	10,200
A site at Fung Yuen, Tai Po	Various lots in D.D. 11	100.0%	70,277
A site at Yuen Long	Lot 1457 R.P. in D.D. 123 Y.L.	60.0%	799,977
A site at North District	Various lots	100.0%	168,637
Various sites at Yuen Long	Various lots	100.0%	195,561
Various sites at Tai Po	Various lots	100.0%	12,400
<b>The Mainland</b>			
La Grande Ville	Beijing	100.0%	565,401
The Greenwich	Beijing	50.0%	173,809
Shisanling	Beijing	50.0%	256,327
Regency Residence	Changchun	50.0%	116,020
Regency Park	Changchun	50.0%	783,268
Noble Hills	Changsha	50.0%	469,796
Regency Park	Changzhou	50.0%	80,598
Le Parc	Chengdu	50.0%	653,535
Regency Oasis	Chengdu	50.0%	352,698
Noble Hills	Chongqing	50.0%	289,011
Cape Coral	Chongqing	47.5%	51,784
Yangjiashan	Chongqing	47.5%	1,041,341
Zhaomushan	Chongqing	50.0%	132,469
Wolong Bay, North	Dalian	50.0%	86,695
Wolong Bay, South	Dalian	50.0%	232,658
Laguna Verona	Dongguan	49.9%	2,507,881

Approx. Floor Area Attributable to the Group (sq.m.)	Existing Land Use	Stage of Completion	Estimated Date of Completion
82,200	Residential	Interior finishing	March, 2011
24,938	Residential	Interior finishing	May, 2011
12,795	Residential	Interior finishing	June, 2011
4,026	Residential	Superstructure in progress	March, 2012
4,417	Residential	Foundation work completed	June, 2012
8,141	Residential	Foundation work	May, 2013
23,996	Residential/Commercial	Foundation work	June, 2013
87,356	Residential	Foundation work	December, 2013
23,226	Residential	Foundation work	December, 2013
3,527	Residential/Commercial	Planning	March, 2014
29,304	Residential	Demolition work	June, 2014
30,099	Commercial	Planning	August, 2014
33,979	Residential	Planning	September, 2014
6,630	Residential/Commercial	Planning	December, 2014
51,000	Residential	Planning	March, 2015
–	Agricultural land	Planning	–
–	Agricultural land	Planning	–
–	Agricultural land	Planning	–
–	Agricultural land	Planning	–
–	Agricultural land	Planning	–
47,616	Residential	Superstructure in progress	December, 2012
245,280	Residential	Site formation	December, 2014
56,534	Residential	Site formation	November, 2015
44,489	Residential	Superstructure in progress	December, 2011
75,167	Residential	Planning	July, 2012
39,999	Residential	Planning	April, 2014
11,272	Residential/Commercial	Superstructure in progress	December, 2011
65,624	Residential/Commercial	Superstructure in progress	June, 2012
55,396	Residential	Superstructure in progress	September, 2011
119,156	Residential/Commercial	Planning	June, 2013
36,331	Residential	Superstructure in progress	June, 2011
237,401	Residential/Commercial	Planning	June, 2014
16,484	Residential	Superstructure in progress	October, 2011
8,213	Residential	Planning	March, 2012
85,670	Residential	Foundation work	March, 2013
57,174	Residential	Superstructure in progress	January, 2011
113,831	Residential	Superstructure in progress	December, 2011
105,501	Residential	Site formation	December, 2012
111,878	Residential	Site formation	March, 2014
590,787	Residential/Commercial	Planning	–
55,935	Residential	Superstructure in progress	June, 2011
28,458	Residential/Commercial	Foundation work	December, 2011
58,678	Residential	Foundation work	December, 2012
88,754	Residential	Foundation work	June, 2013
44,143	Residential	Superstructure in progress	December, 2011
87,736	Residential	Foundation work	December, 2012
71,520	Residential/Commercial	Superstructure in progress	December, 2012
1,467,265	Residential/Commercial	Planning	–
137,567	Residential	Planning	December, 2013
75,684	Residential/Commercial	Planning	December, 2015
125,769	Residential/Commercial	Planning	–
25,310	Residential/Commercial	Site formation	December, 2011
15,367	Residential	Planning	June, 2012
196,658	Residential	Site formation	September, 2012
126,130	Residential	Planning	June, 2015
500,347	Residential/Commercial	Planning	–

## Schedule of Major Properties (continued)

## A. PROPERTIES FOR/UNDER DEVELOPMENT (continued)

Description	Lot Number/Location	Group's Interest	Approx. Site Area (sq.m.)
<b>The Mainland (continued)</b>			
The Riverside and Metropolitan Plaza	Guangzhou	50.0%	34,283
Yuhu Mingdi	Guangzhou	40.0%	225,547
Cape Coral	Guangzhou	50.0%	281,196
Zengcheng	Guangzhou	50.0%	2,112,632
International Toys & Gifts Center	Guangzhou	30.0%	321,261
Aotou, Daya Bay	Huizhou	50.0%	80,051
Yinhuwan	Jiangmen	45.0%	1,333,308
Yingtianjiajie, Jianye District	Nanjing	50.0%	119,500
Xiaogangwan	Qingdao	45.0%	311,774
Regency Park	Shanghai	50.0%	16,651
Regency Cove	Shanghai	42.5%	116,721
Nanhui Zhoupu	Shanghai	42.5%	263,412
Lujiazui, Pudong	Shanghai	50.0%	9,298
Zhen Ru Fu Zhong Xin, Putuo	Shanghai	29.4%	176,854
Zhao Xiang Town, Qing Pu District	Shanghai	50.0%	74,090
Xin Zha Road	Shanghai	30.0%	14,528
Nanxiang, Jiading	Shanghai	50.0%	211,621
Century Link	Shanghai	25.0%	51,280
Kerry Everbright City	Shanghai	24.8%	15,858
Century Place	Shenzhen	40.0%	17,105
Le Sommet	Shenzhen	50.0%	174,838
Noble Hills	Shenzhen	50.0%	85,183
Metropolitan	Tianjin	40.0%	19,617
Regency Cove	Wuhan	50.0%	770,590
Laopupian, Jiangnan	Wuhan	50.0%	35,213
Hualou Jie, Jiangnan	Wuhan	50.0%	105,934
The Greenwich	Xian	50.0%	363,539
Qiao Island	Zhuhai	50.0%	199,996
Cuilihu	Zhongshan	50.0%	109,263
<b>Overseas</b>			
Marina Bay	Singapore	16.7%	15,064
The Vision	Singapore	50.0%	12,000
Land Parcel 761 at Upper Thomson Road	Singapore	100.0%	20,848
Lots Road & Chelsea Harbour	London, United Kingdom	47.5%	35,693
Convoys Wharf	London, United Kingdom	50.0%	161,876

Approx. Floor Area Attributable to the Group (sq.m.)	Existing Land Use	Stage of Completion	Estimated Date of Completion
82,419	Residential/Commercial	Interior finishing	April, 2011
17,560	Residential/Commercial	Superstructure in progress	February, 2012
75,184	Residential/Commercial	Planning	March, 2013
42,057	Residential	Foundation work	June, 2012
130,629	Residential/Commercial	Planning	September, 2013
168,229	Residential/Commercial	Planning	March, 2013
18,775	Commercial	Foundation work	December, 2012
29,822	Commercial	Planning	December, 2013
65,582	Commercial	Planning	December, 2015
42,062	Residential/Commercial	Planning	September, 2012
62,831	Residential/Commercial/Hotel	Site formation	December, 2013
129,418	Residential	Planning	–
179,613	Residential/Commercial	Planning	December, 2014
94,527	Residential/Commercial	Superstructure in progress	September, 2012
339,017	Residential/Commercial	Planning	–
5,096	Residential/Commercial	Superstructure in progress	January, 2011
10,348	Residential	Superstructure in progress	June, 2011
24,448	Residential	Foundation work	September, 2012
10,097	Residential/Commercial	Planning	December, 2012
56,010	Residential	Foundation work	March, 2013
54,156	Residential	Planning	March, 2014
40,000	Commercial	Foundation work	June, 2012
34,130	Commercial	Foundation work	April, 2013
177,550	Residential/Commercial/Hotel	Planning	–
37,536	Residential	Planning	December, 2013
17,395	Commercial	Foundation work	March, 2013
164,969	Residential/Commercial	Planning	December, 2013
54,613	Commercial	Foundation work	June, 2014
25,453	Commercial	Planning	June, 2014
68,651	Residential/Commercial	Interior finishing	June, 2011
6,150	Commercial	Superstructure in progress	December, 2011
24,484	Residential	Superstructure in progress	June, 2011
4,364	Residential	Site formation	March, 2012
25,568	Residential	Superstructure in progress	May, 2012
59,747	Residential/Commercial	Site formation	February, 2013
73,540	Residential/Commercial	Superstructure in progress	March, 2012
60,028	Residential/Commercial	Superstructure in progress	December, 2011
36,176	Commercial	Superstructure in progress	March, 2012
29,935	Residential	Superstructure in progress	December, 2011
719,286	Residential/Commercial/Hotel	Planning	–
82,255	Residential/Commercial	Planning	June, 2014
183,332	Residential/Commercial	Planning	December, 2015
254,886	Residential/Commercial	Superstructure in progress	December, 2011
142,280	Residential/Commercial	Planning	September, 2013
55,371	Residential	Planning	December, 2013
62,909	Residential	Planning	June, 2015
28,569	Residential/Commercial	Planning	December, 2013
25,066	Commercial	Superstructure in progress	June, 2012
7,268	Residential	Superstructure in progress	July, 2014
16,800	Residential	Foundation work	October, 2013
43,781	Residential	Planning	January, 2015
37,488	Residential/Commercial	Demolition work	–
145,100	Residential/Commercial	Planning	–

## Schedule of Major Properties (continued)

**B. PROPERTIES IN WHICH THE GROUP HAS A DEVELOPMENT INTEREST**

Description	Lot Number/Location	Approx. Site Area (sq.m.)
<b>Hong Kong</b>		
Le Prestige of LOHAS Park, Tseung Kwan O	T.K.O.T.L. 70	31,490
Festival City, Tai Wai	S.T.T.L. 529	70,597
Area 85, Tseung Kwan O	T.K.O.T.L. 90	19,480
Area 86, Tseung Kwan O (Package 3)	T.K.O.T.L. 70	13,587
MTR Tsuen Wan West Station	T.W.T.L. 403	23,742
A site at Lai Chi Kok Road/Kweilin Street/Yee Kuk Street	N.K.I.L. 6494	3,339

**C. PROPERTIES FOR INVESTMENT/OWN USE**

Description	Lot Number/Location	Group's Interest
<b>Hong Kong</b>		
The Center (portion), Central	–	100.0%
United Centre (portion), Admiralty	–	100.0%
Kingswood Ginza, Tin Shui Wai	T.S.W.T.L. 4	98.5%
Victoria Mall, Tsim Sha Tsui	–	42.5%
Rambler Plaza, Tsing Yi	T.Y.T.L. 140	30.0%
Rambler Garden Hotel, Tsing Yi	T.Y.T.L. 140	30.0%
Rambler Oasis Hotel, Tsing Yi	T.Y.T.L. 140	30.0%
Harbour Plaza Resort City, Tin Shui Wai	T.S.W.T.L. 4	98.5%
Harbourview Horizon All-Suite Hotel, Hung Hom Bay	K.I.L. 11103	100.0%
Harbourfront Horizon All-Suite Hotel, Hung Hom Bay	K.I.L. 11110	100.0%
The Apex Horizon, Kwai Chung	K.C.T.L. 467 R.P.	100.0%
Harbour Plaza North Point	I.L. 8885	60.9%
Horizon Suite Hotel at Tolo Harbour, Ma On Shan	S.T.T.L. 461	51.0%
Harbour Plaza Metropolis, Hung Hom	–	50.0%
The Kowloon Hotel, Tsim Sha Tsui	–	50.0%
Harbour Grand Hong Kong, North Point	I.L. 7106 s.A & Extension	Development interest
Harbour Plaza 8 Degrees, Kowloon City	K.I.L. 4013 R.P.	100.0%
1881 Heritage, Tsim Sha Tsui	K.I.L. 11161	100.0%
Conic Investment Building, Hung Hom	–	100.0%
8 Tung Yuen Street, Yau Tong	Y.T.M.L. 69	100.0%
<b>The Mainland</b>		
Sheraton Shenyang Lido Hotel	Shenyang	99.0%
Sheraton Chengdu Lido Hotel	Chengdu	70.0%
Harbour Plaza Chongqing	Chongqing	50.0%
Metropolitan Plaza	Chongqing	50.0%
Westgate Mall	Shanghai	30.0%
Kerry Everbright City	Shanghai	24.8%
Lido Place	Beijing	40.0%
Oriental Plaza	Beijing	33.4%

**Notes to Schedule of Major Properties:**

- Properties which are insignificant, including overseas properties, agricultural land and completed properties for sales, are not included.
- Properties owned by listed and unlisted associates are not included.
- For properties in which the Group has a development interest, other parties provide the land whilst the Group finances the construction costs and occasionally also the land costs, and is entitled to a share of the revenue/development profits/properties after completion in accordance with the terms and conditions of the joint development agreements.

