恒基兆業發展有限公司
HENDERSON INVESTMENT LIMITED
Incorporated in Hong Kong with limited liability
(Stock Code : 97)

2011 FINAL RESULTS ANNOUNCEMENT

CHAIRMAN'S STATEMENT

Dear Shareholders

On behalf of your Board, I am pleased to present my report on the operations of the Group for the financial year ended 31 December 2011.

Profit and Net Assets Attributable to Shareholders

The Group profit attributable to equity shareholders for the year ended 31 December 2011 amounted to HK$108 million, representing a decrease of HK$55 million or 34% from HK$163 million for the year ended 31 December 2010. Earnings per share were HK 3.5 cents (HK 5.3 cents for the year ended 31 December 2010).

The decrease in profit was attributable to the fact that in the previous year, a total profit of HK$39 million was received from certain one-off items. Excluding the financial effects of these one-off items, the adjusted profit attributable to equity shareholders for the year ended 31 December 2010 amounted to HK$124 million. The Group profit attributable to equity shareholders of HK$108 million for the year ended 31 December 2011 represented a decrease of HK$16 million, or 13% from the adjusted profit attributable to equity shareholders for the year ended 31 December 2010.

At 31 December 2011, the net asset value attributable to equity shareholders amounted to approximately HK$1,633 million or HK$0.54 per share.

Dividends

Your Board recommends the payment of a final dividend of HK 2.0 cents per share to shareholders whose names appear on the Register of Members of the Company on Monday, 18 June 2012, and such final dividend will not be subject to any withholding tax in Hong Kong. Including the interim dividend of HK 2.0 cents per share already paid, the total dividend for the year ended 31 December 2011 will amount to HK 4.0 cents per share (2010: HK 4.0 cents per share). Final dividend will be distributed to shareholders on Tuesday, 26 June 2012.

Business Review

The Group is engaged in infrastructure business in mainland China. The core asset of the Group is its 60% interest in Hangzhou Qianjiang Third Bridge in Zhejiang Province, which is a major trunk route linking Beijing and Fujian Province. It is located on National Highway No.104 in Zhejiang Province, spanning approximately 5.8 km over the Qiantangjiang River in Hangzhou and connecting the urban parts of Southern Hangzhou and Xiaoshan and Binjiang. The toll bridge is also an important nodal point for access to major roads leading to the Hangzhou Airport.

During the year ended 31 December 2011, the Group's turnover decreased by 6% to HK$299 million as compared to HK$317 million for the year ended 31 December 2010 mainly due to the period-on-period decrease of approximately 25% in the average monthly traffic volume of the Qianjiang Third Bridge during the period from 1 July 2011 to 31 December 2011. This was due to (i) accidental damage to one of the link bridges of the toll bridge on 15 July 2011 which resulted in the four lane two-way traffic being temporarily reduced to two lanes of two-way traffic in the affected area of the toll bridge until the toll bridge was fully open to traffic, effective from 1 October 2011; and (ii) the implementation by Hangzhou Municipal Government of certain new policies which control the traffic flow of vehicles during certain peak hours each day, effective from 8 October 2011.

