

Growth and Resilience Amid Challenges

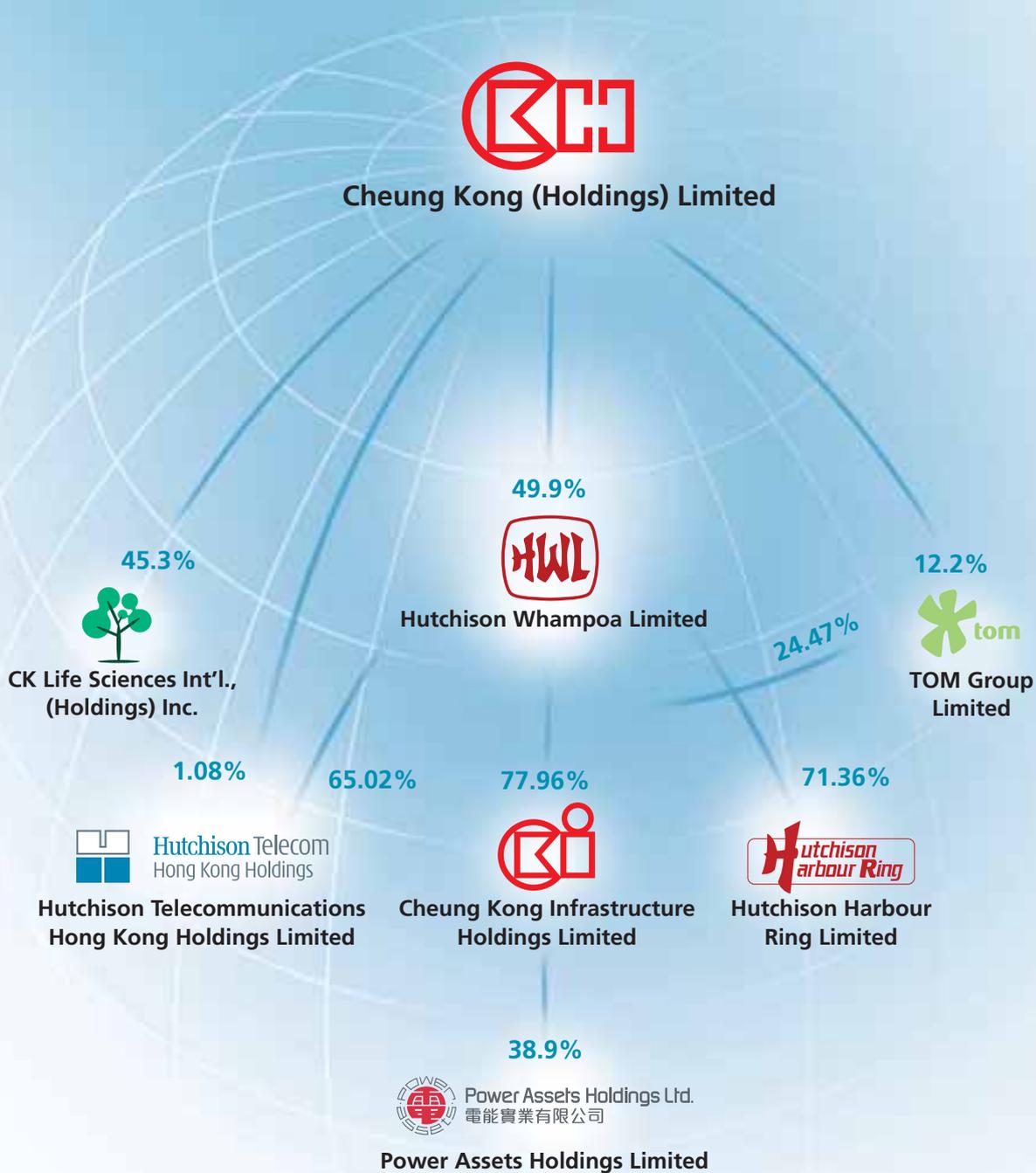


CHEUNG KONG (HOLDINGS) LIMITED
長江實業(集團)有限公司

STOCK CODE: 0001

Annual Report 2011

Group Structure



CHEUNG KONG GROUP
 TOTAL MARKET CAPITALISATION
HK\$840 Billion

Contents

2	Ten Year Financial Summary
3	Results Highlights
4	The Year at a Glance
8	Report of the Chairman and the Managing Director
13	Management Discussion and Analysis
24	Directors' Biographical Information
28	Key Personnel's Biographical Information
36	Report of the Directors
51	Corporate Governance Report
79	Corporate Social Responsibility
88	Highlights of Development Projects
94	Schedule of Major Properties
100	Financial Statements
145	Independent Auditor's Report
146	Listed Affiliated Companies
152	Risk Factors
156	Corporate Information and Key Dates

Ten Year Financial Summary

Consolidated Income Statement (HK\$ million)										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Turnover	9,122	14,336	18,431	14,358	15,346	15,442	16,436	24,293	32,863	42,359
Profit attributable to										
Shareholders of the Company	7,728	5,959	9,880	13,064	17,084	29,259	12,819	20,370	26,836	46,055
Non-controlling interests and holders of perpetual securities	(73)	(19)	72	210	205	298	201	419	323	204
Profit for the year	7,655	5,940	9,952	13,274	17,289	29,557	13,020	20,789	27,159	46,259
Consolidated Statement of Financial Position (HK\$ million)										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fixed assets	6,762	6,987	7,385	9,612	10,222	10,560	11,624	10,696	10,399	11,233
Investment properties	11,999	9,876	10,545	11,710	14,508	15,497	15,670	19,433	21,170	25,180
Associates	122,406	121,865	123,805	124,777	131,462	144,585	146,808	149,723	156,369	190,937
Jointly controlled entities	25,834	22,631	21,418	22,861	24,222	23,624	29,398	32,653	39,497	45,323
Other non-current assets	5,546	8,160	8,864	7,572	8,925	11,016	5,771	7,470	9,639	8,507
Net current assets	18,359	20,435	26,784	31,126	46,067	52,768	56,659	56,455	59,172	56,975
Total assets less current liabilities	190,906	189,954	198,801	207,658	235,406	258,050	265,930	276,430	296,246	338,155
Bank and other loans	19,255	16,357	17,907	18,683	27,609	23,655	31,258	25,279	22,027	23,020
Other non-current liabilities	255	295	343	378	4,432	4,517	2,598	664	761	850
Net assets	171,396	173,302	180,551	188,597	203,365	229,878	232,074	250,487	273,458	314,285
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	156,470	158,770	164,913	173,343	187,612	215,974	217,234	236,187	259,148	295,936
Shareholders' funds	166,959	169,259	175,402	183,832	198,101	226,463	227,723	246,676	269,637	306,425
Perpetual securities	–	–	–	–	–	–	–	–	–	4,648
Non-controlling interests	4,437	4,043	5,149	4,765	5,264	3,415	4,351	3,811	3,821	3,212
Total equity	171,396	173,302	180,551	188,597	203,365	229,878	232,074	250,487	273,458	314,285
Shareholders' funds										
– NBV per share (HK\$)	72.08	73.08	75.73	79.37	85.53	97.78	98.32	106.50	116.42	132.30
Earnings per share (HK\$)	3.34	2.57	4.27	5.64	7.38	12.63	5.53	8.79	11.59	19.88
Dividend per share (HK\$)	1.60	1.68	1.80	2.00	2.20	2.45	2.45	2.70	2.95	3.16
Interim dividend	0.38	0.38	0.38	0.42	0.46	0.50	0.50	0.50	0.50	0.53
Final dividend	1.22	1.30	1.42	1.58	1.74	1.95	1.95	2.20	2.45	2.63

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

Results Highlights

Profit Attributable To Shareholders

HK\$ Million
48,000

40,000

32,000

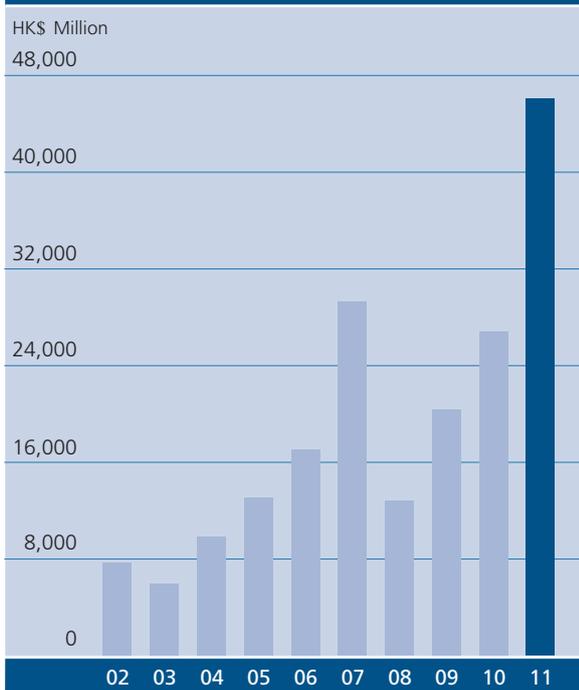
24,000

16,000

8,000

0

02 03 04 05 06 07 08 09 10 11



Earnings per share

HK\$
21

18

15

12

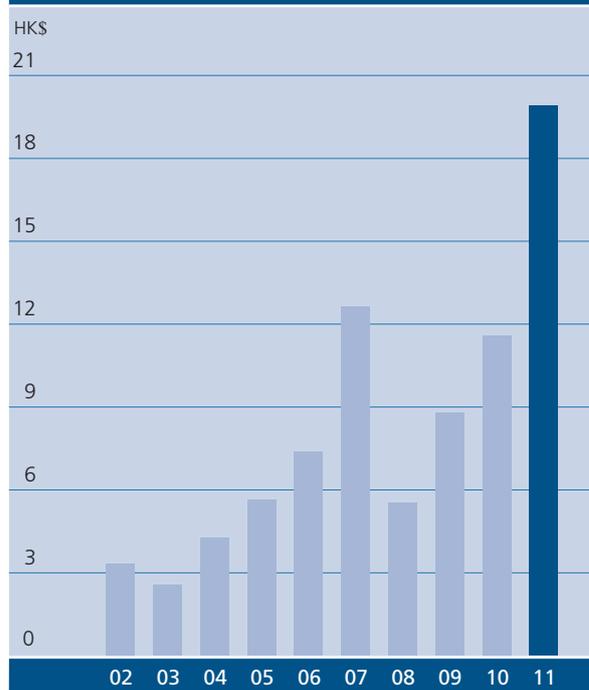
9

6

3

0

02 03 04 05 06 07 08 09 10 11



Dividend per share

HK\$
3.20

2.90

2.60

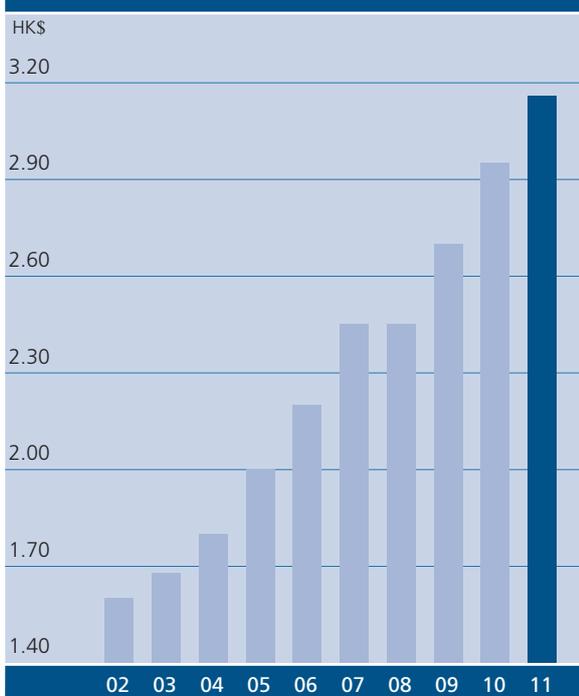
2.30

2.00

1.70

1.40

02 03 04 05 06 07 08 09 10 11



Shareholders' Funds - NBV per share

HK\$
135

120

105

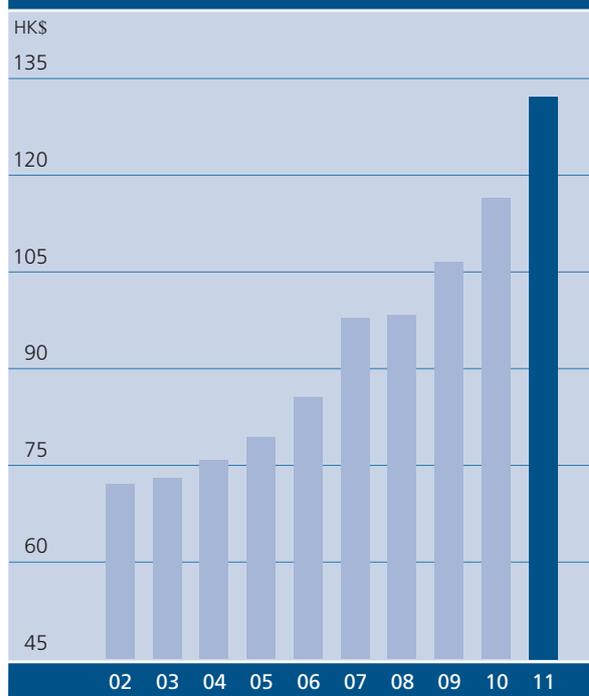
90

75

60

45

02 03 04 05 06 07 08 09 10 11



The Year at a Glance

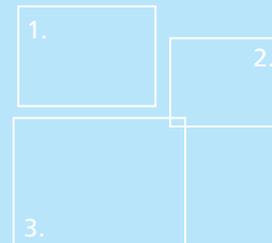


1. []
 2. []
 3. []
 4. []
 5. []
1. The Group announced its 2011 Annual Results on 29th March, 2012
 2. Sheraton Chengdu Lido Hotel
 3. 2011 Annual Results Analysts' Briefing
 4. The 8th Golden Pillow Award of China Hotels
 5. The 6th China Hotel Starlight Awards

1-3

- The Grand Hyatt Beijing was awarded the "Best Hotel in Beijing" by *DestinAsian*.
- Four of the owners' representative teams of the Group's hotels received "Best Hotel Owner's Representatives of China" at the 6th China Hotel Starlight Awards.

- The Sheraton Chengdu Lido Hotel received the "Top 10 Business Hotels of China" award from the 6th China Hotel Starlight Awards and the "Best Business Hotels in Chengdu" award from *Business Traveller China*.
- The Sheraton Shenyang Lido Hotel received various awards in 2011 – *The 6th China Hotel Starlight Awards*: "Top 10 Business Hotels of China"; *Business Traveller China*: "Best Business Hotels in Shenyang"; *The 8th Golden Pillow Award of China Hotels*: "Most Popular Business Hotel in Northeast China".



1. The Community Chest "Cheung Kong" Rainbow Fund
2. Awards presented by The Community Chest
3. The listing ceremony of Hui Xian Real Estate Investment Trust

4-6

④ The Group injected its interest in Oriental Plaza in Beijing into Hui Xian Real Estate Investment Trust, the first RMB-denominated REIT listed on the Hong Kong Stock Exchange on 29th April, 2011.

④ 92 member companies of the Cheung Kong Group were awarded the "Caring Company Logo" by the Hong Kong Council of Social Services – the corporation with the largest number of participating companies for the 8th consecutive year.

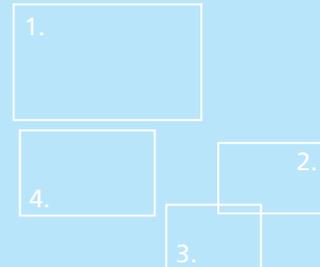
④ Received the Highest Fund Raising Corporate Team Award in the MTR HONG KONG Race Walking 2011.

④ The Cheung Kong Group continued to sponsor The Community Chest "Cheung Kong" Rainbow Fund to provide emergency relief to those with imminent needs.

④ Received the "Asia Top 10 Developers Awards – Hong Kong" and the "Asia Top 10 Developers Awards – Singapore" at BCI Asia Awards 2011.

④ The Cheung Kong Group was named one of The Community Chest's Top Three Donors for the 12th consecutive year.

The Year at a Glance (continued)

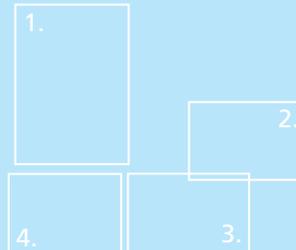


1. Naming ceremony of projects in Shanghai
2. Launch of Thomson Grand in Singapore
3. Release of La Grande Ville Phase 2
4. A tour of the facilities of Northumbrian Water, which was acquired by the Group, CKI and Li Ka Shing Foundation during the year



7-9

- CKI Thomson Grand in Singapore achieved satisfactory sales results.
- CKI Naming ceremony was held for the Putou, Jiading and Lujiazui projects in Shanghai.
- CKI Acquisition of an interest in Northumbrian Water in England was jointly made by the Group, CKI and Li Ka Shing Foundation in August 2011.
- CKI Received the "Outstanding Corporate Strategy Awards 2011" by *Eastweek* magazine.
- CKI Satisfactory sales were registered for La Splendeur, LOHAS Park in Tseung Kwan O.
- CKI Launch of La Grande Ville Phase 2 in Beijing was well-received by purchasers.
- CKI Festival City Phase 2 received "The Best Creative Buy" Award at the "Metro Creative Awards 2011".
- CKI The Group and 1881 Heritage received the awards of "Outstanding Sales Performance" and "Property Management" respectively in "CAPITAL The Best Developer Awards 2011".



1. Chairman Mr. Li Ka-shing accepted the "Carnegie Medal of Philanthropy"
2. Seminar on duties and responsibilities of Directors
3. Launch of Festival City Phase 3
4. MIPIM Asia Awards 2011



10-12

- Chairman Mr. Li Ka-shing is the first Chinese to be awarded the "Carnegie Medal of Philanthropy" since its establishment 10 years ago.
- Festival City Phase 3 in Tai Wai achieved satisfactory sales results.
- Presented with the "Asia Excellence Brand Awards 2011" by *Yazhou Zhoukan* which honors those Asian brands with prominent results in brand recognition.

- The Group was named as one of the "Best Listed Companies" at "Golden Bauhinia Awards 2011" by *Ta Kung Pao*.
- Naming ceremony was held for The Metropolis and Regal Lake in Guangzhou.
- The Marina Bay Financial Centre in Singapore received "Gold Award (mixed-used category)" and "Participants' Choice Award" at the "MIPIM Asia Awards 2011".
- Distinguished professionals have been invited to present to the Directors subjects relating to directors' duties and responsibilities.

Report of the Chairman and the Managing Director

Growth and Resilience Amid Challenges



HIGHLIGHTS

	2011	2010 (Restated) ^{Note 2}	Change
	HK\$ Million	HK\$ Million	
Turnover ^{Note 1}	42,359	32,863	+29%
Profit before property revaluation	13,127	11,410	+15%
Property revaluation (net of tax)	4,941	5,344	-8%
Profit before share of results of Hutchison Whampoa Group	18,068	16,754	+8%
Share of results of Hutchison Whampoa Group Profit attributable to shareholders before profit on disposal of investments and others	11,566	10,082	+15%
Profit on disposal of investments and others	16,421	–	N/A
Profit attributable to shareholders	46,055	26,836	+72%
Earnings per share	HK\$19.88	HK\$11.59	+72%
Final dividend per share	HK\$2.63	HK\$2.45	+7%
Full year dividend per share	HK\$3.16	HK\$2.95	+7%

Note 1: 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\$387,717 million (2010 (restated) – HK\$319,096 million).

Note 2: The 2010 comparative figures have been restated as a result of the current year's adoption of HKAS 12 (Amendments) "Deferred Tax: Recovery of Underlying Assets" which has been applied retrospectively.

PROFIT FOR THE YEAR

The Group's audited profit attributable to shareholders for the year ended 31st December, 2011 amounted to HK\$46,055 million (2010 (restated) – HK\$26,836 million). Earnings per share were HK\$19.88 (2010 (restated) – HK\$11.59).

The Group's audited profit attributable to shareholders amounted to HK\$46,055 million, increased by **72%**.

DIVIDEND

The Directors recommend the payment of a final dividend of HK\$2.63 per share in respect of 2011 to shareholders whose names appear on the Register of Members of the Company at the close of business on 31st May, 2012. This together with the interim dividend of HK\$0.53 per share gives a total of HK\$3.16 per share for the year (2010 – HK\$2.95 per share). The proposed final dividend will be paid on 14th June, 2012 following approval at the 2012 Annual General Meeting.

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

PROSPECTS

2011 in Review

Business Performance

In 2011, sovereign debt problems continued to plague Eurozone nations, inflationary pressure rose globally, and the pace of U.S. recovery from the 2008 financial crisis was less robust than anticipated. Against this backdrop, the worldwide economic and business environment has become increasingly challenging.

Maintaining a balance between progress and stability has always been one of the Group's prime operating principles. Prior to the onset of the financial crisis, the Group had already adopted prudent measures to minimise the impact of external forces. Investments were cautiously made during the year, strictly adhering to our fundamental financial policy of maintaining a healthy debt ratio. The Group has again demonstrated its resilience in this difficult operating environment, and continued to deliver solid performances on all fronts.

Our overall operating results were favourable. For the year ended 31st December, 2011, the Group's profit before share of results of the Hutchison Whampoa Group was HK\$18,068 million, a rise of 8% over the previous year.

We achieved a solid performance in our core property businesses, with strong progress being made in enriching our portfolio and strengthening the revenue drivers. In 2011, major performance indicators were generally in line with our expectations. Contributions from property sales as well as hotels and serviced suites improved over last year. A one-off gain was recorded arising from the injection of the Group's interest in Oriental Plaza in Beijing into Hui Xian Real Estate Investment Trust which is listed on the Hong Kong Stock Exchange.

The property market sentiment in Hong Kong has been conservative since the middle of 2011 amid heightened external uncertainties. However, market conditions are expected to remain stable due to solid market fundamentals, continuing purchasing power, low levels of unemployment, low interest rates, together with rising construction costs fuelled by high inflation.

The Group has executed various development initiatives in 2011, and the marketing of its projects has been well-received by the market. Our landbank has been expanding in a healthy, sustainable manner, with a number of selectively chosen high-quality sites successfully acquired at reasonable prices. With ample land resources, we are well placed to continue to generate steady streams of revenue at attractive margins.

The Mainland's property market faced challenges as home prices in major cities continued to soften. However, we are cautiously optimistic about the future given the Central Government's ongoing tightening measures to help ensure a stable and healthy property market over the long term, and the anticipated increases in purchasing power and housing demand supported by rising labour wages which will outpace inflation.

In overseas markets, the Group is progressing well and in accordance with its development and marketing schedules. We are focused on securing suitable investment opportunities to extend further our footprint beyond Hong Kong, leveraging our accumulated expertise and experience in providing comprehensive property developments to accommodate diverse market needs and aspirations.

Listed Affiliated Companies

The Group continued to benefit from the global opportunities arising from its strategic investments in listed affiliated companies, particularly through the Hutchison Whampoa Group's diversified portfolio of global businesses. In 2011, businesses in markets beyond Hong Kong continued to perform favourably and generate increased profits to the Group and its listed affiliated companies.

The Hutchison Whampoa Group

In 2011, the Hutchison Whampoa Group's core businesses and operations spanning 53 countries continued to perform well. Its balance sheet and liquidity were strengthened through a number of successful equity capital markets transactions, including the initial public offer of units in Hutchison Port Holdings Trust listed in Singapore. The **3** Group achieved improved EBITDA and a second year of EBIT positive results. The acquisition of a 100% interest in Orange Austria by Hutchison 3G Austria, which is expected to complete in mid-2012 subject to regulatory approval, is expected to create operational synergies and efficiencies, which should result in corresponding increases in **3** Austria's contribution to the **3** Group. Prospects for the Hutchison Whampoa Group are promising. It is well positioned for continued growth and will continue to invest and expand its core businesses.

CKI

In 2011, businesses of Cheung Kong Infrastructure Holdings Limited ("CKI") have generated strong results and recorded good organic growth. Profit contributions from overseas businesses were higher than that of Hong Kong operations. Two acquisitions were made by CKI during the year, namely an interest in the Meridian Cogeneration Plant in Canada and an interest in the Northumbrian Water Group Limited ("Northumbrian Water") in England. These acquisitions, in particular Northumbrian Water, are expected to act as a growth catalyst that will propel CKI's earnings to new heights. Following the share placement exercises in July 2011 and in March 2012, and the issue of U.S. dollar fixed rate callable perpetual securities via a fiduciary in February 2012, CKI has ample cash on hand and a strong balance sheet that enable it to continue to pursue infrastructure projects around the world.

Power Assets

Power Assets Holdings Limited ("Power Assets") achieved record results in 2011 with earnings from operations outside Hong Kong surpassing those from Hong Kong for the first time. Earnings from Hong Kong showed a modest decline. The overall excellent results were bolstered by the first full-year of earnings contributions from the acquisitions that Power Assets made in 2010, namely a 40% interest in UK Power Networks Limited and a 25% interest in the Seabank Power Station, both in the United Kingdom. Power Assets will continue to grow its earnings base outside Hong Kong, building on its strong foundations.

CK Life Sciences

CK Life Sciences Int'l., (Holdings) Inc. ("CK Life Sciences") achieved a steady operational performance in 2011. The acquisitions of Challenger Wine Trust, Qualco West Vineyard and Peaty Trading Group in Australia are poised to expand the reach of its agriculture-related business and boost its earnings. On the R&D front, the approval by the U.S. Food and Drug Administration of the Phase III clinical testing of CK Life Sciences' melanoma vaccine has brought CK Life Sciences to a new research milestone and a major step closer to the commercialisation of the melanoma vaccine. CK Life Sciences' fundamentals are sound and business operations are solid. It is well placed to drive further growth in the future.

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

Looking Ahead

Looking into 2012, global market conditions are expected to continue to improve modestly, given that the Eurozone markets affected by sovereign debt problems are showing signs of stabilisation, and the U.S. overall economy is on track for gradual growth as reflected by improvements in major economic indicators, and aided by low interest rates.