Approx. Floor Area of the Development (sq.m.)	Existing Land Use	Stage of Completion	Estimated Date of Completion
101,470	Residential	Interior finishing	March, 2011
82,686	Residential	Superstructure in progress	December, 2012
113,211	Residential	Superstructure in progress	December, 2011
97,400	Residential	Foundation work completed	June, 2013
128,544	Residential	Superstructure in progress	June, 2013
113,064	Residential	Foundation work	December, 2013
29,259	Residential/Commercial	Foundation work	June, 2014

Approx. Site Area (sq.m.)	Approx. Floor Area Attributable to the Group (sq.m.)	Existing Use	Lease Term
–	113,169	Commercial	Medium Term Lease
–	3,512	Commercial	Long Lease
–	49,211	Commercial	Medium Term Lease
–	6,634	Commercial	Medium Term Lease
907	1,696	Commercial	Medium Term Lease
3,147	5,884	Hotel	Medium Term Lease
3,178	5,943	Hotel	Medium Term Lease
–	60,591	Hotel	Medium Term Lease
9,940	119,280	Hotel	Medium Term Lease
20,364	107,444	Hotel	Medium Term Lease
7,825	21,190	Hotel	Medium Term Lease
–	19,410	Hotel	Medium Term Lease
8,000	28,560	Hotel	Medium Term Lease
–	21,429	Hotel	Medium Term Lease
–	15,311	Hotel	Medium Term Lease
6,816	41,341	Hotel	Medium Term Lease
3,153	21,420	Hotel	Long Lease
12,289	13,023	Commercial/Hotel	Medium Term Lease
–	30,409	Industrial	Medium Term Lease
2,108	7,170	Godown	Medium Term Lease
14,449	81,180	Hotel	Medium Term Lease
4,615	39,445	Hotel	Medium Term Lease
–	25,872	Hotel	Medium Term Lease
–	70,212	Commercial	Medium Term Lease
–	30,640	Commercial	Medium Term Lease
–	19,832	Commercial/Residential	Medium Term Lease
–	67,090	Commercial/Hotel/Serviced apartment	Medium Term Lease
–	191,232	Commercial/Hotel/Serviced apartment	Medium Term Lease

## Consolidated Income Statement

For the year ended 31st December, 2010

	Note	2010 \$ Million	2009 (Restated) \$ Million
Group turnover		23,983	17,702
Share of property sales of jointly controlled entities		8,880	6,591
Turnover	(3)	32,863	24,293
<b>Group turnover</b>		<b>23,983</b>	<b>17,702</b>
Investment and other income		1,308	2,614
Operating costs			
Property and related costs		(15,113)	(10,314)
Salaries and related expenses		(1,254)	(1,032)
Interest and other finance costs		(222)	(233)
Depreciation		(398)	(349)
Other expenses		(336)	(323)
		(17,323)	(12,251)
Share of net profit of jointly controlled entities		8,183	2,734
Increase in fair value of investment properties		1,737	3,857
Operating profit		17,888	14,656
Share of net profit of associates		10,237	7,028
<b>Profit before taxation</b>	(4)	<b>28,125</b>	<b>21,684</b>
Taxation	(5)	(1,324)	(1,644)
<b>Profit for the year</b>		<b>26,801</b>	<b>20,040</b>
<b>Profit attributable to</b>			
Shareholders of the Company	(6)	26,478	19,618
Non-controlling interests		323	422
		26,801	20,040
<b>Earnings per share</b>	(7)	<b>\$11.43</b>	<b>\$8.47</b>

## Consolidated Statement of Comprehensive Income

For the year ended 31st December, 2010

	2010	2009 (Restated)
	\$ Million	\$ Million
Profit for the year	26,801	20,040
Other comprehensive income		
Exchange gain on translation of financial statements of foreign operations	279	1
Investments available for sale		
Gain in fair value	1,550	3,250
Gain in fair value transferred to income statement upon disposal	(242)	(121)
Impairment transferred to income statement	112	665
Share of other comprehensive income of jointly controlled entities and unlisted associates	687	461
<b>Total comprehensive income for the year</b>	<b>29,187</b>	<b>24,296</b>
<b>Total comprehensive income attributable to</b>		
Shareholders of the Company	28,858	23,873
Non-controlling interests	329	423
	<b>29,187</b>	<b>24,296</b>

## Consolidated Statement of Financial Position

As at 31st December, 2010

	Note	31/12/2010 \$ Million	31/12/2009 (Restated) \$ Million	1/1/2009 (Restated) \$ Million
<b>Non-current assets</b>				
Fixed assets	(8)	10,399	10,696	11,624
Investment properties	(9)	21,170	19,433	15,670
Associates	(11)	154,117	147,542	144,738
Jointly controlled entities	(12)	39,431	32,591	29,391
Investments available for sale	(13)	9,282	7,026	4,678
Long term loan receivables		357	444	1,093
		<b>234,756</b>	<b>217,732</b>	<b>207,194</b>
<b>Current assets</b>				
Stock of properties	(14)	65,679	62,999	64,273
Debtors, deposits and prepayments	(15)	2,459	2,799	3,904
Investments held for trading	(16)	258	1,927	858
Derivative financial instruments		334	83	22
Bank balances and deposits		25,147	11,423	7,173
		<b>93,877</b>	<b>79,231</b>	<b>76,230</b>
<b>Current liabilities</b>				
Bank and other loans	(17)	13,127	7,210	8,991
Creditors and accruals	(18)	18,298	12,078	6,940
Loan from joint development partner	(19)	2,000	2,000	2,000
Derivative financial instruments		647	460	872
Provision for taxation		633	1,028	768
		<b>59,172</b>	<b>56,455</b>	<b>56,659</b>
<b>Net current assets</b>		<b>59,172</b>	<b>56,455</b>	<b>56,659</b>
<b>Total assets less current liabilities</b>		<b>293,928</b>	<b>274,187</b>	<b>263,853</b>
<b>Non-current liabilities</b>				
Bank and other loans	(17)	22,027	25,279	31,258
Loan from joint development partner	(19)	–	–	2,000
Deferred tax liabilities	(20)	2,390	2,011	1,359
		<b>24,417</b>	<b>27,290</b>	<b>34,617</b>
<b>Net assets</b>		<b>269,511</b>	<b>246,897</b>	<b>229,236</b>
<b>Representing:</b>				
Share capital	(21)	1,158	1,158	1,158
Share premium		9,331	9,331	9,331
Reserves		255,207	232,603	214,405
<b>Shareholders' funds</b>		<b>265,696</b>	<b>243,092</b>	<b>224,894</b>
Non-controlling interests		3,815	3,805	4,342
<b>Total equity</b>		<b>269,511</b>	<b>246,897</b>	<b>229,236</b>

Li Ka-shing  
Director

Ip Tak Chuen, Edmond  
Director

# Statement of Financial Position

As at 31st December, 2010

	Note	31/12/2010 \$ Million	31/12/2009 \$ Million
<b>Non-current assets</b>			
Fixed assets	(8)	5	7
Subsidiaries	(10)	31,858	31,554
Associates	(11)	50	50
Jointly controlled entities	(12)	720	721
Long term loan receivables		1	2
		<b>32,634</b>	<b>32,334</b>
<b>Current assets</b>			
Stock of properties	(14)	3	3
Debtors, deposits and prepayments	(15)	60	269
Bank balances and deposits		275	16
		<b>338</b>	<b>288</b>
<b>Current liabilities</b>			
Creditors and accruals	(18)	217	164
Provision for taxation		–	4
<b>Net current assets</b>		<b>121</b>	<b>120</b>
<b>Net assets</b>			
		<b>32,755</b>	<b>32,454</b>
<b>Representing:</b>			
Share capital	(21)	1,158	1,158
Share premium		9,331	9,331
Reserves	(22)	22,266	21,965
<b>Total equity</b>		<b>32,755</b>	<b>32,454</b>

Li Ka-shing  
Director

Ip Tak Chuen, Edmond  
Director

# Consolidated Statement of Changes in Equity

For the year ended 31st December, 2010

	Shareholders' Funds					Non-controlling interests \$ Million	(Restated) Total Equity \$ Million
	Share capital, premium and reserve <sup>(1)</sup> \$ Million	Investment revaluation reserve \$ Million	Exchange reserve \$ Million	Retained profits \$ Million	Total \$ Million		
Balance at 1st January, 2009, as previously reported	10,834	(2,228)	3,024	213,503	225,133	4,342	229,475
Prior year adjustments (note 2)	–	–	–	(239)	(239)	–	(239)
<b>Balance at 1st January, 2009 as restated</b>	<b>10,834</b>	<b>(2,228)</b>	<b>3,024</b>	<b>213,264</b>	<b>224,894</b>	<b>4,342</b>	<b>229,236</b>
Profit for the year	–	–	–	19,618	19,618	422	20,040
Other comprehensive income							
Exchange gain on translation of financial statements of foreign operations	–	–	1	–	1	–	1
Gain in fair value of investments available for sale	–	3,249	–	–	3,249	1	3,250
Gain in fair value of investments available for sale transferred to income statement upon disposal	–	(121)	–	–	(121)	–	(121)
Impairment of investments available for sale transferred to income statement	–	665	–	–	665	–	665
Share of other comprehensive income of jointly controlled entities and unlisted associates	–	116	345	–	461	–	461
Total comprehensive income for the year	–	3,909	346	19,618	23,873	423	24,296
Change in non-controlling interests	–	–	–	–	–	(711)	(711)
Dividend paid to non-controlling interests	–	–	–	–	–	(249)	(249)
Dividend paid to shareholders of the Company							
2008 final dividend \$1.95 per share	–	–	–	(4,517)	(4,517)	–	(4,517)
2009 interim dividend \$0.50 per share	–	–	–	(1,158)	(1,158)	–	(1,158)
<b>Balance at 31st December, 2009</b>	<b>10,834</b>	<b>1,681</b>	<b>3,370</b>	<b>227,207</b>	<b>243,092</b>	<b>3,805</b>	<b>246,897</b>
<b>Balance at 1st January, 2010, as previously reported</b>	<b>10,834</b>	<b>1,681</b>	<b>3,370</b>	<b>227,714</b>	<b>243,599</b>	<b>3,805</b>	<b>247,404</b>
Prior year adjustments (note 2)	–	–	–	(507)	(507)	–	(507)
<b>Balance at 1st January, 2010, as restated</b>	<b>10,834</b>	<b>1,681</b>	<b>3,370</b>	<b>227,207</b>	<b>243,092</b>	<b>3,805</b>	<b>246,897</b>
Profit for the year	–	–	–	26,478	26,478	323	26,801
Other comprehensive income							
Exchange gain on translation of financial statements of foreign operations	–	–	274	–	274	5	279
Gain in fair value of investments available for sale	–	1,549	–	–	1,549	1	1,550
Gain in fair value of investments available for sale transferred to income statement upon disposal	–	(242)	–	–	(242)	–	(242)
Impairment of investments available for sale transferred to income statement	–	112	–	–	112	–	112
Share of other comprehensive income of jointly controlled entities and unlisted associates	–	65	622	–	687	–	687
Total comprehensive income for the year	–	1,484	896	26,478	28,858	329	29,187
Change in non-controlling interests	–	–	–	–	–	(170)	(170)
Dividend paid to non-controlling interests	–	–	–	–	–	(149)	(149)
Dividend paid to shareholders of the Company							
2009 final dividend \$2.20 per share	–	–	–	(5,096)	(5,096)	–	(5,096)
2010 interim dividend \$0.50 per share	–	–	–	(1,158)	(1,158)	–	(1,158)
<b>Balance at 31st December, 2010</b>	<b>10,834</b>	<b>3,165</b>	<b>4,266</b>	<b>247,431</b>	<b>265,696</b>	<b>3,815</b>	<b>269,511</b>

(1) Share capital, premium and reserve comprise share capital of \$1,158 million, share premium of \$9,331 million and capital reserve of \$345 million.

