

Strong Resilience to Market Challenges



CHEUNG KONG PROPERTY HOLDINGS LIMITED

長江實業地產有限公司

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE: 1113

Annual Report 2016

Group Structure



CHEUNG KONG PROPERTY GROUP
TOTAL MARKET CAPITALISATION

HK\$242 Billion

22 March 2017

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Five Year Financial Summary

Consolidated Income Statement (HK\$ million)					
	2012	2013	2014	2015	2016
Group revenue	19,192	17,011	24,038	57,280	69,300
Share of revenue of joint ventures	13,155	16,540	8,189	1,513	610
Total	32,347	33,551	32,227	58,793	69,910
Profit attributable to					
Shareholders	16,930	14,152	17,068	17,113	19,415
Non-controlling interests	133	272	248	795	394
Profit after taxation	17,063	14,424	17,316	17,908	19,809
Consolidated Statement of Financial Position (HK\$ million)					
	2012	2013	2014	2015	2016
Fixed assets	10,093	9,942	9,928	18,614	33,695
Investment properties	29,656	28,777	33,285	119,959	125,306
Joint ventures	46,072	45,309	45,897	4,393	7,907
Associates	–	–	–	7,743	7,333
Other non-current assets	5,596	5,606	7,473	9,599	9,791
Net current assets (liabilities)	(8,620)	1,096	3,837	174,870	169,047
	82,797	90,730	100,420	335,178	353,079
Non-current liabilities	1,120	1,576	1,349	65,491	76,805
Net assets	81,677	89,154	99,071	269,687	276,274
Representing:					
Share capital	–	–	–	3,860	3,824
Share premium	–	–	–	250,951	249,179
Combined capital	93	93	93	–	–
Reserves	78,519	86,002	96,161	8,285	17,196
Shareholders' funds	78,612	86,095	96,254	263,096	270,199
Non-controlling interests	3,065	3,059	2,817	6,591	6,075
Total equity	81,677	89,154	99,071	269,687	276,274
Shareholders' funds					
– NBV per share (HK\$) (Note 1)	20.37	22.31	24.94	68.17	70.66
Earnings per share (HK\$) (Note 2)	4.39	3.67	4.42	4.43	5.05
Dividend per share (HK\$)				1.40	1.53
Interim dividend				0.35	0.38
Final dividend				1.05	1.15

Note 1: Calculation of NBV per share for 2016 and 2015 is based on number of shares in issue at the year end dates. Calculation of NBV per share for 2012 to 2014 is based on 3,859,678,500 shares issued on 3 June 2015, the listing date, as if such number of shares had been in issue at those year end dates.

Note 2: Calculation of earnings per share for 2016 is based on the weighted average of 3,847,159,309 shares in issue during the year. Calculation of earnings per share for 2012 to 2015 is based on 3,859,678,500 shares issued on the listing date as if such number of shares had been in issue throughout the years concerned.

The Year at a Glance



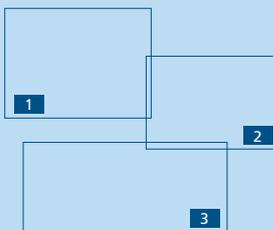
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1. The Group announced its 2016 Annual Results on 22 March 2017
2. La Mansion in Yuen Long
3. Launch of Emerald Cove Highrise in Foshan

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 La Mansion in Yuen Long was offered to the market for sale.

 Launch of Emerald Cove Highrise in Foshan was well received by home buyers.

The Year at a Glance (continued)



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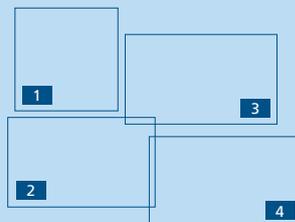


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1. Awarded Hong Kong Top 10 Developers Award 2016
2. Launch of Stars of Kovan in Singapore
3. La Grande Ville in Beijing
4. Launch of Hudson Parkway I of Upper West Shanghai in Shanghai

- ☞ Awarded "Hong Kong Top 10 Developers Award 2016" at BCI Asia Awards 2016.
- ☞ Stars of Kovan was launched in Singapore with promising sales results recorded.

- ☞ La Grande Ville in Beijing was offered for sale with favourable response.
- ☞ Launch of Hudson Parkway I of Upper West Shanghai in Shanghai was well received by purchasers.



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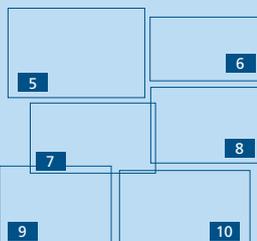
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5. & 6. Royal Waterfront in Shanghai

7. Waterfront Landmark Phase 2 in Wuhan

8. & 9. Laguna Parkview in Dongguan

10. Harbourfront Phase 5 in Qingdao

4-6

☞ Royal Waterfront in Shanghai was launched.

☞ Encouraging sales were recorded for Waterfront Landmark Phase 2 in Wuhan.

☞ The Harbourfront Phase 5 in Qingdao was offered to the market for sale.

☞ Release of Laguna Parkview in Dongguan achieved positive results.

The Year at a Glance (continued)



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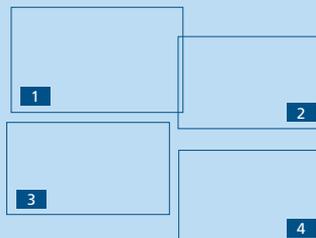


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1. & 2. Hudson Parkway II of Upper West Shanghai in Shanghai

3. & 4. Regal Lake in Guangzhou

☞ The Group won the tender for the residential site on Lai Ping Road in Kau To, Sha Tin.

☞ Sale of Hudson Parkway II of Upper West Shanghai in Shanghai met with encouraging response from the market.

☞ Sales of units under Regal Lake in Guangzhou are in good progress.



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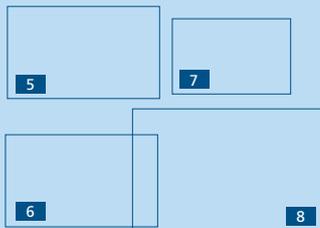
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5. & 6. Le Parc Phase 6 in Chengdu

7. Awarded Asia's Best Employer Brand Awards

8. Greater China Super Brands Awards 2016 ceremony

7-9

- ☞ Launch of Le Parc Phase 6 in Chengdu met with favourable response.
- ☞ Awarded "Asia's Best Employer Brand Awards" at the 7th Asia Best Employer Brand Awards 2016 in Singapore.

- ☞ The Group received the "Greater China Super Brands Awards 2016" presented by *East Week Magazine*.

The Year at a Glance *(continued)*

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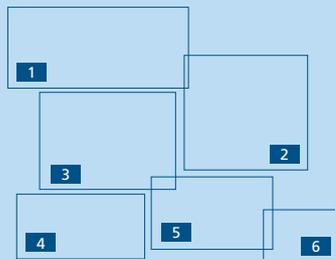


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1. & 2. Release of The Zumurud in Ma Tau Kok

3. Lake Como in Shanghai

4. Aircraft leasing team

5. Awarded Listed Company Award of Excellence 2016

6. The Best Creative Ad Award

- ☞ The Group invested in aircraft leasing business.
- ☞ The Zumurud in Ma Tau Kok was released to the market.
- ☞ Good sales results were registered for Lake Como in Shanghai.

- ☞ The Group was awarded the "Listed Company Award of Excellence 2016" by *Hong Kong Economic Journal*.
- ☞ Stars by the Harbour in Hung Hom received "The Best Creative Ad" Award at the "Metro Creative Awards 2016".



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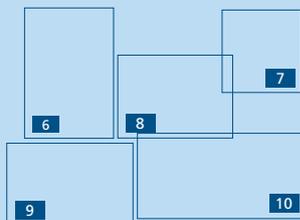
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6. Awarded Gold Award – Advertising: TV Ad (Single) presented by Galaxy Awards 2016

7. Sheraton Chengdu Lido Hotel

8. Wonderful Worlds of Whampoa in Hung Hom received three awards

9. Awarded Good MPF Employer Award 2015/2016

10. Directors' training on regulatory and compliance issues

10-12

- ☞ Yuccie Square in Yuen Long received the "Gold Award – Advertising: TV Ad (Single)" by Galaxy Awards 2016.
- ☞ Directors' training was held with distinguished professionals presenting topics relating to regulatory and compliance issues.
- ☞ Member companies of the Group were awarded the "Good MPF Employer Award 2015/2016" by the Mandatory Provident Fund Schemes Authority.

- ☞ Wonderful Worlds of Whampoa received three awards: Hong Kong Economic Times Group: "My Favorite Shopping Mall Event"; Sing Tao Limited: "Shopping Mall Parent-Child Activities"; Metro Broadcast Corporation Limited: "Goodwill Awards 2016".
- ☞ Sheraton Chengdu Lido Hotel received three awards in 2016 – *LifeStyle* magazine: "2016 Best Business Hotel – Luxury" from the 6th Annual China Hotel Awards; *Metropolitan* magazine: "Best Business Service Hotel" from the Metropolitan Hotel Awards 2016 and eLong.com: "Best Cooperating Hotel 2016".

Report of the Chairman and the Managing Director

Strong Resilience to Market Challenges



HIGHLIGHTS

	2016 HK\$ Million	2015 ^{Note 2} HK\$ Million	Change
Revenue ^{Note 1}	69,910	58,793	+19%
Profit before investment property revaluation	18,032	15,568	+16%
Investment property revaluation (net of tax)	1,383	1,545	-10%
Profit attributable to shareholders	19,415	17,113	+13%
Earnings per share	HK\$5.05	HK\$4.43	+14%
Final dividend per share	HK\$1.15	HK\$1.05	+9.5%
Full year dividend per share	HK\$1.53	HK\$1.40	+9.3%

Note 1: Revenue includes the Group's revenue of HK\$69,300 million and the Group's share of revenue of joint ventures of HK\$610 million.

Note 2: Results for 2015 cover (i) the results of the property businesses of the Cheung Kong Group* for the full year and (ii) the results of the property businesses of the Hutchison Group** after the Property Businesses Combination*** for the period from 3 June 2015 to 31 December 2015 (212 days).

PROFIT FOR THE YEAR

The Group's audited profit attributable to shareholders for the year ended 31 December 2016 amounted to HK\$19,415 million. Earnings per share were HK\$5.05.

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DIVIDEND

The Directors recommend the payment of a final dividend of HK\$1.15 per share in respect of 2016 to shareholders whose names appear on the Register of Members of the Company at the close of business on Wednesday, 17 May 2017. This together with the interim dividend of HK\$0.38 per share paid on 22 September 2016 gives a total of HK\$1.53 per share for the year. The proposed final dividend will be paid on Wednesday, 31 May 2017 following approval at the 2017 Annual General Meeting.

* "Cheung Kong Group" refers to CK Hutchison Holdings Limited and its subsidiaries before 3 June 2015.

** "Hutchison Group" refers to Hutchison Whampoa Limited and its subsidiaries before 3 June 2015.

*** "Property Businesses Combination" refers to the combination and transfer to the Group of all the property businesses of the Cheung Kong Group and of the Hutchison Group pursuant to the reorganisation and spin-off plan completed on 3 June 2015.

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

PROSPECTS

Business Review

Several unexpected events occurred in 2016 that reshaped the global political and economic landscape. The repercussions of Brexit, rising U.S. interest rates and the depreciation of various currencies against the U.S. dollar have given rise to an uncertain and difficult economic environment.

Cheung Kong Property Holdings Limited (the "Group") continues to follow a prudent and disciplined approach to development amid the challenges of a constantly changing marketplace. All of its property businesses recorded steady progress, with a solid overall performance achieved for the year. Meanwhile, the Group has pursued global investment opportunities in line with the criteria set out in the 2015 Annual Report, and consistent with its strategy to broaden its growth prospects through diversification and globalisation. Since late 2016, our footprint is poised to extend to the energy infrastructure and aircraft leasing areas to enhance our recurring revenue streams and mitigate the cyclical nature of cash flows associated with property development.

The Group's overall results for the year were in line with expectations. For the year ended 31 December 2016, the Group's audited profit attributable to shareholders was HK\$19,415 million, 13% higher than last year. Profit before investment property revaluation was HK\$18,032 million, an increase of 16% compared with 2015. An increase in fair value of investment properties of HK\$1,383 million after tax was recorded.