The Mainland stayed relatively resilient and maintained robust GDP growth of 9.2% in 2011. In line with the Central Government's economic growth target of 7.5%, the Mainland's economy is expected to continue to expand solidly in 2012, although the pace may be slightly moderated. Easing inflationary pressure, solid domestic demand, and the Central Government's fine-tuning of its tightening policy designed to ensure stable and sustainable growth will be positive factors conducive to its long-term prospects. Hong Kong's GDP growth will likely moderate in the coming year, but will remain positive as the Mainland's continued steady development will provide firm support to the local economy. Hong Kong's sound economic fundamentals and its close proximity to the Mainland as a high growth centre will be strong pillars for its sustainable development.

We are committed to strengthening our existing core businesses while embracing new growth opportunities through diversification and globalisation. Looking ahead, we will continue to pursue quality investments that carry long-term benefits for the Cheung Kong Group, and we would expect such investments to yield promising returns in three to four years. We firmly believe that we have the strength and resources to continue our global ventures on a path of growth with a fine balance of progress and stability. We are strongly confident in the Cheung Kong Group's future prospects.

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, 2012

Management Discussion and Analysis

SUSTAINABLE DEVELOPMENT STRATEGY

The principal activities of the Group encompass property development and investment, hotel and serviced suite operation, and property and project management. These core businesses have been the key drivers in providing steady streams of revenue to the Group. The Hutchison Whampoa Group, our major listed affiliate, has also been a major contributor to the Group's results. With diversified operations spanning 53 countries around the globe, the Hutchison Whampoa Group has six core businesses – ports and related services; property and hotels; retail; infrastructure; energy and telecommunications.

It has been the core strategic objective of the Cheung Kong Group to maximise shareholder value by driving long-term sustainable growth of its businesses. Based on its strategic positioning as a multinational conglomerate, the listed companies under the Cheung Kong Group are committed to nurturing new growth through diversification and globalisation. We are focused on the pursuit of attractive investment opportunities around the world to extend the business scope and geographic coverage beyond Hong Kong, and to generate stable and secure returns for shareholders.

The Cheung Kong Group also benefits from operating and financial synergies created from the core businesses of each of its listed companies. These synergies translate into enhanced competitiveness that allows the Cheung Kong Group to capture good investment opportunities around the globe for driving business growth and creating new sources of revenue. By building on a stronger and more diversified operating base, the Cheung Kong Group will enhance further its operational efficiency and effectiveness, and strengthen its risk management capacity to deal with unforeseen market changes responsively.

Achieving a fine balance between progress and stability has always been one of the Cheung Kong Group's traditional operating philosophies. We are steadfast in maintaining financial prudence in our pursuit of global acquisitions and investments over the years. In adhering to our fundamental financial policy of maintaining a healthy debt ratio under any circumstances, we have strong liquidity and sufficient financial resources to capitalise on acquisition and investment opportunities as they arise, and to generate shareholder value on a sustainable basis.

Management Discussion and Analysis (continued)

BUSINESS REVIEW

Major Business Activities

1. Developments Completed during 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 Phases 2A, 2B and 2D	Jingyue Economic Development Zone, Changchun	93,130	50%
Regency Residence Phases 1, 2A(2) and 2B	Nanguan District, Changchun	143,797	50%
Noble Hills Phase 2	Wangcheng County, Changsha	72,663	50%
Le Parc Phases 2B and 3	Chengdu High-Tech Zone, Chengdu	341,451	50%
Regency Oasis Phases 1A and 1B	Wenjiang District, Chengdu	123,039	50%
Noble Hills Phase 2A	Douxu, Chongqing	87,973	50%

Name	Location	Total Gross Floor Area (sq.m.)	Group's Interest
The Riverside and Metropolitan Plaza Phases 1 and 3	Huangsha, Guangzhou	164,309	50%
Regency Cove Phase 2	Maqiao Town, Minhang District, Shanghai	26,253	42.5%
Regency Park Phase 2B	Huamu Road, Pudong New District, Shanghai	10,188	50%
Le Sommet Phase 3	Longgang District, Shenzhen	48,969	50%
The Metropolitan Tianjin Phase 2	Yingkoudao, Heping District, Tianjin	63,011	40%
The Greenwich Phases 2A and 3B	Xian Hi-Tech Industries Development Zone, Xian	244,172	50%

Management Discussion and Analysis (continued)

2. Developments in Progress and Scheduled for Completion in 2012:

Name	Location	Total Gross Floor Area (sq.m.)	Group's Interest
LOHAS Park La Splendeur	Site AB of The Remaining Portion of Tseung Kwan O Town Lot No. 70	82,685	Joint Venture
Alnwick Road Project	New Kowloon Inland Lot No. 4782	4,417	100%
CROWN by the Sea	Tuen Mun Town Lot No. 334	4,026	100%
Marina Bay Financial Centre Tower 3	Marina Bay, Singapore	151,776	16.67%
La Grande Ville Phase 2	Shun Yi District, Beijing	18,293	100%
The Metropolis Phase 2A	Huangpu District, Guangzhou	62,584	30%
Yuhu Mingdi Phase 1	Luogang District, Guangzhou	43,901	40%
Zhen Ru Fu Zhong Xin Project	Putuo District, Shanghai	14,390	29.4%
Regency Park Phase 2C	Jingyue Economic Development Zone, Changchun	17,664	50%
Regency Residence Phases 1 and 2B	Nanguan District, Changchun	11,465	50%
Noble Hills Phase 3	Wangcheng County, Changsha	86,572	50%
Regency Park Phases 1, 2 and 3A	Tianning District, Changzhou	47,294	50%
Le Parc Phases 4A and 6A	Chengdu High-Tech Zone, Chengdu	231,349	50%
Regency Oasis Phases 1B and 2	Wenjiang District, Chengdu	217,399	50%

Name	Location	Total Gross Floor Area (sq.m.)	Group's Interest
Cape Coral Phase 2	Nanan District, Chongqing	146,703	47.5%
Noble Hills Phase 2B	Douxi, Chongqing	32,858	50%
Laguna Verona Phases D1 and G1a	Hwang Gang Lake, Dongguan	239,930	49.91%
Cape Coral Phase 3A	Panyu District, Guangzhou	84,053	50%
Zengcheng Project Phase 1	Zengcheng, Guangzhou	110,425	50%
The Harbourfront Phase 1	Shibei District, Qingdao	211,599	45%
Regency Garden Phase 1	Pudong New District, Shanghai	32,495	42.5%
Le Sommet Phases 1B, 2 and 4A	Longgang District, Shenzhen	59,864	50%
Century Place Phases 1 and 2	Shennan Road, Huaqiangbei, Futian District, Shenzhen	179,606	40%
Noble Hills	Baoan District, Shenzhen	147,083	50%
The Metropolitan Tianjin Phases 1 and 2	Yingkoudao, Heping District, Tianjin	197,595	40%
Regency Cove Phase 1	Caidian District, Wuhan	89,357	50%
The Greenwich Phases 2A, 2B and 3A	Xian Hi-Tech Industries Development Zone, Xian	279,998	50%

Management Discussion and Analysis (continued)

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

Hong Kong

- (1) 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.
- (2) May 2011: A wholly owned subsidiary of the Group successfully bid for Ngau Tam Mei, Yuen Long, Lot No. 2086 in D.D. 105 at a Government auction. With an area of approximately 23,480 sq.m., the site is designated for a residential development estimated to have a developable gross floor area of approximately 9,392 sq.m.
- (3) June 2011: A wholly owned subsidiary of the Group successfully bid for Borrett Road, Hong Kong, Inland Lot No. 8949 at a Government auction. With an area of approximately 10,488 sq.m., the site is earmarked for a residential development estimated to have a developable gross floor area of approximately 40,440 sq.m.
- (4) June 2011: A wholly owned subsidiary of the Group successfully bid for Ping Kwai Road, Ping Shan, Yuen Long, Lot No. 2129 in D.D. 121 at a Government auction. With an area of approximately 6,076 sq.m., the site is planned for a residential development estimated to have a developable gross floor area of approximately 6,076 sq.m.
- (5) June 2011: A wholly owned subsidiary of the Group was awarded a Government tender for the development at Lee Kung Street, Hung Hom, Hung Hom Inland Lot No. 556. With an area of approximately 1,299 sq.m., the site is designated for a residential development estimated to have a developable gross floor area of approximately 9,740 sq.m.
- (6) August 2011: A wholly owned subsidiary of the Group was awarded a Government tender for the development at Oil Street, North Point, Inland Lot No. 8920. With an area of approximately 7,887 sq.m., the site is earmarked for a non-industrial development estimated to have a developable gross floor area of approximately 70,200 sq.m.
- (7) September 2011: A wholly owned subsidiary of the Group updated the existing U.S.\$2,000,000,000 Euro Medium Term Note Programme (the "Programme") for the purpose of issuing notes (the "Notes") which may be denominated in any currency as agreed with the dealer(s) from time to time. The maximum aggregate nominal amount of all Notes outstanding under the Programme from time to time will not exceed U.S.\$2,000,000,000. The Programme provides that the Notes may be listed on The Stock Exchange of Hong Kong Limited or such other or further stock exchanges as may be agreed with the relevant dealer(s). As at 31st December, 2011, Notes of an aggregate nominal amount of approximately U.S.\$348.5 million were issued under the Programme.
- (8) During the year under review, the Group continued to pursue opportunities for acquisition of 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) June 2011: 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 158,892 sq.m. and a gross floor area of approximately 236,680 sq.m. at Changchun National Hi-Tech Industrial Development Zone, Changchun, the Mainland for residential and commercial purposes.
- (10) August 2011: An indirect 40/40/20 joint venture company of the Company, Cheung Kong Infrastructure Holdings Limited and Li Ka Shing Foundation Limited had reached agreement with Northumbrian Water Group Limited (formerly known as Northumbrian Water Group plc) (“Northumbrian Water”) on the terms of a recommended cash offer to acquire all of the entire issued share capital of Northumbrian Water at the consideration of approximately £2,411.6 million (“Acquisition”). On 14th October, 2011, the scheme of arrangement to implement the Acquisition became effective.
- (11) August 2011: 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 143,034 sq.m. and a gross floor area of approximately 505,000 sq.m. at Heizuizi Wharf and the surrounding area, Xigang District, Dalian, the Mainland for residential and commercial purposes.
- (12) September 2011: A wholly owned subsidiary of the Group issued SGD500 million Guaranteed Senior Perpetual Securities (the “Existing Securities”) with distribution rate of 5.125% per annum in Singapore. In October 2011, this subsidiary had a further issue of SGD230 million Guaranteed Senior Perpetual Securities which were consolidated and formed a single series with the Existing Securities.
- (13) November 2011: 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 74,858 sq.m. and a gross floor area of approximately 184,819 sq.m. at Nanzhuang Town, Chancheng District, Foshan, the Mainland for development into residential properties.
- (14) December 2011: An indirect 50/50 joint venture company of the Group and the Hutchison Whampoa Group successfully bid for a 50% share interest in a company incorporated on the Mainland (the “Project Company”). The business of the Project Company is to develop two pieces of land with an aggregate area of approximately 13,723 sq.m. and an aggregate gross floor area of approximately 40,540 sq.m. at Futian District, Shenzhen, the Mainland for commercial purpose.
- (15) During the year under review, the Group continued to focus on project development and the marketing of properties on the Mainland and overseas in a timely manner.

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\$38,143 million (2010 – HK\$29,297 million), an increase of HK\$8,846 million when compared with last year, and comprised mainly the sale of residential units of two property projects completed last year – Festival City Phases 1 and 2 in Hong Kong and La Grande Ville Phase 1 in Beijing, and the sale of residential units of property projects completed during the year, including Le Prime, Oceanaire, Uptown and Meridian Hill in Hong Kong, The Riverside Phase 3 in Guangzhou, Le Sommet Phase 3 in Shenzhen, Regency Oasis Phase 1A and Le Parc Phases 2B and 3 in Chengdu, The Greenwich Phases 2A and 3B in Xian, Regency Park Phases 2A, 2B and 2D and Regency Residence Phases 1, 2A(2) and 2B in Changchun, The Greenwich Phase 1C in Beijing, Noble Hills Phase 2A in Chongqing, The Metropolitan Tianjin Phase 2 in Tianjin, Noble Hills Phase 2 in Changsha and Regency Park Phase 2B in Shanghai.

Contribution from property sales, including share of results of jointly controlled entities, was HK\$11,218 million (2010 – HK\$8,902 million), an increase of HK\$2,316 million when compared with last year. During the year, various measures were introduced by the government authorities in Hong Kong and the Mainland to cool down the property markets and demand for residential properties remained steady in an inflationary environment.

Contribution from property sales for 2012 will mainly be derived from the sale of residential units of Festival City Phase 3, La Splendeur, Crown by the Sea and Alnwick Road Project in Hong Kong, La Grande Ville Phase 2 in Beijing, Le Parc Phase 4A in Chengdu, Century Place Phase 1 and Noble Hills in Shenzhen, Cape Coral Phase 3A in Guangzhou, The Harbourfront Phase 1 in Qingdao, Cape Coral Phase 2 in Chongqing and several other property projects scheduled for completion.

The sale/presale of residential units of Festival City Phase 3, La Splendeur and Crown by the Sea have been launched in Hong Kong and over 90% of all the units of these projects have been sold, while the sale/presale of residential units of various property projects scheduled for completion on the Mainland were progressing well.

Property Rental

Turnover of the Group's property rental for the year was HK\$1,377 million (2010 – HK\$1,264 million), an increase of HK\$113 million when compared with last year, mainly due to increase in rental rates as local business confidence, boosted by strong retail sales in Hong Kong, pushed up rentals for shops at prime locations and office spaces in major business districts. The Group's investment properties comprise mainly retail shopping malls and commercial office properties in Hong Kong, which accounted for approximately 44% and 45% respectively of the turnover of the Group's property rental for the year.

Contribution from the Group's property rental was HK\$1,274 million (2010 – HK\$1,131 million), and contribution including share of results of jointly controlled entities was HK\$1,698 million (2010 – HK\$1,817 million), a decrease of HK\$119 million when compared with last year mainly as a result of absence of rental contribution from Oriental Plaza in Beijing, previously held by jointly controlled entities, since its listing on the Hong Kong Stock Exchange in April 2011 through the setup of Hui Xian Real Estate Investment Trust ("Hui Xian REIT") and an initial public offering ("IPO") of units denominated in Renminbi. The Group shared a surplus of HK\$1,731 million arising from the IPO transaction on loss of control of indirect interest in the jointly controlled entities.

At the year end date, the Group accounted for an increase in fair value of investment properties of HK\$4,010 million (2010 – HK\$1,737 million) based on a professional valuation and shared an increase in fair value of investment properties of HK\$1,151 million (2010 – HK\$4,733 million) of jointly controlled entities.

Hotels and Serviced Suites

Turnover of the Group's hotels and serviced suites for the year was HK\$2,489 million (2010 – HK\$2,037 million), an increase of HK\$452 million when compared with last year. The increase in turnover was mainly attributable to a growing number of Mainland visitor arrivals and improving consumer confidence.

Contribution from the Group's hotels and serviced suites was HK\$916 million (2010 – HK\$617 million) and contribution including share of results of jointly controlled entities was HK\$1,188 million (2010 – HK\$852 million), an increase of HK\$336 million when compared with last year. During the year, most of the hotels and serviced suites owned by the Group and jointly controlled entities in Hong Kong and the Mainland achieved good occupancy and room rates, and satisfactory operating results were reported.

In January 2012, a 70% interest in Sheraton Shenyang Lido Hotel held by the Group on the Mainland was disposed of at a profit to Hui Xian REIT. The disposal will have no significant impact on the overall contribution from the Group's hotels and serviced suites in 2012.

While the global economy poses uncertainties ahead, local business travel and inbound tourism remain active, and the Group will continue to strive for good performance for its hotel and service suite operation.

Property and Project Management

Turnover of the Group's property and project management for the year was HK\$350 million (2010 – HK\$265 million), of which income from property management was HK\$161 million (2010 – HK\$159 million), an increase of HK\$2 million when compared with last year, and income from project related services was HK\$189 million (2010 – HK\$106 million), an increase of HK\$83 million when compared with last year.

Contribution from the Group's property management was HK\$105 million (2010 – HK\$104 million), an increase of HK\$1 million when compared with last year, while the Group's project related services made a small contribution to group profit. After the listing of Hui Xian REIT on the Hong Kong Stock Exchange, the Group continued to take part in the management of Oriental Plaza in Beijing through the manager, a jointly controlled entity, and shared the results of the manager.

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 88 million square feet and this is expected to grow steadily following the gradual completion of the Group's property projects in the years ahead.

Management Discussion and Analysis (continued)

Major Associates

The Hutchison Whampoa Group, a listed associate, reported profit attributable to shareholders for the year ended 31st December, 2011 of HK\$56,019 million (2010 (restated) – HK\$20,179 million). A net gain of HK\$32,868 million, comprising a gain on the IPO of Hutchison Port Holdings Trust of HK\$44,290 million and impairment charges and write off on certain port and telecommunications assets totalling HK\$11,422 million was included in the annual profit reported by the Hutchison Whampoa Group.

The CK Life Sciences Group, another listed associate, reported profit attributable to shareholders for the year ended 31st December, 2011 of HK\$125.8 million (2010 – HK\$208.6 million).

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 five-year and ten-year terms under the Euro Medium Term Note Programme in the total amount of HK\$1.4 billion in Hong Kong and notes with five-year and seven-year terms in the total amount of SGD500 million in Singapore, and redeemed notes in the amount of HK\$1.7 billion upon maturity.

At the year end date, the Group's bonds and notes, bank loans and other loans were HK\$9.5 billion, HK\$35.9 billion and HK\$0.5 billion respectively, and the Group's total borrowings amounted to HK\$45.9 billion, an increase of HK\$8.8 billion from last year end date. The maturity profile is spread over a period of ten years, with HK\$22.9 billion repayable within one year, HK\$18.6 billion within two to five years and HK\$4.4 billion beyond five years.

During the year, the Group also issued perpetual securities with an annual distribution rate of 5.125% in the total amount of SGD730 million. With no fixed maturity, the perpetual securities are redeemable at the Group's option on or after 9th September, 2016 and are accounted for as equity in the financial statements.

The Group's net debt to net total capital ratio at the year end date was approximately 7.6%. Net debt is arrived at by deducting bank balances and deposits of HK\$19.9 billion from the Group's total borrowings and net total capital is the aggregate of the Group's total equity and net debt.

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 67.6% of the Group's borrowings were in HK\$ and US\$, with the balance in GBP and SGD mainly for the purpose of financing investments and property projects in the United Kingdom and Singapore. The Group derives its revenue mainly in HK\$ and cash is mainly held in HK\$. Income in foreign currencies, including RMB, SGD and GBP, is also generated from the Group's investments and property projects outside Hong Kong and cash in these foreign currencies is maintained for operational needs. 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.

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.

Charges on Assets

At the year end date, mortgage loan receivables of a non-wholly owned subsidiary with carrying value of HK\$135 million were pledged to secure bank loans utilised on a back-to-back basis.

Contingent Liabilities

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

- (1) guarantee provided for the minimum share of revenue to be received by the partner of a joint development project amounted to HK\$624 million (2010 – HK\$636 million); and
- (2) guarantees provided for bank loans utilised by jointly controlled entities and investee company amounted to HK\$1,617 million (2010 – HK\$1,530 million) and HK\$334 million (2010 – HK\$286 million) respectively.

Employees

At the year end date, the Group employed approximately 10,000 employees for its principal businesses. The related employees' costs for the year (excluding directors' emoluments) amounted to approximately HK\$2,083 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, Commandeur de la Légion d'Honneur, Grand Officer of the Order Vasco Nunez de Balboa, Commandeur de l'Ordre de Léopold, aged 83, is the founder of the Group. He has been the Chairman since 1971 and acted as the Managing Director from 1971 to 1998. He has been a member of the Remuneration Committee of the Company since March 2005 and acted as the Chairman of the Remuneration Committee of the Company from March 2005 to December 2011. 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 on 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 has been awarded Entrepreneur of the Millennium, the Carnegie Medal of Philanthropy and The Berkeley Medal. He is the recipient of many other major honors and awards from renowned institutions on 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 47, 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, 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 ("SFO"), and a nephew of Mr. Kam Hing Lam, Deputy Managing Director of the Company. Mr. Victor Li is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO, and a director of certain companies controlled by certain substantial shareholders of the Company.

KAM Hing Lam, aged 65, 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, all being listed companies. He is also the Chairman of Hui Xian Asset Management Limited as the manager of Hui Xian REIT (listed in Hong Kong). 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 59, 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, Real Nutraceutical Group Limited, Shougang Concord International Enterprises Company Limited (all being listed companies), ARA Asset Management (Fortune) Limited as the manager of Fortune REIT (listed in Hong Kong and Singapore) and Hui Xian Asset Management Limited as the manager of Hui Xian REIT (listed in Hong Kong), and a Director of ARA Trust Management (Suntec) Limited as the manager of Suntec REIT (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 60, 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 56, joined the Group in 1982 and has been an Executive Director since 1993. Ms. Pau is a director of certain 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 55, 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 61, 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, aged 80, 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 60, 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, 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 60, 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. 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 certain 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 74, 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 certain 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 76, 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, and a Director of Husky Energy Inc., all being listed companies. He holds a Master's degree in Economics.

KWOK Tun-li, Stanley, aged 85, 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 88, 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 72, 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 the Chairman of Glencore International plc, a Non-executive Director of Greenheart Group 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, a Non-executive Director of Compagnie Financière Richemont SA, and a Senior Independent Non-executive Director of Essar Energy plc, all being listed companies.

CHOW Nin Mow, Albert, aged 62, 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 64, 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 a member of the Audit Committee of the Company since 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 a Director of Li Ka Shing Foundation Limited, a Member of HKSAR Estate Agents Authority, an Executive Committee Member of Hong Kong Housing Society, a Court Member of The Hong Kong University of Science and Technology, a Court Member of The Hong Kong Polytechnic University ("HK PolyU") and the Secretary of the Scout Association of Hong Kong. Ms. Hung has been a Honorary Court Member of Lingnan University since 29th September, 2011 and a Director of Chinese Academy of Governance (HK) Industrial and Commercial Professionals Alumni Association since 27th October, 2011. She was awarded the University Fellowship from HK PolyU on 11th January, 2011 and was a Steering Committee Member of the Institute for Enterprise of HK PolyU from 2000 to 2011.

WONG Yick-ming, Rosanna, DBE, JP, aged 59, has been an Independent Non-executive Director since 2001 and a member of the Remuneration Committee of the Company since 2005. She has been appointed as the Chairman of the Remuneration Committee of the Company on 1st January, 2012. 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 and the Commission on Strategic Development, and was previously a member of the Judicial Officers Recommendation Commission. She is a Court Member of The Hong Kong University of Science and Technology, a member of The Hong Kong University of Science and Technology Business School Advisory Council, 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, the Non-executive Chairman of The Hongkong Bank Foundation's Advisory Committee, 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 64, 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. 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 54, 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, a Director of Harbour Plaza Hotel Management Limited and the Chief Corporate Strategy Officer of Hui Xian Asset Management Limited. He has over 31 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 48, Deputy Chief Manager, joined the Group in October 1987. He has over 29 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 fellow member and Certified Tax Adviser of The Taxation Institute of Hong Kong.

Ng Yuet Fong, Betty, aged 63, Senior Manager, joined the Group in September 1993. She has over 39 years of experience in accounting and treasury. She holds a Bachelor of Business Administration degree in Accounting.

Lee King Hang, Delfen, aged 42, Senior Manager, joined the Group in June 1996. He has over 20 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 55, Senior Manager, joined the Group in December 1977. She has over 34 years of experience in office administration management. She is a member of The Hong Kong Institute of Human Resource Management.

Ng Po Lung, aged 50, Manager, joined the Group in November 1993. He has over 27 years of experience in office administration management. He holds a Diploma in Legal Studies, a Bachelor of Social Science degree with Honours and a Master's degree in Business Administration.

Yuen Pui Sim, Milly, aged 49, Manager, joined the Group in June 1998. She has over 24 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 56, Chief Manager, joined the Group in May 1990. He has over 34 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 Hong Kong Institute of Construction Managers and a member of Chartered Management Institute.

Wong Tak On, Andy, aged 48, Senior Contracts Manager, joined the Group in May 1997. He has over 24 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 52, Senior Contracts Manager, joined the Group in June 1987. He has over 30 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.

Chee Chun Kit, aged 49, Contracts Manager, joined the Group in December 1991. She has over 23 years of experience in quantity surveying. She holds an Associateship in Building Technology and Management. She is a professional member of The Royal Institution of Chartered Surveyors, a member of The Hong Kong Institute of Surveyors, a member of Hong Kong Institute of Construction Managers and possesses the qualification of PRC Cost Engineer.

Cheung Ka Sing, Henry, aged 53, Contracts Manager, joined the Group in November 1996. He has over 29 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.

Choi Kwok Leung, Edberg, aged 43, Contracts Manager, joined the Group in January 2012. He has over 18 years of experience in quantity surveying. He holds a Bachelor of Science degree in Building and a Master of Science degree in Construction Management. He is a Registered Professional Surveyor, a PRC Registered Cost Engineer, 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 56, Contracts Manager, joined the Group in March 2000. He has over 33 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.

Lam Man Na, Mana, aged 46, Contracts Manager, joined the Group in April 1996. She has over 22 years of experience in quantity surveying. She holds a Higher Diploma in Building and a Diploma in Surveying (Quantity Surveying). She is a Registered Professional Surveyor, a professional member of The Royal Institution of Chartered Surveyors, a member of The Hong Kong Institute of Surveyors and possesses the qualification of PRC Cost Engineer.

Luk Wai Sang, Michael, aged 50, Contracts Manager, joined the Group in June 1996. He has over 30 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, 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.

Wong Che Keung, Andy, aged 45, Contracts Manager, joined the Group in June 1997. He has over 19 years of experience in quantity surveying. He holds a Bachelor of Science degree with Honours in Quantity Surveying and a Master of Science degree in Construction & Real Estate. He is a Registered Professional Surveyor, a professional member of The Royal Institution of Chartered Surveyors, a member of The Hong Kong Institute of Surveyors, 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.