## Consolidated Statement of Cash Flows

For the year ended 31st December, 2010

	Note	2010 \$ Million	2009 \$ Million
<b>Operating activities</b>			
Cash generated from operations	(a)	13,765	16,010
Investment in/advance to jointly controlled entities		(2,636)	(1,221)
Dividend/repayment from jointly controlled entities		1,198	1,413
Dividend from associates		3,722	3,717
Dividend from investments in securities		243	249
Interest received		155	228
Dividend paid to shareholders of the Company		(6,254)	(5,675)
Dividend paid to non-controlling interests		(149)	(249)
Profits tax paid		(1,376)	(713)
<b>Net cash from operating activities</b>		<b>8,668</b>	<b>13,759</b>
<b>Investing activities</b>			
Investment in/advance to associates		–	(12)
Repayment from associates		14	14
Disposal of associates		–	489
Investment in/advance to jointly controlled entities		(474)	(535)
Dividend/repayment from jointly controlled entities		4,424	–
Purchase of investments available for sale		(1,314)	(595)
Disposal/redemption of investments available for sale		601	1,545
Addition of investment properties		(29)	(242)
Disposal of investment properties		–	1,722
Addition of fixed assets		(144)	(711)
<b>Net cash from investing activities</b>		<b>3,078</b>	<b>1,675</b>
<b>Financing activities</b>			
Borrowing of bank and other loans		9,474	6,463
Repayment of bank and other loans		(7,025)	(16,337)
Decrease in funding from non-controlling interests		(170)	(711)
Interest and other finance costs paid		(301)	(599)
<b>Net cash from/(used in) financing activities</b>		<b>1,978</b>	<b>(11,184)</b>
<b>Net increase in cash and cash equivalents</b>		<b>13,724</b>	<b>4,250</b>
Cash and cash equivalents at 1st January		11,423	7,173
<b>Cash and cash equivalents at 31st December</b>	(b)	<b>25,147</b>	<b>11,423</b>

## Consolidated Statement of Cash Flows (continued)

## Notes:

## (a) Cash generated from operations

	2010	2009
	\$ Million	(Restated) \$ Million
Profit before taxation	28,125	21,684
Interest income	(173)	(216)
Interest and other finance costs	222	233
Dividend income from investments in securities	(234)	(295)
Share of net profit of jointly controlled entities	(8,183)	(2,734)
Share of net profit of associates	(10,237)	(7,028)
Profit on disposal of associates	–	(952)
Increase in fair value of investment properties	(1,737)	(3,857)
Decrease in long term loan receivables	76	660
(Gain)/loss on investments available for sale	(130)	544
Gain on disposal of investment properties	–	(350)
Depreciation	398	349
Exchange difference and other items	(114)	122
Changes in working capital	5,752	7,850
Decrease in investments held for trading	1,669	12
(Increase)/decrease in stock of properties	(2,299)	1,541
Increase in customers' deposits received	4,960	4,990
Decrease in debtors, deposits and prepayments	394	1,069
Increase in derivative financial instruments	(64)	(473)
Increase in creditors and accruals	1,092	711
	13,765	16,010

## (b) Cash and cash equivalents

	2010	2009
	\$ Million	\$ Million
Bank balances and deposits	25,147	11,423

# Notes to Financial Statements

## 1. General Information

The Company is a limited liability company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited. The address of the registered office and other corporate information are set out on page 144 of the annual report.

## 2. Principal Accounting Policies

### (a) Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in Hong Kong and comply with the Hong Kong Financial Reporting Standards (“HKFRSs”). The financial statements are prepared under the historical cost convention except that investments in securities, investment properties and derivative financial instruments, as set out in notes 2(f), 2(h) and 2(l) respectively, are stated at fair values.

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised HKFRSs. For the HKFRSs which are effective for accounting periods beginning on 1st January, 2010, the adoption has no significant impact on the Group’s results and financial position; and for the following HKFRSs which are not yet effective, the Group is in the process of assessing their impact on the Group’s results and financial position.

Effective for the year ending 31st December, 2011:

HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendment)	Classification of Rights Issues
HKFRSs (Amendments)	Improvements to HKFRSs
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments

Effective for the year ending 31st December, 2012:

HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets

Effective for the year ending 31st December, 2013:

HKFRS 9	Financial Instruments
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## Notes to Financial Statements (continued)

## 2. Principal Accounting Policies (continued)

## (a) Basis of preparation (continued)

During the year, the Group's listed associate, Hutchison Whampoa Limited, adopted certain revised HKFRSs prospectively and also adopted its listed associate's new accounting policy with retrospective effect, which had impacts on its opening balance of shareholders' funds and current year's profit attributable to shareholders. The Group's share of the impact has the following effects on the financial statements:

	Year ended 31st December		
	2010 \$ Million	2009 \$ Million	
Decrease in share of net profit of associates	(465)	(268)	
Decrease in profit attributable to shareholders of the Company	(465)	(268)	
Decrease in earnings per share	\$(0.20)	\$(0.12)	

	31/12/2010 \$ Million	31/12/2009 \$ Million	1/1/2009 \$ Million
Decrease in associates	(972)	(507)	(239)
Decrease in net assets	(972)	(507)	(239)
Decrease in retained profits	(972)	(507)	(239)
Decrease in total equity	(972)	(507)	(239)

## (b) Consolidation

The consolidated financial statements of the Group include the financial statements of the Company and of all its direct and indirect subsidiaries made up to 31st December, and also incorporate the Group's interests in jointly controlled entities and associates on the basis set out in note (2)(d) and note (2)(e) respectively.

Results of subsidiaries, jointly controlled entities and associates acquired or disposed of during the year are included as from their effective dates of acquisition to the end of the year or up to the dates of disposal as the case may be. Goodwill on acquisition of subsidiaries is carried at cost and reviewed for impairment annually. Impairment, if any, is charged to income statement.

## (c) Subsidiaries

Investments in subsidiaries are carried at cost less provision for impairment where appropriate.

## 2. Principal Accounting Policies *(continued)*

### (d) Jointly controlled entities

A jointly controlled entity is an entity in which the Group has a long term equity interest and of which its financial and operating policies are under contractual arrangements jointly controlled by the Group and other parties.

Investments in jointly controlled entities are carried in the consolidated financial statements at cost plus the Group's share of their post-acquisition results less dividends received and provision for impairment.

Results of jointly controlled entities are incorporated in the consolidated financial statements to the extent of the Group's share of their comprehensive income calculated from their financial statements made up to 31st December.

### (e) Associates

An associate is an entity, other than a subsidiary or a jointly controlled entity, in which the Group has a long term equity interest and has significant influence over its management.

Investments in associates are carried in the consolidated financial statements at cost plus the Group's share of their post-acquisition results less dividends received and provision for impairment.

Results of associates are incorporated in the consolidated financial statements to the extent of the Group's share of their comprehensive income calculated from their financial statements made up to 31st December and losses of associates in excess of the Group's interests in the associates are not recognised unless the Group has incurred legal or constructive obligations.

### (f) Investments in securities

Investments which are not subsidiaries, jointly controlled entities or associates are classified as either investments held for trading or investments available for sale, and are stated at fair value. Purchases and sales of investments in securities are accounted for on a trade date basis.

For investments held for trading, changes in fair value are included in income statement; and for investments available for sale, changes in fair value are recognised in other comprehensive income and transferred to income statement upon disposal. For equity securities available for sale where there are significant or prolonged declines in fair value below costs and for debt securities available for sale where there are observable evidences that the debt securities cannot be recovered in full, impairment is charged to income statement and is not reversible unless increase in fair value of the debt securities in a subsequent period can be objectively related to events occurring after the impairment is recognised.

### (g) Fixed assets

Fixed assets, including hotel and serviced suite properties held for operation, are stated at cost less depreciation and provision for impairment.

Leasehold land is amortised over the remaining term of the lease on a straight-line basis. Buildings are depreciated at annual rates of 2% to 4% on the costs of the respective buildings. Other fixed assets are depreciated on a straight-line basis at annual rates of 5% to 33 $\frac{1}{3}$ % based on their respective estimated useful lives.

Notes to Financial Statements *(continued)***2. Principal Accounting Policies *(continued)*****(h) Investment properties**

Investment properties, which are held for rental, are stated at fair value. Investment properties under development are stated at fair value when their fair values become reliably determinable or upon completion of their construction, whichever is the earlier, otherwise at cost less provision for impairment. Changes in fair value are included in income statement.

**(i) Loan receivables**

Loan receivables are non-derivative financial assets with fixed or determinable payments. Loan receivables are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method less provision for impairment.

**(j) Stock of properties**

Stock of properties are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to sale proceeds received after the year end date less selling expenses, or by management estimates based on prevailing market condition.

Costs of properties include acquisition costs, development expenditure, interest and other direct costs attributable to such properties. The carrying values of properties held by subsidiaries are adjusted in the consolidated financial statements to reflect the Group's actual acquisition costs where appropriate.

**(k) Debtors**

Debtors are recognised initially at fair value and subsequently carried at amortised cost less provision for impairment.

**(l) Derivative financial instruments**

Derivative financial instruments, which are used for investment and financial purposes, are stated at fair value. Changes in fair value of derivative financial instruments that are designated and qualify as fair value hedges are included in income statement, together with any changes in fair value of the hedged assets or liabilities that are attributable to the hedged risk. Changes in fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in income statement.

**(m) Bank and other loans**

Bank and other loans are recognised initially at fair value and subsequently carried at amortised cost.

**(n) Creditors**

Creditors are recognised initially at fair value and subsequently carried at amortised cost.

## 2. Principal Accounting Policies *(continued)*

### (o) Revenue recognition

When properties under development are sold, income is recognised when the property development is completed with the relevant occupation permit issued by the Authorities and the significant risks and rewards of the properties are passed to the purchasers. Payments received from purchasers prior to this stage are recorded as customers' deposits received.

Rental income is recognised on a straight-line basis over the term of the lease. Income from property and project management is recognised when services are rendered. Revenue from hotel and serviced suite operation is recognised upon provision of services. Interest income is recognised on a time proportion basis using the effective interest method; and dividend income is recognised when the right to receive payment is certain.

### (p) Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the year end date. Transactions during the year are converted at the rates of exchange ruling at the transaction dates. Exchange differences are included in income statement.

For translation of the financial statements of subsidiaries, jointly controlled entities and associates denominated in foreign currencies into presentation currency of the Company, assets and liabilities are translated at exchange rates prevailing at the year end date and results are translated at the average rates of exchange during the year, and if the average rates are not reasonable approximations of the exchange rates at the transaction dates, then the exchange rates at the transaction dates are used. Exchange differences are recognised in other comprehensive income.

### (q) Taxation

Hong Kong profits tax is provided for, using the enacted rate at the year end date, on the estimated assessable profits less available tax relief for losses brought forward of each individual company comprising the Group. Tax outside Hong Kong is provided for, using the local enacted rates at the year end date, on the estimated assessable profits of the individual company concerned.

Deferred tax liabilities are provided in full, based on the applicable enacted rates, on all temporary differences between the carrying amounts of assets and liabilities and their tax bases, and deferred tax assets are recognised, based on the applicable enacted rates, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilised.

### (r) Borrowing costs

Borrowing costs are charged to income statement in the year in which they are incurred unless they are capitalised as being directly attributable to the acquisition and development of properties which necessarily take a substantial period of time to complete.

Notes to Financial Statements (*continued*)**3. Turnover and Contribution**

The principal activities of the Group are property development and investment, hotel and serviced suite operation, property and project management and investment in securities.

Turnover of Group activities comprises proceeds from property sales, gross rental income, revenue from hotel and serviced suite operation and income from property and project management. In addition, the Group also accounts for its proportionate share of proceeds from property sales of jointly controlled entities as turnover. Turnover of jointly controlled entities (save for proceeds from property sales shared by the Group) and turnover of listed and unlisted associates are not included.