Property Businesses

All of the Group's property businesses are progressing steadily according to our schedules, with solid performances achieved in 2016:

Property Development

The property market in Hong Kong generally remained stable although buyers' sentiment was affected by the government measures to stabilise the market in late 2016, and the advent of the U.S. interest rate upcycle. On the Mainland, new measures were introduced in the fourth quarter last year to regulate and moderate growth in property sales, construction and investment. The Group's property sales in 2016 comprised mainly projects in Hong Kong and the Mainland. Contribution for the year was in line with our expectations. Looking to 2017, property projects in Hong Kong and the Mainland will remain our major focus for marketing and sales.

Property Investment

The local retail market continues to consolidate with retail turnover continuing to decrease, albeit at a slower rate in recent months. Despite the downward pressure on retail rentals amid the prevailing difficult market conditions, the Group's contribution from property rental increased when compared with last year, largely attributable to the expansion of the Group's investment property portfolio, and the steady rental contribution from its premium commercial properties. To further strengthen its recurring revenue base, the Group will continue to optimise and enhance its investment property portfolio through investments in high quality projects with stable rental returns.

Hotel and Serviced Suite Operation

Visitor arrivals to Hong Kong increased in December last year, ending the successive declines in the preceding five quarters. The number of Mainland visitors also appeared to have stabilised. However, the average achieved hotel room rate in 2016 was lower than 2015. Inevitably, the Group's hotel operation was affected by the prevailing market conditions while the serviced suite operation remained relatively resilient. Contribution increased moderately in 2016 as a whole. As part of the policies to enhance its quality streams of recurring revenue, the Group will continue to strengthen its hotel and serviced suite portfolio, and increase its competitiveness by enhancing operational efficiency and brand positioning to release the underlying portfolio value in a timely manner.

Property and Project Management

The Group continued to strengthen its property and project management business to support its development and investment properties. An increase in turnover and contribution was registered as compared with the previous year. The total floor area of properties under the Group's property management is expected to increase following the completion of various developments.

New Business Ventures

Driven by the strategic objective to generate stable, quality returns for shareholders through diversification and globalisation, the Group is poised to expand into new business sectors. Since late 2016, suitable investment opportunities have arisen:

On 14 March 2017, the necessary independent shareholders' approval was obtained by each of the Group, Cheung Kong Infrastructure Holdings Limited and Power Assets Holdings Limited for the formation of a consortium which is held as to 40%, 40% and 20% respectively by each of them to acquire 100% of the stapled securities in issue of the DUET Group which are listed on the Australian Securities Exchange at an offer price of AUD3.00 per share. However, completion of the acquisition is still subject to the approval of DUET Group's securityholders and other governmental approvals. The Group has adequate financial resources to satisfy the required financial commitment. The DUET Group is an owner and operator of energy utility assets in Australia, the United States, the United Kingdom and Europe, and represents an attractive investment opportunity with good growth potential.

In December 2016, the Group purchased from CK Hutchison Holdings Limited the equity interests in CK Capital Limited and Harrier Global Limited, companies engaged in the aircraft leasing business. The acquisition was completed on 15 December 2016 at the adjusted total consideration of approximately US\$988 million (equivalent to approximately HK\$7,690 million). We plan to expand the aircraft leasing business as part of our strategy to broaden our growth prospects through diversification and globalisation, and to generate steady cash flows and predictable returns on a medium to long term basis.

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

Outlook

2017 is expected to be a year of evolving global political and economic developments. Uncertainties may result following the change of the U.S. government in January this year and a series of government elections across Europe and Asia. The Brexit process and the U.S. interest rate increases will also be the focal points of the market. The global economy is likely to stay on a slow growth trajectory in the year to come.

China's GDP growth in 2016 was in line with expectations with the support of growth stabilising policies. The growth is especially impressive when viewed against the prevailing difficult global economic environment. Policies targeted at deflating asset bubbles and forestalling potential risks will continue to deepen supply-side structural reform and boost the real economy. China is expected to sustain a healthy and steady economic development over the longer term.

Hong Kong is under challenges from the complex and volatile external environment. The local property market is likely to remain stable given the relatively solid economic fundamentals, and the pent-up demand for properties. Government housing policies will continue to be a determining factor for the property market both in Hong Kong and on the Mainland.

The Group is well positioned to diversify globally by building on its strong financial strength, with ample liquidity and a low debt ratio. As guided by the principle "to advance while maintaining stability", we continue to pursue quality investments worldwide with stable recurring revenue, such as infrastructure investment, property investment, and aircraft leasing. It enables us to secure recurring revenue streams in the near term, achieve long-term sustainable business growth, and maximise value for all shareholders. 2017 will be characterised by significant political and economic challenges. The Group will continue to respond to evolving market trends with prudence and adaptability, and with creativity and innovation. We will pursue business and geographic expansion to generate the best returns for shareholders by leveraging on our sound fundamentals and strong financials, and by adhering to a cautious development principle. The Group is reasonably confident in meeting its profitability target for 2017 despite a complex and volatile global political and economic environment.

Intelligent, creative, dedicated, experienced 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 and our diligent employees for their hard work, loyal service and contributions during the year.

Li Ka-shing
Chairman

Li Tzar Kuoi, Victor
Managing Director

Hong Kong, 22 March 2017

Management Discussion and Analysis

SUSTAINABLE DEVELOPMENT STRATEGY

The Group has diverse capabilities with activities encompassing property development and investment, hotel and serviced suite operation and property and project management, and it has interests in three listed real estate investment trusts. The Group has a leading market share in property development in Hong Kong and the Mainland, and an international presence through its operations in Singapore and the United Kingdom. It will strive to strengthen its existing property businesses, and expand into other new business investments such as infrastructure and aircraft leasing.

The Group's capabilities lie in its extensive asset portfolio and sound business fundamentals. It is steadfast in its aim to maximise shareholder's value through the long-term sustainable growth of its business. The Group will continue to provide innovative property concepts, enhance property qualities, and upgrade asset management levels. Meanwhile, we seek to improve overall asset performance and to timely release the underlying property portfolio value by evaluating and strategically adjusting our mix of properties for sale and investment from time to time.

Other than property investment, the Group will continue to pursue quality investments worldwide with recurring revenue, such as infrastructure investment and aircraft leasing, following its principle "to advance while maintaining stability" and taking into consideration the operating conditions of various markets, and the risks and returns of different projects. Such new investments should enable the Group to strengthen recurring revenue streams and achieve long-term sustainable business growth. All investment decisions are based on the long-term interests of shareholders, with a view to creating value growth for shareholders, and should meet the criteria to: (1) generate stable income and provide a steady stream of liquidity in the long term; (2) provide income in the short or medium term and enhance overall profitability; and (3) strengthen the Group's dividend distribution capability.

Through a pool of professional talents specialised in different business areas including investment, operation, finance and risk management, the Group will further enhance its operational efficiency and effectiveness, and strengthen its risk management capacity to deal with unforeseen market changes. The Group's strong and diversified recurring income base provides it with a solid financial foundation and allows it to maintain its credit profile. Through adhering to our fundamental financial policy of maintaining a healthy debt ratio, as well as our policy of seeking access to diversified funding sources, we are able to maintain strong liquidity and sufficient financial resources to flexibly respond to acquisition and investment opportunities as they arise, and gather momentum for growth on a long-term, sustainable basis.

Management Discussion and Analysis (continued)

BUSINESS REVIEW

Major Business Activities

1. Developments Completed during 2016:

Name	Location	Gross Floor Area (sq.m.)	Group's Interest
The Beaumont II	Tseung Kwan O Town Lot No. 111	51,000	100%
Crescendo	Lot No. 2086 in D.D. 105 Yuen Long	9,392	100%
La Lumière	Hung Hom Inland Lot No. 556	9,740	100%
Yuccie Square	Yuen Long Town Lot No. 518	61,700	100%
VIVA	The Remaining Portions of Subsections 6, 7, 8, 9 and 10 of Section A of Kowloon Marine Lot No. 53 and The Remaining Portion of Section A of Subsection 8 of Section A of Kowloon Marine Lot No. 53	3,574	100%
The Zumurud	Kowloon Inland Lot No. 11125	36,630	80%
Yuhu Mingdi Phase 2(1)	Huangpu District, Guangzhou	55,967	80%
Regency Park Phases 4A and 4B	Jingyue National High-tech Industrial Development Zone, Changchun	159,075	100%
Regency Hills Land No. 8B	Yangjiashan, Chongqing	11,205	95%
Regency Lakeview Land Nos. G18-A and G18-B	Liangjiang New Area, Chongqing	201,363	100%
Emerald Cove Phases 1B, 2A and 2B	Chancheng District, Foshan	166,727	100%
Emerald City Phases 1A, 1B and 2C	Jianye District, Nanjing	115,614	100%

Name	Location	Gross Floor Area (sq.m.)	Group's Interest
The Harbourfront Land No. 5	Shibei District, Qingdao	253,446	90%
Royal Waterfront Phase 2	Qing Pu District, Shanghai	47,571	100%
Riviera Palace Phase 2A	Qing Pu District, Shanghai	76,188	100%
Century Link Retail and Office Tower 2	Pudong New District, Shanghai	217,921	50%
Millennium Waterfront Phases 2A and 2B	Jiangnan District, Wuhan	301,949	100%
The Metropolitan Wuhan Phase 1	Jiangnan District, Wuhan	205,354	100%
The Greenwich Phase 4B	Xian Hi-Tech Industries Development Zone, Xian	133,231	100%

2. Developments in Progress and Scheduled for Completion in 2017:

Name	Location	Gross Floor Area (sq.m.)	Group's Interest
Repulse Bay Road Project	The Remaining Portion of Rural Building Lot No. 177	6,613	100%
Seanorama	Sha Tin Town Lot No. 574	52,227	100%
La Grande Ville Phases 3 and 4	Shun Yi District, Beijing	254,303	100%
Yuhu Mingdi Phases 2(1) and 3	Huangpu District, Guangzhou	80,137	80%
Upper West Shanghai Phase 2 Tenders 1 and 2 and Phase 4 Tender 1	Putuo District, Shanghai	229,604	60%

Management Discussion and Analysis (continued)

Name	Location	Gross Floor Area (sq.m.)	Group's Interest
Hupan Mingdi Land Nos. 905 and 911 South	Jiading District, Shanghai	134,828	100%
Noble Hills Phases 4A and 5B	Wangcheng District, Changsha	71,104	100%
Le Parc Phase 6C	Chengdu High-Tech Zone, Chengdu	56,854	100%
Regency Hills Land Nos. 11A and 13A	Yangjiashan, Chongqing	89,159	95%
The South Bay Phase 5B	Jinzhou New Area, Dalian	57,445	100%
Laguna Verona Phases D2a, G1b/G2a Zone 1 & 2 and H	Hwang Gang Lake, Dongguan	271,934	99.82%
Cape Coral Phase 4B	Panyu District, Guangzhou	96,768	100%
Noble Hills Phase 2	Zengcheng, Guangzhou	96,012	100%
Emerald City Phases 1B and 1C	Jianye District, Nanjing	30,727	100%
The Harbourfront Land No. 7	Shibei District, Qingdao	80,219	90%
City Link Phase 1	Jing An District, Shanghai	67,518	60%
The Greenwich Phase 4B	Xian Hi-Tech Industries Development Zone, Xian	52,828	100%
Chelsea Waterfront Claydon House, Chartwell House and Compton House	Chelsea/Fulham, London	15,135	95%

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

- (1) March and May 2016: The Company bought back 11,525,000 and 2,010,000 shares of HK\$1.00 each in the capital of the Company ("Shares") on 18 March 2016 and 21 March 2016 respectively on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The total number of 13,535,000 Shares were cancelled on 18 April 2016. The Company also bought back 645,500 Shares on 23 May 2016 on the Stock Exchange. Such 645,500 Shares were cancelled on 22 June 2016.
- (2) July 2016: A wholly owned subsidiary of the Company has established a US\$3,000,000,000 Euro Medium Term Note Programme (the "Programme") which is guaranteed by the Company for the purpose of issuing notes (the "Notes") that 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 US\$3,000,000,000. The Programme provides that the Notes may be listed on the Stock Exchange or such other stock exchanges as may be agreed with the relevant dealer(s).
- (3) September 2016: A wholly owned subsidiary of the Group was awarded a Government tender for a site, Sha Tin Town Lot No. 614, at Lai Ping Road, Kau To, Sha Tin, New Territories. With an area of approximately 67,800 sq.ft. (approximately 6,299 sq.m.), the site is designated for a residential development estimated to have a developable gross floor area of approximately 244,080 sq.ft. (approximately 22,676 sq.m.).
- (4) October 2016: Two indirect wholly owned subsidiaries of the Group and a direct wholly owned subsidiary of Li Ka Shing (Overseas) Foundation ("LKSOFF") ("LKSOFF Sub") (as the Sellers), the Company (as seller guarantor for the two indirect wholly owned subsidiaries of the Group), LKSOFF (as seller guarantor for LKSOFF Sub) and Mapleleaf Century Limited (as the Purchaser) entered into a sale and purchase agreement ("SPA") in relation to, inter alia, the sale of the entire issued share capital of Mapleleaf Developments Limited ("MDL") (the "Disposal") which indirectly owns a property development known as Century Link located in Shanghai, the Mainland (the "Property") at a consideration determined by taking the agreed value of the Property at RMB20 billion (approximately HK\$23 billion) and deducting the Onshore Vendor Financing Principal Amount (as defined in the SPA) (subject to adjustments). The two indirect wholly owned subsidiaries of the Group and LKSOFF Sub own 25%, 25% and 50% of the issued share capital of MDL respectively. Completion of the Disposal is expected to take place in or about 2017/2018.
- (5) December 2016: A wholly owned subsidiary of the Group and CK Capital Investment Limited ("CKCI"), a wholly owned subsidiary of CK Hutchison Holdings Limited, entered into a sale and purchase agreement, pursuant by which CKCI agreed to sell and the Group's wholly owned subsidiary agreed to purchase all the issued shares in CK Capital Limited owned by CKCI and the entire issued share capital of Harrier Global Limited owned by CKCI, both engaged in the aircraft leasing businesses, for an adjusted total consideration of approximately US\$988 million (equivalent to approximately HK\$7,690 million). The acquisition was completed on 15 December 2016.