The Group has a 60% interest in Hangzhou Henderson Qianjiang Third Bridge Company Limited ("the Joint Venture Company") which has been granted the operating right of the above-mentioned Qianjiang Third Bridge for a period of 30 years from 20 March 1997 (commencement date of bridge operation). This project was approved by Hangzhou Foreign Economic Relations and Trade Commission (杭州市對外經濟貿易委員會) in 1997 and was further approved by National Development and Reform Commission (formerly known as State Development & Planning Committee) (發展和改革委員會(前稱爲國家發展計劃委員會)) in 1999. The General Office of the People's Government of Zhejiang Province notified Zhejiang Province Department of Communications and other relevant government authorities in 2003 to provisionally fix the period for entitlement to toll fee in respect of 39 toll roads and highways in the province. In the case of Qianjiang Third Bridge, which was also included in the list, the period was provisionally fixed at 15 years (from 20 March 1997 to 19 March 2012). The Joint Venture Company immediately took action for clarification and had obtained from the Hangzhou Municipal Bureau of Communications a written pledge that the operation period for 30 years would remain unchanged and they were also of the view that the operating right and the toll fee collection right should be for a same period. For the sake of reassurance, the Joint Venture Company wrote to the People's Government of Zhejiang Province and Zhejiang Province Department of Communications (collectively the "Authorities") in June 2011 requesting for their confirmation that both the operating right and the toll fee collection right last for a same period of 30 years. Since June 2011 when the Joint Venture Company wrote to the Authorities requesting for the confirmation, the Joint Venture Company has been chasing after the relevant government officials on several occasions, but no reply had been received from the Authorities for over six months. The Joint Venture Company therefore decided to take one further step and on 9 February 2012 filed with Legislative Affairs Office, the People's Government of Zhejiang Province an administrative reconsideration application. The application was to seek an order to oblige the Authorities to carry out their statutory duties to officially confirm that the toll fee collection right of the Qianjiang Third Bridge should be for a period of 30 years. Whilst the Group was still waiting for the result of the application, the Joint Venture Company on 20 March 2012 received a letter dated 18 March 2012 from 杭州市城市"四自"工程道路綜合收費管理處 (Hangzhou City "Sizi" Engineering & Highway General Toll Fee Administration Office) (the "Hangzhou Toll Office"), which is the relevant government body in Hangzhou to record the traffic flow and make payment of toll fee of the Qianjiang Third Bridge pursuant to the terms of an agreement dated 5 February 2004 (the "Collection Agreement") entered into between the Joint Venture Company and the Hangzhou Toll Office. In the letter, the Hangzhou Toll Office stated that, because the General Office of the People's Government of Zhejiang Province in 2003 provisionally fixed the period of entitlement to toll fee in respect of Qianjiang Third Bridge to end on 19 March 2012, they would, commencing from 20 March 2012, provisionally suspend payment of toll fee to the Joint Venture Company in respect of Qianjiang Third Bridge. The Hangzhou Toll Office also stated in the letter that they would, in accordance with the terms of the Collection Agreement, continue to record the traffic flow of Qianjiang Third Bridge and work with the Joint Venture Company. The Joint Venture Company has been instructed by the Company to write to the Hangzhou Toll Office to state that the action taken by the Hangzhou Toll Office has no legal or contractual basis and is unacceptable and to ask the Hangzhou Toll Office to clarify the basis of their action and to continue to perform their obligations under the Collection Agreement, failing which the Joint Venture Company would have no alternative but to take legal actions to protect its interest.

The Group has obtained legal opinion from an independent PRC law firm and has received firm advice that the toll fee collection right enjoyed by the Joint Venture Company should be for the same period of 30 years as the operating right enjoyed by the Joint Venture Company. Based on such advice, amortization and calculation of the recoverable amount of the intangible operating right in the preparation of the consolidated accounts of the Group for the year ended 31 December 2011 are on the basis that both the operating right and the toll fee collection right of the Bridge last for a period of 30 years expiring on 19 March 2027. There is, however, uncertainty as to the response of the Authorities and whether they would ultimately confirm that the toll fee collection right of the Qianjiang Third Bridge should be for a period of 30 years. The Group will continue to negotiate with the Authorities and take all necessary actions to protect its interest. If the Authorities confirm that the toll fee collection right of the Qianjiang Third Bridge should last for a period different from the period of the operating right and/or the Authorities negotiate other arrangements with the Group (such as buying out the Group's interest in Qianjiang Third Bridge or paying compensation to the Group), all of which are still uncertain, the Group would have to reconsider the remaining useful life and/or the recoverable amount of the intangible operating right.

Currently, the operating assets of the Group comprise its interest in the Qianjiang Third Bridge. If the Group ceases to have an economic interest in the Qianjiang Third Bridge, the directors would, if appropriate opportunity arises, identify suitable investments for the Group. In the event that no suitable investments are identified and acquired by the Group, its assets would consist substantially of cash. As a result, The Stock Exchange of Hong Kong Limited may consider that the Company does not have a sufficient level of operations or sufficient assets to warrant the continued listing of the Company's shares and may suspend dealings in or cancel the listing of the shares.