Chairman's Office

Au Siu Yin, Amy, aged 49, Manager, joined the Group in February 1990. She has over 27 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 51, Manager & Secretary to Chairman, joined the Group in March 1993. She has over 32 years of experience in secretarial and office management. She holds a Bachelor of Social Sciences degree.

China Department

Beijing

Chan Yuet Ming, Louis, aged 52, General Manager, Beijing Po Garden Real Estates Development Company Limited, Beijing Chang Le Real Estate Development Company Limited and Dalian Dalian Property Development Company Limited, joined the Group in October 1992. He is also the General Manager of CKH (China) Investment Company Limited. He has over 27 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).

Yeung Shun Kiu, Eva, aged 35, Finance Manager, Beijing Project, joined the Group in September 2008. She has over 13 years of experience in accounting. She holds a Bachelor of Business Administration degree with Honours in Accounting. She is an associate member of The Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Beijing Office

Wong K, James, aged 48, Manager, Business Development, joined the Cheung Kong Group in September 1991. He has over 26 years of experience in business development. He is the Chief Representative of the Beijing Office of the Company. He is also the Director, Deputy General Manager and Chief Corporate Affairs Officer of Beijing Oriental Plaza Company Limited and the Deputy Chief Operating Officer of Hui Xian Asset Management Limited. He holds a Master's degree in Management Science.

Guangzhou

Tang Sek Wai, Max, aged 52, 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 26 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 54, Project Manager, Guangzhou Project, joined the Group in June 1994. He has over 34 years of experience in project management. He holds a Higher Certificate in Construction Technology.

Wu Kwok Leung, Eddy, aged 55, Finance Manager, Guangzhou Project, joined the Group in May 2008. He has over 35 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 43, 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 18 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 53, 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 25 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.

Key Personnel's Biographical Information (continued)

Au Hoe Kye, Quincy, aged 56, Finance Manager, Shanghai Project, joined the Group in September 1994. He is also the Financial Controller of our project Companies in Shanghai. He has over 24 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.

Wong Chi Kin, Clarence, aged 38, Leasing Manager, Shanghai Project, joined the Group in October 2011. He is also the Senior Leasing Manager of our project Company in Shanghai. He has over 14 years of experience in property leasing. He holds a Bachelor of Science degree in Environmental Science.

China Property

Hui Tung Keung, Tommy, aged 49, Business Development Manager, China Property, joined the Group in January 1994. He is the General Manager of Lido Hotel Company Limited in Beijing and the Deputy Chief Investment Officer of Hui Xian Asset Management Limited. He has over 28 years of experience in accounting, hotel and property management. He holds a Master's degree in Business Administration.

Lee Chi Kin, Casey, aged 49, Business Development Manager, China Property, joined the Group in August 1998. He is responsible for the Group's business investment in Sheraton Shenyang Lido Hotel. He is also the Director/General Manager of Sheraton Shenyang Lido Hotel and the Chief Investment Officer of Hui Xian Asset Management Limited. He has over 27 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 59, Business Development Manager, China Property, joined the Group in July 1994. He is responsible for the Group's business investment in Sheraton Chengdu Lido Hotel. He is also the Director & Deputy General Manager of Chengdu Changtian Company Limited and the Deputy General Manager of Sheraton Chengdu Lido Hotel, as well as the Deputy Chief Investment Officer of Hui Xian Asset Management Limited. He has over 33 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 50, Finance Manager, China Property, joined the Group in August 2000. She is the Deputy Director of Finance of Lido Hotel Company Limited in Beijing. She has over 29 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 56, Project Manager, China Property, joined the Group in June 1998. He is the Project Manager of Shenyang Lido Business Company Limited. He has over 37 years of experience in hotel construction, E & M engineering and property management.

Company Secretarial Department

Yeung, Eirene, aged 51, 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 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 37, Deputy Chief Manager, joined the Group in September 2002. She has over 14 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 38, Deputy Chief Manager, joined the Group in November 2008. She has over 13 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.

Tse Kin Keung, Augustine, aged 42, Senior Manager, joined the Group in October 2010. He has over 19 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 40, Senior Manager, joined the Group in September 2004. She has over 16 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 47, Manager, joined the Group in March 1997. He has over 21 years of experience in the 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.

Lam Ling Sheung, Elina, aged 43, Manager, joined the Group in February 2001. She has over 18 years of experience in the company secretarial field. She holds a Master's degree in Corporate Finance. 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.

Construction Audit & Quality Assurance Department

Tsui Ying Kit, Simon, aged 52, Senior Manager, joined the Group in March 1976. He has over 31 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 member of International Facility Management Association.

Corporate Affairs Department

Tong Barnes Wai Che, Wendy, aged 51, 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., as well as the Chief Corporate Affairs and Investor Relations Officer of Hui Xian Asset Management Limited. She has over 27 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 48, Deputy Chief Manager, joined the Group in August 2005. She has over 23 years of experience in advertising and marketing communications. She holds a Diploma in Journalism.

Cheong Yuen Mei, Winnie, aged 43, 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 21 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 38, Senior Corporate Affairs Manager, joined the Group in May 2003. She has over 15 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 44, Senior Marketing Communications Manager, joined the Group in April 1995. She has over 20 years of experience in advertising and marketing communications. She holds a Bachelor of Business Administration degree with Honours.

Ng Yee Wa, Eva, aged 33, Corporate Affairs Manager, joined the Cheung Kong Group in June 2005. She has over 10 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 37, Marketing Communications Manager, joined the Group in November 2009. She has over 13 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 44, 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 22 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 41, Deputy Chief Manager, joined the Cheung Kong Group in August 2000. He is a Director of e-Smart System Inc., 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 19 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 40, Senior Manager, joined the Cheung Kong Group in July 2000. He has over 17 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 Chun Yu, Sophia, aged 32, Senior Manager, joined the Cheung Kong Group in August 2000. She has over 11 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.

Key Personnel's Biographical Information (continued)

Lau Yuen Sun, aged 47, Senior Manager, Project Management, joined the Cheung Kong Group in August 2001. He has over 21 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 40, Manager, Engineering, joined the Cheung Kong Group in August 1995. He has over 16 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 41, Manager, Engineering, joined the Cheung Kong Group in May 2001. He has over 16 years of experience in networking & system engineering. He holds a Bachelor of Arts degree in Economics.

Luk Ting Chung, Mike, aged 39, Manager, Project Marketing, joined the Cheung Kong Group in February 1998. He has over 21 years of experience in sales & marketing. He holds a Bachelor's degree in Management Studies.

Wu Cheuk Ying, Ivy, aged 35, Manager, Finance & Administration, joined the Group in April 2008. She has over 12 years of experience in accounting and auditing. She holds a Bachelor of Business Administration degree with Honours in Accountancy and a Master of Corporate Governance degree. She 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.

Yip Lai On, Maggie, aged 33, Manager, Finance & Administration, joined the Group in May 2008. She has over 11 years of experience in accounting. She holds a Bachelor of Arts degree with Honours in Accountancy. She is a member of The Association of Chartered Certified Accountants.

Design & Promotion Department

Leung Yuen Kwan, Josephine, aged 43, Deputy Chief Manager, joined the Group in July 1995. She has over 18 years of experience in design, promotion, market research and property sales. She holds a Bachelor of Commerce degree in Marketing and Finance.

Development Department

Shen Wai Yee, Grace, aged 60, Chief Manager, Construction Management Division, joined the Group in September 1989. She has over 30 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 39, Project Manager, joined the Group in June 2003. He has over 13 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 50, Project Manager, joined the Group in December 1995. He has over 25 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 44, Project Manager, joined the Group in May 1997. He has over 18 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.

Chu Tak Kwong, Andy, aged 51, Project Manager, joined the Group in June 1998. He has over 27 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 53, Project Manager, joined the Group in May 1995. He has over 28 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 44, Project Manager, joined the Group in November 2003. He is a Director of Property Enterprises Development (Singapore) Pte Limited. He has over 16 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 48, Project Manager, joined the Group in January 1999. He has over 22 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 48, Project Manager, Structural, joined the Group in September 1999. He has over 24 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 40, Project Manager, joined the Group in June 2001. He has over 15 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, a member of Hong Kong Institute of Construction Managers and a BEAM Professional of Hong Kong Green Building Council.

Mak Kwok Keung, Charles, aged 50, Senior Construction Manager, joined the Group in January 1994. He has over 29 years of experience in construction management. He holds a Postgraduate Diploma in Construction Management.

Wong Yin Li, Raymond, aged 55, Senior Construction Manager, joined the Group in November 1989. He has over 26 years of experience in construction management. He holds a Higher Diploma in Building Technology and Management.

Chau Chi Wai, Jeff, aged 41, Construction Manager, joined the Group in November 2005. He has over 15 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.

Cheng Kin Chi, Eddy, aged 36, Construction Manager, joined the Group in July 2009. He has over 12 years of experience in construction management. He holds a Bachelor of Science degree with Honours in Building Technology and Management and a Master of Science degree in Project Management. He is a member of The Australian Institute of Building, a member of The Chartered Institute of Building, a member of The Hong Kong Institution of Engineers, a member of The Society of Professional Engineers and a member of The Institute of Quality Assurance.

Li Kwok Sum, aged 48, Construction Manager, joined the Group in August 2004. He has over 24 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 50, Senior Manager, joined the Group in April 2003. He has over 25 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 44, Manager, joined the Group in July 2003. He has over 22 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 48, Senior Manager, joined the Group in November 2003. He has over 22 years of experience in human resources and administration management. He holds a Bachelor's degree in Business Administration and a Postgraduate Diploma in Corporate Administration.

Tsang Chi Lun, Alan, aged 43, Senior Manager, joined the Group in April 2002. He has over 19 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.

Lee Wing Man, Shirley, aged 42, Senior Manager, joined the Group in September 2005. She has over 17 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.

Information Technology Department

Lum Man Fai, Brian, aged 44, Senior Manager, joined the Cheung Kong Group in August 2000. He has over 20 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 46, Manager, Networking & Operations, joined the Group in July 2005. He has over 20 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 41, System Manager, joined the Group in November 1994. He has over 17 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 56, Senior Manager, joined the Group in November 1987. He has over 34 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 45, Senior Manager, joined the Group in January 2009. He is the Internal Audit Manager of Hui Xian Asset Management Limited. He has over 20 years of experience in auditing. He holds a Master's degree in Business Administration, a Master of Science degree in Information Systems Management, a Master of Science degree in Investment Management and a Master of Laws degree in Common Law. 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.

Key Personnel's Biographical Information (continued)

Chau Wai Keung, Allen, aged 57, Manager, joined the Group in November 1994. He has over 32 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 49, Manager, joined the Group in August 1995. He has over 23 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 48, 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 26 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 51, Senior Leasing Manager, joined the Group in October 2003. She has over 30 years of experience in property leasing. She holds a Diploma in Business.

Wong Ling Fei, Mable, aged 50, Senior Leasing Manager, joined the Group in September 2002. She has over 23 years of experience in property leasing.

Chan Chun Kwok, Boris, aged 39, Leasing Manager, joined the Group in March 2007. He has over 16 years of experience in property leasing. He holds a Bachelor of Business Administration degree with Honours in Finance and a Postgraduate Diploma in Surveying (Real Estate Development). He is an associate member of The Hong Kong Institute of Real Estate Administration and a senior professional member of The Hong Kong Institute of Real Estate.

Chong Kwan Yi, Charles, aged 36, Leasing Manager, joined the Group in January 2006. He has over 13 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 41, Leasing Manager, joined the Group in April 2008. He has over 15 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 51, Leasing Manager, joined the Group in June 2007. He has over 25 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 43, Leasing Manager, joined the Group in March 1996. She has over 23 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 42, Leasing Manager, joined the Group in May 2007. She has over 11 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 50, Manager, E-Park, joined the Group in October 2007. He has over 19 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.

Legal Department

Yip Kin Ming, Emmanuel, aged 59, Chief Manager, joined the Group in July 1985. He has over 28 years of experience in legal field. He holds a Diploma in Economics.

Wong Fung King, Amy, aged 52, Senior Legal Manager, joined the Group in June 1998. She has over 27 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.

Cheng Oi Lin, Phyllis, aged 43, Legal Manager, joined the Group in September 2000. She is the Compliance Manager of Hui Xian Asset Management Limited. She has over 18 years of experience in legal field. She holds a Bachelor of Laws degree with Honours and a Postgraduate Certificate in Laws. She was admitted as a solicitor in Hong Kong in 1993.

Managerial

Fung Chi Wai, Chris, aged 48, Manager, joined the Group in April 2000. He has over 22 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 45, Assistant Chief Manager, joined the Group in February 1997. She has over 22 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 49, Senior Manager, joined the Group in January 1994. He has over 22 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 48, Senior Manager, joined the Group in July 2005. 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 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 40, Manager, joined the Group in May 1996. He has over 17 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 53, 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 33 years of experience in property sales.

Kwok Tze Wai, William, aged 46, Deputy Chief Manager, Sales, joined the Group in May 1989. He is a Director of Cheung Kong Real Estate Limited. He has over 23 years of experience in property sales. He holds a Bachelor of Science degree in Business Administration Marketing.

Wong See Chung, Francis, aged 50, 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 16 years of experience in property sales. He holds a Master's degree in Business Administration.

Cho Kau Ming, Iris, aged 43, Sales Manager, joined the Group in May 1995. She has over 17 years of experience in property sales. She holds a Bachelor of Science degree in Business Administration.

Fung Hoi Lun, Helen, aged 41, Sales Manager, joined the Group in March 2001. She has over 18 years of experience in property sales. She holds a Higher Diploma in Hotel and Catering Management.

Ho Ka Yan, Cannas, aged 34, Sales Manager, joined the Group in April 2007. She has over 12 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 48, Manager, Sales Administration, joined the Group in December 1990. She has over 25 years of experience in sales administration. She holds a Bachelor of Arts degree in History.

Tai Mei Ling, Marinda, aged 53, Manager, Customer Service, joined the Group in August 1985. She has over 26 years of experience in customer service.

Wong Oi Ling, Irene, aged 43, Manager, Sales Administration, joined the Group in May 1996. She has over 18 years of experience in sales administration. She holds a Bachelor of Arts degree.

Sales Department – Building Management

Ho Kwong Fai, Ellickey, aged 49, 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 26 years of experience in building management and holds a Professional Diploma in Real Estate Administration.

Wong Wo Muk, Philip, aged 52, 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 29 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).

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, 2011 on pages 100 to 144.

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, 2011 are set out in the consolidated income statement on page 100.

The Directors recommend the payment of a final dividend of HK\$2.63 per share which, together with the interim dividend of HK\$0.53 per share paid on 23rd September, 2011, makes a total dividend of HK\$3.16 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 pages 104 to 105 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 94 to 99.

Directors

The Directors of the Company are listed on page 156. 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. Kam Hing Lam, Ms. Woo Chia Ching, Grace, Mr. Fok Kin Ning, Canning, Mr. Frank John Sixt, Mr. Kwok Tun-li, Stanley, Mr. Chow Nin Mow, Albert and Ms. Hung Siu-lin, Katherine 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 had 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 considered 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.

Disclosure of Interests

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

As at 31st December, 2011, 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	-	-	65,096,000 (Note 1)	936,462,744 (Note 2)	1,001,558,744	43.24%
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%
Hung Siu-lin, Katherine	Beneficial owner	20,000	-	-	-	20,000	0.0009%

Report of the Directors (*continued*)**(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	–	–	93,554,000 (Note 1)	2,141,698,773 (Note 3)	2,235,252,773	52.42%
Li Tzar Kuoi, Victor	Interest of child or spouse, interest of controlled corporations & beneficiary of trusts	–	300,000	1,086,770 (Note 4)	2,141,698,773 (Note 3)	2,143,085,543	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	27,000	28,600	–	–	55,600	0.0013%
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	–	130,000	–	–	130,000	0.003%
Chow Nin Mow, Albert	Beneficial owner	97	–	–	–	97	≈ 0%
Hung Siu-lin, Katherine	Beneficial owner	34,000	–	–	–	34,000	0.0008%

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	81.76%
Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	1,912,109,945 (Note 9)	1,912,109,945	81.76%
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-ii, Stanley	Interest of child or spouse	–	200,000	–	–	200,000	0.002%
Hung Siu-lin, Katherine	Beneficial owner	9,000	–	–	–	9,000	≈ 0%

Report of the Directors (continued)

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%

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	-	-	403,979,499 (Note 1)	3,185,136,120 (Note 13)	3,589,115,619	74.49%
	Li Tzar Kuoi, Victor	Interest of child or spouse, interest of controlled corporations & beneficiary of trusts	-	192,000	2,519,250 (Note 4)	3,185,136,120 (Note 13)	3,187,847,370	66.16%
	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

Report of the Directors (continued)

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
PHBS Limited	Li Ka-shing	Interest of controlled corporation	–	–	US\$9,100,000 Perpetual Capital Securities (Note 1)	–	US\$9,100,000 Perpetual Capital Securities

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

Report of the Directors (continued)

- (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.

- (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.

Report of the Directors (*continued*)

As at 31st December, 2011, 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, 2011, 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 of the Company has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Interests and Short Positions of Shareholders

So far as is known to any Director or chief executive of the Company, as at 31st December, 2011, 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, 2011, the Company had 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, 89% of the Group's purchases were attributable to the Group's five largest suppliers with the largest supplier accounting for 83% 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.

Report of the Directors (*continued*)

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	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)
	Hui Xian Asset Management Limited	Chairman	(1), (2) & (3)
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)
	Hui Xian Asset Management Limited	Non-executive Director	(1), (2) & (3)
	AVIC International Holding (HK) Limited	Non-executive Director	(1) & (4)
	Excel Technology International Holdings Limited	Non-executive Director	(4) & (5)
	Real Nutraceutical Group Limited (<i>formerly known as Ruinian International Limited</i>)	Non-executive Director	(5)
	Shougang Concord International Enterprises Company Limited	Non-executive Director	(4)

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)
	ARA Asset Management (Prosperity) Limited	Chairman	(3)
	Al Islami Far Eastern Real Estate Fund Limited (dissolved on 4th May, 2011)	Chairman	(3) & (4)
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)
	Hutchison Telecommunications Hong Kong Holdings Limited	Chairman and Alternate Director	(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)
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.

Report of the Directors (*continued*)

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

During the year ended 31st December, 2011, 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\$29,600,000 were made by the Group to various charitable organisations.

Audit Committee

The Group's annual report for the year ended 31st December, 2011 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 60 to 62.

Auditor

The financial statements for the year have been audited by Messrs. Deloitte Touche Tohmatsu.

On behalf of the Board

Li Ka-shing

Chairman

Hong Kong, 29th March, 2012

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"), which has been renamed as Corporate Governance Code ("CG Code") with effect from 1st April, 2012, as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") throughout the year ended 31st December, 2011.

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																																																
A.	DIRECTORS																																																		
A.1	The Board																																																		
	<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"> The Board meets regularly and held meetings in March, May, August and November of 2011. Details of Directors' attendance records in 2011: <table border="1"> <thead> <tr> <th>Members of the Board</th> <th>Attendance</th> </tr> </thead> <tbody> <tr> <td colspan="2">Executive Directors</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 (<i>Deputy Managing Director</i>)</td> <td>4/4</td> </tr> <tr> <td>IP Tak Chuen, Edmond (<i>Deputy Managing Director</i>)</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">Non-executive Directors</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">Independent Non-executive Directors</td> </tr> <tr> <td>KWOK Tun-li, Stanley</td> <td>4/4</td> </tr> <tr> <td>YEH Yuan Chang, Anthony</td> <td>3/4</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> <p>* Attended one meeting in person and three meetings by his alternate, Dr. Wong Yick-ming, Rosanna</p> <ul style="list-style-type: none"> 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. An updated and consolidated version of the Company's Memorandum and Articles of Association (both English and Chinese versions) are available on the websites of the Company and Hong Kong Exchanges and Clearing Limited ("HKEx"). 	Members of the Board	Attendance	Executive Directors		LI Ka-shing (<i>Chairman</i>)	4/4	LI Tzar Kuoi, Victor (<i>Managing Director and Deputy Chairman</i>)	4/4	KAM Hing Lam (<i>Deputy Managing Director</i>)	4/4	IP Tak Chuen, Edmond (<i>Deputy Managing Director</i>)	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	Non-executive Directors		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	Independent Non-executive Directors		KWOK Tun-li, Stanley	4/4	YEH Yuan Chang, Anthony	3/4	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
Members of the Board	Attendance																																																		
Executive Directors																																																			
LI Ka-shing (<i>Chairman</i>)	4/4																																																		
LI Tzar Kuoi, Victor (<i>Managing Director and Deputy Chairman</i>)	4/4																																																		
KAM Hing Lam (<i>Deputy Managing Director</i>)	4/4																																																		
IP Tak Chuen, Edmond (<i>Deputy Managing Director</i>)	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																																																		
Non-executive Directors																																																			
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																																																		
Independent Non-executive Directors																																																			
KWOK Tun-li, Stanley	4/4																																																		
YEH Yuan Chang, Anthony	3/4																																																		
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																																																		
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"> All Directors are consulted as to whether they wish to include any matter in the agenda before the agenda for each regular Board meeting is issued. 																																																

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices
A.1.3	<ul style="list-style-type: none"> – At least 14 days notice for regular board meetings – Reasonable notice for other board meetings 	<ul style="list-style-type: none"> √ √ 	<ul style="list-style-type: none"> • 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. • At least 14 days formal notice would be given before each regular meeting. • 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.
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"> • 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. • 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.
A.1.5	<ul style="list-style-type: none"> – Minutes of board meetings and meetings of board committees should be kept by a duly appointed secretary of the meeting. – Such minutes should be open for inspection at any reasonable time on reasonable notice by any director. 	<ul style="list-style-type: none"> √ √ 	<ul style="list-style-type: none"> • The Company Secretary prepares written resolutions or minutes and keeps records of matters discussed and decisions resolved at all Board and Board Committee meetings. • 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. • Board and Board Committee minutes/resolutions are available for inspection by Directors/Board Committee members.
A.1.6	<ul style="list-style-type: none"> – Minutes of board meetings and meetings of board committees should record in sufficient detail the matters considered by the board and decisions reached. – Draft and final versions of board minutes for all directors to comment and to keep records within a reasonable time after the board meeting. 	<ul style="list-style-type: none"> √ √ 	<ul style="list-style-type: none"> • Minutes record in sufficient detail the matters considered by the Board/Board Committees and decisions reached. • Directors are given an opportunity to comment on draft Board minutes. • Final version of Board minutes is placed on record within a reasonable time after the Board meeting.
A.1.7	<ul style="list-style-type: none"> – 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. – 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. 	<ul style="list-style-type: none"> √ √ 	<ul style="list-style-type: none"> • 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.

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices																																		
A.1.8	<ul style="list-style-type: none"> - 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. - Independent non-executive directors who, and whose associates, have no material interest in the transaction should be present at such board meeting. 	<p style="text-align: center;">√</p> <p style="text-align: center;">√</p>	<ul style="list-style-type: none"> • 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. • Director must declare his/her interest in the matters to be passed in the resolution, if applicable. • 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. 																																		
A.2	<p>Chairman and Chief Executive Officer</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"> - Separate roles of chairman and chief executive officer not to be performed by the same individual. - Division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. 	<p style="text-align: center;">√</p> <p style="text-align: center;">√</p>	<ul style="list-style-type: none"> • The positions of the Chairman of the Board and the Managing Director are currently held by separate individuals. • 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. • 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. 																																		
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"> • 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. • 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 of 2011. 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;">Attendance</th> </tr> </thead> <tbody> <tr> <td colspan="2">Chairman</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">Non-executive Directors</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">Independent Non-executive Directors</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;">1/2</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> <p>* Both meetings were attended by his alternate, Dr. Wong Yick-ming, Rosanna</p>	Attendance		Chairman		LI Ka-shing	2/2	Non-executive Directors		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	Independent Non-executive Directors		KWOK Tun-li, Stanley	2/2	YEH Yuan Chang, Anthony	1/2	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
Attendance																																					
Chairman																																					
LI Ka-shing	2/2																																				
Non-executive Directors																																					
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																																				
Independent Non-executive Directors																																					
KWOK Tun-li, Stanley	2/2																																				
YEH Yuan Chang, Anthony	1/2																																				
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																																				

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices
A.2.3	The chairman should be responsible for ensuring that directors receive clear, adequate information, which must be complete, accurate and reliable, in a timely manner.	√	<ul style="list-style-type: none"> The Board papers including supporting analysis and related background information are normally sent to the Directors at least three days before Board meetings. 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 as appropriate.
A.3	<p>Board composition</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.3.1	Independent non-executive directors should be expressly identified as such in all corporate communications that disclose the names of directors of the company.	√	<ul style="list-style-type: none"> The composition of the Board, by category and position of Directors including the names of the Chairman, the Executive Directors, the Non-executive Directors and the Independent Non-executive Directors, is disclosed in all corporate communications. 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. Details of the composition of the Board are set out on page 156. The Directors' biographical information and the relationships among the Directors are set out on pages 24 to 27. Review of the Board composition is made regularly to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company.
A.4	<p>Appointments, re-election and removal</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.4.1	Non-executive directors should be appointed for a specific term, subject to re-election.	√	<ul style="list-style-type: none"> All Directors (including Non-executive Directors) are subject to retirement by rotation once every three years and are subject to re-election in accordance with the Company's Articles of Association and the Code on CG Practices.
A.4.2	<ul style="list-style-type: none"> All directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. 	√	<ul style="list-style-type: none"> In accordance with the Company's Articles of Association, newly appointed Directors are required to offer themselves for re-election at the next following general meeting (in the case of filling a casual vacancy) or at the next following annual general meeting (in the case of an addition to the Board) following their appointment. The Board as a whole is responsible for the appointment of new Directors and Directors' nomination 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. All Directors (including Non-executive Directors) are subject to retirement by rotation once every three years and are subject to re-election in accordance with the Company's Articles of Association and the Code on CG Practices.