Management Discussion and Analysis (continued)

- (6) December 2016 and January 2017: The Company bought back 2,115,000, 10,183,500 and 9,200,000 Shares on 5 December 2016, 7 December 2016 and 8 December 2016 respectively on the Stock Exchange. The total number of 21,498,500 Shares were cancelled on 16 December 2016. The Company also bought back 4,244,000, 3,619,000, 3,717,500, 5,247,500 and 6,977,000 Shares on 16 January 2017, 17 January 2017, 18 January 2017, 19 January 2017 and 20 January 2017 respectively on the Stock Exchange. The total number of 23,805,000 Shares were cancelled on 27 January 2017.
- (7) January 2017: The Company, Cheung Kong Infrastructure Holdings Limited (“CKI”) and Power Assets Holdings Limited (“PAH”) (together, the “Consortium Members”) entered into a consortium formation agreement for the acquisition of all of the stapled securities in issue of the DUET Group by way of schemes of arrangement and a trust scheme as described in the Company’s announcement of 16 January 2017 (the “Acquisition”) (“Joint Venture Transaction”). The DUET Group, securities of which are listed on the Australian Securities Exchange, is an owner and operator of energy utility assets in Australia, the United States, the United Kingdom and Europe. The necessary independent shareholders’ approvals in respect of the Joint Venture Transaction between the Company, CKI and PAH as to 40%, 40% and 20% respectively were obtained on 14 March 2017. However, completion of the Acquisition is still subject to the approval of DUET Group’s securityholders and other governmental approvals.

Property Sales

Revenue of property sales (including share of joint ventures) recognised for the year was HK\$56,804 million (2015 – HK\$49,059 million), comprising mainly (i) sale of residential units of property projects in Hong Kong – Stars by the Harbour, La Lumière, The Beaumont II and Yuccie Square; (ii) sale of residential units of property projects on the Mainland – Hupan Mingdi and Riviera Palace in Shanghai, Millennium Waterfront and The Metropolitan in Wuhan, Emerald City in Nanjing, Laguna Verona in Dongguan and The Harbourfront in Qingdao; and (iii) sale of commercial properties in Hong Kong including the property project at Heung Yip Road completed last year, and is summarised by locations as follows:

Location	2016 HK\$ Million	2015 HK\$ Million
Hong Kong	20,882	15,924
The Mainland	35,914	29,405
Singapore	–	3,724
Others	8	6
	56,804	49,059

Contribution from property sales (including share of joint ventures) for the year was HK\$17,667 million (2015 – HK\$15,522 million) and was derived from the following locations:

Location	2016 HK\$ Million	2015 HK\$ Million
Hong Kong	7,108	4,769
The Mainland	10,635	10,093
Singapore	(53)	688
Others	(23)	(28)
	17,667	15,522

Property sales contribution for 2017 will mainly be derived from the sale of residential units of Stars by the Harbour, The Zumurud and Seanorama in Hong Kong, La Grande Ville in Beijing, Upper West Shanghai and Hupan Mingdi in Shanghai, Cape Coral in Guangzhou, Laguna Verona in Dongguan, Chelsea Waterfront in the United Kingdom, and a few others scheduled for completion.

In Hong Kong, the presale of residential units of Seanorama has been launched recently whereas the presales of residential units of Harbour Glory and Ocean Pride (scheduled for completion in 2018) will be launched later this year. On the Mainland, the sales and presales of various property projects in the major cities are progressing well, while the presales of Chelsea Waterfront in the United Kingdom (rescheduled for completion in 2017) and Stars of Kovan in Singapore (scheduled for completion in 2019) are underway.

The Group has also entered into a sale and purchase agreement for the disposal of its 50% interest in a joint venture which completed the development of Century Link, a commercial property in Shanghai, and profit will be recognised upon fulfilment of the terms and conditions of the agreement.

At the year end date, the Group had a development land bank (excluding agricultural land and completed properties but including developers' interests in joint development projects) of approximately 135 million sq.ft. (12.6 million sq.m.), of which 6 million sq.ft. (0.6 million sq.m.), 125 million sq.ft. (11.6 million sq.m.) and 4 million sq.ft. (0.4 million sq.m.) were in Hong Kong, the Mainland and overseas respectively; and property sales contracted (including share of joint ventures) but not yet recognised were as follows:

Location	Contracted Sales Amount HK\$ Million
Hong Kong	8,805
The Mainland	38,035
Singapore	972
The United Kingdom	928
	48,740

Management Discussion and Analysis (continued)

Property Rental

Revenue of property rental (including share of joint ventures) for the year was HK\$7,430 million (2015 – HK\$5,138 million) and included a full year’s revenue derived from leasing of the properties previously held by CK Hutchison Holdings Limited and its subsidiaries (“Cheung Kong Group”) and also from those previously held by Hutchison Whampoa Limited and its subsidiaries (“Hutchison Group”), whereas revenue for 2015 included a full year’s revenue derived from leasing of the properties previously held by the Cheung Kong Group and revenue for a 212-day period only from those previously held by the Hutchison Group (please refer to Property Businesses Combination as described in the Company’s 2015 annual report).

	2016	2015
	HK\$ Million	HK\$ Million
Properties previously held by		
Cheung Kong Group	2,441	2,339
Hutchison Group	4,989	2,799
	7,430	5,138

The Group’s investment properties are mostly located in Hong Kong and comprise mainly office, retail and industrial properties, which accounted for 42%, 38% and 11% respectively of the revenue of property rental for the year.

Contribution from property rental (including share of joint ventures) for the year was HK\$6,784 million (2015 – HK\$4,513 million) and was derived from the following locations:

	2016	2015
	HK\$ Million	HK\$ Million
Location		
Hong Kong	6,290	4,195
The Mainland	398	272
The United Kingdom	30	11
Others	66	35
	6,784	4,513

At the year end date, the Group held an investment property portfolio of approximately 17 million sq.ft. as follows:

Location	Office Million sq.ft.	Retail Million sq.ft.	Industrial Million sq.ft.	Total Million sq.ft.
Hong Kong	4	3	7	14
The Mainland	1	1	–	2
Others	–	1	–	1
	5	5	7	17

and recorded an increase in fair value of HK\$1,262 million (2015 – HK\$1,408 million) of investment properties based on a professional valuation using capitalisation rates ranging from approximately 4% to 8%. The Group also shared an increase in fair value of HK\$3 million (2015 – HK\$16 million) of investment properties held by joint ventures.

Hotel and Serviced Suite Operation

Revenue of hotel and serviced suite operation (including share of joint ventures) for the year was HK\$4,850 million (2015 – HK\$4,005 million) and included a full year's revenue derived from operation of the hotels and serviced suites previously owned by the Cheung Kong Group and also from those previously owned by the Hutchison Group, whereas revenue for 2015 included a full year's revenue derived from operation of the hotels and serviced suites previously owned by the Cheung Kong Group and revenue for a 212-day period only from those previously owned by the Hutchison Group.

Hotels and serviced suites previously owned by	2016 HK\$ Million	2015 HK\$ Million
Cheung Kong Group	2,577	2,589
Hutchison Group	2,273	1,416
	4,850	4,005

The Group's hotel and serviced suite portfolio comprises 15 hotels and serviced suites in Hong Kong, 4 hotels on the Mainland, 1 hotel in The Bahamas and a total of over 16,000 rooms. During the year, the average room rates achieved by the Group's hotel and serviced suite operation in Hong Kong, on the Mainland and in The Bahamas were HK\$795, HK\$599 and HK\$751 respectively and the average occupancy rates were 88.6%, 63.4% and 49.8% respectively.

Management Discussion and Analysis (continued)

Contribution from hotel and serviced suite operation (including share of joint ventures) for the year after depreciation charge of HK\$423 million on land and buildings was HK\$1,509 million (2015 – HK\$1,279 million) and was derived from the following locations:

Location	2016 HK\$ Million	2015 HK\$ Million
Hong Kong	1,619	1,387
The Mainland	(24)	(27)
The Bahamas	(86)	(81)
	1,509	1,279

The average hotel operating profit of the Group's hotel and serviced suite operation for the year was HK\$18 per square foot per month, representing an annual yield of 16.9% on the carrying amount of the Group's completed hotel and serviced suite properties at the year end date.

Property and Project Management

Revenue of property and project management (including share of joint ventures) for the year was HK\$620 million (2015 – HK\$591 million) and included a full year's revenue derived from management of the properties and projects previously managed by the Cheung Kong Group and also from those previously managed by the Hutchison Group, whereas revenue for 2015 included a full year's revenue derived from management of the properties and projects previously managed by the Cheung Kong Group and revenue for a 212-day period only from those previously managed by the Hutchison Group.

Properties and projects previously managed by	2016 HK\$ Million	2015 HK\$ Million
Cheung Kong Group	390	468
Hutchison Group	230	123
	620	591

Contribution from property and project management (including share of joint ventures) for the year was HK\$267 million (2015 – HK\$257 million) and was derived from the following locations:

Location	2016 HK\$ Million	2015 HK\$ Million
Hong Kong	209	185
The Mainland	35	30
Others	23	42
	267	257

At the year end date, the total floor area of properties managed by the Group was approximately 252 million sq.ft. and this is expected to grow steadily following gradual completion of the Group's property development projects in the years ahead. The Group is committed to providing high quality services to the properties under its management.

Aircraft Leasing

During the second half year, the Group invested in aircraft leasing business to broaden its future income growth prospects and acquired or committed to acquire a total of 108 aircraft for an aggregate consideration of approximately HK\$35 billion. The aircraft leasing business provides a steady income on a medium to long term basis and mitigates the cyclical nature of cash flows associated with property development.

Revenue of aircraft leasing (including share of joint ventures) derived during the year was HK\$206 million and contribution after aircraft depreciation charge of HK\$99 million amounted to HK\$84 million, which was derived from the following locations (with reference to lessee's place of operation):

Location	2016 HK\$ Million	2015 HK\$ Million
Asia	15	–
Europe	6	–
North America	43	–
Latin America	20	–
	84	–

At the year end date, the Group (including interest in joint ventures) owned a total of 67 narrow body and 6 wide body aircraft with an average age of 4.5 years and an average remaining lease term of 6.4 years.

Management Discussion and Analysis (continued)

Interests in Real Estate Investment Trusts

At the year end date, the Group had effective interests in listed real estate investment trusts (“REITs”) as follows:

	Principal Activities	Effective Interest
Hui Xian REIT	Investment in hotels and serviced suites, office and retail properties on the Mainland	32.4%
Fortune REIT	Investment in retail properties in Hong Kong	27.7%
Prosperity REIT	Investment in office, retail and industrial properties in Hong Kong	18.9%

Profit contribution for the year was HK\$347 million (2015 – HK\$500 million), including distribution from Fortune REIT and Prosperity REIT recognised as income and a share of the profit of Hui Xian REIT, an associate, which reported a decrease in current year profit due to exchange loss, whereas cash flows generated by investments in these REITs amounted to HK\$871 million during the year.