Prospects

As mentioned above, the Group will continue to negotiate with the Authorities about the toll fee collection right of the Qianjiang Third Bridge and take all necessary actions to protect its interest.

Appreciation

I would like to take this opportunity to express my gratitude to my fellow directors for their support and wise counsel, and to thank all our staff for their dedication and hard work.

Lee Shau Kee
Chairman

Hong Kong, 21 March 2012

BUSINESS RESULTS

Consolidated Income Statement
for the year ended 31 December 2011

	Note	**2011** **HK$ million**	2010 HK$ million
Turnover	3	**299**	317
Direct costs		**(86)**	(49)
		213	268
Other income/other gains		**48**	46
Administrative expenses		**(27)**	(18)
Profit for the year of disposal group		**-**	4
Net gain on disposal of disposal group		**-**	47
Profit from operations		**234**	347
Finance costs	4(a)	**-**	-
Profit before taxation	4	**234**	347
Income tax	5	**(62)**	(80)
Profit for the year		**172**	267
Attributable to:			
Equity shareholders of the Company		**108**	163
Non-controlling interests		**64**	104
Profit for the year		**172**	267
		HK cents	HK cents
Earnings per share – basic and diluted	8	**3.5**	5.3

Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 7.

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2011

	2011 **HK$ million**	2010 HK$ million
Profit for the year	**172**	267
Other comprehensive income for the year:		
Exchange difference on translation of accounts of subsidiaries outside Hong Kong	**49**	37
Exchange reserve reclassified from equity to profit or loss on disposal of a subsidiary	**-**	(21)
	49	16
Total comprehensive income for the year	**221**	283
Attributable to:		
Equity shareholders of the Company	**140**	173
Non-controlling interests	**81**	110
Total comprehensive income for the year	**221**	283

Consolidated Balance Sheet at 31 December 2011

	Note	**2011** **HK$ million**	2010 HK$ million
Non-current assets			
Property, plant and equipment		**1**	2
Intangible operating right		**454**	479
Other non-current assets		**42**	54
		497	535
Current assets			
Trade and other receivables	9	**74**	105
Amounts due from affiliates		**-**	13
Cash and cash equivalents		**1,355**	1,489
		1,429	1,607
Current liabilities			
Trade and other payables	10	**43**	45
Amounts due to affiliates		**-**	5
Current taxation		**23**	25
		66	75
Net current assets		**1,363**	1,532
Total assets less current liabilities		**1,860**	2,067
Non-current liability			
Deferred tax liabilities		**21**	32
NET ASSETS		**1,839**	2,035

Consolidated Balance Sheet at 31 December 2011 (continued)

	Note	**2011**	2010
		HK$ million	HK$ million
CAPITAL AND RESERVES			
Share capital		**609**	609
Reserves		**1,024**	1,006
Total equity attributable to equity shareholders of the Company		**1,633**	1,615
Non-controlling interests		**206**	420
TOTAL EQUITY		**1,839**	2,035

Notes:

1 Basis of preparation

The final results set out in this announcement do not constitute the Group's statutory accounts for the year ended 31 December 2011 but are extracted from those accounts.

The statutory accounts have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. The accounts also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The measurement basis used in the preparation of the accounts is the historical cost basis.

2 Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, HKAS 24 (Revised) "*Related party disclosures*" and the amendments to HKFRS 7 and HKAS 1 included in Improvements to HKFRSs (2010) are relevant but do not have significant impact on these accounts.

Up to the date of issue of these accounts, the HKICPA has issued a number of amendments, new standards and new interpretations which are not yet effective for the year ended 31 December 2011 and which have not been adopted in these accounts.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

3 Turnover

Turnover represents toll fee income, net of business tax, from infrastructure business in mainland China.