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices
A.4.2 (cont'd)			<ul style="list-style-type: none"> The structure, size and composition of the Board are reviewed from time to time to ensure the Board has a balanced composition of skills and experience appropriate for the requirements of the businesses of the Company. The independence of the Independent Non-executive Directors is assessed according to the relevant rules and requirements under the Listing Rules. Each of the Independent Non-executive Directors makes an annual confirmation of independence pursuant to the requirements of 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. The Company has published the procedures for shareholders to propose a person for election as a Director on its website.
A.5	Responsibilities of directors		
	<i>Corporate Governance Principle</i>		
	<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>		
A.5.1	<ul style="list-style-type: none"> 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. 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. 	<p>√</p> <p>√</p>	<ul style="list-style-type: none"> 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. 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. During the year, the Company had arranged at the cost of the Company for Directors seminar sessions conducted by qualified professionals experienced on topics relating to the roles, functions and duties of the Directors. Certificates were issued to Directors who had attended the seminar sessions. In addition, the Company had from time to time provided information and briefings to Directors on the latest developments in the laws, rules and regulations relating to Directors' duties and responsibilities. The Company had also, on an individual basis, advised Directors on queries raised or issues which arise in the performance of their duties as directors.
A.5.2	<p>The functions of non-executive directors include:</p> <ul style="list-style-type: none"> bring independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct at board meetings take the lead on potential conflicts of interests serve on the audit, remuneration, nomination and other governance committees, if invited scrutinise the company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance 	<p>√</p> <p>√</p> <p>√</p> <p>√</p>	<ul style="list-style-type: none"> The Non-executive Directors exercise their independent judgement and advise on the future business direction and strategic plans of the Company. The Non-executive Directors review the financial information and operational performance of the Company on a regular basis. The Independent Non-executive Directors are invited to serve on the Audit Committee and Remuneration Committee of the Company.

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices
A.5.3	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.	√	<ul style="list-style-type: none"> 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. 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 area of knowledge and expertise.
A.5.4	<ul style="list-style-type: none"> Directors must comply with the Model Code. Board should establish written guidelines on no less exacting terms than the Model Code for relevant employees. 	<ul style="list-style-type: none"> √ √ 	<ul style="list-style-type: none"> 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. 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, 2011. 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. The Company has established a policy on handling of confidential and price-sensitive information, and securities dealing for all employees of the Group to comply with when they are in possession of confidential or unpublished price-sensitive information in relation to the Group. In November 2011, such policy has been posted on the Company's internal website.
A.6	Supply of and access to information Corporate Governance Principle <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"> Send agenda and full board papers to all directors at least 3 days before regular board or board committee meeting. So far as practicable for other board or board committee meetings. 	<ul style="list-style-type: none"> √ √ 	<ul style="list-style-type: none"> 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.
A.6.2	<ul style="list-style-type: none"> Management has an obligation to supply the board and its committees with adequate and reliable information in a timely manner to enable it to make informed decisions. The board and each director should have separate and independent access to the company's senior management for making further enquiries where necessary. 	<ul style="list-style-type: none"> √ √ 	<ul style="list-style-type: none"> 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. 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.
A.6.3	<ul style="list-style-type: none"> All directors are entitled to have access to board papers and related materials. Steps must be taken to respond as promptly and fully as possible to queries raised by directors. 	<ul style="list-style-type: none"> √ √ 	<ul style="list-style-type: none"> Please see A.6.1 and A.6.2 of Part I above.

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices								
B.	REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT										
B.1	<p>The level and make-up of remuneration and disclosure</p> <p><i>Corporate Governance Principle</i></p> <p><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></p>										
B.1.1	<p>Establish a remuneration committee with specific written terms of reference comprising a majority of independent non-executive directors</p>	√	<ul style="list-style-type: none"> • 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. • The Company established its Remuneration Committee on 1st January, 2005. • The Remuneration Committee comprises the Chairman of the Board, Mr. Li Ka-shing, and two Independent Non-executive Directors, namely, Dr. Wong Yick-ming, Rosanna (Chairman of the Remuneration Committee) and Mr. Kwok Tun-li, Stanley. • Since the publication of the Company's 2010 annual report in April 2011, meetings of the Remuneration Committee were held in November 2011 and January 2012. Details of the attendance records of the members of the Remuneration Committee are as follows: <table border="1" data-bbox="703 827 1477 968"> <thead> <tr> <th data-bbox="703 827 1342 860">Members of the Remuneration Committee</th> <th data-bbox="1342 827 1477 860">Attendance</th> </tr> </thead> <tbody> <tr> <td data-bbox="703 860 1342 892">LI Ka-shing</td> <td data-bbox="1342 860 1477 892">2/2</td> </tr> <tr> <td data-bbox="703 892 1342 935">WONG Yick-ming, Rosanna * (Chairman of the Remuneration Committee)</td> <td data-bbox="1342 892 1477 935">2/2</td> </tr> <tr> <td data-bbox="703 935 1342 968">KWOK Tun-li, Stanley</td> <td data-bbox="1342 935 1477 968">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> <p>* Appointed as Chairman of the Remuneration Committee with effect from 1st January, 2012 in place of Mr. Li Ka-shing</p> <ul style="list-style-type: none"> • The following is a summary of the work for the Remuneration Committee during the said meetings: <ol style="list-style-type: none"> 1. Review of the remuneration policy for 2011/2012; 2. Review and approval of the remuneration of Non-executive Directors; 3. Review of the annual performance bonus policy; and 4. Review and approval of remuneration packages of Executive Directors. 	Members of the Remuneration Committee	Attendance	LI Ka-shing	2/2	WONG Yick-ming, Rosanna * (Chairman of the Remuneration Committee)	2/2	KWOK Tun-li, Stanley	2/2
Members of the Remuneration Committee	Attendance										
LI Ka-shing	2/2										
WONG Yick-ming, Rosanna * (Chairman of the Remuneration Committee)	2/2										
KWOK Tun-li, Stanley	2/2										
B.1.2	<p>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.</p>	√	<ul style="list-style-type: none"> • 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. • The emoluments of Directors are based on the skills, 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. • 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. 								

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices
B.1.3	<p>Terms of reference of the remuneration committee should include:</p> <ul style="list-style-type: none"> – determine the specific remuneration packages of all executive directors and senior management – review and approve performance-based remuneration and the compensation payable on loss or termination of office or appointment – recommend to the board on the remuneration of non-executive directors – ensure that no director or any of his associates is involved in deciding his own remuneration 	√	<ul style="list-style-type: none"> • The terms of reference of the Remuneration Committee (both English and Chinese versions), 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 websites of the Company and HKEx. • The Remuneration Committee, with delegated responsibility, determines the remuneration packages of individual Executive Directors and senior management, and reviews the remuneration of Non-executive Directors.
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"> • The terms of reference of the Remuneration Committee are posted on the websites of the Company and HKEx. • 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.
B.1.5	The remuneration committee should be provided with sufficient resources to discharge its duties.	√	<ul style="list-style-type: none"> • The Human Resources Department provides administrative support and implements the approved remuneration packages and other human resources related decisions approved by the Remuneration Committee.
C. ACCOUNTABILITY AND AUDIT			
C.1 Financial reporting			
<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"> • Directors are provided with a review of the Group's major business activities and key financial information on a quarterly basis.
C.1.2	<ul style="list-style-type: none"> – The directors should acknowledge in the Corporate Governance Report their responsibility for preparing the accounts. – There should be a statement by the auditors about their reporting responsibilities in the auditors' report on the financial statements. 	<p>√</p> <p>√</p>	<ul style="list-style-type: none"> • The Directors annually acknowledge in writing their responsibility for preparing the financial statements of the Group. • 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. • 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. • The Directors also ensure the publication of the financial statements of the Group is in a timely manner. • 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 145.

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices
C.1.2 (cont'd)	<ul style="list-style-type: none"> – 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. – 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. 	<p style="text-align: center;">√</p> <p style="text-align: center;">N/A</p>	
C.1.3	<p>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.</p>	<p style="text-align: center;">√</p>	<ul style="list-style-type: none"> • The Board aims to present a clear, balanced and understandable assessment of the Group's performance and position in all shareholder communications. • 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.
C.2	<p>Internal controls</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"> – 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 – The review should cover all material controls, including financial, operational and compliance controls and risk management functions. 	<p style="text-align: center;">√</p> <p style="text-align: center;">√</p>	<ul style="list-style-type: none"> • The Board has overall responsibility for maintaining sound and effective internal control system of the Group. The Group's internal control system 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. <p>Internal Control Environment</p> <ul style="list-style-type: none"> • An organisational structure with operating policies and procedures, lines of responsibility and delegated authority has been established. • 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.

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices								
C.2.1 (cont'd)			<ul style="list-style-type: none"> 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. 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. 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. 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. <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 with the corrective actions to ensure that satisfactory controls are maintained.</p> <ul style="list-style-type: none"> 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. The Board, through the Audit Committee, has conducted an annual review of the effectiveness of internal control system 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. 								
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"> The Board, through the Audit Committee and with the appraisal performed by the Internal Audit Department, reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function at the Board meeting held in March 2012 and noted that the Company has been in compliance with the Code Provision for the year 2011. Please also refer to C.3.3 of Part I. 								
C.3	Audit Committee										
	Corporate Governance Principle										
	<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>										
C.3.1	<ul style="list-style-type: none"> Full minutes of audit committee meetings should be kept by a duly appointed secretary of the meeting. 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. 	√ √	<ul style="list-style-type: none"> Minutes drafted by the Company Secretary are circulated to members of the Audit Committee within a reasonable time after each meeting. Audit Committee meetings were held in March and August of 2011. Details of the attendance records of members of the Audit Committee are as follows: <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
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										

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices
C.3.1 (cont'd)			<ul style="list-style-type: none"> • The following is a summary of the work of the Audit Committee during 2011: <ol style="list-style-type: none"> 1. Review of the financial reports for 2010 annual results and 2011 interim results; 2. Review of the findings and recommendations of the Internal Audit Department on the work of various departments and related companies; 3. Review of the effectiveness of the internal control system; 4. Review of the external auditor's audit findings; 5. Review of the auditor's remuneration; 6. Review of risks of different business units and analysis thereof provided by the relevant business units; and 7. Review of the control mechanisms for such risks and advising on action plans for improvement of the situations. • After due and careful consideration of reports from management and the internal and external auditors, the Audit Committee noted 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 27th March, 2012 that the system of internal controls was adequate and effective. • On 27th March, 2012, the Audit Committee met to review the Group's 2011 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 2011 Annual Report complied with the applicable accounting standards and Appendix 16 to the Listing Rules. The Audit Committee therefore resolved to recommend for the Board's approval the consolidated financial statements for the year ended 31st December, 2011. • The Group's Annual Report for the year ended 31st December, 2011 has been reviewed by the Audit Committee.
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 of or to have any financial interest in, the firm, whichever is the later.	√	<ul style="list-style-type: none"> • 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.
C.3.3	<p>Terms of reference of the audit committee should include:</p> <ul style="list-style-type: none"> – recommendation to the board on the appointment and removal of external auditor and approval of their terms of engagement – review and monitor external auditor's independence and effectiveness of audit process – review of financial information of the company – 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 	√	<ul style="list-style-type: none"> • The terms of reference of the Audit Committee (both English and Chinese versions), 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 websites of the Company and HKEx.

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"> • 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. • 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 websites of the Company and HKEx. • 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. • 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. • The terms of reference of the Audit Committee were revised with effect from 1st January, 2012 to include the following corporate governance functions delegated by the Board: <ol style="list-style-type: none"> 1. Develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; 2. Review and monitor the training and continuous professional development of Directors and senior management; 3. Review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; 4. Develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and 5. Review the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.
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"> • The Audit Committee noted that for alignment of audit works and efficiency, it is proposed that the Company should appoint the same auditor as that of the Hutchison Whampoa Group, which has traditionally been a major contributor to the Group's results, and given that the Hutchison Whampoa Group's businesses are more globalised and diversified. The Audit Committee recommended to the Board that, subject to shareholders' approval at the forthcoming annual general meeting, Messrs. PricewaterhouseCoopers be appointed as the Company's external auditor for 2012. The Board had endorsed the recommendation and the relating resolution will be put forth for shareholders' consideration, and as appropriate, approval at the 2012 annual general meeting. • Deloitte, the external auditor of the Company for the year ended 31st December, 2011, received approximately HK\$7 million for audit services and HK\$1 million for tax and other services.
C.3.6	The audit committee should be provided with sufficient resources to discharge its duties.	√	<ul style="list-style-type: none"> • 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.

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices
D.	DELEGATION BY THE BOARD		
D.1	Management functions		
	<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"> Executive Directors are in charge of different businesses and functional divisions in accordance with their respective areas of expertise. Please refer to the Management Structure Chart set out on page 78. For matters or transactions of a material nature, the same will be referred to the Board for approval. 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. Specifically, the Board has had in place Guidelines for Treasury Investments stating the authority limits of treasury investments under different scenarios beyond which Board approval will be required.
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"> 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. Under the leadership of the Managing Director, management is responsible for the day-to-day operations of the Group.
D.2	Board Committees		
	<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"> 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.
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"> Board Committees report to the Board of their decisions and recommendations at the Board meetings.
E.	COMMUNICATION WITH SHAREHOLDERS		
E.1	Effective communication		
	<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"> Separate resolutions are proposed at the general meetings of the Company on each substantially separate issue, including the election of individual directors.

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices																																																
E.1.2	<p>– 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.</p> <p>– 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.</p>	<p>√</p> <p>√</p>	<ul style="list-style-type: none"> In 2011, 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. Details of Directors' attendance records of the 2011 annual general meeting are as follows: <table border="1"> <thead> <tr> <th>Members of the Board</th> <th>Attendance</th> </tr> </thead> <tbody> <tr> <td colspan="2">Executive Directors</td> </tr> <tr> <td>LI Ka-shing (<i>Chairman of the Board</i>)</td> <td>1/1</td> </tr> <tr> <td>LI Tzar Kuoi, Victor</td> <td>1/1</td> </tr> <tr> <td>KAM Hing Lam</td> <td>1/1</td> </tr> <tr> <td>IP Tak Chuen, Edmond</td> <td>1/1</td> </tr> <tr> <td>CHUNG Sun Keung, Davy</td> <td>1/1</td> </tr> <tr> <td>PAU Yee Wan, Ezra</td> <td>1/1</td> </tr> <tr> <td>WOO Chia Ching, Grace</td> <td>1/1</td> </tr> <tr> <td>CHIU Kwok Hung, Justin</td> <td>1/1</td> </tr> <tr> <td colspan="2">Non-executive Directors</td> </tr> <tr> <td>LEUNG Siu Hon</td> <td>1/1</td> </tr> <tr> <td>FOK Kin Ning, Canning</td> <td>1/1</td> </tr> <tr> <td>Frank John SIXT</td> <td>1/1</td> </tr> <tr> <td>CHOW Kun Chee, Roland</td> <td>1/1</td> </tr> <tr> <td>George Colin MAGNUS</td> <td>1/1</td> </tr> <tr> <td colspan="2">Independent Non-executive Directors</td> </tr> <tr> <td>KWOK Tun-li, Stanley</td> <td>1/1</td> </tr> <tr> <td>YEH Yuan Chang, Anthony</td> <td>1/1</td> </tr> <tr> <td>Simon MURRAY</td> <td>0/1</td> </tr> <tr> <td>CHOW Nin Mow, Albert</td> <td>1/1</td> </tr> <tr> <td>HUNG Siu-lin, Katherine</td> <td>1/1</td> </tr> <tr> <td>WONG Yick-ming, Rosanna * (<i>Chairman of the Remuneration Committee</i>)</td> <td>1/1</td> </tr> <tr> <td>CHEONG Ying Chew, Henry (<i>Chairman of the Audit Committee</i>)</td> <td>1/1</td> </tr> </tbody> </table> <p>* Appointed as Chairman of the Remuneration Committee with effect from 1st January, 2012 in place of Mr. Li Ka-shing</p> In 2011, the Company's external auditor attended the annual general meeting and was available to answer questions. 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. In March 2012, the Board has established a shareholders communication policy and has made it available on the Company's website. The policy is subject to review on a regular basis to ensure its effectiveness. 	Members of the Board	Attendance	Executive Directors		LI Ka-shing (<i>Chairman of the Board</i>)	1/1	LI Tzar Kuoi, Victor	1/1	KAM Hing Lam	1/1	IP Tak Chuen, Edmond	1/1	CHUNG Sun Keung, Davy	1/1	PAU Yee Wan, Ezra	1/1	WOO Chia Ching, Grace	1/1	CHIU Kwok Hung, Justin	1/1	Non-executive Directors		LEUNG Siu Hon	1/1	FOK Kin Ning, Canning	1/1	Frank John SIXT	1/1	CHOW Kun Chee, Roland	1/1	George Colin MAGNUS	1/1	Independent Non-executive Directors		KWOK Tun-li, Stanley	1/1	YEH Yuan Chang, Anthony	1/1	Simon MURRAY	0/1	CHOW Nin Mow, Albert	1/1	HUNG Siu-lin, Katherine	1/1	WONG Yick-ming, Rosanna * (<i>Chairman of the Remuneration Committee</i>)	1/1	CHEONG Ying Chew, Henry (<i>Chairman of the Audit Committee</i>)	1/1
Members of the Board	Attendance																																																		
Executive Directors																																																			
LI Ka-shing (<i>Chairman of the Board</i>)	1/1																																																		
LI Tzar Kuoi, Victor	1/1																																																		
KAM Hing Lam	1/1																																																		
IP Tak Chuen, Edmond	1/1																																																		
CHUNG Sun Keung, Davy	1/1																																																		
PAU Yee Wan, Ezra	1/1																																																		
WOO Chia Ching, Grace	1/1																																																		
CHIU Kwok Hung, Justin	1/1																																																		
Non-executive Directors																																																			
LEUNG Siu Hon	1/1																																																		
FOK Kin Ning, Canning	1/1																																																		
Frank John SIXT	1/1																																																		
CHOW Kun Chee, Roland	1/1																																																		
George Colin MAGNUS	1/1																																																		
Independent Non-executive Directors																																																			
KWOK Tun-li, Stanley	1/1																																																		
YEH Yuan Chang, Anthony	1/1																																																		
Simon MURRAY	0/1																																																		
CHOW Nin Mow, Albert	1/1																																																		
HUNG Siu-lin, Katherine	1/1																																																		
WONG Yick-ming, Rosanna * (<i>Chairman of the Remuneration Committee</i>)	1/1																																																		
CHEONG Ying Chew, Henry (<i>Chairman of the Audit Committee</i>)	1/1																																																		

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices
E.1.2 (cont'd)			<ul style="list-style-type: none"> • The particulars of shareholders' rights relating to, inter alia, convening of extraordinary general meetings and making enquiries to the Company are as follows: <ol style="list-style-type: none"> 1. The Company has only one class of shares. All shares have the same voting rights and are entitled to the dividends declared. The Articles of Association of the Company ("Articles") set out the rights of shareholders. 2. Shareholder(s) holding not less than one-twentieth of the paid-up capital of the Company may, in accordance with the requirements and procedures set out in Section 113 of the Companies Ordinance, request the Board to convene an extraordinary general meeting pursuant to Article 66 of the Articles. The objects of the meeting must be stated in the related requisition which must be signed by the requisitioner(s) and deposited at the registered office of the Company. 3. (a) Shareholder(s) holding not less than one-fortieth of the total voting rights or (b) not less than 50 shareholders, may at their expense, unless the Company otherwise resolves, propose any resolution at any general meeting under Section 115A of the Companies Ordinance. A written notice to that effect signed by the requisitionists together with a sum reasonably sufficient to meet the expenses in giving effect thereto must be deposited at the registered office of the Company at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong (addressed to the Company Secretary) not less than six weeks before the meeting. The notice shall contain, inter alia, a description of the proposed resolution desired to be put forward at the meeting, the reasons for such proposal and any material interest of the proposing shareholder in such proposal. 4. Pursuant to Article 107 of the Articles, if a shareholder wishes to propose a person other than a retiring Director for election as a Director at a general meeting (including annual general meeting), the shareholder should lodge a written notice at the registered office of the Company provided that the period for lodgement of such written notice shall be a seven-day period commencing on the day after the despatch of the notice of the general meeting appointed for such election of Director(s) and ending on the date falling seven days after the despatch of the said notice of the general meeting. Such written notice must be accompanied by a notice signed by the person to be proposed of his/her willingness to be elected as a Director. 5. In conducting a poll, subject to any special rights, privileges or restrictions as to voting for the time being attached to any shares by or in accordance with the Articles, every shareholder present in person or by proxy or, in the case of a shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid share of which he/she/it is the holder. A person entitled to more than one vote on a poll need not use all his/her votes or cast all the votes he/she uses in the same way. 6. Shareholders have the right to receive corporate communications issued by the Company in hard copies or through electronic means in accordance with the manner as specified in Article 171 of the Articles. 7. Shareholders whose shares are held in the Central Clearing and Settlement System (CCASS) may notify the Company from time to time through Hong Kong Securities Clearing Company Limited if they wish to receive the Company's corporate communications. 8. Shareholders and other stakeholders may send their enquiries and concerns, in written form, to the Board by addressing them to the Company Secretary at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.
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"> • The Company's notice to shareholders for the 2011 annual general meeting of the Company was sent at least 20 clear business days before the meeting.

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Compliance	Corporate Governance Practices
E.2	Voting by poll Corporate Governance Principle <i>The Company should ensure that shareholders are familiar with the detailed procedures for conducting a poll.</i>		
E.2.1	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.	√	<ul style="list-style-type: none"> • At the 2011 annual general meeting, the Chairman of the meeting explained (through the Company Secretary) the detailed procedures for conducting a poll, and answered questions from shareholders. • At the 2011 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. • Representatives of the Share Registrar of the Company were appointed as scrutineers to monitor and count the poll votes cast at the 2011 annual general meeting. • Since the Company's 2003 annual general meeting, all the resolutions put to vote at the Company's general meetings were taken by poll. • Poll results were posted on the websites of the Company and HKEx.

II. Recommended Best Practices

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.	DIRECTORS		
A.1	The Board <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.1.9	Arrange appropriate insurance cover in respect of legal action against the directors	C	<ul style="list-style-type: none"> The Company has arranged appropriate Directors and Officers liability insurance coverage for its Directors and officers since 1st July, 1991 including the year 2011/2012.
A.1.10	Board committees should adopt, so far as practicable, the principles, procedures and arrangements set out in A.1.1 to A.1.8.		
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.	E	<ul style="list-style-type: none"> The Company has an Audit Committee and a Remuneration Committee. Based on available data and information, the Company is not satisfied that quarterly review by the Audit Committee would bring meaningful benefit to the shareholders. Meetings between the Chairman of the Board and the Non-executive Directors (including the Independent Non-executive Directors) without the presence of Executive Directors were usually held two times a year at which ample opportunity was provided for reflection of their views and comments to the Board. Apart from the Audit Committee, the Company has a Remuneration Committee. The principal responsibility of the Remuneration Committee is to make recommendations to the Board on the Company's policy and structure for the remuneration of its Directors and senior management, which, in line with normal market practice, are only subject to review on an annual basis. It is therefore not necessary for the Remuneration Committee to have four meetings a year as recommended. The Remuneration Committee held two meetings in respect of the year of 2011. The meeting held in November 2011 was to provide the Remuneration Committee with an overview of the job market conditions and trends for the year, and the meeting held in January 2012 was to review, consider and endorse the remuneration packages proposed for the Executive Directors of the Company.
A.1.2	All directors are given an opportunity to include matters in the agenda for regular board meetings.	C	<ul style="list-style-type: none"> All members of the Board Committees are consulted as to whether they wish to include any matter in the agenda before the agenda for each Board Committee meeting is issued.
A.1.3	<ul style="list-style-type: none"> At least 14 days notice for regular board meetings Reasonable notice for other board meetings 	C	<ul style="list-style-type: none"> Regular Board Committee meetings in a particular year are usually scheduled towards the end of the immediately preceding year to give all Board Committee members adequate time to plan their schedules to attend the meetings. At least 14 days formal notice would be given before each Board Committee meeting. According to the Company's Articles of Association, a Board Committee member may waive notice of the relevant Board Committee meeting and any such waiver may be prospective or retrospective.
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.	C	<ul style="list-style-type: none"> Board Committee members have access to the Company Secretary and key officers of the Company Secretarial Department who are responsible to the Board Committees for ensuring that Board Committee procedures, and all applicable rules and regulations, are followed.

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"> – Minutes of board meetings and meetings of board committees should be kept by a duly appointed secretary of the meeting. – Such minutes should be open for inspection at any reasonable time on reasonable notice by any director. <p>A.1.6</p> <ul style="list-style-type: none"> – Minutes of board meetings and meetings of board committees should record in sufficient detail the matters considered by the board and decisions reached. – Draft and final versions of board minutes for all directors to comment and to keep records within a reasonable time after the board meeting <p>A.1.7</p> <ul style="list-style-type: none"> – 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 – 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. <p>A.1.8</p> <ul style="list-style-type: none"> – 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. – Independent non-executive directors who, and whose associates, have no material interest in the transaction should be present at such board meeting. 	<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"> • The Company Secretary prepares minutes/written resolutions and keeps records of substantive matters discussed and decisions resolved at Board Committee meetings. • 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. • Board Committee minutes/written resolutions are available for inspection by Board Committee members. • The minutes of the Board Committees record in sufficient detail the matters considered by the Board Committees and decisions reached. • Board Committee members are given an opportunity to comment on the draft Board Committee minutes. • Final version of Board Committee minutes is placed on record within a reasonable time after the Board Committee meeting. • 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. • Board Committee members must declare his/her interest in the matters to be considered by the Board Committee, if applicable. • In case of conflict of interests, relevant Directors will refrain from voting. The relevant Directors, who have been members of the Remuneration Committee, refrained from voting at decisions made in respect of his/her own remuneration package.