FINANCIAL REVIEW

Liquidity and Financing

The Group monitors its liquidity requirements on a short to medium term basis and arranges bank and other borrowings accordingly. During the year, the Group issued notes amounting to HK\$4.6 billion with 5-year and 10-year terms under the Euro Medium Term Note programme.

At the year end date, the Group’s bank and other borrowings amounted to HK\$70.2 billion, an increase of HK\$9.2 billion from last year. The maturity profile was spread over a period of 10 years, with HK\$4.4 billion repayable within 1 year, HK\$56.9 billion within 2 to 5 years and HK\$8.9 billion beyond 5 years.

The Group’s net debt to net total capital ratio at the year end date was approximately 2.7%. Net debt is arrived at by deducting bank balances and deposits of HK\$62.6 billion from bank and other borrowings and net total capital is the aggregate of total equity and net debt.

With plenty of cash on 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 and borrows principally on a floating rate basis. The Group manages and reviews its exposure to foreign exchange rates and interest rates on a regular basis. At times of exchange rate or interest rate uncertainty or volatility and when appropriate, hedging instruments including swaps and forwards are used in the management of exposure to foreign exchange rate and interest rate fluctuations.

At the year end date, approximately 87.8% of the Group's borrowings were in HK\$ and US\$, with the balance in RMB mainly for the purpose of financing property projects on the Mainland. The Group derives its revenue from property development mainly in HK\$ and RMB and maintains cash balances substantially in HK\$ and RMB. Income in foreign currencies, including US\$, GBP and SGD, is derived from the Group's overseas property projects and aircraft leasing business, and cash in these currencies is maintained for operational requirements.

Charges on Assets

At the year end date, (i) properties amounting to HK\$15,089 million (2015 – HK\$21,450 million) were charged to secure bank loans arranged for property projects on the Mainland; and (ii) aircraft amounting to HK\$12,733 million were charged to secure bank loans arranged for aircraft acquisitions.

Contingent Liabilities

At the year end date, the Group provided guarantees to (i) land owner of a hotel project for its share of revenue amounting to HK\$564 million (2015 – HK\$576 million); (ii) banks for mortgage loans provided to purchasers of properties developed and sold by the Group on the Mainland amounting to HK\$5,385 million (2015 – HK\$1,678 million); and (iii) banks for loans lent to a joint venture amounting to HK\$1,164 million.

Employees

At the year end date, the Group employed approximately 21,300 employees for its principal businesses and remuneration for the year (excluding directors' emoluments) amounted to approximately HK\$6,078 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 88, is the founder of the Cheung Kong Group. He has been the Chairman and an Executive Director of the Company and a member of the Remuneration Committee of the Company since February 2015. He is the Chairman of CK Hutchison Holdings Limited ("CK Hutchison"), a listed company, and a member of the Remuneration Committee of CK Hutchison. He is also the Chairman of Li Ka Shing Foundation Limited, Li Ka Shing (Overseas) Foundation and Li Ka Shing (Canada) Foundation. 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 and the Chairman of the Executive Committee of the Company, and the brother-in-law of Mr. Kam Hing Lam, Deputy Managing Director and a Member of the Executive Committee 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 52, joined the Cheung Kong Group in 1985, and has been a Director since January 2015, the Managing Director and Deputy Chairman and an Executive Director of the Company since February 2015 and the Chairman of the Executive Committee of the Company since June 2015. Mr. Victor Li is the Group Co-Managing Director and Deputy Chairman of CK Hutchison Holdings Limited. He is also the Chairman of Cheung Kong Infrastructure Holdings Limited and CK Life Sciences Int'l., (Holdings) Inc., a Non-executive Director of Power Assets Holdings Limited and HK Electric Investments Manager Limited ("HKEIM") which is the trustee-manager of HK Electric Investments, a Non-executive Director and the Deputy Chairman of HK Electric Investments Limited and Co-Chairman of Husky Energy Inc. Except for HKEIM, all the companies/investment trust mentioned above are listed in Hong Kong or overseas. Mr. Victor Li is also the Deputy Chairman of Li Ka Shing Foundation Limited, Li Ka Shing (Overseas) Foundation and Li Ka Shing (Canada) Foundation, and a Director of The Hongkong and Shanghai Banking Corporation Limited. He serves as a member of the Standing Committee of the 12th 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 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 Civil 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 and a Member of the Executive Committee 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 70, joined the Cheung Kong Group in 1993, and has been an Executive Director and Deputy Managing Director of the Company since February 2015 and a Member of the Executive Committee of the Company since June 2015. He is Deputy Managing Director of CK Hutchison Holdings Limited. He is also the Group Managing Director of Cheung Kong Infrastructure Holdings Limited and the President and Chief Executive Officer of CK Life Sciences Int'l., (Holdings) Inc. All the companies mentioned above are listed companies. Mr. Kam is also the Chairman of Hui Xian Asset Management Limited as the manager of Hui Xian REIT (listed in Hong Kong). He is an Advisor of the 12th Beijing Municipal 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, the Chairman of the Company and a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance, and an uncle of Mr. Li Tzar Kuoi, Victor, the Managing Director and Deputy Chairman and the Chairman of the Executive Committee of the Company.



CHUNG Sun Keung, Davy **CHIU Kwok Hung, Justin** **CHOW Wai Kam** **PAU Yee Wan, Ezra** **WOO Chia Ching, Grace**

IP Tak Chuen, Edmond, aged 64, joined the Cheung Kong Group in 1993, and has been a Director since January 2015, Deputy Managing Director and an Executive Director of the Company since February 2015 and a Member of the Executive Committee of the Company since June 2015. He is Deputy Managing Director of CK Hutchison Holdings Limited. 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. and a Non-executive Director of ARA Asset Management Limited (an Asian real estate fund management company listed in Singapore). Mr. Ip was previously a Non-executive Director of TOM Group Limited and Shougang Concord International Enterprises Company Limited. All the companies mentioned above are listed companies. Mr. Ip is also a Non-executive Director of Hui Xian Asset Management Limited as the manager of Hui Xian REIT (listed in Hong Kong). 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 65, joined the Cheung Kong Group in 1978, and has been an Executive Director of the Company since February 2015 and a Member of the Executive Committee of the Company since June 2015. Mr. Chung is a Registered Architect. He was a member of the 11th Guangzhou Committee of the Chinese People's Political Consultative Conference of the People's Republic of China.

CHIU Kwok Hung, Justin, aged 66, joined the Cheung Kong Group in 1997, and has been an Executive Director of the Company since February 2015 and a Member of the Executive Committee of the Company since June 2015. He is the Chairman of ARA Asset Management Limited (an Asian real estate fund management company listed in Singapore) and ARA Asset Management (Prosperity) Limited as the manager of Prosperity REIT (listed in Hong Kong). Mr. Chiu is also a Non-executive Director (stepped down as Chairman but remains as Non-executive Director since 1 January 2017) of ARA Asset Management (Fortune) Limited as the manager of Fortune REIT (listed in Hong Kong and Singapore). He 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 serves as a member of the Standing Committee of the 12th Shanghai Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. Mr. Chiu is a Council Member and a Fellow of The Hong Kong Institute of Directors, a Fellow of Hong Kong Institute of Real Estate Administrators, a member of the Board of Governors of Hong Kong Baptist University Foundation, an Honorary Associate Member of Business of Trent University, Canada, a Senior Visiting Fellow of the Department of Land Economy at the University of Cambridge and an Honorary Professor of School of Pharmaceutical Sciences of Sun Yat-sen University. He holds Bachelor of Arts degree in Sociology and Economics, and was conferred with the degree of Doctor of Social Sciences, honoris causa by Hong Kong Baptist University and the degree of Doctor of Laws, honoris causa by Trent University, Canada. 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.

CHOW Wai Kam, JP, aged 69, has been an Executive Director of the Company since February 2015 and a Member of the Executive Committee of the Company since June 2015. He joined the Hutchison Group in July 1995 and before his appointment on the Board, he was previously the Group Managing Director of the property and hotels divisions of the Hutchison Group. Mr. Chow is currently the Group Managing Director of Hutchison Property Group Limited, a wholly owned subsidiary of the Company. He is also a Non-executive Director of AVIC International Holding (HK) Limited, a listed company. He has over 40 years of experience in project management and architectural design for various developments, including hotel, residential, commercial, industrial and school projects in Hong Kong, the Mainland and overseas. He holds a Bachelor of Arts degree in Architectural Studies and a Bachelor of Architecture degree from the University of Hong Kong. He is an Authorised Person (List of Architects) and a Registered Architect. He was also admitted as a Fellow of The Hong Kong Institute of Architects since August 2001.

PAU Yee Wan, Ezra, aged 61, joined the Cheung Kong Group in 1982, and has been an Executive Director of the Company since February 2015 and a Member of the Executive Committee of the Company since June 2015. 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 60, joined the Cheung Kong Group in 1987, and has been an Executive Director of the Company since February 2015 and a Member of the Executive Committee of the Company since June 2015. 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.

Directors' Biographical Information (continued)



CHEONG YING CHEW,
Henry

CHOW Nin Mow,
Albert

HUNG Siu-lin,
Katherine

Simon MURRAY

YEH Yuan Chang,
Anthony

CHEONG Ying Chew, Henry, aged 69, has been an Independent Non-executive Director, the Chairman of the Audit Committee and a member of the Remuneration Committee of the Company since February 2015. Mr. Cheong is also an Independent Non-executive Director of Cheung Kong Infrastructure Holdings Limited, CNNC International Limited, Greenland Hong Kong Holdings Limited, Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH"), New World Department Store China Limited, Skyworth Digital 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 HTHKH. Mr. Cheong is an Executive Director and Deputy Chairman of Worldsec Limited. All companies mentioned above are listed companies. Mr. Cheong holds a Bachelor of Science degree in Mathematics and a Master of Science degree in Operational Research and Management.

CHOW Nin Mow, Albert, aged 67, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since February 2015. Mr. Chow is the Chairman and Managing Director of Wah Yip (Holdings) Limited.

HUNG Siu-lin, Katherine, aged 69, joined the Cheung Kong Group in March 1972, and has been an Independent Non-executive Director, the Chairman of the Remuneration Committee and a member of the Audit Committee of the Company since February 2015. Ms. Hung is a member of the Tianjin Committee of the 13th Chinese People's Political Consultative Conference of the People's Republic of China; also a member of the Supervisory Board of Hong Kong Housing Society, a Governing Committee Member of The Hong Kong Polytechnic University Foundation, an Honorary Court Member of The Hong Kong Polytechnic University, an Honorary Court Member of Lingnan University, President Consultant of Tianjin University and Vice Chairman of Chinese Academy of Governance (HK) Industrial and Commercial Professionals Alumni Association. She was a Court Member of The Hong Kong University of Science and Technology for the period from 2011 to May 2016, an Executive Committee Member of Hong Kong Housing Society from September 2008 to August 2014, a Member of HKSAR Estate Agents Authority during the period from November 2006 to October 2012, and a Steering Committee Member of the Institute for Enterprise of The Hong Kong Polytechnic University from April 2000 to August 2011. Ms. Hung is a University Fellow of The Hong Kong Polytechnic University.

Simon MURRAY, CBE, aged 77, has been an Independent Non-executive Director of the Company since February 2015. Mr. Murray is currently the Non-executive Chairman of General Enterprise Management Services Limited ("GEMS Ltd."), a private equity fund management company. He is a Non-executive Director of Greenheart Group Limited and China LNG Group Limited, and an Independent Non-executive Director of IRC Limited, Orient Overseas (International) Limited, Wing Tai Properties Limited and Spring Asset Management Limited ("SAML") as the manager of Spring Real Estate Investment Trust. He is also a Non-executive Director of Compagnie Financière Richemont SA. Except for GEMS Ltd. and SAML, all the companies/investment trust mentioned above are listed in Hong Kong or overseas.

YEH Yuan Chang, Anthony, aged 93, has been an Independent Non-executive Director of the Company since February 2015. 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.