Turnover of the Group by operating activities for the year is as follows:

	2010 \$ Million	2009 \$ Million
Property sales	20,417	14,922
Property rental	1,264	1,155
Hotels and serviced suites	2,037	1,399
Property and project management	265	226
Group turnover	23,983	17,702
Share of property sales of jointly controlled entities	8,880	6,591
Turnover	32,863	24,293

During the year, turnover of the Group's operating activities outside Hong Kong (including property sales of jointly controlled entities) accounted for approximately 29% (2009 – 27%) of the turnover and was derived from the following locations:

	2010 \$ Million	2009 \$ Million
The Mainland	8,545	6,676
Singapore	1,052	2
	9,597	6,678

### 3. Turnover and Contribution *(continued)*

Profit contribution by operating activities for the year is as follows:

	Company and subsidiaries		Jointly controlled entities		Total	
	2010 \$ Million	2009 \$ Million	2010 \$ Million	2009 \$ Million	2010 \$ Million	2009 \$ Million
Property sales	5,631	5,501	3,271	2,895	8,902	8,396
Property rental	1,131	1,062	686	677	1,817	1,739
Hotels and serviced suites	617	360	235	157	852	517
Property and project management	115	109	–	–	115	109
	<b>7,494</b>	<b>7,032</b>	<b>4,192</b>	<b>3,729</b>	<b>11,686</b>	<b>10,761</b>
Investment and finance					1,147	1,411
Interest and other finance costs					(222)	(233)
Increase in fair value of investment properties						
Subsidiaries					1,737	3,857
Jointly controlled entities					4,733	693
Profit on disposal of indirect interest in jointly controlled entity					2,210	–
Others					180	218
Taxation						
Company and subsidiaries					(1,324)	(1,644)
Jointly controlled entities					(3,452)	(1,918)
Profit attributable to non-controlling interests					(323)	(422)
					<b>16,372</b>	<b>12,723</b>
Share of net profit of listed associates						
Hutchison Whampoa Limited					10,011	6,810
CK Life Sciences Int'l., (Holdings) Inc.					95	85
Profit attributable to shareholders of the Company					<b>26,478</b>	<b>19,618</b>

## Notes to Financial Statements (continued)

## 4. Profit before Taxation

	2010 \$ Million	2009 \$ Million
Profit before taxation is arrived at after charging:		
Interest and other finance costs		
Bank loans and other loans repayable within 5 years	452	576
Other loans not repayable within 5 years	81	54
Gain on loan hedging	(176)	(134)
	357	496
Less: Amount capitalised (see note (a))	(135)	(263)
	222	233
Directors' emoluments (see note (b))		
Salaries, allowances and benefits in kind	105	101
Pension scheme contribution	10	10
Discretionary bonus	68	56
	183	167
Less: Amount paid back	(10)	(9)
	173	158
Auditors' remuneration	7	6
Costs of properties sold	13,515	8,901
Impairment of investments available for sale	112	665
Operating lease charges – properties	175	160
and after crediting:		
Net rental income	1,213	1,138
Interest income from banks	34	21
Interest income from loan receivables	47	100
Interest income from jointly controlled entities/associates	65	68
Income from listed investments in securities		
Dividend income from equity securities	232	293
Interest income from debt securities	9	–
Income from unlisted investments in securities		
Dividend income from equity securities	2	2
Interest income from debt securities	16	26
Exchange difference	213	(57)
Gain on investments held for trading	84	455
Gain on disposal of investments available for sale	242	121
Gain on disposal of investment properties	–	350
Profit on disposal of associates	–	952

## Notes:

- (a) Interest was capitalised to property development projects at an average annual rate of approximately 1% (2009 – 1.25%) during the year.

#### 4. Profit before Taxation (continued)

- (b) Directors' emoluments comprised payments to the Company's directors (including the five highest paid individuals in the Group) in connection with the management of the affairs of the Group. The independent non-executive directors receive an annual director's fee of \$120,000 (2009 – \$120,000) each; and for those acting as members of the Audit Committee and/or Remuneration Committee, additional annual fee of \$130,000 (2009 – \$130,000) each is paid for the former and \$60,000 (2009 – \$60,000) each is paid for the latter. The emoluments of the Company's directors, excluding emoluments received by them from the Group's associates, are as follows:

	Director Fees	Salaries, Allowances and Benefits in Kind	Pension Scheme Contribution	Discretionary Bonus	Inducement or Compensation Fee	2010 Total	2009 Total
	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
Li Ka-shing <sup>(1)</sup>	0.01	–	–	–	–	0.01	0.01
Li Tzar Kuoi, Victor <sup>(2)</sup>	0.12	34.44	3.44	12.61	–	50.61	46.86
Kam Hing Lam <sup>(3)</sup>	0.12	16.81	1.68	0.60	–	19.21	18.41
Ip Tak Chuen, Edmond <sup>(4)</sup>	0.12	13.78	1.37	6.67	–	21.94	20.26
Chung Sun Keung, Davy	0.12	8.56	0.85	12.73	–	22.26	19.79
Pau Yee Wan, Ezra	0.12	9.71	0.97	10.06	–	20.86	18.77
Woo Chia Ching, Grace	0.12	9.71	0.97	12.72	–	23.52	21.00
Chiu Kwok Hung, Justin	0.12	8.70	0.87	12.87	–	22.56	19.94
Leung Siu Hon	0.12	–	–	–	–	0.12	0.12
Fok Kin-ning, Canning	0.12	–	–	–	–	0.12	0.12
Frank John Sixt	0.12	–	–	–	–	0.12	0.12
Chow Kun Chee, Roland	0.12	–	–	–	–	0.12	0.12
George Colin Magnus	0.12	–	–	–	–	0.12	0.12
Kwok Tun-li, Stanley	0.31	–	–	–	–	0.31	0.31
Yeh Yuan Chang, Anthony	0.12	–	–	–	–	0.12	0.12
Simon Murray	0.12	–	–	–	–	0.12	0.12
Chow Nin Mow, Albert	0.12	–	–	–	–	0.12	0.12
Hung Siu-lin, Katherine	0.25	–	–	–	–	0.25	0.25
Wong Yick-ming, Rosanna	0.18	–	–	–	–	0.18	0.18
Cheong Ying Chew, Henry	0.25	–	–	–	–	0.25	0.25
Kwan Chiu Yin, Robert	–	–	–	–	–	–	0.12
<b>Total for the year 2010</b>	<b>2.80</b>	<b>101.71</b>	<b>10.15</b>	<b>68.26</b>	<b>–</b>	<b>182.92</b>	
Total for the year 2009	2.92	97.87	9.76	56.56	–		167.11

- (1) Other than a director's fee of \$5,000, no other remuneration was paid to the Chairman, Mr. Li Ka-shing. The amount of director's fee shown above is a result of rounding. The director's fee of \$50,000 received by Mr. Li Ka-shing from Hutchison Whampoa Limited was paid back to the Company.
- (2) Part of the directors' emoluments in the sum of \$3,720,000 received by Mr. Li Tzar Kuoi, Victor from the Hutchison Whampoa Group and the director's fee of \$75,000 received by him from CK Life Sciences Int'l., (Holdings) Inc. were paid back to the Company.
- (3) Part of the directors' emoluments in the sum of \$1,572,000 received by Mr. Kam Hing Lam from the Hutchison Whampoa Group and the directors' emoluments of \$1,825,000 received by him from CK Life Sciences Int'l., (Holdings) Inc. were paid back to the Company.
- (4) Part of the directors' emoluments in the sum of \$1,875,000 received by Mr. Ip Tak Chuen, Edmond from Cheung Kong Infrastructure Holdings Limited and the director's fee of \$75,000 received by him from CK Life Sciences Int'l., (Holdings) Inc. were paid back to the Company.

## Notes to Financial Statements (continued)

## 5. Taxation

	2010 \$ Million	2009 \$ Million
Current tax		
Hong Kong profits tax	904	961
Tax outside Hong Kong	41	31
Deferred tax	379	652
	<b>1,324</b>	<b>1,644</b>

Hong Kong profits tax has been provided for at the rate of 16.5% (2009 – 16.5%) on the estimated assessable profits for the year and operating profit (after adjusting for share of taxation of jointly controlled entities) is reconciled with taxation as follows:

	2010 \$ Million	2009 \$ Million
Adjusted operating profit at Hong Kong tax rate of 16.5% (2009 – 16.5%)	3,521	2,735
Effect of tax rate differences at locations outside Hong Kong	1,844	1,157
Profit on disposal of indirect interest in jointly controlled entity	(365)	–
Profit on disposal of associates	–	(157)
Dividend income	(27)	(34)
Increase in fair value of investment properties	(7)	(28)
Profit on disposal of properties held for rental	–	(57)
Net effect of tax losses and deductible temporary differences utilised/not recognised	(156)	(41)
Net effect of non-assessable/deductible items	(60)	(4)
Others	26	(9)
	<b>4,776</b>	<b>3,562</b>
Less: Share of taxation of jointly controlled entities	(3,452)	(1,918)
	<b>1,324</b>	<b>1,644</b>

## 6. Profit Attributable to Shareholders of the Company

Profit attributable to shareholders of the Company dealt with in the income statement of the Company is \$6,555 million (2009 – \$6,372 million) and dividends paid and proposed for the year by the Company are as follows:

	2010 \$ Million	2009 \$ Million
Interim dividend paid at \$0.50 (2009 – \$0.50) per share	1,158	1,158
Final dividend proposed at \$2.45 (2009 – \$2.20) per share	5,675	5,096
	<b>6,833</b>	<b>6,254</b>

## 7. Earnings Per Share

The calculation of earnings per share is based on profit attributable to shareholders of the Company and on 2,316,164,338 shares (2009 – 2,316,164,338 shares) in issue during the year.

## 8. Fixed Assets

Group	Land and	Hotels and		Other	Total
	buildings in	in	outside		
	Hong Kong	Hong Kong	Hong Kong	assets	
	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
<b>Cost</b>					
At 1st January, 2009	934	10,679	1,546	1,217	14,376
Translation difference	–	–	2	1	3
Additions/transfers	(934)	184	12	159	(579)
Disposals	–	–	–	(16)	(16)
At 31st December, 2009	–	10,863	1,560	1,361	13,784
Translation difference	–	–	53	11	64
Additions/transfers	–	8	9	42	59
Disposals	–	–	–	(20)	(20)
At 31st December, 2010	–	10,871	1,622	1,394	13,887
<b>Accumulated depreciation/provisions</b>					
At 1st January, 2009	–	1,676	274	802	2,752
Translation difference	–	–	–	1	1
Depreciation	–	195	35	119	349
Disposals	–	–	–	(14)	(14)
At 31st December, 2009	–	1,871	309	908	3,088
Translation difference	–	–	11	9	20
Depreciation	–	223	36	139	398
Disposals	–	–	–	(18)	(18)
At 31st December, 2010	–	2,094	356	1,038	3,488
<b>Net book value</b>					
At 31st December, 2010	–	8,777	1,266	356	10,399
At 31st December, 2009	–	8,992	1,251	453	10,696
At 1st January, 2009	934	9,003	1,272	415	11,624

At the year end date:

- certain properties in Hong Kong with aggregate carrying value of \$8,225 million (2009 – \$8,437 million) and certain properties outside Hong Kong with aggregate carrying value of \$1,266 million (2009 – \$1,251 million) were held under medium term leases, all other properties were held under long leases; and
- certain hotel properties with aggregate carrying value of \$750 million (2009 – \$736 million) were pledged to secure bank loan facilities.

## Notes to Financial Statements (continued)

## 8. Fixed Assets (continued)

Company	Other assets	
	31/12/2010 \$ Million	31/12/2009 \$ Million
Cost		
At 1st January	186	191
Additions	2	2
Disposals	(1)	(7)
At 31st December	187	186
Accumulated depreciation		
At 1st January	179	180
Depreciation	4	5
Disposals	(1)	(6)
At 31st December	182	179
Net book value at 31st December	5	7

## 9. Investment Properties

	Group		
	31/12/2010 \$ Million	31/12/2009 \$ Million	1/1/2009 \$ Million
Investment properties in Hong Kong			
At 1st January	19,433	15,670	15,497
Additions	–	358	39
Transfer from land and buildings	–	934	–
Disposals	–	(1,386)	–
Increase in fair value	1,737	3,857	134
	21,170	19,433	15,670

At the year end date:

- investment properties have been revalued by DTZ Debenham Tie Leung Limited, independent professional valuers, on a market value basis, which has taken into account comparable market transactions and net income derived from existing tenancies with due allowance for reversionary income potential;
- investment properties with aggregate carrying value of \$20,585 million (2009 – \$18,900 million) and \$585 million (2009 – \$533 million) were held under medium term leases and long leases respectively; and
- gross rental income and direct operating expenses of investment properties during the year amounted to \$1,140 million (2009 – \$1,051 million) and \$41 million (2009 – \$16 million) respectively.