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.2	Chairman and Chief Executive Officer		
	Corporate Governance Principle		
	<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"> – Chairman to provide leadership for the board – 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. – 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. 	<p>C</p> <p>C</p> <p>C</p>	<ul style="list-style-type: none"> • The Chairman of the Board is an Executive Director who is responsible for the leadership and effective running of the Board. • 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. • The Board meets regularly and held meetings in March, May, August and November of 2011. • 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. • 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.
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"> • The Board as a whole and the management of the Company are committed to the maintenance of good corporate governance practices and procedures.
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"> • Please refer to A.2.4 and A.2.5 of Part II above for the details.
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"> • 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 of 2011. Please refer to A.2.2 of Part I above for details of attendance records.
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"> • The Company establishes different communication channels with shareholders and investors as set out in E.1.2 of Part I above.
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"> • Please refer to A.2.4 and A.2.5 of Part II above for the details.

Corporate Governance Report (continued)

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.3	Board composition <i>Corporate Governance Principle</i> <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>		
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"> The Board consists of a total of twenty Directors, comprising eight Executive Directors, five Non-executive Directors and seven Independent Non-executive Directors. At least 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.
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	<ul style="list-style-type: none"> The Company maintains on its website an updated list of its Directors identifying their role and function together with their biographical information, and whether they are independent non-executive directors. In March 2012, the updated list of Directors has been posted on the website of HKEx. The Company has also posted on its website and the website of HKEx 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.
A.4	Appointments, re-election and removal <i>Corporate Governance Principle</i> <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>		
A.4.3	<ul style="list-style-type: none"> 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. 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. 	C C	<ul style="list-style-type: none"> 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. In respect of an Independent Non-executive Director who has served more than nine years, the Company had expressed its view in the circular as regards such Director's independence. 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.
A.4.4 – A.4.8	<ul style="list-style-type: none"> The company should establish a nomination committee. A majority of the members of the nomination committee should be independent non-executive directors. The nomination committee should be established with specific written terms of reference which deal clearly with the committee's authority and duties. 	E	<ul style="list-style-type: none"> 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.

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"> • 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. • 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. • 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. <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>Responsibilities of directors</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"> 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. 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. During the year, the Company had arranged at the cost of the Company for Directors seminar sessions conducted by qualified professionals experienced on topics relating to the roles, functions and duties of the Directors. Certificates were issued to Directors who had attended the seminar sessions. In addition, the Company had from time to time provided information and briefings to Directors on the latest developments in the laws, rules and regulations relating to Directors' duties and responsibilities. The Company had also, on an individual basis, advised Directors on queries raised or issues which arise in the performance of their duties as directors. The Directors have provided to the Company their records of training received during the year 2011.
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"> 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.
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"> 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, C.3.1 and E.1.2 of Part I above for details of attendance records. Extent of participation and contribution should be viewed both quantitatively and qualitatively.
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"> 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, C.3.1 and E.1.2 of Part I above for details of attendance records.

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.6	Supply of and access to information		
	<i>Corporate Governance Principle</i>		
	<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>		
There is no recommended best practice under Section A.6 in the Code on CG Practices.			
B.	REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT		
B.1	The level and make-up of remuneration and disclosure		
	<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"> A significant proportion of Executive Directors' remuneration has been structured so as to link rewards to corporate and individual performance in 2011. Please refer to note (4) in the Notes to Financial Statements for details of discretionary bonus.
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.	C	<ul style="list-style-type: none"> The Board has resolved that the senior management of the Company comprises only the Executive Directors of the Company. Please refer to note (4) in the Notes to Financial Statements for details of the remuneration payable to senior management.
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"> The Board has never approved any remuneration or compensation arrangements which have previously been rejected by the Remuneration Committee.

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.2.3	<p>The board's annual review should, in particular, consider:</p> <ul style="list-style-type: none"> – 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; – 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; – 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; – 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 – the effectiveness of the company's processes relating to financial reporting and Listing Rule compliance. 	<p>C</p> <p>C</p> <p>C</p> <p>C</p> <p>C</p>	<ul style="list-style-type: none"> • The Board, through the Audit Committee, reviews annually the effectiveness of internal control system of the Company and its subsidiaries, such review considers: <ul style="list-style-type: none"> – 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; – the management's ongoing monitoring of risks and the internal control system, and the work of the internal audit function; – the communication of the monitoring results to the Board that enables it to assess control of the Company and the effectiveness of the risk management; – significant control failings or weaknesses that have been identified during the period. Also, 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 – the effectiveness of the Company's processes for financial reporting and Listing Rules compliance.
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"> – the process that the company has applied for identifying, evaluating and managing the significant risks faced by it; 	<p>C</p>	<ul style="list-style-type: none"> • In the Corporate Governance Report, the Company, in particular item C.2.1 of Part I, discloses: <ul style="list-style-type: none"> – the process used to identify, evaluate and manage significant risks; – additional information to explain its risk management processes and internal control system; – an acknowledgement by the Board that it is responsible for the internal control system and reviewing its effectiveness; – the process used to review the effectiveness of internal control system; and – the process used to resolve material internal control defects for any significant problems disclosed in its Annual Reports and Financial Statements.

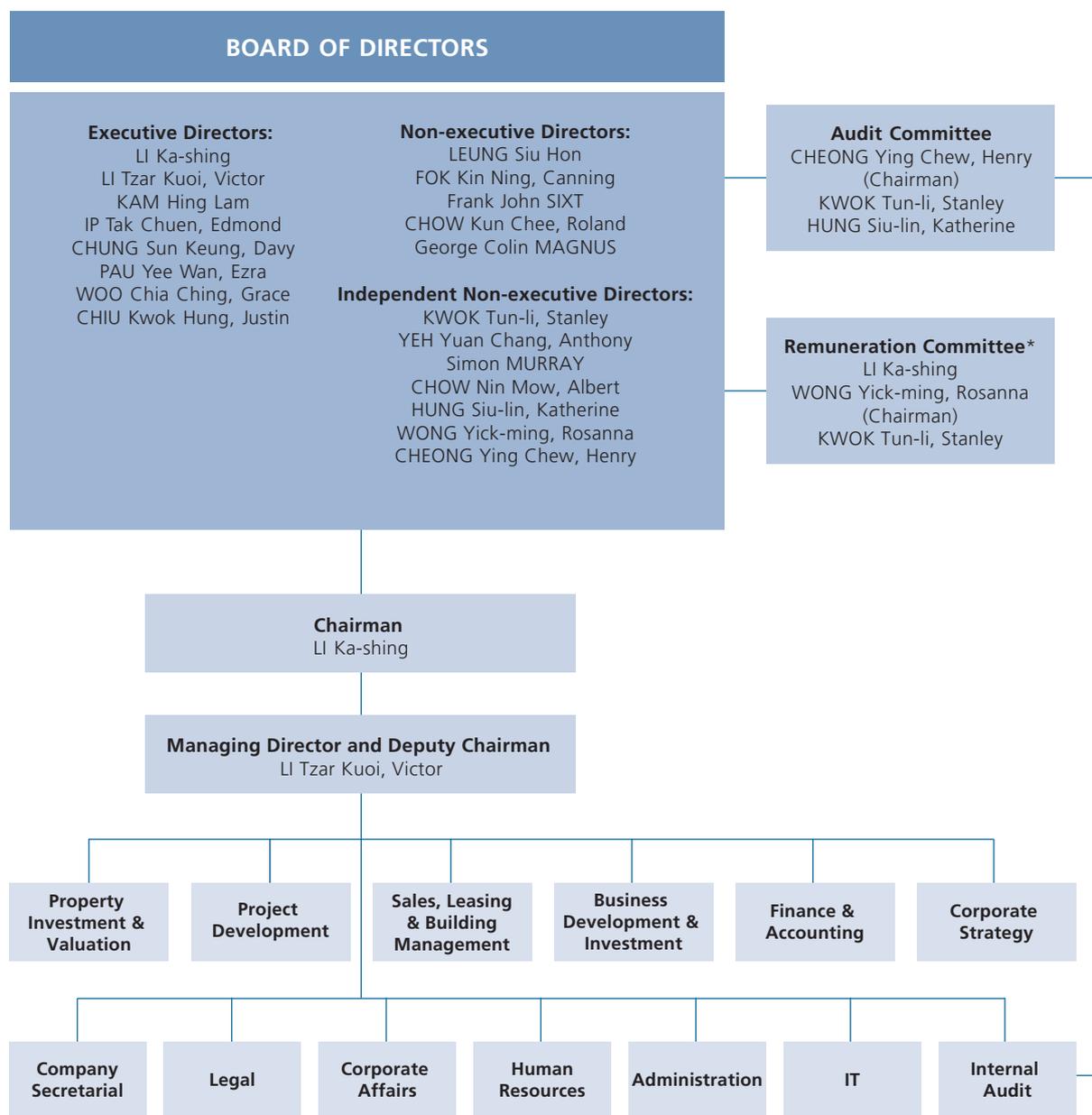
Corporate Governance Report (continued)

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"> – any additional information to assist understanding of the company's risk management processes and system of internal control; – an acknowledgement by the board that it is responsible for the company's system of internal control and for reviewing its effectiveness; – the process that the company has applied in reviewing the effectiveness of the system of internal control; and – 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. 	C C C 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"> • The Company aims to ensure disclosures provide meaningful information and do not give a misleading impression.
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"> • Please refer to C.2 of Part I above for the details.
C.3	<p>Audit Committee</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"> – 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 – to act as the key representative body for overseeing the company's relation with the external auditor. 	E C	<ul style="list-style-type: none"> • 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. • The Company has established a whistleblowing policy and system for employees and those who deal with the Group to raise concerns, in confidence, with the Audit Committee about possible improprieties in matters of financial reporting, internal control or other matters relating to the Group. Such policy and procedures will be included into the Company's employees handbook and posted on the Company's website. • The terms of reference of the Audit Committee were revised with effect from 1st January, 2012 to include reviewing arrangements that employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters.

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
D. DELEGATION BY THE BOARD			
D.1 Management functions			
<p><i>Corporate Governance Principle</i></p> <p><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"> Please refer to the Management Structure Chart set out on page 78.
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"> In February 2012, formal letters of appointment have been issued to all Directors setting out the key terms and conditions of their respective appointment.
D.2 Board Committees			
<p><i>Corporate Governance Principle</i></p> <p><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.			
E. COMMUNICATION WITH SHAREHOLDERS			
E.1 Effective communication			
<p><i>Corporate Governance Principle</i></p> <p><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.			
E.2 Voting by poll			
<p><i>Corporate Governance Principle</i></p> <p><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.			

Corporate Governance Report (continued)

Management Structure Chart



* With effect from 1st January, 2012, Dr. Wong Yick-ming, Rosanna has been appointed as Chairman of the Remuneration Committee in the stead of Mr. Li Ka-shing.

Corporate Social Responsibility

OUR PHILOSOPHY

Cheung Kong (Holdings) Limited is the flagship of the Cheung Kong Group which operates diversified businesses in 53 countries and employs over a quarter million employees around the world. With Hong Kong as its hometown, the Cheung Kong Group envisions its role in corporate social responsibility in the context of a global corporate citizen and its accountability to stakeholders around the world in the creation of economic value.

In the year 2011, the Cheung Kong Group continued to commit itself in a diverse range of corporate social responsibility in the area of community services, environmental protection and workplace practices. We have embraced the concept of sustainability through integrating appropriate corporate social responsibility measures into our business operations as well as endeavouring to convey the message of sustainability worldwide.

Looking forward, the Cheung Kong Group will continue to explore new initiatives in merging our business strategies with sustainable growth and social prosperity, to strengthen our partnership with charitable organisations in accommodating the needs of the minor groups and to advocate a culture of giving amongst every member of the community.

COMMUNITY INVOLVEMENT

Commitment to Serve, Desire to Give

As a global corporate citizen, it is the mission of the Cheung Kong Group to serve and nurture the community. To share the economic fruits with and in paying tribute to the society, the Group has continued to support the community through different means. Throughout the year 2011, in addition to making direct donations to charitable organisations, members of the Cheung Kong Group, together with our staff globally, had participated in a wide range of charitable activities such as charitable marathons, walks, social and cultural programmes and much more.

Further, in recognising the power of unity and the belief that long-term stability and sustainability of a society depends on everyone's willingness to contribute, serve and give, volunteer teams are set up by the Group's member companies across the globe, taking their own incentives to nurture and motivate participation and support locally in a drive to cultivate a culture of serving and giving.

Funding Community Initiatives

The Cheung Kong Group has been a keen supporter of The Community Chest, and the year 2011 marked another significant stride in fulfilling corporate philanthropy. In addition to monetary donations, the Group has continued to support The Community Chest by participating in the Corporate and Employee Contribution Programme, Walk for Millions, Dress Special Day and Laissez for The Chest. The Group's efforts have been recognised and it was ranked the "Second Top Donor of the Year" in 2011, maintaining its mantle as a Top Three Donor for the 12th consecutive year.

The Group has participated in 2011 MTR HONG KONG Race Walking event and the Cheung Kong Corporate team, the "Festival City II" team, was prized the Highest Fund Raising Corporate Team. This represented the fourth time that the Group has received such recognition.

During the year, a donation was made by the Group in sponsorship of the fund-raising Gala Premiere organised by the Zonta Club of Hong Kong East, whose members are strongly committed to improving the well being of the underprivileged, particularly the women, children, the elderly, the sick and the less fortunate in the community.

Corporate Social Responsibility (*continued*)

In Netherlands, Europe Container Terminals fielded a team of runners for the 530 km Rotterdam-Paris Run (Roparun), a charity race to raise fund for cancer patients.

Husky Energy employees in Canada took time off at lunch to pedal a 30-seat bike through downtown Calgary, Alberta, to raise money for Canada's Heart Stroke Foundation, in support of their research and educational activities.

Serving Community Interests

The Cheung Kong Group's 92 member companies were awarded the "Caring Company Logo" by the Hong Kong Council of Social Service in recognition of our continuing commitment to corporate social responsibility. This marks a record high amongst all participating Hong Kong corporations, a record maintained by the Cheung Kong Group for 8 consecutive years.

Further, out of the 2,200 enterprises that took part in the award scheme in 2011, one of the Cheung Kong Group's companies, Power Assets Holdings Limited ("Power Assets") was presented with the Total Caring Award. Power Assets also received Hong Kong's first-ever "Age-Friendly Golden Star Award" in the "Age-Friendly Hong Kong Initiatives Recognition Scheme" organised by The Hong Kong Council of Social Service. In line with Cheung Kong Group's values, Power Assets has been striving for a balance between commercial interests and social responsibility, with corporate strategies to build up its total caring culture in its day-to-day operations and in fulfilling corporate social responsibility.

A new initiative was made in 2011 through the participation of A.S. Watson Group in the food coupon scheme launched in November 2011. The scheme aims to provide the less privileged with a wider choice of fresh and nutritive foods which are not currently offered by food banks. PARKnSHOP has been supporting the new scheme by offering free printing of food coupons to qualified grass-rooted families. Feedback on the scheme was positive and the Group is actively exploring further innovative measures to advance its role in the scheme.

Employees of TOM Group Limited, together with China Entertainment Television Broadcast Ltd. and Yangcheng Advertising Ltd joined the Grace Charity Foundation in visiting schools in Guizhou. Apart from financial aid, volunteers delivered blankets, scarves, stationery and vitamins to students and their families.

Motivating Meaningful Participation

To show our continuous support of the community, to arouse the awareness of and to motivate greater participation from the public, the Cheung Kong Group launched The Community Chest "Cheung Kong" Rainbow Fund Donation Hotline for the 6th year in May 2011. All contributions from the public made through the Hotline were matched dollar-for-dollar by the Cheung Kong Group, doubling the total donations to The Community Chest.

As an incentive to get the elderly involved in the society, Power Assets' subsidiary, The Hongkong Electric Company, Limited ("HK Electric") presented the "Outstanding Third Age Citizens Award" to 12 senior citizens in recognition of their outstanding achievements in pursuing lifelong learning, healthy living and community work. This award aims to build up an abundant retired life for the local retirees through revalidating and reaffirming their contributions, while at the same time appealing for and encouraging their active participation.

AMTD Financial Planning Limited (“AMTD”) sponsored a dessert house operated by the Rotary Club of Hong Kong Island West Hong Chi Morninghope School and organised a “Muffin-making Workshop” to celebrate its opening. This programme aims to provide a business setting environment to help the Hong Chi students who are intellectually less able to mingle with the society.

Cultivating the Talents

To reinforce bonding with the new generations, to facilitate meaningful mentoring and to stimulate interactive intellectual exchanges, certain Group’s Directors and various members of the Group’s key personnel have participated as mentors in the Mentorship Programmes set up with The University of Hong Kong and the Hong Kong Institute of Education. Under the Mentorship Programmes, students are given the opportunity to look beyond the classroom and matched one-to-one with mentors who are experienced professionals from different disciplines. Both programmes attracted great support from students majoring in various disciplines including Medicine, Nursing, Social Work, Arts, Education and Business Administration. The programmes encourage two-way participation and cross-discipline matching, which enable both mentors and mentees to learn from each other’s unique life experience, with the objective to build up a life long mentoring relationship embracing respect, support, trust, sharing and understanding.

To prepare the youngster for working life and to give them a flavour of the business world, summer internship programmes were arranged by the Cheung Kong Group as part of its efforts to nurture the youth as future leaders. More than 60 talented young students were given the opportunity to work in different business sectors of the Cheung Kong Group, such as hotels and hospitality, sales and leasing, and property management. Corresponding management trainee programmes ranging from 6 months to 4 years were also in place to offer on-job training to graduates who are interested in the relevant business sectors within the Group. Apart from training programmes, Harbour Plaza 8 Degrees Hotel has organised visits for students to the hotel, rendering students the opportunity to gain more knowledge about the hospitality industry.

The Cheung Kong Group recognises the importance of our next generation as the pillar of the society and endeavours to enhance the competitiveness of local talents. In encouraging cultural and educational exchanges, the Cheung Kong Group has continued to sponsor the Endeavour Australia Cheung Kong Awards in 2011. A total of 260 awardees in the scheme were given a valuable chance to participate in educational exchange programmes between Asia and Australia in 2011.

ENVIRONMENTAL PROTECTION

As one of the major property developers in Hong Kong, the Group recognises environmental protection is of vital importance to the global community. In reinforcing our philosophy to enhance long term environmental sustainability for the benefit of our next generation, the Group has continued to develop and implement eco-friendly measures and has been following international best environmental practices in the operation and management of its businesses.

Integrating Business with Environmental Friendly Measures

To create a green living environment, the innovative building and development team of the Group has introduced a series of green measures in planning, design, material sourcing, construction and landscaping. Various energy efficient and eco-friendly measures are put in place to achieve sustainable use of resources in the estates developed by the Group. To name a few examples, these measures include the design to capture and enhance natural lights and ventilation through large glazing windows, balconies and utility platforms; the use of non-structural prefabricated external walls and prefabricated internal partition in construction and material sourcing. These measures have proven to be effective in reducing energy consumption and in minimising construction waste which in turn achieve the goal of environmental protection.

Corporate Social Responsibility (*continued*)

In Singapore, Marina Bay Financial Centre, a joint-venture development by the Group together with the Singapore based Keppel Land Limited and another Hong Kong developer, received a "Green Mark Gold Plus" award in 2011 from the Building and Construction Authority of Singapore. The award was given in recognition of its efforts in preserving the environment by introducing sustainable design practices for buildings.

Hongkong International Terminals ("HIT"), held under Hutchison Port Holdings Trust and managed by Hutchison Port Holdings Management Pte. Limited, an indirect wholly-owned subsidiary of Hutchison Whampoa Limited, has been working to reduce pollution by employing twenty new hybrid Rubber-Tyred Gantry Cranes ("RTGC"). The new hybrid RTGC operates in an environmental-friendly way by consuming less fuel, reducing carbon emission and emitting no black smoke. These machines also use a smaller engine and thus lowering the need for maintenance. HIT plans to convert its entire fleet of RTGC to hybrid or electric by 2012.

Managing the Environment

To facilitate long term environmental management, the Group, through its property management team, has been acting proactively to promote environmental awareness by introducing green practices in its internal operations, in managing the estates and in conveying the green message to every household managed by the Group.

Green practices are implemented by saving energy in offices, recycling office resources, minimising the use of paper, using energy-saving lightings, printing corporate reports on FSC recycled paper, encouraging electronic communications and smart-use of the Company's vehicles. Various kinds of green activities, including maintaining landscape and greenery at all managed properties, energy conservation, waste rebate and recycling programmes are organised to arouse the awareness of the residents in preserving their living environment.

In 2011, the Group's property management companies have received over 460 awards in recognition of their efforts in adopting and promoting environmental friendly measures, including the Silver Award of Commendation Scheme on Source Separation of Commercial and Industrial Waste presented by the Environmental Protection Department and the Gold Certificate of Quality Water Recognition Scheme for Buildings presented by Water Supplies Department.

3 Indonesia expands its hydrogen fuel usage in its operation, reducing pollution to the environment and promoting clean energy.

Participating in Environmental Conservation

In 2011, the Cheung Kong Group supported again the Carbon Audit programme in response to the Government's Carbon Reduction Charter. The programme promotes reducing carbon emission in controlling pollution. Eco-friendly initiatives such as solar energy water heater and wind power generator are introduced to some of the commercial and residential properties under the management of the Cheung Kong Group which aim to reduce carbon dioxide emissions.

Power Assets topped the list of 15 local companies in the Carbon Disclosure Project for its carbon reduction and public disclosure performance. Its subsidiary, HK Electric has integrated climate change strategy into its daily business operations and put in place measures to reduce carbon emissions at its Lamma Power Station, introducing the use of environmentally friendly electric vehicles through leasing of such vehicles to its corporate clients, an initiative to improve roadside air quality in Hong Kong. HK Electric has also sponsored installation of micro solar panels on 500 fishing boats and mariculture rafts to power their electrical components and reduce the use of diesel fuel.

AMTD has participated in the Caritas Computer Refurbish Project and donated used computers, monitors and other computer accessories to the project. Used computers were repaired or upgraded before reallocating to the needy to reduce wastage and promote recycling.

In Canada, to conserve the endangered species, Husky Energy has committed CAD1.25 million to support Husky Endangered Species Program over the next five years.

Promoting Environmental Awareness

The Cheung Kong Group has been a keen supporter of environmental conservation. The Group has participated in various environmental educational programmes including River Walk 2011-2012 organised by Friends of the Earth (HK), Earth Hour 2011, Walk for Nature 2011 and the Big Bird Race 2011 organised by World Wide Fund for Nature (WWF). These activities convey the importance of resources preservation and conservation to the participants while raising fund for environmental conservation.

The Smart Power Campaign 2011 organised by HK Electric has continued to appeal for support from the public, in particular the younger generations. In 2011, thematic tailor-made activities including school talks and open days were organised which attracted more than 70,000 students and members of the public to participate in promoting energy efficiency and conservation messages amongst the communities.

The Hongkong Electric Clean Energy Fund has sponsored a total of 26 local schools with over HK\$1.2 million to support the promotion of the use of renewable energy. Eight kindergartens were included in the scheme for the first time in 2011 with the aim to infuse the concept of renewable energy through interactive games for children since their early childhood.

WORKPLACE QUALITY

The Cheung Kong Group treasures human resources as the key to driving the success of a corporation and to maintaining corporate sustainability. Based on this value, the Group has been dedicated to enhancing communications and encouraging creativity. Competitive remuneration and benefit packages, a hassle-free and safe working environment are provided to our talented employees to enable them to develop their full potential.

Development and Training

Employees of the Cheung Kong Group are encouraged to take part in continuing education and career development. Programmes for skills enhancement, such as Mandarin language training, job-related seminars and skill enhancing workshops are organised for colleagues at all levels from time to time. The Group's policy is to support employees who attend job related training courses or professional qualification examinations through sponsorship and/or granting them special full-paid examination leave. Corporate orientation programmes are held to provide new staff with a better understanding of the Cheung Kong Group's business and to assist them in acclimatising to the corporate culture.

Rewarding Career

The Group strives to grow with the employees by providing them with opportunities to advance their career. As an equal opportunities employer, regards are given to each individual's potential, ability and work performance regardless of their race, age and gender in promotion. To cultivate a strong sense of belonging and loyalty, employees of the Group are rewarded with competitive remuneration and diverse fringe benefits. Comprehensive medical, life insurance coverage, free annual body check and retirement schemes are offered to the employees.

Corporate Social Responsibility (*continued*)

Maintaining Good Work-life Balance

The Group encourages staff to pursue a healthy and a balanced work life, by maintaining a hygienic office, providing fresh fruits daily and nutraceutical soup twice a week, arranging fire-drill programmes, and encouraging staff and their families to take part in charitable and recreational activities like the Ocean Park Fun Day and Walk for Nature. Further, employees of the Group are given a wide range of product and service discounts offered by various Group companies and are invited to participate in the delightful annual dinner of the Cheung Kong Group.

Anti-corruption

The Cheung Kong Group has played an active role in promoting anti-corruption practices within the Group. As part of its corporate orientation programme, new colleagues at all levels of major business units are required to attend seminars coordinated with the Independent Commission Against Corruption (ICAC), introducing them to and reminding them of the importance in following the Group's corruption-preventing practices and guidelines strictly.

Health, Care and Safety

The Group is committed to ensuring a high standard of occupational health and safety. Risks assessments of workstations, display screen equipment and tools for all users are performed on a regular basis to ensure the appropriateness and efficiency of such equipment. Upgrade and maintenance are carried out in commensuration with the pace of technology development and the ever changing needs and demands of the colleagues.

Special care and safety measures are in place for employees who perform work duties on construction sites. A health and safety consultant is appointed to provide tool box training to staff and updates on health and safety issues on a regular basis for property management employees. Protective equipments are supplied to each employee working on the construction site.

LI KA SHING FOUNDATION

Established in 1980 by the Chairman of the Group, Mr. Li Ka-shing, the Li Ka Shing Foundation has three strategic focuses: nurture a new culture of giving in Asia; support education reform initiatives that create a paradigm shift to develop human capital for positive and sustainable change; and support medical research and services in quest for a healthier world. Mr. Li considers the Foundation to be his "third son" and has pledged one-third of his assets to it. To date, the Foundation has granted HK\$12.5 billion towards these ends, and will continue to do so. Nearly 90% of all contributions have been dedicated to projects in Greater China. Mr. Li's long-term commitment to philanthropy has been recognised worldwide. In October 2011, Mr. Li became the first Chinese to win a Carnegie Medal of Philanthropy.