Key Personnel's Biographical Information

Accounts Department

Man Ka Keung, Simon, aged 59, Member of Executive Committee & General Manager, Accounts Department, joined the Cheung Kong Group in December 1987. He is the Alternate Director to Mr. Ip Tak Chuen, Edmond, Deputy Chairman and Executive Director of Cheung Kong Infrastructure Holdings Limited and a Director of Harbour Plaza Hotel Management Limited. He has over 35 years of experience in accounting, auditing, tax and finance. He holds a Bachelor's degree in Economics and is a member of Chartered Accountants Australia and New Zealand.

Lee Shu Yan, Simon, aged 53, Deputy Chief Manager, joined the Cheung Kong Group in October 1987. He has over 34 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 the 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.

Lee King Hang, Delfen, aged 47, Deputy Chief Manager, joined the Cheung Kong Group in June 1996. He has over 25 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.

Ng Yuet Fong, Betty, aged 68, Senior Manager, joined the Cheung Kong Group in September 1993. She has over 44 years of experience in accounting and treasury. She holds a Bachelor of Business Administration degree in Accounting.

Lau Chi Ho, Elton, aged 36, Manager, joined the Cheung Kong Group in September 2013. He has over 14 years of experience in accounting and auditing. He holds a Bachelor of Business Administration degree with Honours in Accounting. He is a fellow member of The Association of Chartered Certified Accountants.

Administration Department

Pau Shiu Yung, Anita, aged 60, Senior Manager, joined the Cheung Kong Group in December 1977. She has over 39 years of experience in office administration management. She is a professional member of The Hong Kong Institute of Human Resource Management.

Ng Po Lung, aged 55, Manager, joined the Cheung Kong Group in November 1993. He has over 32 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.

Yu Wing Han, Jessica, aged 50, Manager, joined the Cheung Kong Group in August 2014. She has over 21 years of experience in office administration management. She holds a Bachelor of Science degree with Honours, a Postgraduate Diploma in Professional Accounting and a Master's degree in Business Administration.

Building Cost & Contract Department

Kwan Chi Kin, Anthony, aged 61, Member of Executive Committee & General Manager, Building Cost & Contract Department, joined the Cheung Kong Group in May 1990. He has over 39 years of experience in building construction and quantity surveying. He holds a Higher Diploma in Building Technology and Management. He is a Registered Professional Surveyor, 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.

Chee Chun Kit, aged 54, Deputy Chief Manager, joined the Cheung Kong Group in December 1991. She has over 28 years of experience in quantity surveying. She holds an Associateship in Building Technology and Management and a Master of Laws degree in International and Commercial Law. 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, a member of Hong Kong Institute of Construction Managers and possesses the qualification of PRC Cost Engineer.

Wong Tak On, Andy, aged 53, Senior Contracts Manager, joined the Cheung Kong Group in May 1997. He has over 29 years of experience in quantity surveying. He holds a Bachelor of Applied Science degree in Building Studies. He is a professional member of the Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors.

Cheung Wai Hung, Kevin, aged 50, Contracts Manager, joined the Cheung Kong Group in March 1998. He has over 31 years of experience in quantity surveying. He holds a Bachelor of Science degree with Honours in Construction Economics and Management. 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.

Lam Man Na, Mana, aged 51, Contracts Manager, joined the Cheung Kong Group in April 1996. She has over 27 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.

To Wing, Karen, aged 40, Contracts Manager, joined the Cheung Kong Group in August 2011. She has over 15 years of experience in quantity surveying. She holds a Bachelor of Science degree with Honours in Quantity Surveying, a Bachelor's degree in Chinese Laws and a Postgraduate Diploma in Arbitration and Mediation. She is a professional member of the Royal Institution of Chartered Surveyors.

Key Personnel's Biographical Information (continued)

Chairman's Office

Au Siu Yin, Amy, aged 54, Manager, joined the Cheung Kong Group in February 1990. She has over 32 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 56, Manager & Secretary to Chairman, joined the Cheung Kong Group in March 1993. She has over 37 years of experience in secretarial and office management. She holds a Bachelor of Social Sciences degree.

Hung Hiu King, Denise, aged 46, Manager, Secretarial Section, joined the Group in May 2016. She has over 20 years of experience in reporting, editing and external affairs. She holds a Bachelor of Social Science degree with Honours in Communication and a Master of Arts degree in Cultural Management.

China Department

Beijing

Chan Yuet Ming, Louis, aged 57, Senior Project Manager, joined the Cheung Kong Group in October 1992. He is the General Manager of CKH (China) Investment Company Limited, Beijing Po Garden Real Estates Development Company Limited, Beijing Chang Le Real Estates Development Company Limited and Dalian Dalian Property Development Company Limited. He has over 32 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 and a member of The Hong Kong Institute of Architects.

Yeung Shun Kiu, Eva, aged 40, Finance Manager, Beijing Project, joined the Cheung Kong Group in September 2008. She has over 18 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 53, Manager, Business Development, joined the Cheung Kong Group in September 1991. He has over 31 years of experience in business development. He is the Chief Representative of the Beijing Office of the Company, and is also the Director, Deputy General Manager and Chief Corporate Affairs Officer of Beijing Oriental Plaza Company Limited. He holds a Master's degree in Management Science.

Dalian

Lai Yun Leung, Joseph, aged 50, Finance Manager, Dalian Project, joined the Cheung Kong Group in May 2008. He has over 24 years of experience in accounting. He holds a Bachelor of Laws degree with Honours and a Honours Diploma in Accountancy. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Ng Kai Chi, Paul, aged 62, Project Manager, Dalian Project, joined the Cheung Kong Group in March 2013. He has over 43 years of experience in electrical and mechanical engineering, and project management. He holds a Master of Design Science degree in Building Services. He is a Chartered Engineer, a member of The Chartered Institution of Building Services Engineers (UK), a member of The Hong Kong Institution of Engineers, a member of The Chartered Institute of Plumbing and Heating Engineering, a member of American Society of Plumbing Engineers and a member of The Association of Hydraulic Services Consultants Australia.

Guangzhou

Tang Sek Wai, Max, aged 57, Senior Project Manager, joined the Cheung Kong Group in November 1986. He is the General Manager of Regal Lake Property Development Limited Guangzhou. He has over 31 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 59, Project Manager, Guangzhou Project, joined the Cheung Kong Group in June 1994. He has over 39 years of experience in project management. He holds a Higher Certificate in Construction Technology.

Wu Kwok Leung, Eddy, aged 60, Finance Manager, Guangzhou Project, joined the Cheung Kong Group in May 2008. He has over 40 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 48, Senior Project Manager, joined the Cheung Kong Group in June 1998. He is the General Manager of Shanghai Changrun Jianghe Property Development Company Limited. He has over 23 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 58, Senior Project Manager, joined the Cheung Kong 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 30 years of experience in project management. She holds a Bachelor of Science degree with Honours in Architectural Studies and Structural Design and a Diploma in Architecture. She is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region, a member of The Royal Institute of British Architects and a member of The Hong Kong Institute of Architects.

Au Hoe Kye, Quincy, aged 61, Finance Manager, Shanghai Project, joined the Cheung Kong Group in September 1994. He is also the Financial Controller of our project Companies in Shanghai. He has over 29 years of experience in accounting. He is a fellow of The Institute of Chartered Accountants in England and Wales, a fellow member of The Association of Chartered Certified Accountants and a fellow of the Hong Kong Institute of Certified Public Accountants.

Chan Wing Fai, Eric, aged 50, Leasing Manager, Shanghai Project, joined the Cheung Kong Group in July 2012. He is also the Chief Leasing Manager of our project Company in Shanghai. He has over 24 years of experience in property leasing. He holds a Bachelor of Science degree in Land Management and a Master of Science degree in International Real Estate. He is a professional member of the Royal Institution of Chartered Surveyors.

Fung Chun Man, Raymond, aged 39, Leasing Manager, Shanghai Project, joined the Group in May 2016. He is also the Chief Leasing Manager of our project Company in Shanghai. He has over 15 years of experience in property leasing. He holds a Bachelor of Arts degree in Public Administration and Management and a Master's degree in Business Administration.

China Property

Lee Chi Kin, Casey, aged 54, Business Development Manager, China Property, joined the Cheung Kong Group in August 1998. He is also an Executive Director and Responsible Officer of Hui Xian Asset Management Limited. He has over 32 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 the Hong Kong Institute of Certified Public Accountants, and a member of The Institute of Chartered Accountants in England and Wales. Mr. Lee is also a member of the Chinese People's Political Consultative Conference (Shenyang).

Chu Yu Fai, Kenneth, aged 64, Business Development Manager, China Property, joined the Cheung Kong Group in July 1994. He is also the General Manager of Chongqing Metropolitan Oriental Plaza Company Limited. He has over 38 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.

Cheung Sau Ying, Dorothy, aged 55, Business Development Manager, China Property, joined the Cheung Kong Group in August 2000. She is also the Director and Deputy General Manager of Shenyang Lido Business Company Limited, Deputy General Manager of Sofitel Shenyang Lido, Deputy General Manager of Chengdu Chang Tian Company Limited and Deputy General Manager of Sheraton Chengdu Lido Hotel. She has over 34 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 61, Project Manager, China Property, joined the Cheung Kong Group in June 1998. He is the Head of Property Management of Chongqing Metropolitan Oriental Plaza Company Limited. He has over 42 years of experience in hotel construction, E & M engineering and property management.

Company Secretarial Department

Yeung, Eirene, aged 56, a Member of the Executive Committee, General Manager, Company Secretarial Department and the Company Secretary. She joined the Cheung Kong Group in August 1994. She is the Company Secretary and the Alternate Director to Mr. Kam Hing Lam, the Group Managing Director of Cheung Kong Infrastructure Holdings Limited. She is also the Company Secretary of CK Life Sciences Int'l., (Holdings) Inc. and a Non-executive Director of ARA Asset Management (Fortune) Limited. She is a member of the Financial Reporting Council, a member of the SFC (HKEC Listing) Committee of the Securities and Futures Commission of Hong Kong, a member of the Listing Committee of the Main Board and Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, a member of the Advisory Committee on Corruption of the Independent Commission Against Corruption, Vice Chairman of the General Committee of The Chamber of Hong Kong Listed Companies and a member of the Advisory Board of the MBA Programmes of The Chinese University of Hong Kong. She is a solicitor of the High Court of the Hong Kong Special Administrative Region and of the Senior Courts of England and Wales. She is also a fellow member of 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.

Cheung Yuen Sang, aged 57, Deputy Chief Group General Counsel, joined the Cheung Kong Group in January 2015. He has over 28 years of experience in the legal field. He holds a Bachelor of Laws degree with Honours, a Master of Laws degree and a Master's degree in Business Administration. He is a solicitor of the Senior Courts of England & Wales and of the High Court of the Hong Kong Special Administrative Region.

Tse Kin Keung, Augustine, aged 47, Deputy Chief Group General Counsel, joined the Cheung Kong Group in October 2010. He has over 24 years of experience in the legal field. He holds a Bachelor's degree with Honours in Laws, a Postgraduate Certificate in Laws and a Master's degree in Business Administration. He is a solicitor of the High Court of the Hong Kong Special Administrative Region.

Key Personnel's Biographical Information (continued)

Lo Hoi Pang, Alvin, aged 42, Deputy Chief Group General Counsel, joined the Group in December 2016. He has over 17 years of experience in the legal field. He holds a Bachelor of Commerce degree, a Bachelor's degree in Laws and a Postgraduate Certificate in Laws. He is a solicitor of the Senior Courts of England & Wales, the High Court of Australia, the High Court of New Zealand and the High Court of the Hong Kong Special Administrative Region.

Chan Siu Yin, Bomie, aged 46, Senior Manager, joined the Cheung Kong Group in August 2012. She has over 21 years of experience in company secretarial, accounting, finance and the auditing field. She holds a Master of Science degree in Accountancy and a Graduate Diploma in China Business Law. She is a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Cheng Shuk Chi, Bridie, aged 45, Senior Manager, joined the Cheung Kong Group in September 2004. She has over 21 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 Hong Kong Institute of Chartered Secretaries and an associate member of The Institute of Chartered Secretaries and Administrators.

Chan Cho Mui, Jo, aged 48, Senior Manager, joined the Cheung Kong Group in November 2003. She has over 24 years of experience in the company secretarial field. She is an associate member of The Hong Kong Institute of Chartered Secretaries and an associate member of The Institute of Chartered Secretaries and Administrators.

Wong Yee Wah, Eva, aged 48, Senior Copywriting Manager, joined the Cheung Kong Group in March 1997. She has extensive translation and copywriting experience in areas of finance, economics and commerce. She holds a Bachelor of Arts degree with Honours in Business Studies and a Master of Arts degree in China Development Studies.