4 Profit before taxation

Profit before taxation is arrived at after charging:

		2011	2010
		HK$ million	HK$ million
(a)	*Finance costs:*		
	Bank loans and overdrafts	**-**	-
(b)	*Directors' remuneration:*		
	Directors' fees, salaries, emoluments, other allowances and benefits	**1**	1
(c)	*Staff costs (other than directors' remuneration):*		
	Salaries, wages and other benefits	**8**	7
(d)	*Other items:*		
	Amortisation of intangible operating right	**44**	43
	Repairing cost of the toll bridge	**36**	2
	Depreciation	**1**	-
	Auditors' remuneration - audit service	**1**	1

5 Income tax

Income tax in the consolidated income statement represents:

	2011 HK$ million	2010 HK$ million
Current tax – mainland China		
- provision for the year	**73**	73
Deferred taxation		
- Origination and reversal of temporary differences	**(19)**	-
- withholding tax on undistributed profits	**8**	7
	(11)	7
	62	80

No provision for Hong Kong Profits Tax has been made as there is no assessable profit for the year subject to Hong Kong Profits Tax.

Taxation for subsidiaries outside Hong Kong is calculated at the rates prevailing in the relevant jurisdictions.

On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China, under which the Group's principal income tax rate applicable to its operations in mainland China is gradually accelerated to a higher tax rate of 25% in a period of 5 years starting from 1 January 2008. The applicable principal income tax rates for the years ended 31 December 2010 and 2011 were 22% and 24% respectively.

In addition, dividend distribution out of the retained profits of foreign-invested enterprises earned after 1 January 2008 is subject to withholding tax at a tax rate of 10% unless reduced by treaty. Under the tax treaty between Hong Kong and mainland China, the withholding tax rate applicable to the Group for the current year and the prior year is 5%.

6 Segmental information

No segmental information for the years ended 31 December 2011 and 2010 is presented as the Group's turnover and trading results for the abovementioned years are generated solely from its infrastructure business in mainland China, the turnover of which amounted to HK$299 million during the year (2010: HK$317 million) and the reportable segment results of which amounted to HK$197 million during the year (2010: HK$271 million).

7 Dividends

(a) Dividends payable to equity shareholders of the Company attributable to the profit for the year

	2011 **HK$ million**	2010 HK$ million
Interim dividend declared of HK2 cents (2010: HK2 cents) per share	**61**	61
Final dividend proposed after the balance sheet date of HK2 cents (2010: HK2 cents) per share	**61**	61
	122	122

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

(b) Dividend payable to equity shareholders of the Company attributable to the profit for the previous financial year/period, approved and paid during the year

	2011 **HK$ million**	2010 HK$ million
Final dividend in respect of the previous financial year/period, approved and paid during the year of HK2 cents (2010: HK2 cents) per share	**61**	61

8 Earnings per share – basic and diluted

The calculation of basic and diluted earnings per share is based on the profit attributable to equity shareholders of the Company of HK$108 million (2010: HK$163 million) and 3,047,327,395 (2010: 3,047,327,395) ordinary shares, being the number of ordinary shares in issue throughout the year.

9 Trade and other receivables

	2011 **HK$ million**	2010 HK$ million
Trade debtors	**26**	31
Deposits, prepayments and other receivables	**8**	11
Consideration receivable	**40**	63
	74	105

The ageing analysis of trade debtors of the Group at the balance sheet date is as follows:

	2011 **HK$ million**	2010 HK$ million
Current or less than 1 month overdue	**26**	31
1 to 3 months overdue	**-**	-
More than 3 months overdue but less than 6 months overdue	**-**	-
More than 6 months overdue	**-**	-
	26	31

Trade debtors comprise toll income receivable which has been collected on behalf of the Group by 杭州市城市“四自”工程道路綜合收費管理處 (Hangzhou City “Sizi” Engineering & Highway General Toll Fee Administration Office) (the “Hangzhou Toll Office”), which is the relevant government body in Hangzhou to record the traffic flow and make payment of the toll fee of Hangzhou Qianjiang Third Bridge, pursuant to the terms of an agreement dated 5 February 2004 entered into between the Group and the Hangzhou Toll Office.

Included in the consideration receivable of HK$40 million (2010: HK$63 million) above was an amount of RMB15 million (equivalent to HK$19 million) (2010: RMB17 million (equivalent to HK$20 million)), which related to an amount overdue for more than six months but was not impaired. Based on past experience, management considers that no impairment allowance is necessary as there has not been a significant change in credit quality and such amount is considered to be fully recoverable.