Love HK Your Way!

Love HK Your Way! is a HK\$300 million philanthropic campaign about participation, inclusion and responsible citizenship that combines the power of technology, charity and community awareness.

Following the success of the first round of "Love Ideas, Love HK", the second round was launched in May 2011 and attracted overwhelming public support. More than one million votes were cast to elect 250 projects from 1,070 proposals submitted. A total of HK\$64.76 million was donated through two rounds of the campaign.

The “Heart of Gold” Hong Kong Hospice Service Program was launched in collaboration with the Hong Kong Hospital Authority. The scheme has set up day care centers in a cluster of ten public hospitals and also operates a website called Hospice Home, a one-stop platform for hospice information and interaction. In January 2012, the Foundation announced the donation of a state-of-the-art TrueBeam system to The Chinese University of Hong Kong (“CUHK”). This “smart” TrueBeam will be the first one in Hong Kong’s public health system, and will be installed in the Prince of Wales Hospital in Shatin, which is the teaching hospital of CUHK. The system will enhance the efficiency and effectiveness of cancer treatment for the people of Hong Kong as well as facilitate medical education and research at CUHK. The Foundation’s commitment to the above two donations exceeds HK\$80 million.

Supporting Excellence in Education

In December 2011, the Chong Yau Pak Wan Residence Hall and the Li Chong Yuet Ming Building at St. Paul’s Co-educational College were officially unveiled. The new structures, which will provide improved educational facilities and enhance the learning environment, were made possible by a donation of HK\$160 million from the Li Ka Shing Foundation and the Li Family. A donation of this size is unprecedented for primary and secondary schools in Hong Kong.

On the Mainland, Shantou University, established by the Foundation in 1981, continues to be the cornerstone project of the Foundation and a platform to instigate reforms in the higher education sector in China. By providing greater learner autonomy, the university aims to foster innovative thinking and outcome-minded research. The Foundation has committed HK\$5.4 billion to Shantou University to date. In June 2011, the Tumor Hospital, which is an affiliated hospital of the Shantou University Medical College, became the first Mainland hospital to receive a TrueBeam system to serve cancer patients.

Free Medical Services

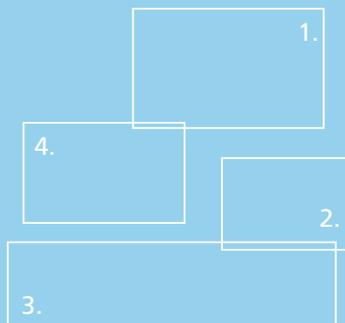
The Foundation supports 200 hospitals on the Mainland to provide free services for hospice care, free operations for patients of cleft lip and palate, and pediatric hernia, benefiting nearly 30,000 patients annually. The second phase of Project New Life – nationwide cleft lip and palate program, which aims to develop a model for high quality, standardised surgical procedures, speech therapy rehabilitation, public health education and volunteer participation, was launched with the Ministry of Civil Affairs in 2011. The Foundation is also a long-standing partner of the China Disabled Persons’ Federation to offer free prosthetics for amputees. As of 2011, 170,000 people have been benefited.

Medical Education and Research

The Li Ka Shing Center for Biomedical and Health Sciences at UC Berkeley officially opened in October 2011. The facility will be the nexus for a wide variety of research across disciplines to study the underlying mechanisms of biology and disease, addressing the complexities of cancer, brain diseases, infectious global killers and stem cell biology. The Li Ka Shing Knowledge Institute at St. Michael’s Hospital in Toronto also held its opening ceremony during the same period. The goal of the institute is to enhance knowledge translation and focus specifically on accelerating new treatments and best practices from the laboratory bench to the patient bedside.

Community Care

Aggregate donations of over HK\$13 million have been made to support the Caritas Family Crisis Hotline & Education Centre, benefiting 40,000 people annually with free 24-hour hotline services. In relief of the Sichuan earthquake, joint projects were in place with the Ministry of Education to provide financial aid for 80,000 students and the Ministry of Civil Affairs to rebuild communities for over 10,000 victims.

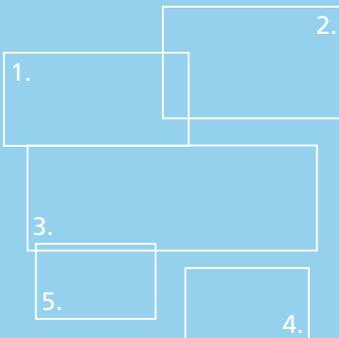
Corporate Social Responsibility (*continued*)

1. Mentorship Luncheon with the students from HKIED

2. The Endeavour Australia Cheung Kong Awards provided scholarships to 260 Asian and Australian students in 2011

3. 92 Cheung Kong Group members named "Caring Companies" – the highest number of awards received by a Group for 8 consecutive years

4. Cheung Kong Group named one of Community Chest's top 3 donors for 12 consecutive years



1. Opening Ceremony of the Chong Yau Pak Wan Residence Hall and Li Chong Yuet Ming Building at St. Paul's Co-educational College
2. Mr Li Ka-shing was surrounded by UC Berkeley students at the opening of the Li Ka Shing Center for Biomedical and Health Sciences
3. The top 10 beneficiary categories were unveiled during a sharing session for Round 2 of "Love Ideas, Love HK"
4. "Walk For Nature" Mai Po Charity Walk
5. HK Electric Clean Energy Fund sponsored 26 local schools to implement renewable energy projects, including kindergartens for the first time.

Highlights of Development Projects

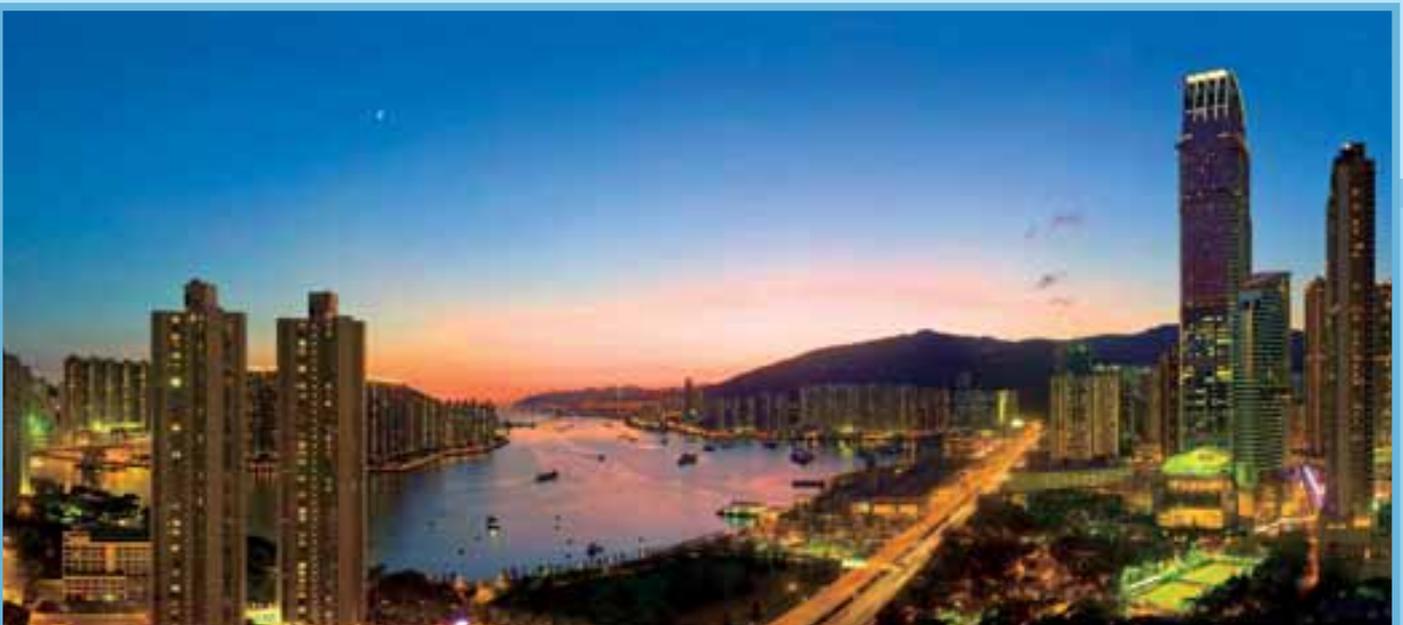
Festival City Phase 3

This ultimate phase of Festival City offers residents a dynamic urban lifestyle by combining modern comforts and the convenience of a prime location adjacent to the MTR Tai Wai Station.



City Point

With a prime waterfront location along the West Rail Tsuen Wan West Station, this large-scale residential development represents a perfect blend of tranquility and bustle.



Highlight of Development Projects (*continued*)

Oceanaire

Offering a total of 1,143 units, this seashore residence captures commanding views of the Tolo Harbour, and enjoys easy access to the transportation network via the MTR Ma On Shan Line.



Area 85 (Site A), Tseung Kwan O Town Lot No. 90

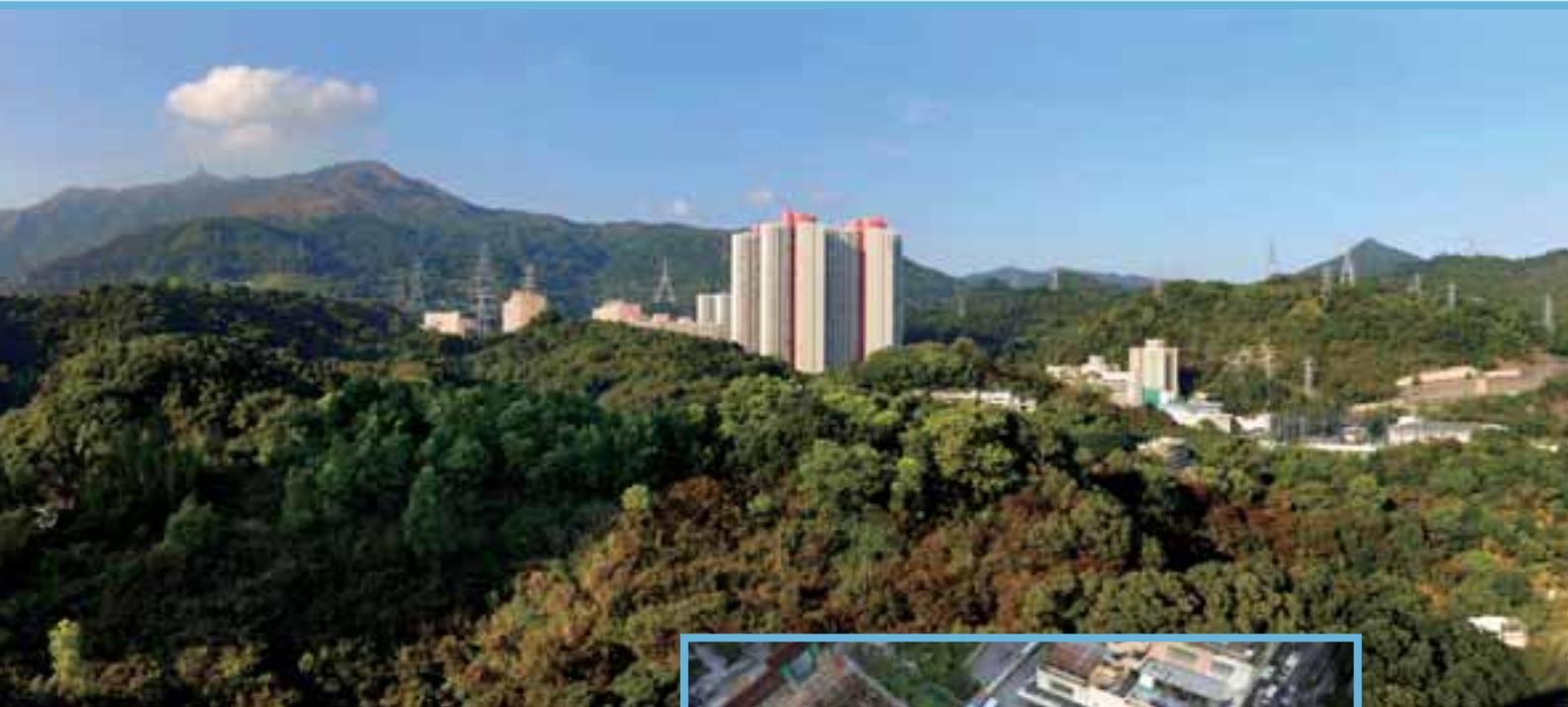
This low-density deluxe residence blending harmoniously with the spacious, greenery surroundings epitomises a new model of leisure living.



Highlight of Development Projects (*continued*)

Kwok Shui Road Project

Located at Kwok Shui Road, Tsuen Wan, this quality residential project is to be developed on a prime site that enjoys broad views of the greenery landscape (as shown in the picture).



Marina Bay Financial Centre Tower 3

With a total floor area of more than 4.8 million sq.ft., the Marina Bay Financial Centre in Singapore offers an optimal choice for business, residence and retailing. Tower 3 of this development complex is for commercial purpose, and is scheduled for completion in 2012.



Schedule of Major Properties

Dated the 31st day of December, 2011

A. PROPERTIES FOR/UNDER DEVELOPMENT

Description	Lot Number/Location	Group's Interest	Approx. Site Area (sq. m.)
Hong Kong			
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 Lai Chi Kok	N.K.M.L. 21	100.0%	2,844
A site at Mid-level	I.L. 1381 s.A & s.B R.P.	100.0%	1,018
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 Repulse Bay	R.B.L. 177	100.0%	3,245
A site at Hung Hom	Various sections and subsections in K.M.L. 53	100.0%	543
A site at Yuen Long	Lot 2129 in D.D.121	100.0%	6,076
A site at Ho Man Tin	K.I.L. 11125	80.0%	7,326
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 Yuen Long	Lot 2086 in D.D.105	100.0%	23,480
A site at Aberdeen	A.I.L. 354	100.0%	2,006
A site at Tseung Kwan O	T.K.O.T.L. 111	100.0%	10,200
A site at Yuen Long	Y.L.T.L. 518	100.0%	12,340
A site at Hung Hom	H.H.I.L. 556	100.0%	1,299
A site at Mid-level	I.L. 8949	100.0%	10,488
A site at North Point	I.L. 8920	100.0%	7,887
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
The Mainland			
La Grande Ville	Beijing	100.0%	565,401
The Greenwich	Beijing	50.0%	109,187
Shisanling	Beijing	50.0%	256,330
Regency Cove	Changchun	50.0%	158,892
Regency Park	Changchun	50.0%	574,029
Regency Residence	Changchun	50.0%	8,605
Noble Hills	Changsha	50.0%	406,871
Regency Park	Changzhou	50.0%	80,598
Le Parc	Chengdu	50.0%	496,846
Regency Oasis	Chengdu	50.0%	260,832
Cape Coral	Chongqing	47.5%	50,991
Noble Hills	Chongqing	50.0%	191,947
Yangjiashan	Chongqing	47.5%	1,041,350
Zhaomushan	Chongqing	50.0%	132,469
Heizuizi, Xigang District	Dalian	50.0%	143,034
Wolong Bay	Dalian	50.0%	319,356
Laguna Verona	Dongguan	49.9%	2,462,048

Approx. Floor Area Attributable to the Group (sq. m.)	Existing Land Use	Stage of Completion	Estimated Date of Completion
4,026	Residential	Interior finishing	March, 2012
4,417	Residential	Superstructure in progress	September, 2012
23,996	Residential/Commercial	Superstructure in progress	September, 2013
8,141	Residential	Foundation work completed	December, 2013
87,356	Residential	Foundation work completed	December, 2013
23,226	Residential	Foundation work completed	March, 2014
6,615	Residential	Demolition work	March, 2014
3,527	Residential/Commercial	Planning	March, 2014
6,076	Residential	Ground investigation work	June, 2014
29,304	Residential	Site formation	September, 2014
33,979	Residential	Foundation work	September, 2014
6,630	Residential/Commercial	Demolition work	December, 2014
9,392	Residential	Planning	December, 2014
30,099	Commercial	Foundation work	January, 2015
51,000	Residential	Demolition work	March, 2015
61,700	Residential/Commercial	Foundation work	June, 2015
9,740	Residential	Planning	June, 2015
40,440	Residential	Demolition work	October, 2015
70,200	Residential/Hotel	Demolition work	December, 2016
–	Agricultural land	Planning	–
–	Agricultural land	Planning	–
–	Agricultural land	Planning	–
–	Agricultural land	Planning	–
–	Agricultural land	Planning	–
18,293	Residential	Superstructure in progress	September, 2012
27,434	Residential	Superstructure in progress	July, 2013
75,900	Residential	Site formation	December, 2014
227,990	Residential	Site formation	–
75,167	Residential	Planning	July, 2014
40,000	Residential	Planning	October, 2014
118,340	Residential/Commercial	Planning	September, 2014
8,832	Residential	Superstructure in progress	June, 2012
25,976	Residential	Superstructure in progress	September, 2013
93,005	Residential/Commercial	Planning	June, 2014
5,732	Residential/Commercial	Superstructure in progress	June, 2012
43,286	Residential	Superstructure in progress	December, 2012
192,790	Residential/Commercial	Planning	June, 2015
23,647	Residential	Superstructure in progress	June, 2012
85,442	Residential	Foundation work	December, 2013
115,673	Residential/Commercial	Superstructure in progress	December, 2012
145,939	Residential/Commercial	Superstructure in progress	December, 2013
151,366	Residential	Foundation work	December, 2014
392,764	Residential	Foundation work	–
108,698	Residential	Superstructure in progress	December, 2012
62,193	Residential	Superstructure in progress	April, 2013
69,683	Residential/Commercial	Superstructure in progress	December, 2012
16,429	Residential	Site formation completed	December, 2012
70,928	Residential	Site formation completed	March, 2013
1,468,484	Residential/Commercial	Planning	–
138,143	Residential	Site formation	September, 2013
252,500	Residential/Commercial	Planning	August, 2016
197,833	Residential/Commercial	Planning	June, 2015
119,748	Residential/Commercial	Superstructure in progress	December, 2012
46,106	Residential	Planning	December, 2013
141,903	Residential/Commercial	Site formation	September, 2014
525,316	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.)
The Mainland (continued)			
Nanzhuang Town	Foshan	50.0%	74,858
Yuhu Mingdi	Guangzhou	40.0%	225,547
Cape Coral	Guangzhou	50.0%	280,803
Zengcheng	Guangzhou	50.0%	2,112,652
International Toys & Gifts Centre	Guangzhou	30.0%	321,261
Aotou, Daya Bay	Huizhou	50.0%	80,051
Yinhuwan	Jiangmen	45.0%	1,333,321
Yingtiandajie, Jianye District	Nanjing	50.0%	119,500
The Harbourfront	Qingdao	45.0%	311,777
Oriental Financial Center	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
City Link	Shanghai	30.0%	14,528
Century Link	Shanghai	25.0%	51,280
Regency Garden	Shanghai	42.5%	263,412
Hupan Mingdi	Shanghai	50.0%	211,621
Kerry Everbright City	Shanghai	24.8%	15,858
Century Place	Shenzhen	40.0%	16,974
Le Sommet	Shenzhen	50.0%	137,342
Noble Hills	Shenzhen	50.0%	85,183
Land lots G/M and H, Futian District	Shenzhen	25.0%	13,723
Metropolitan	Tianjin	40.0%	14,874
Regency Cove	Wuhan	50.0%	770,597
Laopupian, Jiangnan	Wuhan	50.0%	35,213
Hualou Jie, Jiangnan	Wuhan	50.0%	115,765
The Greenwich	Xian	50.0%	254,910
Cuilihu	Zhongshan	50.0%	109,263
Horizon Costa	Zhuhai	50.0%	199,996
Overseas			
Marina Bay Financial Centre	Singapore	16.7%	15,064
The Vision	Singapore	50.0%	12,000
Thomson Grand	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
92,409	Residential	Planning	September, 2015
17,560	Residential/Commercial	Superstructure in progress	November, 2012
50,351	Residential/Commercial	Site formation	December, 2013
24,832	Residential/Commercial	Site formation	June, 2014
42,026	Residential	Superstructure in progress	June, 2012
42,001	Residential	Superstructure in progress	December, 2013
88,015	Residential/Commercial	Planning	September, 2014
55,212	Residential/Commercial	Superstructure in progress	September, 2012
113,018	Residential	Planning	September, 2013
18,775	Commercial	Superstructure in progress	December, 2012
29,839	Commercial	Superstructure in progress	June, 2013
65,565	Commercial	Planning	December, 2015
118,923	Residential/Commercial	Planning	March, 2016
10,214	Commercial/Hotel	Site formation	September, 2013
72,521	Residential	Site formation	March, 2015
108,427	Residential	Planning	–
180,612	Residential/Commercial	Planning	March, 2015
95,219	Residential/Commercial	Superstructure in progress	September, 2012
25,062	Residential/Commercial	Superstructure in progress	March, 2013
312,956	Residential/Commercial	Planning	December, 2015
40,000	Commercial	Superstructure in progress	June, 2013
4,231	Commercial	Superstructure in progress	December, 2012
30,864	Commercial	Foundation work completed	May, 2014
62,986	Commercial/Hotel	Foundation work completed	August, 2016
113,599	Residential/Commercial/Hotel	Planning	–
15,147	Residential	Planning	December, 2013
22,264	Residential	Planning	June, 2014
17,392	Commercial	Foundation work	June, 2014
54,613	Commercial	Foundation work	June, 2015
13,810	Residential	Superstructure in progress	June, 2012
77,218	Residential	Foundation work	September, 2013
53,414	Residential	Planning	March, 2014
130,052	Residential/Commercial	Foundation work	December, 2013
34,917	Residential/Commercial	Foundation work	February, 2014
24,933	Commercial	Planning	March, 2015
71,842	Residential/Commercial	Interior finishing	June, 2012
29,932	Residential	Superstructure in progress	September, 2012
59,747	Residential/Commercial	Superstructure in progress	June, 2013
73,541	Residential/Commercial	Superstructure in progress	September, 2012
10,135	Commercial	Foundation work	December, 2014
77,872	Residential/Commercial	Superstructure in progress	November, 2012
44,678	Residential	Superstructure in progress	June, 2012
704,324	Residential/Commercial/Hotel	Planning	–
83,847	Residential/Commercial	Planning	June, 2015
278,289	Residential/Commercial	Planning	December, 2015
139,997	Residential/Commercial	Superstructure in progress	June, 2012
142,331	Residential/Commercial	Planning	December, 2014
29,829	Residential	Planning	September, 2013
55,872	Residential/Commercial	Planning	December, 2014
62,909	Residential	Planning	December, 2015
25,296	Commercial	Superstructure in progress	March, 2012
7,268	Residential	Superstructure in progress	July, 2013
16,800	Residential	Superstructure in progress	December, 2013
43,781	Residential	Superstructure in progress	January, 2015
37,633	Residential/Commercial	Demolition work	–
163,730	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.)
Hong Kong		
La Splendeur of LOHAS Park, Tseung Kwan O	T.K.O.T.L. 70	31,490
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
A site at MTR Tsuen Wan West Station, Tsuen Wan	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
Hong Kong		
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%
The Mainland		
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%
The Metropolitan Plaza	Guangzhou	50.0%

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
82,686	Residential	Superstructure in progress	December, 2012
97,400	Residential	Superstructure in progress	June, 2013
128,541	Residential	Superstructure in progress	December, 2013
113,064	Residential	Superstructure in progress	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
9,745	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
–	17,514	Commercial/Residential	Medium Term Lease
–	67,090	Commercial/Hotel/Service apartment	Medium Term Lease
–	43,242	Commercial	Medium Term Lease

Consolidated Income Statement

For the year ended 31st December, 2011

	Note	2011 \$ Million	2010 (Restated) \$ Million
Group turnover		32,971	23,983
Share of property sales of jointly controlled entities		9,388	8,880
Turnover	(3)	42,359	32,863
Group turnover		32,971	23,983
Investment and other income		1,567	1,308
Operating costs			
Property and related costs		(21,160)	(15,113)
Salaries and related expenses		(1,503)	(1,254)
Interest and other finance costs		(372)	(222)
Depreciation		(400)	(398)
Other expenses		(470)	(336)
		(23,905)	(17,323)
Share of net profit of jointly controlled entities		5,211	8,188
Increase in fair value of investment properties		4,010	1,737
Operating profit		19,854	17,893
Share of net profit of associates		28,238	10,308
Profit before taxation	(4)	48,092	28,201
Taxation	(5)	(1,833)	(1,042)
Profit for the year		46,259	27,159
Profit attributable to			
Shareholders of the Company	(6)	46,055	26,836
Non-controlling interests and holders of perpetual securities		204	323
		46,259	27,159
Earnings per share	(7)	\$19.88	\$11.59

Consolidated Statement of Comprehensive Income

For the year ended 31st December, 2011

	2011	2010 (Restated)
	\$ Million	\$ Million
Profit for the year	46,259	27,159
Other comprehensive income		
Exchange gain/(loss) on translation of financial statements of foreign operations	(128)	279
Investments available for sale		
Gain/(loss) in fair value	(2,251)	1,550
Gain in fair value transferred to income statement upon disposal	(233)	(242)
Impairment transferred to income statement	522	112
Share of other comprehensive income/(loss) of jointly controlled entities and unlisted associates	(214)	686
Total comprehensive income for the year	43,955	29,544
Total comprehensive income attributable to		
Shareholders of the Company	43,745	29,215
Non-controlling interests and holders of perpetual securities	210	329
	43,955	29,544