Leung Sze Man, Alice, aged 47, Manager, joined the Group in April 2016. She has over 23 years of experience in the company secretarial field. She holds a Higher Certificate in Company Secretaryship and Administration and a Bachelor of Laws degree with Honours. She is a fellow member of The Hong Kong Institute of Chartered Secretaries and a fellow member of The Institute of Chartered Secretaries and Administrators.

Construction Audit & Quality Assurance Department

Tsui Ying Kit, Simon, aged 57, Deputy Chief Manager, joined the Cheung Kong Group in March 1976. He has over 36 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 professional member of International Facility Management Association.

Chung Chi Kin, Leo, aged 46, Maintenance Manager, joined the Cheung Kong Group in April 2002. He has over 23 years of experience in building maintenance. He holds a Bachelor of Science degree with Honours in Building Surveying and a Master's degree in Business Administration. He is a Registered Professional Surveyor, an Authorized Person (List of Surveyors) of the Hong Kong Special Administrative Region, a Registered Inspector (List of Surveyors) of the Hong Kong Special Administrative Region, a professional member of the Royal Institution of Chartered Surveyors, a member of The Hong Kong Institute of Surveyors, an associate member of Hong Kong Institute of Arbitrators, a Voluntary Building Assessment Scheme Assessor (List 1) of the Voluntary Building Assessment Scheme and a Qualified Person of the Mandatory Window Inspection Scheme.

Construction Management Department

Shen Wai Yee, Grace, aged 64, Member of Executive Committee & General Manager, Construction Management Department, joined the Cheung Kong Group in September 1989. She has over 35 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.

Mak Kwok Keung, Charles, aged 55, Senior Executive Manager, joined the Cheung Kong Group in January 1994. He has over 34 years of experience in construction management. He holds a Postgraduate Diploma in Construction Management.

Cheng Kin Chi, Eddy, aged 41, Senior Manager, joined the Cheung Kong Group in July 2009. He has over 17 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 Chartered Institute of Building and a member of The Hong Kong Institution of Engineers.

Law Chi Hang, Tony, aged 42, Senior Manager, joined the Cheung Kong Group in July 2008. He has over 24 years of experience in construction management. He holds a Diploma in Surveying and a Master of Science degree in Project Management. He is a member of The Chartered Institute of Building.

Chan Wai Shing, Vincent, aged 44, Manager, joined the Cheung Kong Group in September 2007. He has over 19 years of experience in construction management. He holds a Bachelor of Engineering degree with Honours in Building Services Engineering. 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.

Lo Wai Keung, Jacky, aged 45, Manager, Construction Management Department, joined the Cheung Kong Group in October 2008. He has over 18 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 Chartered Institute of Building.

Yeung Sim Fong, aged 47, Manager, joined the Cheung Kong Group in August 2004. She has over 22 years of experience in construction management. She holds a Bachelor of Science degree in Building Technology and Management and a Master's degree in Construction Engineering and Management. She is a member of The Chartered Institute of Building and a member of Hong Kong Institute of Construction Managers.

Corporate Affairs Department

Tong Barnes Wai Che, Wendy, aged 56, Chief Corporate Affairs Officer, joined the Cheung Kong 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 Deputy Chief Executive Officer of Hui Xian Asset Management Limited. Mrs. Barnes is also a board member of the Community Chest of Hong Kong. She holds a Bachelor's degree in Business Administration.

Tsui Sau Yuen, Anita, aged 53, Deputy Chief Manager, Marketing Communications, joined the Cheung Kong Group in August 2005. She has over 28 years of experience in advertising and marketing communications. She holds a Diploma in Journalism.

Cheong Yuen Mei, Winnie, aged 48, Deputy Chief Manager, Corporate Affairs, joined the Cheung Kong Group in March 1999. She is also the Deputy Chief Manager, Corporate Affairs of Cheung Kong Infrastructure Holdings Limited. She has over 26 years of experience in public relations and corporate affairs. She holds a Bachelor of Arts degree with Honours in Philosophy.

Chan Siu Wah, Susana, aged 47, Senior Corporate Affairs Manager, joined the Group in February 2017. She has over 22 years of experience in public relations and corporate affairs. She holds a Bachelor of Arts degree with Honours and a Diploma in Human Resource Management.

Huen Ka Lee, Carrie, aged 46, Senior Corporate Affairs Manager, joined the Cheung Kong Group in April 2014. She has over 24 years of experience in public relations and corporate affairs. She holds a Bachelor of Arts degree with Honours.

Lai Man Yee, Emily, aged 49, Senior Marketing Communications Manager, joined the Cheung Kong Group in April 1995. She has over 25 years of experience in advertising and marketing communications. She holds a Bachelor of Business Administration degree with Honours.

Yim Wai Fan, Abby, aged 42, Senior Marketing Communications Manager, joined the Cheung Kong Group in November 2009. She has over 18 years of experience in the marketing communications field. She holds a Bachelor of Science degree with Honours in Sociology.

Cheung Shung Yin, Veronica, aged 40, Marketing Communications Manager, joined the Cheung Kong Group in January 2010. She has over 16 years of experience in the marketing communications field. She holds a Bachelor of Social Science degree with Honours.

Lau Yuk Ha, Loretta, aged 53, Marketing Communications Manager, joined the Cheung Kong Group in November 1995. She has over 24 years of experience in the marketing communications field. She holds a Honours Diploma in Communication and a Master of Arts degree in Economics.

Corporate Business Development Department

Ma Lai Chee, Gerald, aged 49, Member of Executive Committee & General Manager, Corporate Business Development Department, joined the Cheung Kong Group in February 1996. He is a Non-Executive Director of ARA Asset Management (Fortune) Limited as the manager of Fortune Real Estate Investment Trust (listed in Hong Kong and Singapore) and ARA Asset Management (Prosperity) Limited as the manager of Prosperity Real Estate Investment Trust (listed in Hong Kong). He is also an Alternate Director to Mr. Lai Kai Ming, Dominic, Non-Executive Director of Hutchison Telecommunications Hong Kong Holdings Limited (listed in Hong Kong), and a Director of aircraft leasing companies, Accipiter Holdings Designated Activity Company (formerly known as Accipiter Holdings Limited), Accipiter Investments Holdings Designated Activity Company and Vermillion Aviation Holdings Limited, members of Cheung Kong Property Holdings Limited. He has over 27 years of experience in finance, 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. He is also a member of the President's Circle, the Dean's Advisory Board for the Faculty of Arts and the Faculty Advisory Board of the UBC Sauder School of Business of the University of British Columbia, Canada.

Lee Kwong Wang, Francis, aged 46, Chief Manager, joined the Cheung Kong Group in August 2000. He is a Director of e-Smart System Inc., iMarkets Limited and Beijing Net-Infinity Technology Development Company Limited and Responsible Officer of iMarkets Limited and iMarkets Structured Products Limited. He has over 24 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 45, Senior Manager, joined the Cheung Kong Group in July 2000. He has over 22 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.

Key Personnel's Biographical Information (continued)

Chow Ping Leung, Ruskin, aged 47, Senior Manager, Group Risk Management and Project Administration, joined the Group in July 2016. He has over 21 years of experience in risk management. He holds a Bachelor of Sciences degree with Honours in Engineering and a Master's degree in Business Administration.

Kiang Shin Ping, Lillian, aged 39, Senior Manager, joined the Cheung Kong Group in October 2014. She has over 14 years of experience in finance, investment and business development. She holds a Bachelor of Science degree in Management Science and a Master's degree in Business Administration.

Lau Chun Yu, Sophia, aged 37, Senior Manager, joined the Cheung Kong Group in August 2000. She has over 16 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. She is an associate member of The Chartered Institute of Management Accountants and a Chartered Global Management Accountant.

Lau Yuen Sun, aged 52, Senior Manager, Project Management, joined the Cheung Kong Group in August 2001. He has over 26 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.

Au Chi Pun, Esmond, aged 50, Manager, Group Risk Management and Project Administration, joined the Group in July 2016. He has over 21 years of experience in mortgage underwriting. He holds a Master's degree in Business Administration.

Chan Chuen Kit, Dickie, aged 45, Manager, Engineering, joined the Cheung Kong Group in August 1995. He has over 21 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 46, Manager, Engineering, joined the Cheung Kong Group in May 2001. He has over 21 years of experience in networking & system engineering. He holds a Bachelor of Arts degree in Economics.

Lau Wai Kuen, Aden, aged 50, Manager, Group Risk Management and Project Administration, joined the Group in July 2016. He has over 23 years of experience in insurance. He holds a Master's degree and a Doctor's degree in Business Administration. He is a Senior Associate of Australian and New Zealand Institute of Insurance and Finance.

Leigh Zen Way, Eric, aged 47, Manager, Group Risk Management and Project Administration, joined the Cheung Kong Group in April 2003. He has over 19 years of experience in sales & marketing. He holds a Bachelor of Science degree.

Luk Ting Chung, Mike, aged 44, Manager, Group Risk Management and Project Administration, joined the Cheung Kong Group in February 1998. He has over 26 years of experience in sales & marketing. He holds a Bachelor's degree with Honours in Management Studies.

To Kwok Fai, Steve, aged 44, Manager, Project Management, joined the Cheung Kong Group in July 2004. He has over 20 years of experience in project management. He holds a Bachelor of Science degree in Mechanical Engineering and a Postgraduate Certificate in Multimedia and Internet Technology.

Wu Cheuk Ying, Ivy, aged 40, Manager, Finance & Administration, joined the Cheung Kong Group in April 2008. She has over 17 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 38, Manager, Finance & Administration, joined the Cheung Kong Group in May 2008. She has over 16 years of experience in accounting. She holds a Bachelor of Arts degree with Honours in Accountancy and a Master of Professional Accounting degree. She is a fellow member of The Association of Chartered Certified Accountants.

Yu Lok Lun, Lawrence, aged 27, Manager, joined the Cheung Kong Group in January 2015. He has over 5 years of experience in investment banking and business development. He holds a Bachelor of Science degree in Economics.

Design & Promotion Department

Leung Yuen Kwan, Josephine, aged 48, Deputy Chief Manager, joined the Cheung Kong Group in July 1995. She has over 23 years of experience in design, promotion, market research and property sales. She holds a Bachelor of Commerce degree in Marketing and Finance.

Tsui Man Wai, Fanny, aged 38, Promotion Manager, joined the Cheung Kong Group in March 2006. She has over 14 years of experience in promotion and production management. She holds a Bachelor of Social Science degree with Honours in China Studies (History).

Development Department

Chan Ho Kei, Kevin, aged 44, Senior Project Manager, joined the Cheung Kong Group in June 2003. He has over 18 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 55, Senior Project Manager, joined the Cheung Kong Group in December 1995. He has over 30 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 49, Senior Project Manager, joined the Cheung Kong Group in May 1997. He has over 23 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.

Leung Chung Ping, Louis, aged 49, Senior Project Manager, joined the Cheung Kong Group in November 2003. He is a Director of Property Enterprises Development (Singapore) Pte Ltd. He has over 21 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 53, Senior Project Manager, joined the Cheung Kong Group in January 1999. He has over 27 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 53, Senior Project Manager, Structural, joined the Cheung Kong Group in September 1999. He has over 29 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.

Lam Pui Yu, Eric, aged 44, Project Manager, joined the Cheung Kong Group in November 2004. He has over 18 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.

E & M Department

Lo Kin Hing, Isaac, aged 55, Senior Manager, joined the Cheung Kong Group in April 2003. He has over 30 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.

Cheung Sau Hing, Belinda, aged 52, Manager, joined the Cheung Kong Group in October 1999. She has over 29 years of experience in electrical & mechanical engineering. She holds a Higher Diploma in Building Services Engineering. She is a Chartered Engineer, a member of The Chartered Institution of Building Services Engineers (UK) and a member of The Hong Kong Institution of Engineers.

Lau Man Bun, Barry, aged 49, Manager, joined the Cheung Kong Group in July 2003. He has over 25 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 53, Senior Manager, joined the Cheung Kong Group in November 2003. He has over 27 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 48, Senior Manager, joined the Cheung Kong Group in April 2002. He has over 24 years of experience in human resources management. He holds a Bachelor of Arts degree with Honours in Hospitality Management and a Master's degree in Business Administration. He is a professional member of The Hong Kong Institute of Human Resource Management.