## 10. Subsidiaries

	Company	
	31/12/2010 \$ Million	31/12/2009 \$ Million
Unlisted investments in subsidiaries	2,071	2,071
Amounts due from subsidiaries	30,059	30,302
Amounts due to subsidiaries	(272)	(819)
	<b>31,858</b>	<b>31,554</b>

Particulars regarding the principal subsidiaries are set out in Appendix I.

## 11. Associates

	Group			Company	
	31/12/2010 \$ Million	31/12/2009 \$ Million	1/1/2009 \$ Million	31/12/2010 \$ Million	31/12/2009 \$ Million
Listed investments in associates	28,132	28,132	28,712	–	–
Unlisted investments in associates	93	93	81	50	50
Share of results less dividends	125,706	119,117	115,734	–	–
	153,931	147,342	144,527	50	50
Amounts due from associates	186	200	211	–	–
	154,117	147,542	144,738	50	50
Market value of investments in associates					
– listed in Hong Kong	172,725	115,735	84,288	–	–

Particulars regarding the principal associates are set out in Appendix II. Extracts of financial statements of Hutchison Whampoa Limited and CK Life Sciences Int'l., (Holdings) Inc., listed associates, are set out in Appendix IV and Appendix V respectively.

## Notes to Financial Statements (continued)

## 12. Jointly Controlled Entities

	Group			Company	
	31/12/2010 \$ Million	31/12/2009 \$ Million	1/1/2009 \$ Million	31/12/2010 \$ Million	31/12/2009 \$ Million
Unlisted investments in jointly controlled entities	10,578	8,908	8,787	–	–
Share of results less dividends	16,480	11,146	8,576	–	–
	27,058	20,054	17,363	–	–
Amounts due from jointly controlled entities	12,373	12,537	12,028	720	721
	39,431	32,591	29,391	720	721

Particulars regarding the principal jointly controlled entities are set out in Appendix III. The aggregate amounts of non-current assets, current assets, current liabilities and non-current liabilities at the year end date, and the aggregate amounts of income and expenses for the year related to the Group's interests in jointly controlled entities are as follows:

	2010 \$ Million	2009 \$ Million
Non-current assets	23,839	18,762
Current assets	39,183	34,093
Current liabilities	(11,048)	(9,108)
Non-current liabilities	(10,742)	(9,499)
Income	18,301	9,764
Expenses	(10,232)	(5,115)

## 13. Investments Available for Sale

	Group		
	31/12/2010 \$ Million	31/12/2009 \$ Million	1/1/2009 \$ Million
Listed investments			
Equity securities – listed in Hong Kong	3,833	2,654	1,748
Equity securities – listed outside Hong Kong	4,628	3,624	2,437
Debt securities – listed outside Hong Kong	116	–	–
	8,577	6,278	4,185
Unlisted investments			
Equity securities	107	119	72
Debt securities	598	629	421
	705	748	493
	9,282	7,026	4,678

## 14. Stock of Properties

	Group			Company	
	31/12/2010 \$ Million	31/12/2009 \$ Million	1/1/2009 \$ Million	31/12/2010 \$ Million	31/12/2009 \$ Million
Properties for/under development	28,443	17,340	27,835	–	–
Joint development projects	35,512	38,250	34,785	–	–
Properties for sale	1,724	7,409	1,653	3	3
	<b>65,679</b>	<b>62,999</b>	<b>64,273</b>	<b>3</b>	<b>3</b>

At the year end date, properties for/under development and joint development projects amounting to \$37,155 million (2009 – \$32,670 million) were not scheduled for completion within twelve months.

## 15. Debtors, Deposits and Prepayments

	Group			Company	
	31/12/2010 \$ Million	31/12/2009 \$ Million	1/1/2009 \$ Million	31/12/2010 \$ Million	31/12/2009 \$ Million
Trade debtors	847	526	1,207	–	–
Loan receivables	559	1,202	2,001	–	–
Deposits, prepayments and others	1,053	1,071	696	60	269
	<b>2,459</b>	<b>2,799</b>	<b>3,904</b>	<b>60</b>	<b>269</b>

The Group's trade debtors mainly comprise receivables for sale of properties and rental. Sales terms vary for each property project and are determined with reference to the prevailing market conditions. Sale of properties are normally completed when the sale prices are fully paid and deferred payment terms are sometimes offered to purchasers at a premium. Rentals are payable in advance by tenants.

At the year end date, loan receivables included mortgage loans amounting to \$188 million (2009 – \$278 million) which were pledged to secure the financing bank loans.

Ageing analysis of the Group's trade debtors at the year end date is as follows:

	2010 \$ Million	2009 \$ Million
Current to one month	817	491
Two to three months	22	27
Over three months	8	8
	<b>847</b>	<b>526</b>

## Notes to Financial Statements (continued)

## 16. Investments Held for Trading

	Group		
	31/12/2010 \$ Million	31/12/2009 \$ Million	1/1/2009 \$ Million
Listed investments			
Equity securities – listed in Hong Kong	87	829	121
Equity securities – listed outside Hong Kong	171	1,045	692
	258	1,874	813
Unlisted investments			
Debt securities	–	53	45
	258	1,927	858

## 17. Bank and Other Loans

	Group		
	31/12/2010 \$ Million	31/12/2009 \$ Million	1/1/2009 \$ Million
Bank loans repayable			
within 1 year	9,225	4,421	7,613
after 1 year but not exceeding 2 years	10,315	9,035	5,997
after 2 years but not exceeding 5 years	6,249	9,813	16,168
	25,789	23,269	29,778
Other loans repayable			
within 1 year	3,902	2,789	1,378
after 1 year but not exceeding 2 years	–	3,731	2,909
after 2 years but not exceeding 5 years	3,513	1,550	5,034
after 5 years	1,950	1,150	1,150
	9,365	9,220	10,471
	35,154	32,489	40,249
Less: Amounts classified under current liabilities	13,127	7,210	8,991
Amounts classified under non-current liabilities	22,027	25,279	31,258

In 2008, the Group entered into a transaction with a financial institution whereby, for a total consideration of \$2.1 billion, certain equity securities listed outside Hong Kong held by the Group were transferred to the other party at an inception price together with put options exercisable at 200% of the inception price at the end of a three-year period.

It is expected that the price of the transferred equity securities is not likely to rise above the 200% level of the inception price within the three-year period and the put options will be exercised. Hence, the Group remains exposed to the risk of price fluctuation of the transferred equity securities below the 200% level of the inception price. Therefore, the total consideration received has been accounted for as a loan and amortised at an annual rate of 2.7% approximately, and the transferred equity securities have remained as the Group's investments available for sale and included in note (13).

## 17. Bank and Other Loans *(continued)*

At the year end date:

- (a) the amortised cost of the total consideration received and the carrying value of the transferred equity securities mentioned above were \$2,190 million (2009 – \$2,127 million) and \$1,831 million (2009 – \$1,508 million) respectively;
- (b) bank loans amounting to \$225 million (2009 – \$357 million) were secured by certain assets of the Group;
- (c) other loans included fixed rate bonds and notes issued by wholly owned subsidiaries and guaranteed by the Company as follows:
  - (i) issued by Cheung Kong Bond Finance Limited in Hong Kong:
 

HK\$500,000,000	4.4% due April 2015 (issued in 2005)
HK\$150,000,000	5.1% due April 2016 (issued in 2006)
HK\$500,000,000	3.18% due May 2011 (issued in 2008)
HK\$800,000,000	3.48% due April 2013 (issued in 2008)
HK\$500,000,000	3.9% due May 2013 (issued in 2008)
HK\$500,000,000	4.88% due August 2018 (issued in 2008)
  - (ii) issued by Joynote Ltd and listed on the Singapore Stock Exchange:
 

SGD200,000,000	3.76% due October 2011 (issued in 2006)
SGD225,000,000	2.25% due November 2015 (issued in 2010)
  - (iii) issued by Cheung Kong Finance (MTN) Limited in Hong Kong:
 

HK\$500,000,000	4.3% due January 2020 (issued in 2010)
HK\$500,000,000	4.35% due January 2020 (issued in 2010)
HK\$300,000,000	3.9% due April 2020 (issued in 2010)

and, where appropriate, swaps had been arranged to convert the rates and the related terms of the fixed rate bonds and notes to a floating rate basis. The aggregate fair value of the derivative financial instruments used for hedging purposes amounted to a net asset of \$295 million (2009 – \$689 million);

- (d) bank and other loans, where appropriate after hedging, approximated their fair value and carried interest at effective rates generally based on inter-bank offered rate of the relevant currency plus a margin of approximately 1% per annum.

## Notes to Financial Statements (continued)

## 18. Creditors and Accruals

	Group			Company	
	31/12/2010 \$ Million	31/12/2009 \$ Million	1/1/2009 \$ Million	31/12/2010 \$ Million	31/12/2009 \$ Million
Trade creditors	557	444	388	–	–
Accruals and other creditors	4,671	3,582	3,490	217	164
Customers' deposits received	13,070	8,052	3,062	–	–
	<b>18,298</b>	<b>12,078</b>	<b>6,940</b>	<b>217</b>	<b>164</b>

Ageing analysis of the Group's trade creditors at the year end date is as follows:

	2010 \$ Million	2009 \$ Million
Current to one month	500	365
Two to three months	32	40
Over three months	25	39
	<b>557</b>	<b>444</b>

## 19. Loan from Joint Development Partner

Pursuant to the terms of a joint development project, the Group obtained a loan of \$4,000 million from the joint development partner in 2006 to finance the payment of land premium of the joint development project. The loan is repayable by two equal instalments, of which the first instalment was repaid on 31st December, 2009 and the second instalment is repayable upon completion of phase 2 (or on 31st December, 2011, whichever is earlier) of the joint development project.

## 20. Deferred Tax Liabilities

At the year end date:

- the Group's deferred tax liabilities amounting to \$761 million (2009 – \$664 million) and \$1,629 million (2009 – \$1,347 million) were provided on temporary differences arising from accelerated tax depreciation and changes in fair value of investment properties respectively; and
- the Group's tax losses and deductible temporary differences amounting to \$2,652 million (2009 – \$3,322 million), of which \$53 million (2009 – \$53 million) expire within 5 years, were not recognised.

## 21. Share Capital

	Company					
	31/12/2010 No. of shares	31/12/2009 No. of shares	1/1/2009 No. of shares	31/12/2010 \$ Million	31/12/2009 \$ Million	1/1/2009 \$ Million
Authorised:						
Shares of \$0.5 each	3,800,000,000	3,800,000,000	3,800,000,000	1,900	1,900	1,900
Issued and fully paid:						
Shares of \$0.5 each	2,316,164,338	2,316,164,338	2,316,164,338	1,158	1,158	1,158

## 22. Reserves

	Company			31/12/2009 Total \$ Million
	Capital reserve \$ Million	Retained profits \$ Million	31/12/2010 Total \$ Million	
At 1st January	199	21,766	21,965	21,268
Profit for the year	–	6,555	6,555	6,372
Dividend paid	–	(6,254)	(6,254)	(5,675)
At 31st December	199	22,067	22,266	21,965

The Company's reserves available for distribution to shareholders of the Company, including the proposed final dividend, amounted to \$22,067 million (2009 – \$21,766 million). Proposed final dividend for 2009 was approved by shareholders of the Company on 27th May, 2010 and paid on 1st June, 2010.