In respect of other trade and other receivables, credit terms given to customers are generally based on the financial strength and repayment history of each customer. Normally, the Group does not obtain collateral from customers. Ageing analysis of the receivables is prepared on a regular basis and is closely monitored to minimise exposure to credit risk. Adequate impairment losses have been made for the estimated irrecoverable amounts.

10 Trade and other payables

	2011 **HK$ million**	2010 HK$ million
Trade creditors	**21**	7
Accrued expenses and other payables	**22**	38
	43	45

The ageing analysis of trade creditors of the Group at the balance sheet date is as follows:

	2011 **HK$ million**	2010 HK$ million
Due within 1 month or on demand	**1**	2
Due more than 1 month but within 3 months	**20**	5
Due more than 3 months but within 6 months	**-**	-
Due more than 6 months	**-**	-
	21	7

11 Review of results

The financial results for the year ended 31 December 2011 have been reviewed with no disagreement by the Audit Committee of the Company.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2011 have been agreed by the Company's auditor, PricewaterhouseCoopers Hong Kong, to the amounts set out in the Group's consolidated accounts for the year. The work performed by PricewaterhouseCoopers Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers Hong Kong on the preliminary announcement.

FINANCIAL REVIEW

The following discussions should be read in conjunction with the Company's audited consolidated accounts for the year ended 31 December 2011.

Material acquisitions and disposals

The Group did not undertake any significant acquisition or disposal of subsidiaries or assets during the year ended 31 December 2011.

Results of operations

During the year ended 31 December 2011, the Group was engaged in the infrastructure business in mainland China, being the operating right of a toll bridge in Hangzhou, Zhejiang Province. Turnover for the year ended 31 December 2011 amounted to HK$299 million (2010: HK$317 million), representing a decrease of HK$18 million, or 5.7%, from that for the corresponding year ended 31 December 2010. Such decrease in turnover is mainly attributable to the period-on-period decrease in the average monthly traffic volume of the toll bridge in Hangzhou, being approximately 2,012,600 vehicles during the period from 1 July 2011 to 31 December 2011 which represents a decrease of 25.4% when compared with approximately 2,698,300 vehicles during the corresponding period from 1 July 2010 to 31 December 2010, for the reasons of (i) the outbreak of certain damage to one of the link bridges of the toll bridge on 15 July 2011 (the "Damage") and as a result of which the four lanes two-way traffic was temporarily reduced to a two lanes two-way traffic in the affected area of the toll bridge until the toll bridge was fully open to traffic effective from 1 October 2011; and (ii) the implementation by Hangzhou Municipal Government of certain new policies which control the traffic flow of vehicles during certain peak hours each day, effective from 8 October 2011.

Profit attributable to equity shareholders for the year ended 31 December 2011 amounted to HK$108 million (2010: HK$163 million), representing a decrease of HK$55 million, or 33.7%, from that for the corresponding year ended 31 December 2010. In this regard, during the corresponding year ended 31 December 2010, the Group recorded (i) a profit after tax attributable to equity shareholders of HK$2 million from a toll highway in Maanshan, Anhui Province which was disposed of in February 2010 (the "Disposal"); (ii) a net gain on the Disposal attributable to equity shareholders of HK$26 million; and (iii) a dividend income of HK$11 million received by the Group in relation to a project which was completed in 2004 and in which the Group had an 8% interest. Excluding the financial effects of the aforementioned one-off items, the adjusted profit attributable to equity shareholders for the corresponding year ended 31 December 2010 amounted to HK$124 million. On the other hand, for the year ended 31 December 2011, the Group's attributable share after tax of the one-off repairing cost of the Damage and the cost of general repairing works on the toll bridge during its closure period amounted to HK$16 million and excluding the financial effect of such one-off repairing costs, the adjusted profit attributable to equity shareholders for the year ended 31 December 2011 amounted to HK$124 million. The Group's adjusted profit attributable to equity shareholders for the year ended 31 December 2011 of HK$124 million is equal to the adjusted profit attributable to equity shareholders of HK$124 million for the corresponding year ended 31 December 2010.