Information Technology Department

Lum Man Fai, Brian, aged 49, Deputy Chief Manager, joined the Cheung Kong Group in August 2000. He has over 25 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.

Key Personnel's Biographical Information (continued)

Yung Wing Hung, Nelson, aged 46, Senior Manager, System Development, joined the Cheung Kong Group in November 1994. He has over 22 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.

Lau Yau Keung, Sam, aged 51, Manager, Networking & Operations, joined the Cheung Kong Group in July 2005. He has over 25 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.

Leung Chun Wai, aged 47, Manager, System Development, joined the Group in July 2016. He has over 21 years of experience in information technology management. He holds a Bachelor of Arts degree with Honours in Computing Studies.

Internal Audit Department

Lee King Yuen, Albert, aged 61, Senior Manager, joined the Cheung Kong Group in November 1987. He has over 39 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 50, Senior Manager, joined the Cheung Kong Group in January 2009. He is the Internal Audit Manager of Hui Xian Asset Management Limited. He has over 25 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, a Master of Laws degree in Common Law and a Juris Doctor degree. He is a fellow member of The Association of Chartered Certified Accountants, an associate member of The Chartered Institute of Management Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Chau Wai Keung, Allen, aged 62, Manager, joined the Cheung Kong Group in November 1994. He has over 37 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 54, Manager, joined the Cheung Kong Group in August 1995. He has over 28 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.

Hon Che Shing, Wilson, aged 63, Manager, joined the Cheung Kong Group in March 1994. He has over 38 years of experience in auditing. He holds a Bachelor of Business degree. He is a Certified Practicing Accountant of CPA Australia and a fellow of the Hong Kong Institute of Certified Public Accountants.

Leasing Department

Wong See Hang, Resina, aged 53, Deputy Chief Manager, Leasing, joined the Cheung Kong Group in June 1990. She is a Director of Cheung Kong Real Estate Limited and E-Park Parking Management Limited. She has over 30 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 56, Assistant Chief Manager, Leasing, joined the Cheung Kong Group in October 2003. She has over 35 years of experience in property leasing. She holds a Diploma in Business.

Wong Ling Fei, Mable, aged 54, Assistant Chief Manager, Leasing, joined the Cheung Kong Group in September 2002. She has over 28 years of experience in property leasing.

Fung Kam Sun, Kam, aged 56, Senior Leasing Manager, joined the Cheung Kong Group in June 2007. He has over 30 years of experience in property leasing. He holds a Bachelor of Arts degree in Business Administration and a Master's degree of Housing Management. He is a Registered Professional Housing Manager, a member of The Chartered Institute of Marketing, a chartered member of Chartered Institute of Housing, a member of The Hong Kong Institute of Housing and an ordinary member of Hong Kong Institute of Real Estate Administrators.

Ng Kwok Leung, Christopher, aged 55, Senior Manager, E-Park, joined the Cheung Kong Group in October 2007. He has over 23 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.

Chan Chun Kwok, Boris, aged 44, Leasing Manager, joined the Cheung Kong Group in March 2007. He has over 21 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 Hong Kong Institute of Real Estate Administrators and a senior professional member of The Hong Kong Institute of Real Estate.

Chong Kwan Yi, Charles, aged 41, Leasing Manager, joined the Cheung Kong Group in January 2006. He has over 18 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. He is a professional member of the Royal Institution of Chartered Surveyors, a member of China Institute of Real Estate Appraisers and Agents and possesses the qualification of PRC Real Estate Agent.

Deng Chi Yung, Jonathan, aged 46, Leasing Manager, joined the Cheung Kong Group in April 2008. He has over 20 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.

Law Mei Chun, Sandy, aged 55, Manager, Leasing Administration, joined the Cheung Kong Group in February 2009. She has over 14 years of experience in leasing administration. She holds a Bachelor of Business Administration degree.

Leung Ho Shan, Susana, aged 48, Leasing Manager, joined the Cheung Kong Group in March 1996. She has over 28 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.

Tsang Sau Lan, Isis, aged 55, Leasing Manager, joined the Group in February 2017. She has over 27 years of experience in property leasing. She holds a Bachelor of Science degree with Honours in Estate Management and a Master of Science degree in Real Estate. She is a professional member of the Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors.

Legal Department

Yip Kin Ming, Emmanuel, aged 64, Member of Executive Committee & General Manager, Legal Department, joined the Cheung Kong Group in July 1985. He has over 33 years of experience in the legal field. He holds a Diploma in Economics.

Wong Fung King, Amy, aged 57, Assistant Chief Manager, joined the Cheung Kong Group in June 1998. She has over 32 years of experience in the 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.

Cheung Kam Heung, Bella, aged 48, Senior Legal Manager, joined the Cheung Kong Group in December 2002. She has over 25 years of experience in the 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.

Ching Mei Yee, Elisa, aged 48, Legal Manager, joined the Cheung Kong Group in June 2006. She has over 25 years of experience in the 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.

Property Investment & Valuation Department

Chiu Siu Kam, Selene, aged 50, Assistant Chief Manager, joined the Cheung Kong Group in February 1997. She has over 27 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 54, Assistant Chief Manager, joined the Cheung Kong Group in January 1994. He has over 27 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 53, Senior Manager, joined the Cheung Kong Group in July 2005. He has over 26 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 45, Senior Manager, joined the Cheung Kong Group in May 1996. He has over 22 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 Registered Professional Surveyor, a professional member of the Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors.

Fung Sing Tak, Patrick, aged 43, Manager, joined the Cheung Kong Group in January 2008. 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 Surveying. He is a Registered Professional Surveyor and a member of The Hong Kong Institute of Surveyors.

Sales Department

Lau Kai Man, Joseph, aged 58, Deputy Chief Manager, Sales, joined the Cheung Kong 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 38 years of experience in property sales.

Kwok Tze Wai, William, aged 51, Deputy Chief Manager, Sales, joined the Cheung Kong Group in May 1989. He is a Director of Cheung Kong Real Estate Limited. He has over 28 years of experience in property sales. He holds a Bachelor of Science degree in Business Administration Marketing.

Wong See Chung, Francis, aged 55, Deputy Chief Manager, Sales, joined the Cheung Kong Group in January 1994. He is a Director of Cheung Kong Real Estate Limited and Property Enterprises Development (Singapore) Pte Ltd. He has over 21 years of experience in property sales. He holds a Master's degree in Business Administration.

Ho Ka Yan, Cannas, aged 39, Assistant Chief Manager, Sales, joined the Cheung Kong Group in April 2007. She has over 17 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 professional member of the Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors.

Key Personnel's Biographical Information (continued)

Fung Hoi Lun, Helen, aged 46, Senior Sales Manager, joined the Cheung Kong Group in March 2001. She has over 23 years of experience in property sales. She holds a Higher Diploma in Hotel and Catering Management.

Ng Chui Ha, Fiona, aged 53, Senior Manager, Sales Administration, joined the Cheung Kong Group in December 1990. She has over 30 years of experience in sales administration. She holds a Bachelor of Arts degree in History.

Tai Mei Ling, Marinda, aged 58, Senior Manager, Customer Service, joined the Cheung Kong Group in August 1985. She has over 31 years of experience in customer service.

Cho Kau Ming, Iris, aged 48, Sales Manager, joined the Cheung Kong Group in May 1995. She has over 22 years of experience in property sales. She holds a Bachelor of Science degree in Business Administration.

Nee Tak Sum, Sam, aged 45, Sales Manager, joined the Cheung Kong Group in September 1995. He has over 21 years of experience in property sales. He holds a Bachelor of Social Science degree with Honours.

Yeung Kwai Ling, Moni, aged 46, Sales Manager, joined the Cheung Kong Group in February 2013. She has over 16 years of experience in property sales. She holds a Bachelor of Arts degree with Honours, a Master of Science degree with Honours in Marketing and a Master of Science degree in Real Estate.

Sales Department – Building Management

Tang Shuk Fan, Shirley, aged 50, Assistant Chief Manager, Building Management, joined the Cheung Kong Group in April 2012. She is a Director of Goodwell-Fortune Property Services Limited and Goodwell-Prosperity Property Services Limited. She has over 31 years of experience in building management. She holds a Professional Diploma in Housing Management, a Postgraduate Diploma in Cultural Heritage Management and a Master of Science Degree in Facilities Management. She is an ordinary member of Hong Kong Institute of Real Estate Administrators, a professional member of International Facility Management Association, a chartered member of Chartered Institute of Housing and a member of The Hong Kong Institute of Housing.

Tse Ka Li, Gary, aged 55, Senior Manager, Building Management, joined the Cheung Kong Group in September 2014. He has over 27 years of experience in building management. He holds a Bachelor of Science degree in Civil Engineering and a Bachelor of Arts degree with Honours in Housing Studies. He is a Registered Professional Housing Manager, a chartered member of Chartered Institute of Housing, a member of The Hong Kong Institute of Housing, an ordinary member of Hong Kong Institute of Real Estate Administrators and a corporate member of Building Services Operation and Maintenance Executives Society.

Wong Wo Muk, Philip, aged 57, Manager, Building Management, joined the Cheung Kong Group in May 1987. He is a Director of E-Park Parking Management Limited, Goodwell-Fortune Property Services Limited and Goodwell-Prosperity Property Services Limited. He has over 34 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).

Hutchison Property Group Limited

Tsui Kin Tung, Tony, aged 57, Deputy Managing Director, Hutchison Property Group Limited, joined the Cheung Kong Group in June 1990. He has over 30 years of experience in property sales and leasing in Hong Kong, the PRC and the United Kingdom. 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.

Tam, Raymond, aged 63, Director – Finance, Hutchison Property Group Limited, joined the Cheung Kong Group in May 1982. He has over 40 years of experience in accounting, auditing and finance in Hong Kong, the PRC and overseas. He is a fellow member of The Association of Chartered Certified Accountants, a fellow of the Hong Kong Institute of Certified Public Accountants, a fellow member of The Taxation Institute of Hong Kong and a fellow member of Institute of Chartered Accountants in England & Wales.

Tsui Ching Sang, Stephen, aged 56, Director – Projects, Hutchison Property Group Limited, joined the Cheung Kong Group in April 1990. He has over 30 years of experience in project management and architectural design for various developments in Hong Kong, the PRC and the United Kingdom. He holds a Bachelor of Arts degree in Architectural Studies and a Bachelor'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.

Tam Kin Yuk, Jason, aged 46, Director – Marketing and Director – Corporate Business Development, Hutchison Property Group Limited, joined the Cheung Kong Group in August 2000. He has over 24 years of experience in property sales and leasing in the PRC. He holds a Bachelor of Science degree in Surveying.

Chan Ching Man, Janice, aged 56, Director – Cost Control, Hutchison Property Group Limited, joined the Cheung Kong Group in December 1994. She has over 30 years of experience in contract management and quantity surveying in Hong Kong, the PRC and the United Kingdom. She holds a Master's degree in Construction Project Management. She is a Registered Professional Surveyor, a fellow member of the Royal Institution of Chartered Surveyors and a fellow member of The Hong Kong Institute of Surveyors.

Shu Yee Loon, Wilson, aged 64, Deputy Director – Projects, Hutchison Property Group Limited, joined the Cheung Kong Group in September 2007. He has over 30 years of experience in project management and architectural design for various developments in Hong Kong, the PRC and Canada. He holds a Bachelor's degree in Environmental Studies and a Master's degree in Architecture. He is a member of the Royal Architectural Institute of Canada and a licensed member of the Ontario Association of Architects, Canada.

Mak Kin Wo, Kenneth, aged 51, Deputy Director – Projects, Hutchison Property Group Limited, joined the Cheung Kong Group in October 2004. He has over 28 years of experience in project management and architectural design for various developments in Hong Kong and the PRC. He holds a Bachelor's degree in Architecture. He is a Registered Architect and a member of The Hong Kong Institute of Architects.

Harbour Plaza Hotel Management Limited

Koh Poh Chan, aged 68, Finance Director of Harbour Plaza Hotel Management Limited, joined the Cheung Kong Group in January 1991. She is also a Member of the Executive Committee of Cheung Kong Property Holdings Limited and a Director of Harbour Plaza Hotel Management Limited and Husky Energy Inc. She has over 36 years of experience in accounting, auditing, tax and finance. She graduated from the London School of Accountancy. She is also a fellow member of The Institute of Chartered Accountants in England and Wales, an associate member of the Canadian Institute of Chartered Accountants as well as of the Chartered Institute of Taxation in the United Kingdom.