## 23. Operating Lease

Analysis of future minimum lease income receivable by the Group under non-cancellable operating leases, mainly on 2 to 3 year terms, for property rental at the year end date is as follows:

	Group	
	2010 \$ Million	2009 \$ Million
Future minimum lease income receivable		
not later than 1 year	1,058	979
later than 1 year but not later than 5 years	789	911
later than 5 years	–	2
	1,847	1,892

Analysis of future minimum lease charges payable by the Group and the Company under non-cancellable operating leases at the year end date are as follows:

	Group		Company	
	2010 \$ Million	2009 \$ Million	2010 \$ Million	2009 \$ Million
Future minimum lease charges payable				
not later than 1 year	122	142	72	107
later than 1 year but not later than 5 years	35	86	2	71
	157	228	74	178

Notes to Financial Statements (*continued*)**24. Segment Information**

Depreciation for the year analysed by operating activities is as follows:

	2010 \$ Million	2009 \$ Million
Hotels and serviced suites	370	323
Property and project management	15	15
	<b>385</b>	<b>338</b>
Others	13	11
	<b>398</b>	<b>349</b>

**25. Commitments and Contingent Liabilities**

At the year end date:

- (a) the Group had capital commitments as follows:
  - (i) contracted but not provided for
    - fixed assets – \$13 million (2009 – \$27 million)
    - jointly controlled entities – \$632 million (2009 – \$1,086 million)
  - (ii) authorised but not contracted for
    - fixed assets – \$15 million (2009 – \$16 million)
- (b) the Group's share of capital commitments of the jointly controlled entities were as follows:
  - (i) contracted but not provided for – \$386 million (2009 – \$643 million)
  - (ii) authorised but not contracted for – \$2,727 million (2009 – \$3,024 million)
- (c) the minimum share of revenue/profit guaranteed by the Company to be received by other partners of joint development projects amounted to \$636 million (2009 – \$1,398 million); and
- (d) the Company provided guarantees for loan financing as follows:
  - (i) bank and other loans utilised by subsidiaries – \$34,578 million (2009 – \$31,882 million)
  - (ii) loan from joint development partner to a subsidiary – \$2,000 million (2009 – \$2,000 million)
  - (iii) bank loans utilised by jointly controlled entities – \$49 million (2009 – \$50 million)
  - (iv) bank loans utilised by investee company – \$286 million (2009 – \$283 million)

and certain subsidiaries provided guarantees for bank loans utilised by jointly controlled entities amounted to \$1,481 million (2009 – \$1,555 million).

## 26. Employees Pension Schemes

The principal employees pension schemes operated by the Group, including the occupational retirement schemes and the mandatory provident fund schemes, are defined contribution schemes. For occupational retirement schemes, contributions are made by either the employer only or both the employer and the employees at rates ranging from approximately 5% to 10% of the employees' salary. For mandatory provident fund schemes, contributions are made by both the employer and the employees at 5% each of the employees' relevant monthly income which is capped at \$20,000.

During the year, the Group's costs incurred on employees pension schemes were \$101 million (2009 – \$92 million) and forfeited contributions in the amount of \$4 million (2009 – \$3 million) were used to reduce current year's contributions.

## 27. Related Party Transactions

During the year and in the ordinary course of business, the Group undertook various joint venture projects with related parties, including the Chairman, Mr. Li Ka-shing, and Hutchison Whampoa Limited, on normal commercial terms. Advances were made to/received from and guarantees were provided for these joint venture projects on a pro rata basis.

Advances made by the Group at the year end date were disclosed as amount due from associates and jointly controlled entities in notes (11) and (12). Guarantees provided by the Group for bank loans utilised by jointly controlled entities at the year end date were disclosed in note (25).

Other than the aforementioned, there were no other significant related party transactions requiring disclosure in the financial statements.

## 28. Financial Risks and Management

Financial assets and financial liabilities of the Group include investments in securities, cash balances maintained for liquidity, loan and other receivables, bank and other loan borrowings, and derivative financial instruments for investment and financial purposes. The Group's treasury policies and how the management manages to mitigate the risks associated with these financial assets and financial liabilities are described below:

### (a) Treasury policies

The Group maintains a conservative approach on foreign exchange exposure management. At the year end date, approximately 85.7% of the Group's borrowings were in HK\$ with the balance in US\$ and SGD, mainly for the purpose of financing projects outside Hong Kong. The Group derives its revenue mainly in HK\$, cash balances and marketable securities are maintained mainly in HK\$ or US\$, and the Group ensures that its exposure to fluctuations in foreign exchange rates is minimised.

Notes to Financial Statements (*continued*)**28. Financial Risks and Management** (*continued*)**(a) Treasury policies** (*continued*)

The Group's borrowings are principally on a floating rate basis and where appropriate, swaps are arranged to convert the rates and related terms of the fixed rate bonds and notes issued to a floating rate basis.

At times of interest rate or exchange rate uncertainty or volatility and when appropriate, hedging instruments including swaps and forwards are used by the Group in the management of exposure to interest rate and foreign exchange rate fluctuations.

**(b) Risk management**

Loan receivables normally carry interest at rates with reference to banks' lending rates and are secured by collaterals including charge on assets and guarantees. Trade debtors include mainly receivables arising from sale and lease of properties to the public. The Group has legal right to claim repossession of the properties in the event of default by purchasers/tenants. At the year end date, overdue loan receivables and trade debtors amounted to less than 1% of the Group's net assets and regular review and follow-up actions are carried out on the overdue amounts to minimise exposures to credit risk.

Cash balances maintained for liquidity are placed with a number of major banks. Investments in securities and transactions involving derivative financial instruments are generally limited to issuers and counter-parties with sound credit.

Investments in securities and derivative financial instruments are stated at fair value. Fair values are determined based on quoted market price, otherwise, with reference to professional valuations and/or estimations that take into account assumptions and estimates on factors affecting the value of these financial instruments and change of such assumptions and estimates to reasonably possible alternatives would not have material effect on the Group's result for the year and financial position at the year end date. An analysis of these financial assets and financial liabilities of the Group based on the degree to which their fair values are observable and grouped into Levels 1 to 3 is as follows:

- Level 1 : unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 : value inputs, other than quoted prices, that are observable either directly or indirectly
- Level 3 : value inputs that are not based on observable market data

## 28. Financial Risks and Management *(continued)*

### (b) Risk management *(continued)*

	Level 1 \$ Million	Level 2 \$ Million	Level 3 \$ Million	Total \$ Million
At 31st December, 2010				
Financial assets				
Investments available for sale				
Equity securities	8,461	14	93	8,568
Debt securities	116	598	–	714
Investments held for trading				
Equity securities	258	–	–	258
Derivative financial instruments	–	334	–	334
	<b>8,835</b>	<b>946</b>	<b>93</b>	<b>9,874</b>
Financial liabilities				
Derivative financial instruments	–	(647)	–	(647)
At 31st December, 2009				
Financial assets				
Investments available for sale				
Equity securities	6,278	13	106	6,397
Debt securities	–	629	–	629
Investments held for trading				
Equity securities	1,874	–	–	1,874
Debt securities	–	53	–	53
Derivative financial instruments	–	83	–	83
	<b>8,152</b>	<b>778</b>	<b>106</b>	<b>9,036</b>
Financial liabilities				
Derivative financial instruments	–	(460)	–	(460)

## Notes to Financial Statements (continued)

## 28. Financial Risks and Management (continued)

## (b) Risk management (continued)

The movement of Level 3 fair value measurement of equity securities available for sale during the year was as follows:

	2010 \$ Million	2009 \$ Million
Fair value at 1st January	106	61
Purchases	32	40
Impairment recognised in income statement as a charge to investment and other income	(48)	–
Gain in fair value recognised in other comprehensive income	3	5
Fair value at 31st December	93	106

The exposure to price changes is managed by closely monitoring the changes in market conditions that may have an impact on the market prices or factors affecting the value of these financial instruments. If the fair value of the investments in securities and derivative financial instruments was 5% higher/lower at the year end date, the Group's investment revaluation reserve would increase/decrease by approximately \$441 million (2009 – \$231 million) and the Group's profit for the year would increase/decrease by approximately \$49 million (2009 – \$234 million).

The Group's borrowings are subject to interest rate fluctuation. It is estimated that an increase/decrease of 1% in interest rates would increase/decrease the Group's finance costs for the year by approximately \$316 million (2009 – \$304 million), assuming the change in interest rates had been applied to the Group's bank and other loans at the year end date which were kept constant throughout the year, and the amount of finance costs capitalised would increase/decrease by approximately \$119 million (2009 – \$161 million) based on the proportion of finance costs capitalised during the year.

## (c) Liquidity management

The Group monitors its liquidity requirements on a short to medium term basis and arranges refinancing of the Group's borrowings when appropriate. With cash and marketable securities in hand as well as available banking facilities, the Group's liquidity position remains strong and the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

The contractual undiscounted cash flows (including interest payments, after hedging where appropriate, computed at rates current at the year end date) of the Group's borrowings by contractual maturities at the year end date are as follows:

	2010 \$ Million	2009 \$ Million
Within 1 year	15,455	9,402
After 1 year but not exceeding 2 years	10,503	13,012
After 2 years but not exceeding 5 years	10,039	11,501
After 5 years	2,016	1,164
	38,013	35,079

## 29. Capital Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising returns to the shareholders of the Company through the optimisation of debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in notes (17) and (19), bank balances and deposits and shareholders' funds, comprising share capital, share premium and reserves as disclosed in the statement of financial position. The Group reviews its capital structure on a regular basis and maintains a low gearing ratio determined as the proportion of the Group's net borrowings (after deducting bank balances and deposits) to shareholders' funds.

The gearing ratio at the year end date is as follows:

	2010 \$ Million	2009 \$ Million
Bank and other loans	35,154	32,489
Loan from joint development partner	2,000	2,000
Total borrowings	37,154	34,489
Less: Bank balances and deposits	(25,147)	(11,423)
Net borrowings	12,007	23,066
Shareholders' funds	265,696	243,092
Gearing ratio	4.5%	9.5%

## 30. Approval of Financial Statements

The financial statements reported in Hong Kong dollars and set out on pages 96 to 136 were approved by the board of directors on 29th March, 2011.

## Principal Subsidiaries

### Appendix I

The Directors are of the opinion that a complete list of the particulars of all the subsidiaries will be of excessive length and therefore the following list contains only the particulars of the subsidiaries which materially affect the results or assets of the Group. All the companies listed below were incorporated in Hong Kong except otherwise stated.

Name	Issued Ordinary Share Capital		Effective percentage held by the Company		Principal Activities
	Nominal Value		Directly	Indirectly	
AMTD Group Company Limited (British Virgin Islands)	US\$	10,000		55.06	Financial planning, mortgage servicing & corporate insurance
Bermington Investment Limited	HK\$	2		100	Hotels & serviced suites
Biro Investment Limited	HK\$	10,000		100	Property development
Bradford Investments Limited	HK\$	1		80	Property development
Chaview Holdings Limited (British Virgin Islands)	US\$	1		100	Investment holding
Cheer Good Limited	HK\$	1		100	Property development
Cheung Kong Bond Finance Limited (Cayman Islands)	US\$	1		100	Finance
Cheung Kong Finance Company Limited	HK\$	2,500,000	100		Finance
Cheung Kong Finance (MTN) Limited (Cayman Islands)	US\$	1,000		100	Finance
Cheung Kong Holdings (China) Limited	HK\$	2		100	Investment holding in the Mainland projects
Cheung Kong Investment Company Limited	HK\$	20	100		Investment holding
Cheung Kong Property Development Limited	HK\$	2	100		Project management
Citybase Property Management Limited	HK\$	100,000		100	Property management
East City Investments Limited	HK\$	1		100	Property development
East Leader Investments Limited	HK\$	2		100	Property development
Fantastic State Limited	HK\$	2		100	Property development
Flying Snow Limited	HK\$	2		100	Property investment
Focus Eagle Investments Limited (British Virgin Islands)	US\$	1		100	Investment holding
Garbo Field Limited	HK\$	2		100	Property development
Glass Bead Limited (British Virgin Islands)	US\$	1		100	Property investment
Global Coin Limited	HK\$	2		100	Property investment
Goodwell Property Management Limited	HK\$	100,000		100	Property management
Grandwood Investments Limited	HK\$	1		100	Property development
Harbour Grand Hong Kong Limited	HK\$	2		100	Hotels & serviced suites
Harbour Plaza 8 Degrees Limited	HK\$	2		100	Hotels & serviced suites
iMarkets Limited	HK\$	30,000,000		54.83	Provider of electronic trading platform
Joynote Ltd (Singapore)	SGD	2		100	Finance
Kingsmark Investments Limited	HK\$	1		100	Property development & investment
Luxury Green Development Pte. Ltd. (Singapore)	SGD	1,000,000		100	Property development