Consolidated Statement of Financial Position

As at 31st December, 2011

	Note	31/12/2011 \$ Million	31/12/2010 (Restated) \$ Million	1/1/2010 (Restated) \$ Million
Non-current assets				
Fixed assets	(8)	11,233	10,399	10,696
Investment properties	(9)	25,180	21,170	19,433
Associates	(11)	190,937	156,369	149,723
Jointly controlled entities	(12)	45,323	39,497	32,653
Investments available for sale	(13)	8,327	9,282	7,026
Long term loan receivables		180	357	444
		281,180	237,074	219,975
Current assets				
Stock of properties	(14)	68,932	65,679	62,999
Debtors, deposits and prepayments	(15)	2,805	2,459	2,799
Investments held for trading	(16)	220	258	1,927
Derivative financial instruments		155	334	83
Bank balances and deposits		19,894	25,147	11,423
		92,006	93,877	79,231
Current liabilities				
Bank and other loans	(17)	22,897	13,127	7,210
Creditors and accruals	(18)	9,701	18,298	12,078
Loan from joint development partner	(19)	–	2,000	2,000
Derivative financial instruments		826	647	460
Provision for taxation		1,607	633	1,028
		56,975	59,172	56,455
Net current assets				
		338,155	296,246	276,430
Non-current liabilities				
Bank and other loans	(17)	23,020	22,027	25,279
Deferred tax liabilities	(20)	850	761	664
		23,870	22,788	25,943
Net assets				
		314,285	273,458	250,487
Representing:				
Share capital	(21)	1,158	1,158	1,158
Share premium		9,331	9,331	9,331
Reserves		295,936	259,148	236,187
Shareholders' funds				
Perpetual securities	(23)	4,648	–	–
Non-controlling interests		3,212	3,821	3,811
		314,285	273,458	250,487

Statement of Financial Position

As at 31st December, 2011

	Note	31/12/2011 \$ Million	31/12/2010 \$ Million
Non-current assets			
Fixed assets	(8)	5	5
Subsidiaries	(10)	32,356	31,858
Associates	(11)	50	50
Jointly controlled entities	(12)	718	720
Long term loan receivables		1	1
		33,130	32,634
Current assets			
Stock of properties	(14)	3	3
Debtors, deposits and prepayments	(15)	126	60
Bank balances and deposits		349	275
		478	338
Current liabilities			
Creditors and accruals	(18)	231	217
Net current assets		247	121
Net assets			
		33,377	32,755
Representing:			
Share capital	(21)	1,158	1,158
Share premium		9,331	9,331
Reserves	(22)	22,888	22,266
Total equity		33,377	32,755

Li Ka-shing
Director

Ip Tak Chuen, Edmond
Director

Consolidated Statement of Changes in Equity

For the year ended 31st December, 2011

	Shareholders' Funds						
	Share capital, premium and reserve ⁽¹⁾	Other reserves ⁽²⁾	Retained profits	Total	Holders of perpetual securities	Non- controlling interests	Total Equity
	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
Balance at 1st January, 2011, as previously reported	10,834	7,431	247,431	265,696	–	3,815	269,511
Prior year adjustments (note 2)	–	–	3,941	3,941	–	6	3,947
Balance at 1st January, 2011, as restated	10,834	7,431	251,372	269,637	–	3,821	273,458
Profit for the year	–	–	46,055	46,055	60	144	46,259
Other comprehensive income							
Exchange gain/(loss) on translation of financial statements of foreign operations	–	(136)	–	(136)	–	8	(128)
Loss in fair value of investments available for sale	–	(2,249)	–	(2,249)	–	(2)	(2,251)
Gain in fair value of investments available for sale transferred to income statement upon disposal	–	(233)	–	(233)	–	–	(233)
Impairment of investments available for sale transferred to income statement	–	522	–	522	–	–	522
Share of other comprehensive loss of jointly controlled entities and unlisted associates	–	(84)	(130)	(214)	–	–	(214)
Total comprehensive income/(loss) for the year	–	(2,180)	45,925	43,745	60	150	43,955
Change in non-controlling interests	–	–	–	–	–	(483)	(483)
Issue of perpetual securities	–	–	–	–	4,588	–	4,588
Transaction costs for issue of perpetual securities	–	–	(54)	(54)	–	–	(54)
Dividend paid to non-controlling interests	–	–	–	–	–	(276)	(276)
Dividend paid to shareholders of the Company							
2010 final dividend \$2.45 per share	–	–	(5,675)	(5,675)	–	–	(5,675)
2011 interim dividend \$0.53 per share	–	–	(1,228)	(1,228)	–	–	(1,228)
Balance at 31st December, 2011	10,834	5,251	290,340	306,425	4,648	3,212	314,285

	Shareholders' Funds				Holders of perpetual securities \$ Million	Non-controlling interests \$ Million	(Restated) Total Equity \$ Million
	Share capital, premium and reserve ⁽¹⁾ \$ Million	Other reserves ⁽²⁾ \$ Million	Retained profits \$ Million	Total \$ Million			
Balance at 1st January, 2010, as previously reported	10,834	5,051	227,207	243,092	–	3,805	246,897
Prior year adjustments (note 2)	–	1	3,583	3,584	–	6	3,590
Balance at 1st January, 2010, as restated	10,834	5,052	230,790	246,676	–	3,811	250,487
Profit for the year	–	–	26,836	26,836	–	323	27,159
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	–	686	–	686	–	–	686
Total comprehensive income for the year	–	2,379	26,836	29,215	–	329	29,544
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)
Balance at 31st December, 2010	10,834	7,431	251,372	269,637	–	3,821	273,458

- (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.
- (2) Other reserves comprise investment revaluation reserve, exchange reserve and hedging reserve. As at 31st December, 2011, investment revaluation reserve surplus amounted to \$597 million (31st December, 2010 – \$3,165 million and 1st January, 2010 – \$1,681 million), exchange reserve surplus amounted to \$4,658 million (31st December, 2010 – \$4,266 million and 1st January, 2010 – \$3,371 million) and hedging reserve deficit amounted to \$4 million (31st December, 2010 – Nil and 1st January, 2010 – Nil).

Consolidated Statement of Cash Flows

For the year ended 31st December, 2011

	Note	2011 \$ Million	2010 \$ Million
Operating activities			
Cash generated from operations	(a)	22	13,765
Investment in/loan advance to jointly controlled entities		(5,069)	(2,636)
Dividend/repayment from jointly controlled entities		2,355	1,198
Dividend from associates		4,243	3,722
Dividend from investments in securities		292	243
Interest received		225	155
Dividend paid to shareholders of the Company		(6,903)	(6,254)
Dividend paid to non-controlling interests		(276)	(149)
Profits tax paid		(865)	(1,376)
Net cash from/(used in) operating activities		(5,976)	8,668
Investing activities			
Investment in/loan advance to associates		(11,125)	–
Repayment from associates		14	14
Investment in/loan advance to jointly controlled entities		(683)	(474)
Dividend/repayment from jointly controlled entities		2,348	4,424
Purchase of investments available for sale		(3,339)	(1,314)
Disposal/redemption of investments available for sale		2,048	601
Addition of investment properties		(14)	(29)
Addition of fixed assets		(1,259)	(144)
Net cash from/(used in) investing activities		(12,010)	3,078
Financing activities			
Borrowing of bank and other loans		25,379	9,474
Repayment of bank and other loans		(16,249)	(7,025)
Decrease in funding from non-controlling interests		(483)	(170)
Issue of perpetual securities		4,534	–
Interest and other finance costs paid		(448)	(301)
Net cash from financing activities		12,733	1,978
Net increase/(decrease) in cash and cash equivalents		(5,253)	13,724
Cash and cash equivalents at 1st January		25,147	11,423
Cash and cash equivalents at 31st December		19,894	25,147

Notes:

(a) Cash generated from operations

	2011	2010
	\$ Million	(Restated) \$ Million
Profit before taxation	48,092	28,201
Interest income	(398)	(173)
Interest and other finance costs	372	222
Dividend income from investments in securities	(295)	(234)
Share of net profit of jointly controlled entities	(5,211)	(8,188)
Share of net profit of associates	(28,238)	(10,308)
Increase in fair value of investment properties	(4,010)	(1,737)
Decrease in long term loan receivables	177	76
(Gain)/loss on investments available for sale	289	(130)
Depreciation	400	398
Exchange difference and other items	(426)	(114)
Changes in working capital	(10,730)	5,752
Decrease in investments held for trading	38	1,669
Increase in stock of properties	(2,976)	(2,299)
Increase/(decrease) in customers' deposits received	(9,413)	4,960
(Increase)/decrease in debtors, deposits and prepayments	(137)	394
(Increase)/decrease in derivative financial instruments	358	(64)
Increase in creditors and accruals	1,400	1,092
	22	13,765

(b) Cash and cash equivalents

	2011	2010
	\$ Million	\$ Million
Bank balances and deposits	19,894	25,147

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 156 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 those HKFRSs which are effective for accounting periods beginning on 1st January, 2011, the adoption has no significant impact on the Group’s results and financial position. The Group and its listed associate, Hutchison Whampoa Limited (“Hutchison”), have also adopted HKAS 12 (Amendments) “Deferred Tax: Recovery of Underlying Assets”, which will be effective for accounting periods beginning on 1st January, 2012, in the preparation of the financial statements.

In prior years, deferred tax was provided on the basis that the carrying amounts of investment properties would be recovered through use. Following the adoption of HKAS 12 (Amendments), deferred tax is provided on the basis that the carrying amounts of the investment properties will be recovered through sale except that the basis of recovery through use will continue to apply to those investment properties which are depreciable and are held with an objective to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. This change in accounting policy has been applied retrospectively.

2. Principal Accounting Policies *(continued)*

(a) Basis of preparation *(continued)*

The impact of the said change in accounting policy, including the Group's share of its impact on Hutchison, have effects on the Group's financial statements as follows:

	Year ended 31st December	
	2011 \$ Million	2010 \$ Million
Increase in share of net profit of jointly controlled entities	52	5
Increase in share of net profit of associates	34	71
Decrease in taxation	652	282
Increase in profit attributable to non-controlling interests	(2)	–
Increase in profit attributable to shareholders of the Company	736	358
Increase in earnings per share	\$0.32	\$0.16

	31/12/2011 \$ Million	31/12/2010 \$ Million	1/1/2010 \$ Million
Increase in associates	2,286	2,252	2,181
Increase in jointly controlled entities	118	66	62
Decrease in deferred tax liabilities	2,281	1,629	1,347
Increase in net assets	4,685	3,947	3,590
Increase in retained profits	4,677	3,941	3,583
Increase in exchange reserve	–	–	1
Increase in non-controlling interests	8	6	6
Increase in total equity	4,685	3,947	3,590

Notes to Financial Statements (*continued*)**2. Principal Accounting Policies (*continued*)****(a) Basis of preparation (*continued*)**

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, 2012:

HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets
----------------------	---

Effective for the year ending 31st December, 2013:

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 19 (2011)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine

Effective for the year ending 31st December, 2014:

HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
----------------------	---

Effective for the year ending 31st December, 2015:

HKFRS 9	Financial Instruments
---------	-----------------------

(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 after adjusting, where necessary, to ensure consistency with the Group's accounting policies.

(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 after adjusting, where necessary, to ensure consistency with the Group's accounting policies. 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.

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

(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 using the effective interest method 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 using the effective interest method.

2. Principal Accounting Policies *(continued)*

(n) Creditors

Creditors are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method.

(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:

	2011 \$ Million	2010 \$ Million
Property sales	28,755	20,417
Property rental	1,377	1,264
Hotels and serviced suites	2,489	2,037
Property and project management	350	265
Group turnover	32,971	23,983
Share of property sales of jointly controlled entities	9,388	8,880
Turnover	42,359	32,863

During the year, turnover of the Group's operating activities outside Hong Kong (including property sales of jointly controlled entities) accounted for approximately 23% (2010 – 29%) of the turnover and was derived from the following locations:

	2011 \$ Million	2010 \$ Million
The Mainland	9,827	8,545
Singapore	–	1,052
	9,827	9,597

3. Turnover and Contribution *(continued)*

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

	Company and subsidiaries		Jointly controlled entities		Total	
	2011 \$ Million	2010 \$ Million	2011 \$ Million	2010 \$ Million	2011 \$ Million	2010 \$ Million
Property sales	7,782	5,631	3,436	3,271	11,218	8,902
Property rental	1,274	1,131	424	686	1,698	1,817
Hotels and serviced suites	916	617	272	235	1,188	852
Property and project management	124	115	17	–	141	115
	10,096	7,494	4,149	4,192	14,245	11,686
Investment and finance					694	1,147
Interest and other finance costs					(372)	(222)
Water business in the United Kingdom					130	–
Increase in fair value of investment properties						
Subsidiaries					4,010	1,737
Jointly controlled entities					1,151	4,733
Profit on disposal of indirect interest in jointly controlled entity					–	2,177
Surplus on loss of control of indirect interest in jointly controlled entities					1,731	–
Others					189	180
Taxation						
Company and subsidiaries					(1,833)	(1,042)
Jointly controlled entities					(1,730)	(3,414)
Profit attributable to non-controlling interests and holders of perpetual securities					(204)	(323)
					18,011	16,659
Share of net profit of listed associates						
Hutchison Whampoa Limited						
Profit attributable to shareholders before profit on disposal of investments and others					11,566	10,082
Profit on disposal of investments and others					16,421	–
CK Life Sciences Int'l., (Holdings) Inc.					57	95
Profit attributable to shareholders of the Company					46,055	26,836

Notes to Financial Statements (continued)

4. Profit before Taxation

	2011 \$ Million	2010 \$ Million
Profit before taxation is arrived at after charging:		
Interest and other finance costs		
Bank loans and other loans repayable within 5 years	635	452
Other loans not repayable within 5 years	114	81
Gain on loan hedging	(162)	(176)
	587	357
Less: Amount capitalised (see note (a))	(215)	(135)
	372	222
Directors' emoluments (see note (b))		
Salaries, allowances and benefits in kind	109	105
Pension scheme contribution	11	10
Discretionary bonus	82	68
	202	183
Less: Emoluments from listed associates paid back	(10)	(10)
	192	173
Auditors' remuneration	7	7
Costs of properties sold	19,498	13,515
Impairment of investments available for sale	522	112
Operating lease charges – properties	187	175
and after crediting:		
Net rental income	1,349	1,213
Interest income from banks	60	34
Interest income from loan receivables	144	47
Interest income from jointly controlled entities	54	65
Interest income from associates	107	–
Income from listed investments in securities		
Dividend income from equity securities	293	232
Interest income from debt securities	16	9
Income from unlisted investments in securities		
Dividend income from equity securities	2	2
Interest income from debt securities	17	16
Exchange difference	440	213
Gain/(loss) on investments held for trading	(20)	84
Gain on disposal of investments available for sale	233	242

Notes:

- (a) Interest was capitalised to property development projects at an average annual rate of approximately 1.25% (2010 – 1%) 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 (2010 – \$120,000) each; and for those acting as members of the Audit Committee and/or Remuneration Committee, additional annual fee of \$130,000 (2010 – \$130,000) each is paid for the former and \$60,000 (2010 – \$60,000) each is paid for the latter. The emoluments of the Company's directors, excluding emoluments received by them from the Group's listed associates, are as follows:

	Director Fees \$ Million	Salaries, Allowances and Benefits in Kind \$ Million	Pension Scheme Contribution \$ Million	Discretionary Bonus \$ Million	Inducement or Compensation Fee \$ Million	2011 Total \$ Million	2010 Total \$ Million
Li Ka-shing ⁽¹⁾	0.01	–	–	–	–	0.01	0.01
Li Tzar Kuoi, Victor ⁽²⁾	0.12	36.16	3.61	18.16	–	58.05	50.61
Kam Hing Lam ⁽³⁾	0.12	17.65	1.76	0.71	–	20.24	19.21
Ip Tak Chuen, Edmond ⁽⁴⁾	0.12	14.47	1.44	7.87	–	23.90	21.94
Chung Sun Keung, Davy	0.12	8.99	0.90	14.63	–	24.64	22.26
Pau Yee Wan, Ezra	0.12	10.19	1.02	11.57	–	22.90	20.86
Woo Chia Ching, Grace	0.12	10.19	1.02	14.63	–	25.96	23.52
Chiu Kwok Hung, Justin	0.12	9.14	0.91	14.63	–	24.80	22.56
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
Total for the year 2011	2.80	106.79	10.66	82.20	–	202.45	
Total for the year 2010	2.80	101.71	10.15	68.26	–		182.92

- (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 \$3,864,000 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 \$1,620,000 received by Mr. Kam Hing Lam from the Hutchison Whampoa Group and the directors' emoluments of \$2,075,000 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 directors' emoluments of \$575,000 received by him from CK Life Sciences Int'l., (Holdings) Inc. were paid back to the Company.

Notes to Financial Statements (continued)

5. Taxation

	2011 \$ Million	2010 \$ Million
Current tax		
Hong Kong profits tax	1,541	904
Tax outside Hong Kong	203	41
Deferred tax	89	97
	1,833	1,042

Hong Kong profits tax has been provided for at the rate of 16.5% (2010 – 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:

	2011 \$ Million	2010 \$ Million
Adjusted operating profit at Hong Kong tax rate of 16.5% (2010 – 16.5%)	3,561	3,516
Effect of tax rate differences at locations outside Hong Kong	807	1,843
Profit on disposal of indirect interest in jointly controlled entity	–	(360)
Dividend income	(39)	(27)
Increase in fair value of investment properties	(714)	(326)
Net effect of tax losses and deductible temporary differences utilised/not recognised	(239)	(156)
Net effect of non-assessable/deductible items	177	(60)
Others	10	26
	3,563	4,456
Less: Share of taxation of jointly controlled entities	(1,730)	(3,414)
	1,833	1,042

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 \$7,525 million (2010 – \$6,555 million) and dividends paid and proposed for the year by the Company are as follows:

	2011 \$ Million	2010 \$ Million
Interim dividend paid at \$0.53 (2010 – \$0.50) per share	1,228	1,158
Final dividend proposed at \$2.63 (2010 – \$2.45) per share	6,091	5,675
	7,319	6,833

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 (2010 – 2,316,164,338 shares) in issue during the year.

8. Fixed Assets

Group	Hotels and serviced suites		Other assets \$ Million	Total \$ Million
	Hong Kong \$ Million	in outside Hong Kong \$ Million		
Cost				
At 1st January, 2010	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
Translation difference	–	80	17	97
Additions/transfers	1,095	9	67	1,171
Disposals	–	–	(11)	(11)
At 31st December, 2011	11,966	1,711	1,467	15,144
Accumulated depreciation/provisions				
At 1st January, 2010	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
Translation difference	–	18	15	33
Depreciation	216	38	146	400
Disposals	–	–	(10)	(10)
At 31st December, 2011	2,310	412	1,189	3,911
Net book value				
At 31st December, 2011	9,656	1,299	278	11,233
At 31st December, 2010	8,777	1,266	356	10,399
At 1st January, 2010	8,992	1,251	453	10,696

At the year end date, all properties were held under long leases except certain properties in Hong Kong and outside Hong Kong with aggregate carrying values of \$9,114 million (2010 – \$8,225 million) and \$1,299 million (2010 – \$1,266 million) respectively were held under medium term leases.

Notes to Financial Statements (continued)

8. Fixed Assets (continued)

Company	Other assets	
	31/12/2011 \$ Million	31/12/2010 \$ Million
Cost		
At 1st January	187	186
Additions	3	2
Disposals	(1)	(1)
At 31st December	189	187
Accumulated depreciation		
At 1st January	182	179
Depreciation	3	4
Disposals	(1)	(1)
At 31st December	184	182
Net book value at 31st December	5	5

9. Investment Properties

	Group		
	31/12/2011 \$ Million	31/12/2010 \$ Million	1/1/2010 \$ Million
Investment properties in Hong Kong			
At 1st January	21,170	19,433	15,670
Additions	–	–	358
Transfer from land and buildings	–	–	934
Disposals	–	–	(1,386)
Increase in fair value	4,010	1,737	3,857
	25,180	21,170	19,433

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 \$24,473 million (2010 – \$20,585 million) and \$707 million (2010 – \$585 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 \$1,229 million (2010 – \$1,140 million) and \$21 million (2010 – \$41 million) respectively.

10. Subsidiaries

	Company	
	31/12/2011 \$ Million	31/12/2010 \$ Million
Unlisted investments in subsidiaries	2,071	2,071
Amounts due from subsidiaries	30,445	30,059
Amounts due to subsidiaries	(160)	(272)
	32,356	31,858

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

11. Associates

	Group			Company	
	31/12/2011 \$ Million	31/12/2010 \$ Million	1/1/2010 \$ Million	31/12/2011 \$ Million	31/12/2010 \$ Million
Listed investments in associates	28,132	28,132	28,132	–	–
Unlisted investments in associates	5,804	93	93	50	50
Share of results less dividends	151,549	127,958	121,298	–	–
	185,485	156,183	149,523	50	50
Amounts due from associates	5,452	186	200	–	–
	190,937	156,369	149,723	50	50
Market value of investments in associates					
– listed in Hong Kong	140,094	172,725	115,735	–	–

At the year end date, amounts due from associates included interest bearing loans to associates amounting to \$5,288 million (2010 – Nil) of which \$4,988 million (2010 – Nil) is subordinated to the rights of other lenders to the associate.

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)

11. Associates (continued)

Summarised financial information in respect of the Group's unlisted associates is as follows:

	2011 \$ Million	2010 \$ Million
Income	3,905	1,432
Expenses	(3,432)	(1,103)
Profit for the year	473	329
Non-current assets	72,060	2,660
Current assets	4,976	1,097
Current liabilities	(3,398)	(712)
Non-current liabilities	(44,594)	(88)
Net assets	29,044	2,957
Shared by the Group:		
Profit for the year	194	131
Net assets	11,604	1,183

12. Jointly Controlled Entities

	Group			Company	
	31/12/2011 \$ Million	31/12/2010 \$ Million	1/1/2010 \$ Million	31/12/2011 \$ Million	31/12/2010 \$ Million
Unlisted investments in jointly controlled entities	15,048	10,578	8,908	–	–
Share of results less dividends	19,916	16,546	11,208	–	–
	34,964	27,124	20,116	–	–
Amounts due from jointly controlled entities	10,359	12,373	12,537	718	720
	45,323	39,497	32,653	718	720

At the year end date, amounts due from jointly controlled entities included interest bearing loans to jointly controlled entities amounting to \$2,990 million (2010 – \$2,346 million).

Particulars regarding the principal jointly controlled entities are set out in Appendix III.

12. Jointly Controlled Entities (continued)

Summarised financial information in respect of the Group's jointly controlled entities is as follows:

	2011 \$ Million	2010 \$ Million
Income	31,255	46,426
Expenses	(18,621)	(24,633)
Profit for the year	12,634	21,793
Non-current assets	58,171	67,346
Current assets	99,185	82,358
Current liabilities	(24,369)	(24,384)
Non-current liabilities	(20,649)	(23,904)
Net assets	112,338	101,416
Shared by the Group:		
Profit for the year	5,211	8,188
Net assets	45,323	39,497

13. Investments Available for Sale

	31/12/2011 \$ Million	Group 31/12/2010 \$ Million	1/1/2010 \$ Million
Listed investments			
Equity securities – listed in Hong Kong	2,926	3,833	2,654
Equity securities – listed outside Hong Kong	4,233	4,628	3,624
Debt securities – listed outside Hong Kong	142	116	–
	7,301	8,577	6,278
Unlisted investments			
Equity securities	445	107	119
Debt securities	581	598	629
	1,026	705	748
	8,327	9,282	7,026

Notes to Financial Statements (continued)

14. Stock of Properties

	Group			Company	
	31/12/2011 \$ Million	31/12/2010 \$ Million	1/1/2010 \$ Million	31/12/2011 \$ Million	31/12/2010 \$ Million
Properties for/under development	44,359	28,443	17,340	–	–
Joint development projects	22,784	35,512	38,250	–	–
Properties for sale	1,789	1,724	7,409	3	3
	68,932	65,679	62,999	3	3

At the year end date, properties for/under development and joint development projects amounting to \$55,869 million (2010 – \$37,155 million) were not scheduled for completion within twelve months.

15. Debtors, Deposits and Prepayments

	Group			Company	
	31/12/2011 \$ Million	31/12/2010 \$ Million	1/1/2010 \$ Million	31/12/2011 \$ Million	31/12/2010 \$ Million
Trade debtors	525	847	526	–	–
Loan receivables	1,195	559	1,202	–	–
Deposits, prepayments and others	1,085	1,053	1,071	126	60
	2,805	2,459	2,799	126	60

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 and deposits are payable in advance by tenants.

At the year end date, loan receivables included mortgage loans amounting to \$135 million (2010 – \$188 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:

	2011 \$ Million	2010 \$ Million
Current to one month	434	817
Two to three months	70	22
Over three months	21	8
	525	847

16. Investments Held for Trading

	Group		
	31/12/2011 \$ Million	31/12/2010 \$ Million	1/1/2010 \$ Million
Listed investments			
Equity securities – listed in Hong Kong	69	87	829
Equity securities – listed outside Hong Kong	151	171	1,045
	220	258	1,874
Unlisted investments			
Debt securities	–	–	53
	220	258	1,927

17. Bank and Other Loans

	Group		
	31/12/2011 \$ Million	31/12/2010 \$ Million	1/1/2010 \$ Million
Bank loans repayable			
within 1 year	22,897	9,225	4,421
after 1 year but not exceeding 2 years	2,499	10,315	9,035
after 2 years but not exceeding 5 years	10,500	6,249	9,813
	35,896	25,789	23,269
Other loans repayable			
within 1 year	–	3,902	2,789
after 1 year but not exceeding 2 years	1,600	–	3,731
after 2 years but not exceeding 5 years	4,001	3,513	1,550
after 5 years	4,420	1,950	1,150
	10,021	9,365	9,220
	45,917	35,154	32,489
Less: Amounts classified under current liabilities	22,897	13,127	7,210
Amounts classified under non-current liabilities	23,020	22,027	25,279

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. The total consideration received were accounted for as a loan and amortised at an annual rate of approximately 2.7%. During the year, the put options were exercised and the loan was fully extinguished. The transferred equity securities have remained as the Group's investments available for sale since inception.