Financial resources, liquidity and loan maturity profile

At 31 December 2011, the Group had no bank borrowings (2010: Nil). As a result, the Group had net cash and bank balances of HK$1,355 million at 31 December 2011 (2010: HK$1,489 million).

During the year ended 31 December 2011, the Group did not recognize any finance costs (2010: HK$56,000).

Based on the Group's net cash and bank balances of HK$1,355 million at 31 December 2011, the Group has adequate financial resources in meeting the funding requirements for its ongoing operations as well as its future expansion.

Treasury and financial management

The Group's financing and treasury activities are centrally managed at the corporate level. During the year ended 31 December 2011, the Group did not enter into any derivative financial instruments for speculative or hedging purposes. The Group monitors closely its interest rate exposure (in the event that the Group shall enter into new bank borrowings) and foreign exchange rate exposure (the latter being its investments in the infrastructure business in mainland China which is denominated in Renminbi and is not hedged) and will consider hedging these exposures should the need arise.

Apart from the foregoing, the Group did not have any material exposures to interest rates or foreign exchange rates at 31 December 2011.

Charge on assets

Assets of the Group were not charged to any parties at 31 December 2011 and 31 December 2010.

Capital commitments

At 31 December 2011 and 31 December 2010, the Group did not have any capital commitments.

Contingent liabilities

At 31 December 2011 and 31 December 2010, the Group did not have any contingent liabilities.

Employees and remuneration policy

At 31 December 2011, the Group had 64 (2010: 64) full-time employees. The remuneration of the employees is in line with the market and commensurate with the level of pay in the industry. Discretionary year-end bonuses are payable to the employees based on individual performance. Other benefits to the employees include medical insurance, retirement scheme, training programmes and education subsidies.

Total staff costs for the year ended 31 December 2011 amounted to HK$9 million (2010: HK$8 million), which comprised staff costs (other than directors' remuneration) for the year of HK$8 million (2010: HK$7 million) and directors' remuneration for the year of HK$1 million (2010: HK$1 million).

OTHER INFORMATION

Closure of Register of Members

1. Book Close for determining the entitlement to attend and vote at the annual general meeting

   The Register of Members of the Company will be closed from Thursday, 7 June 2012 to Monday, 11 June 2012, both days inclusive, during which period no transfer of shares will be registered, for the purpose of determining shareholders who are entitled to attend and vote at the forthcoming annual general meeting. In order to qualify for attending and voting at the forthcoming annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Registrar, Tricor Standard Limited, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Wednesday, 6 June 2012.

2. Book Close for determining the qualification for the proposed final dividend

   The Register of Members of the Company will be closed from Friday, 15 June 2012 to Monday, 18 June 2012, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Registrar, Tricor Standard Limited at the aforementioned address not later than 4:00 p.m. on Thursday, 14 June 2012.

Purchase, Sale or Redemption of the Company’s Listed Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

Audit Committee

The Audit Committee met in March 2012 and reviewed the systems of internal control and compliance and the annual report for the year ended 31 December 2011.

Corporate Governance

During the year ended 31 December 2011, the Company has complied with the Code on Corporate Governance Practices (the “CGP Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), except that the roles of the chairman and the chief executive officer of the Company have not been segregated as required under code provision A.2.1 of the CGP Code. The Company is of the view that it is in the best interest of the Company that Dr. Lee Shau Kee, with his profound expertise in business, shall continue in his dual capacity as the Chairman and Managing Director.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code of the Listing Rules as the code for dealing in securities of the Company by the Directors (the "Model Code"). Having made specific enquiry, the Company confirmed that all Directors have complied with the required standard as set out in the Model Code.

By Order of the Board
Timon LIU Cheung Yuen
Company Secretary

Hong Kong, 21 March 2012

As at the date of this announcement, the Board comprises: (1) executive directors: Lee Shau Kee (Chairman), Lee Ka Kit, Lam Ko Yin, Colin, Lee Ka Shing, Lee Tat Man, Lee King Yue, Kwok Ping Ho, Patrick and Wong Ho Ming, Augustine; (2) non-executive director: Leung Hay Man; and (3) independent non-executive directors: Kwong Che Keung, Gordon, Ko Ping Keung and Wu King Cheong.