Name	Issued Ordinary Share Capital Nominal Value	Effective percentage held by the Company		Principal Activities
		Directly	Indirectly	
Megawin International Limited (British Virgin Islands)	US\$ 1		100	Property development
Mutual Luck Investment Limited	HK\$ 30,000		60	Property development
New Accord Limited	HK\$ 1		100	Property development
New City Investments Limited	HK\$ 1		100	Property development
New Harbour Investments Limited	HK\$ 1		100	Property development
New Profit Resources Limited	HK\$ 2		98.47	Property development
New Vision Development Limited	HK\$ 1		100	Property development
Oxford Investments Limited	HK\$ 2		100	Property development
Pako Wise Limited	HK\$ 2	100		Property investment
Pearl Wisdom Limited	HK\$ 2		100	Hotels & serviced suites
Perfect Idea Limited	HK\$ 20		100	Property development
Pofield Investments Limited (British Virgin Islands)	US\$ 1		100	Property investment
Queensway Investments Limited	HK\$ 1		85	Property development
Rainbow Elite Investments Limited	HK\$ 1		100	Property development
Randash Investment Limited	HK\$ 110		60.9	Hotels & serviced suites
Regent Land Investments Limited	HK\$ 1		100	Property development
Rich Asia Investments Limited	HK\$ 1,000,000		85	Property development
Romefield Limited (British Virgin Islands)	US\$ 1		100	Investment holding
Ruby Star Enterprises Limited	HK\$ 1		100	Property development
Ruperta Limited (British Virgin Islands)	US\$ 1		100	Investment holding
Sai Ling Realty Limited	HK\$ 10,000	100		Property development
Sino China Enterprises Limited	HK\$ 2		100	Hotels & serviced suites
The Center (Holdings) Limited (British Virgin Islands)	US\$ 1		100	Property investment
Tin Shui Wai Development Limited	HK\$ 1,000		98.47	Property investment
Tony Investments Limited	HK\$ 1		100	Property development
Total Win Group Limited (British Virgin Islands)	US\$ 1		100	Investment holding
Towerich Limited	HK\$ 2		51	Hotels & serviced suites
Union Art Investment Limited	HK\$ 1		100	Property development
Volly Best Investment Limited	HK\$ 1		90	Property development
Wealth Pine Investment Limited	HK\$ 1		85	Property development
Wide Global Investment Limited	HK\$ 2		100	Property development
Winchesto Finance Company Limited	HK\$ 15,000,000	100		Finance
Yick Ho Limited	HK\$ 6,000,000		100	Investment in hotel projects

The principal area of operation of the above companies were in Hong Kong except the following:

Name	Area of Operation
Cheung Kong Holdings (China) Limited	The Mainland
Joynote Ltd	Singapore
Luxury Green Development Pte. Ltd.	Singapore
Megawin International Limited	The Mainland
Yick Ho Limited	The Mainland

## Principal Associates

### Appendix II

The Directors are of the opinion that a complete list of the particulars of all the associates will be of excessive length and therefore the following list contains only the particulars of the associates which materially affect the results or assets of the Group. All the companies listed below were incorporated in Hong Kong except otherwise stated.

Name	Effective percentage of Issued Ordinary Share Capital held by the Company		Principal Activities
	Directly	Indirectly	
CEF Holdings Limited	50		Investment holding
CK Life Sciences Int'l., (Holdings) Inc. (Cayman Islands)		45.3	Research & development, manufacturing, commercialisation, marketing & selling of environmental & human health products & investments
Harbour Plaza Hotel Management (International) Limited (British Virgin Islands)		50	Hotel management
Hong Kong Concord Holdings Limited		40	Investment holding & power generation
Hutchison Whampoa Limited		49.9	Ports & related services, property & hotels, retail, energy, infrastructure, telecommunications, finance, investments & others
Metro Broadcast Corporation Limited		50	Radio broadcasting

The principal area of operation of the above companies were in Hong Kong except the following:

Name	Area of Operation
Hong Kong Concord Holdings Limited	The Mainland

## Principal Jointly Controlled Entities

### Appendix III

The Directors are of the opinion that a complete list of the particulars of all the jointly controlled entities will be of excessive length and therefore the following list contains only the particulars of the jointly controlled entities which materially affect the results or assets of the Group. All the jointly controlled entities below were incorporated in Hong Kong except otherwise stated.

Name	Effective percentage of Ownership Interest held by the Company		Principal Activities
	Directly	Indirectly	
Afford Limited		50	Property development
Bayswater Developments Limited (British Virgin Islands)		50	Property development & investment
Beright Investments Limited (British Virgin Islands)		50	Property development
Billion Rise Limited (British Virgin Islands)		50	Property development
Chesgold Limited		50	Property investment
Cheung Wo Enterprises Limited (British Virgin Islands)		50	Property investment
Choicewide Group Limited (British Virgin Islands)		50	Investment in property project
Circadian (CH) Limited (The United Kingdom)		47.5	Property development
Circadian Limited (The United Kingdom)		47.5	Property development
Clayton Power Enterprises Limited		50	Property development
Cosmos Wide International Limited		50	Property development
Dragon Beauty International Limited		50	Property development
Elegant Wealth Investment Limited	49		Property development
Extreme Selection Investments Limited (British Virgin Islands)		50	Property development
Forton Investment Limited		50	Property development
Gislingham Limited (British Virgin Islands)		50	Property development
Glory Sense Limited		50	Property development
Golden Castle Management Limited (British Virgin Islands)		50	Property development
Harbour Plaza Metropolis Limited (British Virgin Islands)		50	Hotels & serviced suites
Hildon Development Limited		50	Property development
Hong Kong Shanghai Development Co Ltd (Samoa)		25	Property development & investment
Hui Xian Investment Limited		33.4	Investment in property project
Hutchison Whampoa Properties (Chengdu) Limited (The Mainland)		50	Property development
Konus Investment Limited		42.5	Property investment
Mapleleaf Developments Limited (British Virgin Islands)		25	Property development
Mighty General Limited		50	Property development
Montoya (HK) Limited		50	Property development
New China Sheen Limited		50	Property development
New China Target Limited		50	Property development

Principal Jointly Controlled Entities (*continued*)

Name	Effective percentage of Ownership Interest held by the Company		Principal Activities
	Directly	Indirectly	
Shanklin Developments Limited (British Virgin Islands)		50	Property development
Sky Island Limited (British Virgin Islands)		50	Property development
Smart Rainbow Limited (British Virgin Islands)		50	Hotels & serviced suites
Swayfield Limited (British Virgin Islands)		30	Property investment
True Ample Developments Limited (British Virgin Islands)		50	Property development
Willpower Developments Limited (British Virgin Islands)		50	Property development
Zealand Limited (British Virgin Islands)		50	Property development

The principal area of operation of the above jointly controlled entities were in Hong Kong except the following:

Name	Area of Operation
Afford Limited	The Mainland
Bayswater Developments Limited	The Mainland
Beright Investments Limited	The Mainland
Billion Rise Limited	Singapore
Chesgold Limited	The Mainland
Cheung Wo Enterprises Limited	The Mainland
Choicewide Group Limited	Singapore
Circadian (CH) Limited	The United Kingdom
Circadian Limited	The United Kingdom
Elegant Wealth Investment Limited	The Mainland
Extreme Selection Investments Limited	The Mainland
Forton Investment Limited	The Mainland
Gislingham Limited	The Mainland
Glory Sense Limited	The Mainland
Golden Castle Management Limited	The Mainland
Hildon Development Limited	The Mainland
Hong Kong Shanghai Development Co Ltd	The Mainland
Hui Xian Investment Limited	The Mainland
Hutchison Whampoa Properties (Chengdu) Limited	The Mainland
Mapleleaf Developments Limited	The Mainland
Mighty General Limited	The Mainland
Montoya (HK) Limited	The Mainland
New China Sheen Limited	The Mainland
New China Target Limited	The Mainland
Shanklin Developments Limited	The Mainland
Sky Island Limited	The Mainland
True Ample Developments Limited	The Mainland
Willpower Developments Limited	The Mainland
Zealand Limited	The Mainland

## Extracts of Financial Statements of Hutchison Whampoa Limited

### Appendix IV

Extracts of the 2010 published financial statements of Hutchison Whampoa Limited, a listed associate, are set out below.

#### Consolidated Income Statement

For the year ended 31st December, 2010

	2010 \$ Million	As restated 2009 \$ Million
Company and subsidiary companies:		
Revenue	209,180	208,808
Cost of inventories sold	(78,321)	(74,275)
Staff costs	(28,768)	(28,309)
Telecommunications customer acquisition costs	(16,013)	(16,544)
Depreciation and amortisation	(14,932)	(16,258)
Other operating expenses	(50,456)	(60,769)
Change in fair value of investment properties	855	1,117
Profit on disposal of investments	–	12,472
Share of profits less losses after tax of:		
Associated companies	6,469	5,390
Jointly controlled entities	9,382	3,677
	37,396	35,309
Interest and other finance costs	(8,476)	(9,613)
<b>Profit before tax</b>	<b>28,920</b>	<b>25,696</b>
Current tax charge	(2,493)	(4,588)
Deferred tax credit (charge)	(847)	92
<b>Profit after tax</b>	<b>25,580</b>	<b>21,200</b>
Allocated as:		
Profit attributable to non-controlling interests and holders of perpetual capital securities	(5,542)	(7,569)
<b>Profit attributable to ordinary shareholders of the Company</b>	<b>20,038</b>	<b>13,631</b>

## Extracts of Financial Statements of Hutchison Whampoa Limited (continued)

## Consolidated Statement of Financial Position

At 31st December, 2010

	31/12/2010 \$ Million	As restated 31/12/2009 \$ Million	As restated 1/1/2009 \$ Million
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	167,851	176,192	178,143
Investment properties	43,240	42,323	41,282
Leasehold land	27,561	29,191	29,848
Telecommunications licences	68,333	70,750	72,175
Goodwill	27,332	28,858	30,436
Brand names and other rights	12,865	7,351	10,486
Associated companies	105,528	83,716	76,045
Interests in joint ventures	54,032	51,568	45,865
Deferred tax assets	14,105	14,657	13,248
Other non-current assets	9,131	5,286	8,904
Liquid funds and other listed investments	24,585	23,213	30,735
	554,563	533,105	537,167
<b>Current assets</b>			
Cash and cash equivalents	91,652	92,521	57,286
Trade and other receivables	57,229	48,146	54,767
Inventories	17,733	16,593	18,528
	166,614	157,260	130,581
<b>Current liabilities</b>			
Trade and other payables	80,889	73,029	82,599
Bank and other debts	23,122	17,589	23,945
Current tax liabilities	2,900	3,249	1,274
	106,911	93,867	107,818
<b>Net current assets</b>	59,703	63,393	22,763
<b>Total assets less current liabilities</b>	614,266	596,498	559,930
<b>Non-current liabilities</b>			
Bank and other debts	228,134	242,851	234,141
Interest bearing loans from non-controlling shareholders	13,493	13,424	13,348
Deferred tax liabilities	14,290	13,355	13,616
Pension obligations	1,702	2,436	2,541
Other non-current liabilities	3,945	4,520	4,586
	261,564	276,586	268,232
<b>Net assets</b>	352,702	319,912	291,698
<b>CAPITAL AND RESERVES</b>			
Share capital	1,066	1,066	1,066
Perpetual capital securities	15,600	–	–
Reserves	292,831	281,433	258,820
<b>Total ordinary shareholders' funds and perpetual capital securities</b>	309,497	282,499	259,886
Non-controlling interests	43,205	37,413	31,812
<b>Total equity</b>	352,702	319,912	291,698

## Extracts of Financial Statements of CK Life Sciences Int'l., (Holdings) Inc.

### Appendix V

Extracts of the 2010 published financial statements of CK Life Sciences Int'l., (Holdings) Inc., a listed associate, are set out below.