Notes to Financial Statements (continued)

17. Bank and Other Loans (continued)

At the year end date:

- (a) bank loans amounting to \$135 million (2010 – \$225 million) were secured by certain assets of the Group;
- (b) 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\$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:
- | | |
|----------------|--|
| SGD225,000,000 | 2.25% due November 2015 (issued in 2010) |
| SGD180,000,000 | 2.585% due July 2016 (issued in 2011) |
| SGD320,000,000 | 3.408% due July 2018 (issued in 2011) |
- (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) |
| HK\$330,000,000 | 2.45% due September 2016 (issued in 2011) |
| HK\$377,000,000 | 2.56% due October 2016 (issued in 2011) |
| HK\$400,000,000 | 3.45% due October 2021 (issued in 2011) |
| HK\$300,000,000 | 3.35% due November 2021 (issued in 2011) |

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 \$415 million (2010 – \$295 million);

- (c) 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.

18. Creditors and Accruals

	Group			Company	
	31/12/2011 \$ Million	31/12/2010 \$ Million	1/1/2010 \$ Million	31/12/2011 \$ Million	31/12/2010 \$ Million
Trade creditors	2,225	557	444	–	–
Accruals and other creditors	3,819	4,671	3,582	231	217
Customers' deposits received	3,657	13,070	8,052	–	–
	9,701	18,298	12,078	231	217

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

	2011 \$ Million	2010 \$ Million
Current to one month	2,162	500
Two to three months	44	32
Over three months	19	25
	2,225	557

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 was repayable by two equal instalments, of which the first instalment was repaid on 31st December, 2009 and the second instalment was repaid during the year.

20. Deferred Tax Liabilities

At the year end date:

- (a) deferred tax liabilities amounting to \$828 million (2010 – \$761 million) were provided for temporary differences arising from accelerated tax depreciation and deferred tax liabilities amounting to \$22 million (2010 – Nil) were provided on undistributed profits of foreign operations for which additional taxes are payable upon distribution; and
- (b) unutilised tax losses and deductible temporary differences amounting to a total of \$2,584 million (2010 – \$2,652 million), of which \$19 million (2010 – \$53 million) expires within 5 years, were not recognised.

Notes to Financial Statements (continued)

21. Share Capital

	Company					
	31/12/2011 No. of shares	31/12/2010 No. of shares	1/1/2010 No. of shares	31/12/2011 \$ Million	31/12/2010 \$ Million	1/1/2010 \$ 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			
	Capital reserve \$ Million	Retained profits \$ Million	31/12/2011 Total \$ Million	31/12/2010 Total \$ Million
At 1st January	199	22,067	22,266	21,965
Profit for the year	–	7,525	7,525	6,555
Dividend paid	–	(6,903)	(6,903)	(6,254)
At 31st December	199	22,689	22,888	22,266

The Company's reserves available for distribution to shareholders of the Company, including the proposed final dividend, amounted to \$22,689 million (2010 – \$22,067 million). Proposed final dividend for 2010 was approved by shareholders of the Company on 20th May, 2011 and paid on 25th May, 2011.

23. Perpetual Securities

During the year, the Group issued SGD730 million perpetual securities with an annual distribution rate of 5.125% which are listed on the Singapore Stock Exchange and guaranteed by the Company. The perpetual securities have no fixed maturity and are redeemable at the Group's option on or after 9th September, 2016 at their principal amounts together with any unpaid distribution. Distribution is paid semi-annually in arrears and may be deferred at the Group's discretion. While any distribution is deferred, the Company and the issuer will not declare or pay any dividends, distributions or make any other payment on, or redeem, reduce, cancel, buy-back or acquire any of the Company's and/or the issuer's share capital.

24. 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	
	2011 \$ Million	2010 \$ Million
Future minimum lease income receivable		
not later than 1 year	1,012	1,058
later than 1 year but not later than 5 years	776	789
later than 5 years	4	–
	1,792	1,847

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	
	2011 \$ Million	2010 \$ Million	2011 \$ Million	2010 \$ Million
Future minimum lease charges payable				
not later than 1 year	194	122	123	72
later than 1 year but not later than 5 years	267	35	205	2
	461	157	328	74

25. Segment Information

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

	2011 \$ Million	2010 \$ Million
Hotels and serviced suites	371	370
Property and project management	13	15
	384	385
Others	16	13
	400	398

Notes to Financial Statements (*continued*)**26. 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 – \$32 million (2010 – \$13 million)
 - loan advances to jointly controlled entities – \$303 million (2010 – \$632 million)
 - investments in associates – \$694 million (2010 – Nil)
 - others – \$152 million (2010 – Nil)
 - (ii) authorised but not contracted for
 - fixed assets – \$4 million (2010 – \$15 million)
- (b) the Group's share of capital commitments of the jointly controlled entities were as follows:
 - (i) contracted but not provided for – \$1,641 million (2010 – \$386 million)
 - (ii) authorised but not contracted for – \$2,453 million (2010 – \$2,727 million)
- (c) the minimum share of revenue guaranteed by the Company to be received by the partner of a joint development project amounted to \$624 million (2010 – \$636 million);
- (d) the Company provided guarantee for amounts payable under the terms and conditions of the perpetual securities as disclosed in note (23); and
- (e) the Company provided guarantees for loan financing as follows:
 - (i) bank and other loans utilised by subsidiaries – \$45,267 million (2010 – \$34,578 million)
 - (ii) bank loans utilised by jointly controlled entities – \$48 million (2010 – \$49 million)
 - (iii) bank loans utilised by investee company – \$334 million (2010 – \$286 million)and certain subsidiaries provided guarantees for bank loans utilised by jointly controlled entities amounted to \$1,569 million (2010 – \$1,481 million).

27. 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 \$118 million (2010 – \$101 million) and forfeited contributions in the amount of \$3 million (2010 – \$4 million) were used to reduce current year's contributions.

28. Related Party Transactions

During the year and in the ordinary course of business, the Group undertook various joint venture projects and transactions with related parties, including the Chairman, Mr. Li Ka-shing, Hutchison Whampoa Limited, and CK Life Sciences Int'l., (Holdings) Inc., on normal commercial terms. Loan advances were made to/received from and guarantees were provided for the joint venture projects on a pro rata basis.

Loan advances made by the Group at the year end date were disclosed as amounts due from associates and jointly controlled entities in notes (11) and (12). Commitments for loan advances to jointly controlled entities and guarantees provided by the Group for bank loans utilised by jointly controlled entities at the year end date were disclosed in note (26).

During the year, loan advances amounting to \$5,288 million were made to associates, of which \$300 million and \$4,988 million are repayable in 2014 and 2031 respectively.

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

29. 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 67.6% of the Group's borrowings were in HK\$ and US\$, with the balance in GBP and SGD mainly for the purpose of financing investments and property projects in the United Kingdom and Singapore. The Group derives its revenue mainly in HK\$ and cash is mainly held in HK\$. Income in foreign currencies, including RMB, SGD and GBP, are also generated from the Group's investments and property projects outside Hong Kong and cash in these foreign currencies are maintained for operational needs. 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.

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.

Notes to Financial Statements (*continued*)**29. Financial Risks and Management** (*continued*)**(b) Risk management**

Loan receivables normally carry interest at rates with reference to banks' lending rates and are secured by collaterals and other credit enhancements 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 profit for the year and regular review and follow-up actions are carried out on the overdue amounts to minimise exposures to credit risk on loan receivables and trade debtors, estimated to be less than 0.3% of the Group's net assets after mitigation by collaterals and other credit enhancements.

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

29. Financial Risks and Management *(continued)*

(b) Risk management *(continued)*

	Level 1 \$ Million	Level 2 \$ Million	Level 3 \$ Million	Total \$ Million
At 31st December, 2011				
Financial assets				
Investments available for sale				
Equity securities	7,159	11	434	7,604
Debt securities	142	581	–	723
Investments held for trading				
Equity securities	220	–	–	220
Derivative financial instruments	–	155	–	155
	7,521	747	434	8,702
Financial liabilities				
Derivative financial instruments	–	(826)	–	(826)
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
	8,835	946	93	9,874
Financial liabilities				
Derivative financial instruments	–	(647)	–	(647)

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

	2011 \$ Million	2010 \$ Million
Fair value at 1st January	93	106
Additions	19	32
Impairment recognised in income statement as a charge to investment and other income	–	(48)
Gain in fair value recognised in other comprehensive income	322	3
Fair value at 31st December	434	93

Notes to Financial Statements (continued)

29. Financial Risks and Management (continued)

(b) Risk management (continued)

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 \$386 million (2010 – \$441 million) and the Group's profit for the year would increase/decrease by approximately \$73 million (2010 – \$49 million).

The Group's borrowings are exposed 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 \$402 million (2010 – \$316 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 \$147 million (2010 – \$119 million) based on the proportion of finance costs capitalised during the year.

At the year end date, foreign exchange risk of the subsidiaries with functional currency in HK\$ arose mainly from borrowings denominated in GBP. It is estimated that if GBP had strengthened/weakened against HK\$ by 5% on that date, the Group's profit for the year would decrease/increase by approximately \$529 million (2010 – Nil).

(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:

	2011 \$ Million	2010 \$ Million
Within 1 year	23,422	15,455
After 1 year but not exceeding 2 years	4,437	10,503
After 2 years but not exceeding 5 years	15,202	10,039
After 5 years	4,684	2,016
	47,745	38,013

30. 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 bank and other borrowings as detailed in notes (17) and (19), bank balances and deposits, shareholders' funds (comprising share capital, share premium and reserves), perpetual securities and non-controlling interests as detailed in the consolidated statement of financial position. The Group reviews its capital structure on a regular basis and maintains a low net debt to net total capital ratio.

The net debt to net total capital ratio at the year end date is as follows:

	2011 \$ Million	2010 \$ Million
Bank and other loans	45,917	35,154
Loan from joint development partner	–	2,000
Total debt	45,917	37,154
Less: Bank balances and deposits	(19,894)	(25,147)
Net debt	26,023	12,007
Total equity	314,285	273,458
Net debt	26,023	12,007
Net total capital	340,308	285,465
Net debt to net total capital ratio	7.6%	4.2%

31. Approval of Financial Statements

The financial statements reported in Hong Kong dollars and set out on pages 100 to 144 were approved by the board of directors on 29th March, 2012.

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 Nominal Value	Effective percentage held by the Company		Principal Activities
		Directly	Indirectly	
Alcon Investments Limited	HK\$ 1		100	Property development
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
Bristow Investments Limited	HK\$ 1		100	Property development
Carlford Investments Limited	HK\$ 1		100	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 Bond Securities Limited (British Virgin 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
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
Great Art Investment 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

Name	Issued Ordinary Share Capital Nominal Value	Effective percentage held by the Company		Principal Activities
		Directly	Indirectly	
Luxury Green Development Pte. Ltd. (Singapore)	SGD 1,000,000		100	Property development
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 Vision Development Limited	HK\$ 1		100	Property development
Ocean Century Investments 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
Stanley Investments Limited	HK\$ 1		100	Property development
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
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 Bond Securities Limited	Singapore
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 health & agriculture-related products, vineyards & 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
UK Water (2011) Limited (The United Kingdom)		40	Water supply, sewerage and waste water businesses

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
UK Water (2011) Limited	The United Kingdom

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
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 Holdings Limited		33.4	Investment holding
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
Shanklin Developments Limited (British Virgin Islands)		50	Property development
Sky Island Limited (British Virgin Islands)		50	Property development

Principal Jointly Controlled Entities (*continued*)

Name	Effective percentage of Ownership Interest held by the Company		Principal Activities
	Directly	Indirectly	
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
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
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 2011 published financial statements of Hutchison Whampoa Limited, a listed associate, are set out below.

Consolidated Income Statement

For the year ended 31st December, 2011

	2011 \$ Million	As restated 2010 \$ Million
Company and subsidiary companies:		
Revenue	233,700	209,180
Cost of inventories sold	(93,059)	(78,321)
Staff costs	(30,488)	(28,768)
Telecommunications customer acquisition costs	(22,497)	(16,013)
Depreciation and amortisation	(14,080)	(14,932)
Other operating expenses	(53,055)	(50,456)
Change in fair value of investment properties	–	855
Profits on disposal of investments and others	43,147	–
Share of profits less losses after tax of:		
Associated companies	13,819	6,469
Jointly controlled entities	5,877	9,387
	83,364	37,401
Interest expenses and other finance costs	(8,415)	(8,476)
Profit before tax	74,949	28,925
Current tax	(3,237)	(2,493)
Deferred tax credit (charge)	2,150	(706)
Profit after tax	73,862	25,726
Allocated as:		
Profit attributable to non-controlling interests and holders of perpetual capital securities	(17,843)	(5,547)
Profit attributable to ordinary shareholders of the Company	56,019	20,179

Extracts of Financial Statements of Hutchison Whampoa Limited (continued)

Consolidated Statement of Financial Position

At 31st December, 2011

	31/12/2011 \$ Million	As restated 31/12/2010 \$ Million	As restated 1/1/2010 \$ Million
ASSETS			
Non-current assets			
Fixed assets	155,502	167,851	176,192
Investment properties	42,610	43,240	42,323
Leasehold land	10,004	27,561	29,191
Telecommunications licences	75,503	68,333	70,750
Goodwill	26,338	27,332	28,858
Brand names and other rights	12,615	12,865	7,351
Associated companies	137,703	105,589	83,777
Interests in joint ventures	67,562	54,103	51,634
Deferred tax assets	16,992	14,097	14,650
Other non-current assets	10,184	9,131	5,286
Liquid funds and other listed investments	20,239	24,585	23,213
	575,252	554,687	533,225
Current assets			
Cash and cash equivalents	66,539	91,652	92,521
Trade and other receivables	60,345	57,229	48,146
Inventories	18,408	17,733	16,593
	145,292	166,614	157,260
Current liabilities			
Trade and other payables	78,093	80,889	73,029
Bank and other debts	28,835	23,122	17,589
Current tax liabilities	2,431	2,900	3,249
	109,359	106,911	93,867
Net current assets	35,933	59,703	63,393
Total assets less current liabilities	611,185	614,390	596,618
Non-current liabilities			
Bank and other debts	189,719	228,134	242,851
Interest bearing loans from non-controlling shareholders	6,502	13,493	13,424
Deferred tax liabilities	8,893	9,857	9,063
Pension obligations	2,992	1,702	2,436
Other non-current liabilities	4,296	3,945	4,520
	212,402	257,131	272,294
Net assets	398,783	357,259	324,324
CAPITAL AND RESERVES			
Share capital	1,066	1,066	1,066
Perpetual capital securities	15,600	15,600	–
Reserves	342,946	297,367	285,829
Total ordinary shareholders' funds and perpetual capital securities	359,612	314,033	286,895
Non-controlling interests	39,171	43,226	37,429
Total equity	398,783	357,259	324,324

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

Appendix V

Extracts of the 2011 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, 2011

	2011 \$'000	2010 \$'000
Turnover	3,511,563	2,694,204
Cost of sales	(2,331,432)	(1,872,152)
	1,180,131	822,052
Other income, gains and losses	(9,061)	263,226
Staff costs	(363,086)	(337,265)
Depreciation	(17,673)	(21,876)
Amortisation of intangible assets	(44,932)	(44,861)
Other expenses	(494,125)	(439,597)
Finance costs	(89,164)	(17,421)
Share of results of associates	(731)	8
Profit before taxation	161,359	224,266
Taxation	(46,252)	(25,597)
Profit for the year	115,107	198,669
Attributable to:		
Shareholders of the Company	125,826	208,551
Non-controlling interests of subsidiaries	(10,719)	(9,882)
	115,107	198,669

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

Consolidated Statement of Financial Position

As at 31st December, 2011

	31/12/2011 \$'000	31/12/2010 \$'000
Non-current assets		
Investment properties	813,502	–
Vines	537,571	–
Property, plant and equipment	575,962	523,312
Intangible assets	4,133,396	4,019,236
Interests in associates	18,622	18,489
Available-for-sale investments	368,621	310,041
Investments at fair value through profit or loss	153,130	206,014
Deferred taxation	23,718	23,196
Long-term receivables	–	19,984
Time deposits	–	93,480
	6,624,522	5,213,752
Current assets		
Investments at fair value through profit or loss	76,083	163,000
Derivative financial instruments	3,102	–
Tax recoverable	42	–
Inventories	650,886	508,603
Receivables and prepayments	983,985	872,654
Time deposits	91,200	55,309
Bank balances and deposits	380,415	575,209
	2,185,713	2,174,775
Current liabilities		
Payables and accruals	(822,767)	(543,123)
Derivative financial instruments	(37,151)	(24,692)
Bank borrowings	–	(1,067,956)
Finance lease obligations	(373)	(1,003)
Taxation	(61,988)	(65,293)
	(922,279)	(1,702,067)
Net current assets	1,263,434	472,708
Total assets less current liabilities	7,887,956	5,686,460
Non-current liabilities		
Bank borrowings	(1,691,606)	–
Finance lease obligations	(1,277)	(399)
Other borrowings	(536,201)	(36,531)
Deferred taxation	(26,314)	(27,077)
	(2,255,398)	(64,007)
Total net assets	5,632,558	5,622,453
Capital and reserves		
Share capital	961,107	961,107
Share premium and reserves	4,407,652	4,550,419
Equity attributable to shareholders of the Company	5,368,759	5,511,526
Non-controlling interests of subsidiaries	263,799	110,927
Total equity	5,632,558	5,622,453

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 100 to 144, which comprise the consolidated and Company statements of financial position as at 31st December, 2011, 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, 2011 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, 2012

Listed Affiliated Companies



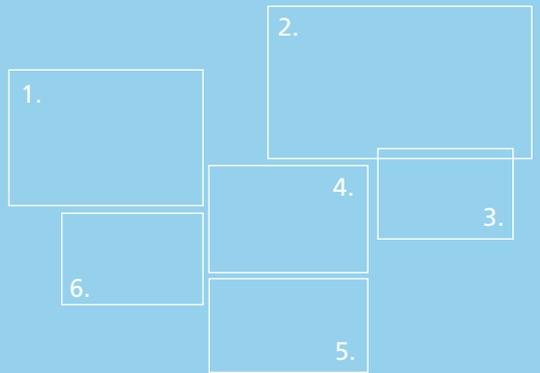
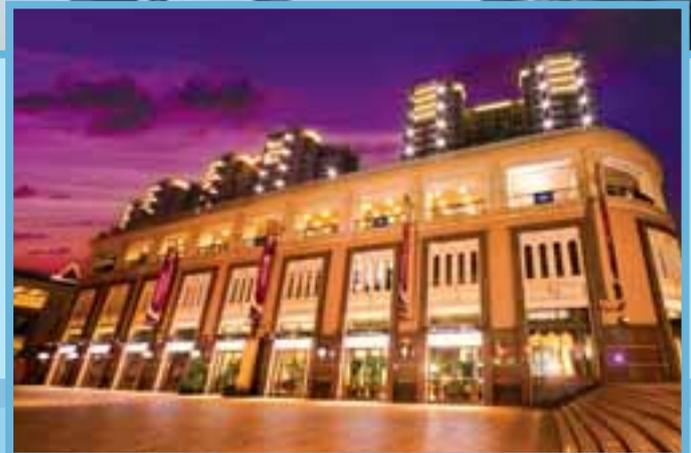
Hutchison Whampoa Limited



- Ports and Related Services
- Property and Hotels
- Retail
- Infrastructure
- Energy
- Telecommunications



Given the nature and the geographical spread of its businesses and their track record, barring unforeseen material adverse developments in major markets, the Hutchison Whampoa Group will continue to grow its recurrent earnings and maintain a strong financial position and liquidity in 2012.



1. The front of the 3 Store in Trowbridge, UK
2. Yantian International Container Terminals' state-of-the-art quay crane is able to tandem lift four TEUs to boost quayside ability
3. Coral Plaza is launched with two other projects in Chongqing in 2011 with encouraging sales achievements
4. A refreshed store concept is rolled out in various European markets to further establish the Marionnaud brand as the leading luxury perfumeries and cosmetics retailer
5. HK Electric commissions Hong Kong's largest solar power system at Lamma Power Station, which comprises 5,500 photovoltaic panels
6. Aerial view of the Central Processing Facility at Husky Energy's Tucker Oil Sands Project

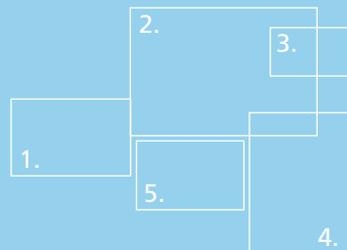
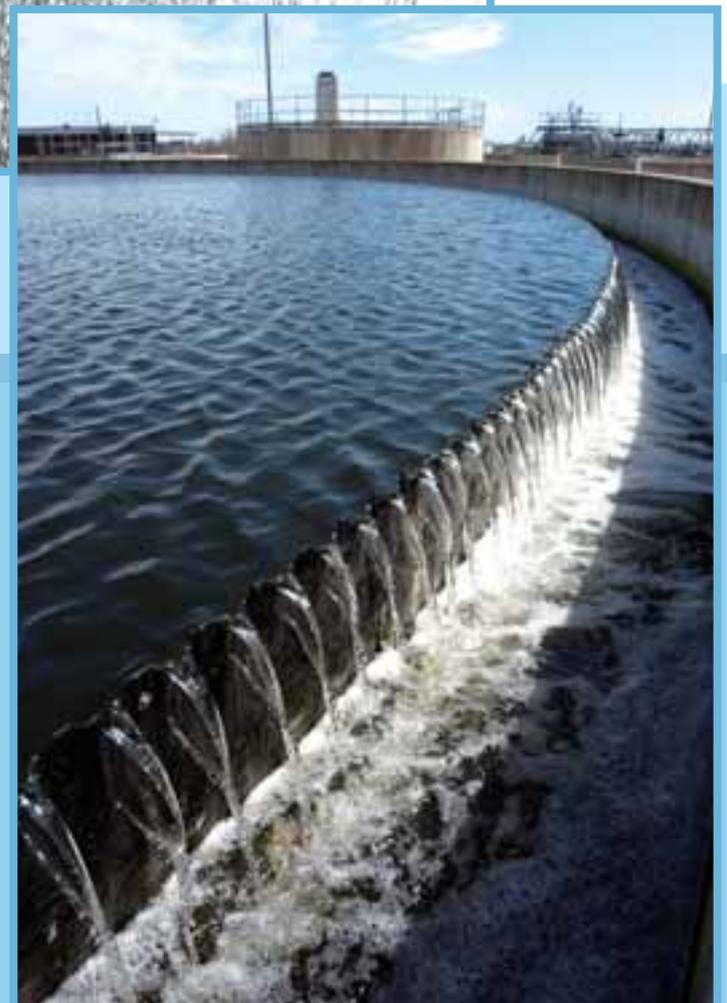


Cheung Kong Infrastructure Holdings Limited



- 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's acquisition strategy has propelled it to develop into a global infrastructure player in the past 15 years. CKI's income base is now very solid, resulting from the secure and recurring earnings generated from the significant investments made over the years.



- 1. UK Power Networks
- 2. Shantou Bay Bridge
- 3. Alliance Construction Materials Limited
- 4. Northumbrian Water
- 5. CitiPower and Powercor



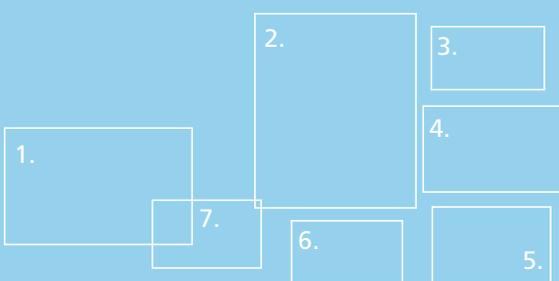
Power Assets Holdings Ltd.
電能實業有限公司

Power Assets Holdings Limited



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

Power Assets currently has investments in mainland China, the United Kingdom, Australia, Thailand, Canada and New Zealand. It has interests in over 10,000 megawatts of power generation assets and over 400,000 kilometres of power and gas networks serving a total of over 13 million customers.



1. Power Assets' associate company, UK Power Networks, constructs and operates the distribution network for the London 2012 Olympic Park
2. Power Assets increases its stake in Meridian Cogeneration Plant together with CKI
3. Company name change reflects global strategy
4. Power Assets receives 2nd Hong Kong Corporate Citizenship Awards presented by Hong Kong Productivity Council
5. HK Electric, a subsidiary of Power Assets, promotes applications of electric kitchen equipment for catering industry at HOFEX 2011
6. Power Assets receives Total Caring Award from The Hong Kong Council of Social Service for its continual and all-round commitment to caring for the well-being of the community, its employees as well as the environment
7. HK Electric's Low Carbon App receives My Top 10 Favourite Hong Kong Apps Awards

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

Global economy has remained highly uncertain as the European sovereign debt crisis continues to threaten the global financial markets and risks of a prolonged period of slowing growth in the advanced economies are increasing. The negative repercussions of a tight global credit market have led to unprecedented volatility in stock and commodity markets, high unemployment rate, and a contraction of economic activities in emerging markets as well as major developed economies. The Cheung Kong Group has diversified operations in 53 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.

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.

Risk Factors (*continued*)

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.

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 53 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.

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

Company Secretary

Eirene YEUNG

Authorised Representatives

IP Tak Chuen, Edmond
Eirene YEUNG

Chief Manager, Accounts Department

MAN Ka Keung, Simon

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Mizuho Corporate Bank, Ltd.
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Bank of China (Hong Kong) Limited
Citibank, N.A.
Sumitomo Mitsui Banking Corporation
Canadian Imperial Bank of Commerce
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited
Bank of Communications Co., Ltd.
Agricultural Bank of China
DBS Bank 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, 2012
Closure of Register of Members (for determination of shareholders who are entitled to attend and vote at Annual General Meeting)	22nd to 25th May, 2012 (both days inclusive)
Annual General Meeting	25th May, 2012
Record Date (for determination of shareholders who qualify for the Final Dividend)	31st May, 2012
Payment of Final Dividend	14th June, 2012

This annual report 2011 (“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.

The Annual Report (both English and Chinese versions) has been posted on the Company’s website at 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.

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 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.