#### Consolidated Income Statement

For the year ended 31st December, 2010

	2010 \$'000	2009 \$'000 (Restated)
Turnover	2,694,204	2,678,889
Cost of sales	(1,872,152)	(1,839,133)
	822,052	839,756
Other income, gains and losses	263,226	292,345
Staff costs	(337,265)	(310,077)
Depreciation	(21,876)	(35,037)
Amortisation of intangible assets	(44,861)	(47,808)
Other expenses	(439,597)	(494,466)
Finance costs	(17,421)	(18,110)
Share of results of associates	8	(11,272)
Profit before taxation	224,266	215,331
Taxation	(25,597)	(29,271)
Profit for the year	198,669	186,060
Attributable to:		
Shareholders of the Company	208,551	187,098
Non-controlling interests	(9,882)	(1,038)
	198,669	186,060

## Extracts of Financial Statements of CK Life Sciences Int'l., (Holdings) Inc. (continued)

## Consolidated Statement of Financial Position

As at 31st December, 2010

	31/12/2010 \$'000	31/12/2009 \$'000 (Restated)	1/1/2009 \$'000 (Restated)
<b>Non-current assets</b>			
Property, plant and equipment	523,312	470,684	444,877
Intangible assets	4,019,236	3,972,183	3,722,997
Interests in associates	18,489	17,842	44,472
Convertible debentures issued by an associate	–	–	58,885
Available-for-sale investments	310,041	150,101	209,343
Investments at fair value through profit or loss	206,014	192,839	58,430
Deferred taxation	23,196	21,056	19,076
Long-term receivables	19,984	38,580	–
Time deposits	93,480	–	–
	<b>5,213,752</b>	<b>4,863,285</b>	<b>4,558,080</b>
<b>Current assets</b>			
Debt investment	–	–	59,474
Investments at fair value through profit or loss	163,000	163,171	139,351
Derivative financial instruments	–	2,633	15,780
Tax recoverable	–	762	3,629
Inventories	508,603	425,921	463,711
Receivables and prepayments	872,654	805,906	615,195
Deposits with financial institutions	–	–	44,952
Time deposits	55,309	–	–
Bank balances and deposits	575,209	636,895	303,554
	<b>2,174,775</b>	<b>2,035,288</b>	<b>1,645,646</b>
<b>Current liabilities</b>			
Payables and accruals	(543,123)	(621,545)	(588,995)
Derivative financial instruments	(24,692)	(23,087)	(99,398)
Bank overdrafts	–	(385)	(7,445)
Bank loans	(1,067,956)	–	–
Finance lease obligations	(1,003)	(580)	(494)
Taxation	(65,293)	(48,695)	(19,945)
	<b>(1,702,067)</b>	<b>(694,292)</b>	<b>(716,277)</b>
<b>Net current assets</b>	<b>472,708</b>	<b>1,340,996</b>	<b>929,369</b>
<b>Total assets less current liabilities</b>	<b>5,686,460</b>	<b>6,204,281</b>	<b>5,487,449</b>
<b>Non-current liabilities</b>			
Bank loans	–	(1,061,300)	(1,045,675)
Finance lease obligations	(399)	(807)	(1,108)
Loans from non-controlling shareholders	(36,531)	(34,333)	(25,907)
Deferred taxation	(27,077)	(31,273)	(29,887)
	<b>(64,007)</b>	<b>(1,127,713)</b>	<b>(1,102,577)</b>
<b>Total net assets</b>	<b>5,622,453</b>	<b>5,076,568</b>	<b>4,384,872</b>
<b>Capital and reserves</b>			
Share capital	961,107	961,107	961,107
Share premium and reserves	4,550,419	3,944,251	3,309,661
<b>Equity attributable to shareholders of the Company</b>	<b>5,511,526</b>	<b>4,905,358</b>	<b>4,270,768</b>
Non-controlling interests	110,927	171,210	114,104
<b>Total equity</b>	<b>5,622,453</b>	<b>5,076,568</b>	<b>4,384,872</b>

## Independent Auditor's Report



**TO THE MEMBERS OF CHEUNG KONG (HOLDINGS) LIMITED**  
*(incorporated in Hong Kong with limited liability)*

We have audited the consolidated financial statements of Cheung Kong (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 96 to 136, which comprise the consolidated and Company statements of financial position as at 31st December, 2010, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st December, 2010 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

**DELOITTE TOUCHE TOHMATSU**  
*Certified Public Accountants*

Hong Kong, 29th March, 2011

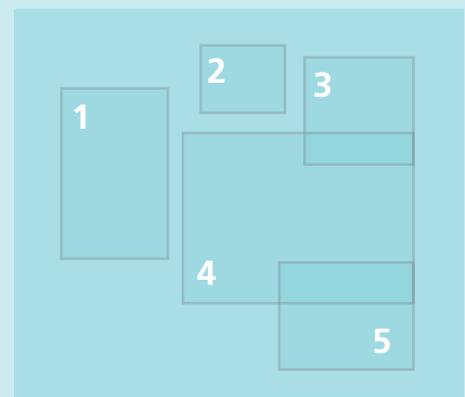
## Listed Affiliated Companies



# Hutchison Whampoa Limited

- Ports and Related Services
- Property and Hotels
- Retail
- Energy and Infrastructure; Finance and Investments; Other Operations
- Telecommunications

*The Hutchison Whampoa Group's global operations are expected to continue to perform well. With the completion of the investment phase of the 3 Group, and its EBIT positive results, the Hutchison Whampoa Group has entered into a new era when the 3 Group will no longer be a drag on profits and instead, make a positive contribution.*





1. Husky's upgrader in Lloydminster, Saskatchewan, Canada.
2. FORTRESS, Hong Kong's leading consumer electronic and electrical appliances retail chain.
3. Yantian International Container Terminals, Shenzhen, China.
4. 3 Shop in the prestigious High Street Kensington, London, the United Kingdom.
5. Seasons Villas, a popular residential property adjacent to a national park and close to the financial district in Shanghai Pudong, China.



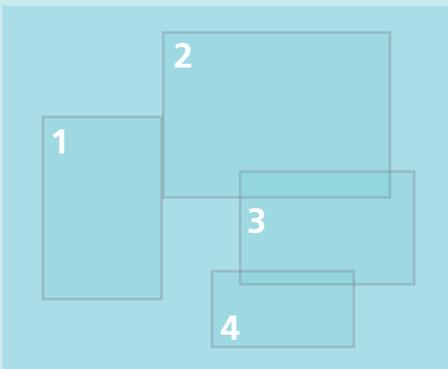
# Cheung Kong Infrastructure Holdings Limited

- Investment in Power Assets\*
- Infrastructure Investment in United Kingdom
- Infrastructure Investment in Australia
- Infrastructure Investment in New Zealand
- Infrastructure Investment in Canada
- Infrastructure Investment in China
- Investment in Infrastructure Related Business

*CKI has strong financial capacity and flexibility to fund new investment projects. It will continue to keep a close eye on the developments in the global infrastructure market, and looks forward to continuing its strong acquisition momentum in the future.*



\* formerly known as HK Electric



- 1. Shantou Bay Bridge
- 2. CitiPower & Powercor Australia
- 3. UK Power Networks
- 4. Alliance Construction Materials



Listed Affiliated Companies (*continued*)

Power Assets Holdings Ltd.  
電能實業有限公司

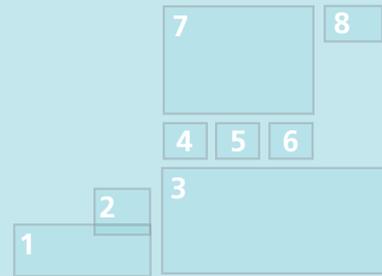
# Power Assets Holdings Limited

(formerly known as Hongkong Electric Holdings Limited)

- **Generation, Transmission and Distribution of Electricity**
- **International Investment in Power and Power-related Industries**
- **Engineering Consultancy Services**

*Power Assets has now established a solid base from its operations outside Hong Kong after a decade of global expansion guided by determination and prudence. It will build upon this foundation with earnings from operations outside Hong Kong expected to continue to provide an increasing proportion of its overall earnings.*





1. Acquires a 25% stake in Seabank Power Limited in the UK
2. Commissions Hong Kong's largest solar power system
3. Gas-fired generation increases to 33% of total output
4. Acquires a 40% stake in UK Power Networks, UK's largest power distributor
5. Smart Power Campaign continues to promote energy saving and environmental awareness to the public
6. Environmental Impact Assessment of Lamma offshore wind farm project approved
7. Significant reduction in emissions of sulphur dioxide, nitrogen oxides and respirable suspended particulates at Lamma Power Station as emission reduction programme completes
8. Launches the first quick charging station for electric vehicles



## Corporate Information and Key Dates

### Board of Directors

LI Ka-shing	<i>Chairman</i>
LI Tzar Kuoi, Victor	<i>Managing Director and Deputy Chairman</i>
KAM Hing Lam	<i>Deputy Managing Director</i>
IP Tak Chuen, Edmond	<i>Deputy Managing Director</i>
CHUNG Sun Keung, Davy	<i>Executive Director</i>
PAU Yee Wan, Ezra	<i>Executive Director</i>
WOO Chia Ching, Grace	<i>Executive Director</i>
CHIU Kwok Hung, Justin	<i>Executive Director</i>
LEUNG Siu Hon	<i>Non-executive Director</i>
FOK Kin-ning, Canning	<i>Non-executive Director</i>
Frank John SIXT	<i>Non-executive Director</i>
CHOW Kun Chee, Roland	<i>Non-executive Director</i>
George Colin MAGNUS	<i>Non-executive Director</i>
KWOK Tun-li, Stanley	<i>Independent Non-executive Director</i>
YEH Yuan Chang, Anthony	<i>Independent Non-executive Director</i>
Simon MURRAY	<i>Independent Non-executive Director</i>
CHOW Nin Mow, Albert	<i>Independent Non-executive Director</i>
HUNG Siu-lin, Katherine	<i>Independent Non-executive Director</i>
WONG Yick-ming, Rosanna*	<i>Independent Non-executive Director</i>
CHEONG Ying Chew, Henry	<i>Independent Non-executive Director</i>

\* Also alternate director to Simon MURRAY

### Audit Committee

CHEONG Ying Chew, Henry (*Chairman*)  
KWOK Tun-li, Stanley  
HUNG Siu-lin, Katherine

### Remuneration Committee

LI Ka-shing (*Chairman*)  
KWOK Tun-li, Stanley  
WONG Yick-ming, Rosanna

### Company Secretary

Eirene YEUNG

### Authorised Representatives

IP Tak Chuen, Edmond  
Eirene YEUNG

### Chief Manager, Accounts Department

MAN Ka Keung, Simon

### Principal Bankers

Mizuho Corporate Bank, Ltd.  
The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
Bank of China (Hong Kong) Limited  
Hang Seng Bank Limited  
BNP Paribas  
Industrial and Commercial Bank of China (Asia) Limited  
Canadian Imperial Bank of Commerce  
The Hongkong and Shanghai Banking Corporation Limited  
Sumitomo Mitsui Banking Corporation  
Bank of Communications Co., Ltd.

### Auditor

Deloitte Touche Tohmatsu

### Legal Advisers

Woo, Kwan, Lee & Lo

### Registered Office

7th Floor, Cheung Kong Center,  
2 Queen's Road Central, Hong Kong

### Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited  
Rooms 1712-1716, 17th Floor, Hopewell Centre,  
183 Queen's Road East, Hong Kong

### Stock Codes

The Stock Exchange of Hong Kong Limited: 0001  
Bloomberg: 1 HK  
Reuters: 1.HK

### Website

www.ckh.com.hk

### Key Dates

Annual Results Announcement	29th March, 2011
Closure of Register of Members	13th to 20th May, 2011 (both days inclusive)
Record Date for Final Dividend	20th May, 2011
Payment of Final Dividend	25th May, 2011

This annual report 2010 (“Annual Report”) is available in both English and Chinese versions. Shareholders who have received either the English or the Chinese version of the Annual Report may request a copy in the other language by writing to the Company c/o the Company’s Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong or by email to [ckh.ecom@computershare.com.hk](mailto:ckh.ecom@computershare.com.hk).

The Annual Report (both English and Chinese versions) has been posted on the Company’s website at [www.ckh.com.hk](http://www.ckh.com.hk). Shareholders who have chosen (or are deemed to have consented) to read the Company’s corporate communications (including but not limited to the Annual Report) published on the Company’s website in place of receiving printed copies thereof may request the printed copy of the Annual Report in writing to the Company c/o the Company’s Registrar or by email to [ckh.ecom@computershare.com.hk](mailto:ckh.ecom@computershare.com.hk).

Shareholders who have chosen (or are deemed to have consented) to receive the corporate communications using electronic means through the Company’s website and who for any reason have difficulty in receiving or gaining access to the Annual Report posted on the Company’s website will upon request in writing to the Company c/o the Company’s Registrar or by email to [ckh.ecom@computershare.com.hk](mailto:ckh.ecom@computershare.com.hk) promptly be sent the Annual Report in printed form free of charge.

Shareholders may at any time choose to change your choice as to the means of receipt (i.e. in printed form or by electronic means through the Company’s website) and/or the language of the Company’s corporate communications by reasonable prior notice in writing to the Company c/o the Company’s Registrar or sending a notice to [ckh.ecom@computershare.com.hk](mailto:ckh.ecom@computershare.com.hk).