Report of the Directors

The Directors have pleasure in presenting to shareholders their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2016 on pages 128 to 160.

Principal Activities

The Group has diverse capabilities with business activities encompassing property development and investment, hotel and serviced suite operation, property and project management and aircraft leasing.

Business Review

A fair review of the Group's business, an indication of likely future development in the Group's business and an analysis using financial key performance indicators are provided in the Report of the Chairman and the Managing Director and the Management Discussion and Analysis respectively from pages 10 to 14 and pages 15 to 27 of this Annual Report. A description of the principal risks and uncertainties facing the Group can be found in the Risk Factors from pages 172 to 179. A discussion on the Group's environmental policies and performance and an account of the Group's key relationships with its stakeholders are included in the Environmental, Social and Governance Report from pages 90 to 100. The above discussions form part of this Report of the Directors.

In connection with the Group's property business in Hong Kong, the Residential Properties (First-hand Sales) Ordinance regulates the sales of first-hand uncompleted and completed residential properties and sets out detailed requirements in relation to, among other things, sales brochures, price lists, show flats, viewing of properties in completed developments, disclosures of transaction information, sales arrangements, the mandatory provision for the preliminary agreement for sale and purchase and agreement for sale and purchase for the sales of first-hand residential properties, advertisements and promotional materials. The Group strives to and has taken special care and all necessary steps and reasonable precautions and exercised all due diligence to comply with the said Ordinance including developing internal compliance procedures, familiarising its employees with the specific requirements of the said Ordinance by internal and external seminars and workshops, issuing internal memoranda with updates of the requirements of the said Ordinance and seeking external professional advice to ensure, among other things, accuracy of information made available to public so that transparency and consumer protection of sales of first-hand residential properties can be enhanced.

In connection with the Group's property business on the Mainland, save as the compliance matters as disclosed in the listing document of the Company dated 8 May 2015 where measures have been undertaken to closely monitor the status, the Group has complied with all applicable laws and regulations, including the Law of the Administration of Urban Real Estate, Property Rights Law, Law of Urban and Rural Planning and Civil Air Defence Law, and will seek legal and/or technical advice from external professional consultants, wherever required, to ensure compliance.

In connection with the Group's hotel, restaurant and catering business in Hong Kong, the Group ensures it complies with the Hotel and Guesthouse Accommodation Ordinance, the Public Health and Municipal Services Ordinance, the Food Business Regulations and the Dutiable Commodities (Liquor) Regulations. The Group has maintained requisite licences such as hotel and guesthouse licence, hotel television (transmission) licence, restaurant and liquor licence and water pollution control licence from the relevant regulatory bodies if required for its operations.

Coming into effect on 14 December 2015, the Competition Ordinance is likely to have a significant impact on the business landscapes in Hong Kong. The Group is committed to the compliance with the said Ordinance and it has been working with external professionals to develop internal guidelines and educating its employees so as to ensure that the Group and its employees will adopt business practices that are compliant with the relevant laws from time to time.

Results and Dividends

Results of the Group for the year ended 31 December 2016 are set out in the consolidated income statement on page 128.

The Directors recommend the payment of a final dividend of HK\$1.15 per share which, together with the interim dividend of HK\$0.38 per share paid on 22 September 2016, makes a total dividend of HK\$1.53 per share for the year.

Group Financial Summary

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

Directors

The Directors of the Company are listed on page 180. The Directors' biographical information is set out on pages 28 to 30.

In accordance with the Company's Amended and Restated Articles of Association, the Directors of the Company (including Independent Non-executive Directors) shall be subject to retirement by rotation at each annual general meeting. Mr. Li Tzar Kuoi, Victor, Mr. Kam Hing Lam, Mr. Chung Sun Keung, Davy, Mr. Cheong Ying Chew, Henry and Mr. Simon Murray will retire from office. Mr. Simon Murray will not offer himself for re-election at the forthcoming annual general meeting whereas the other four retiring Directors, being eligible, will offer themselves for re-election.

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.

Report of the Directors (*continued*)

Arrangement to Purchase Shares or Debentures

At no time during the year was the Company or its 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.

Directors' Interests in Transactions, Arrangements or Contracts

Save for otherwise disclosed under the section "Continuing Connected Transactions and Connected Transactions", there were no other transactions, arrangements or contracts of significance in relation to the businesses of the Company and its subsidiaries to which the Company or any of its subsidiary was a party and in which a Director of the Company or his/her connected entity had a material interest, whether directly or indirectly, subsisted at any time during the year 2016 and as at the date of this Report.

Directors' Service Contracts

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).

Permitted Indemnity Provision

The Amended and Restated Articles of Association of the Company provides that every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour, or in which he/she is acquitted. A Directors Liability Insurance is in place to protect the Directors against potential costs and liabilities arising from claims brought against the Directors.

Disclosure of Interests

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

As at 31 December 2016, 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:

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	–	–	133,150,256 (Note 1)	1,028,753,254 (Note 2)	1,161,903,510	30.38%
Li Tzar Kuoi, Victor	Beneficial owner, interest of child or spouse, interest of controlled corporations & beneficiary of trusts	220,000	405,200	3,572,350 (Note 3)	1,028,753,254 (Note 2)	1,032,950,804	27.01%
Kam Hing Lam	Beneficial owner & interest of child or spouse	51,040	57,360	–	–	108,400	0.0028%
Chow Nin Mow, Albert	Beneficial owner	66	–	–	–	66	≈ 0%
Hung Siu-lin, Katherine	Beneficial owner	43,256	–	–	–	43,256	0.0011%
Yeh Yuan Chang, Anthony	Interest of child or spouse	–	91,920	–	–	91,920	0.0024%

Report of the Directors *(continued)***(b) 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		
Precise Result Global Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	15 (Note 4)	15	15%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	15 (Note 4)	15	15%
Jabrin Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	2,000 (Note 4)	2,000	20%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	2,000 (Note 4)	2,000	20%
Mightycity Company Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	168,375 (Note 4)	168,375	1.53%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	168,375 (Note 4)	168,375	1.53%

Notes:

- (1) The 133,150,256 shares of the Company comprise:
- (a) 131,850,256 shares held by certain companies of which Mr. Li Ka-shing is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings.
 - (b) 1,300,000 shares held by Li Ka Shing Foundation Limited ("LKSF"). By virtue of the terms of the constituent documents of LKSF, Mr. Li Ka-shing may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSF.
- (2) The two references to 1,028,753,254 shares of the Company relate to the same block of shares comprising:-
- (a) 936,462,744 shares held by Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of The Li Ka-Shing Unity Trust ("UT1") and its related companies in which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings ("TUT1 related companies"). 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 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.

The entire issued share capital of TUT1, TDT1 and TDT2 are owned by Li Ka-Shing Unity Holdings Limited ("Unity Holdco"). Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds 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 and Mr. Li Tzar Kuoi, Victor 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.

Report of the Directors (continued)

- (b) 7,863,264 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, TDT3 and TDT4 are owned by Li Ka-Shing Castle Holdings Limited ("Castle Holdco"). Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Castle Holdco. TUT3 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 Castle Holdco or any of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor 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 the Company held by TUT3 as trustee of UT3 under the SFO as Directors of the Company.

- (c) 84,427,246 shares held by a company controlled by TDT3 as trustee of DT3.
- (3) The 3,572,350 shares of the Company comprise:
- (a) 2,272,350 shares held by certain companies of which Mr. Li Tzar Kuoi, Victor is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings.
- (b) 1,300,000 shares held by LKSF. By virtue of the terms of the constituent documents of LKSF, Mr. Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSF.
- (4) These are subsidiaries of the Company and such shares are held through TUT1 as trustee of UT1. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors, by virtue of their deemed interests in TUT1 as trustee of UT1 as described in Note (2)(a) above, are taken to have a duty of disclosure in relation to such shares under the SFO.

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 31 December 2016, 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.

Interests and Short Positions of Shareholders

So far as is known to any Director or chief executive of the Company, as at 31 December 2016, shareholders of the Company (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:

1. 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 1)	24.49%
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 1)	24.49%
Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust	Trustee & beneficiary of a trust	936,462,744 (Note 1)	24.49%

2. (a) Long Positions of Other Persons in the Shares and Underlying Shares of the Company

Name of Shareholder	Capacity	Number of Shares/ Underlying Shares	Total	Approximate % of Shareholding
JPMorgan Chase & Co.	(i) Beneficial owner	19,114,913)	266,931,165 (Note 2)	6.98%
	(ii) Investment manager	57,609,421)		
	(iii) Trustee	27,364)		
	(iv) Custodian corporation/ approved lending agent	190,179,467)		
JPMorgan Chase Bank, N.A.	(i) Investment manager	2,998,249)	201,408,652 (Note 3)	5.27%
	(ii) Trustee	27,364)		
	(iii) Custodian corporation/ approved lending agent	198,383,039)		
The Capital Group Companies, Inc.	Interest of controlled corporations	268,791,128 (Note 4)	268,791,128 (Note 4)	6.99% (Note 4)

(b) Short Positions of Other Persons in the Shares and Underlying Shares of the Company

Name of Shareholder	Capacity	Number of Shares/ Underlying Shares	Total	Approximate % of Shareholding
JPMorgan Chase & Co.	Beneficial owner	13,759,240	13,759,240 (Note 5)	0.36%

Report of the Directors (*continued*)

(c) Lending Pool of Other Persons in the Shares and Underlying Shares of the Company

Name of Shareholder	Capacity	Number of Shares/ Underlying Shares	Total	Approximate % of Shareholding
JPMorgan Chase & Co.	Custodian corporation/ approved lending agent	190,179,467	190,179,467	4.97%
JPMorgan Chase Bank, N.A.	Custodian corporation/ approved lending agent	198,383,039	198,383,039 (Note 3)	5.19%

Notes:

- (1) The three references to 936,462,744 shares relate to the same block of shares in the Company. Of these 936,462,744 shares of the Company, 913,378,704 shares of the Company are held by TUT1 as trustee of UT1 and 23,084,040 shares of the Company are held by companies controlled by TUT1 as trustee of UT1. 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.
- (2) Such long position includes derivative interests in 4,844,147 underlying shares of the Company of which 157,000 underlying shares are derived from listed and physically settled derivatives, 280,348 underlying shares are derived from unlisted and physically settled derivatives and 4,406,799 underlying shares are derived from unlisted and cash settled derivatives.
- (3) Such long position and lending pool reported by JPMorgan Chase Bank, N.A., were based on the notice filed on 9 June 2015 by JPMorgan Chase Bank, N.A. to the Company. JPMorgan Chase Bank, N.A. is a wholly-owned subsidiary of JP Morgan Chase & Co.
- (4) Such disclosure of interest was made in the form of notice pursuant to Part XV of the SFO submitted by The Capital Group Companies, Inc. ("CGC") to the Company on 20 October 2016, based on the then issued share capital of the Company (i.e. 3,845,498,000 shares). Subsequently, CGC notified the Company that as of 31 December 2016, CGC's holdings were 247,723,100 shares which represented approximately 6.48% of the issued share capital of the Company as at 31 December 2016 (i.e. 3,823,999,500 shares).
- (5) Such short position includes derivative interests in 13,759,240 underlying shares of the Company of which 227,000 underlying shares are derived from listed and physically settled derivatives, 77,500 underlying shares are derived from listed and cash settled derivatives, 328,170 underlying shares are derived from unlisted and physically settled derivatives and 13,126,570 underlying shares are derived from unlisted and cash settled derivatives.

Save as disclosed above, as at 31 December 2016, 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.

Continuing Connected Transactions and Connected Transactions

Each of CK Hutchison Holdings Limited (“CK Hutchison”, together with its subsidiaries, “CK Hutchison Group”) and the Company has been deemed by the Stock Exchange to be a connected person of the other after completion of the listing of the ordinary shares in the share capital of the Company by way of introduction (the “Listing”) on 3 June 2015 (the “Listing Date”), notwithstanding that CK Hutchison does not fall within the scope of connected persons of the Company pursuant to the Listing Rules. Accordingly, transactions entered into between members of the Group and members of the CK Hutchison Group following the Listing would constitute connected transactions of the Company under the Listing Rules.

1. Continuing Connected Transactions

The following transactions constituted continuing connected transactions of the Company (“Continuing Connected Transactions”) under the Listing Rules during the financial year ended 31 December 2016:

(a) Leasing and licensing of premises by the Group to the CK Hutchison Group

On 5 May 2015, the Company entered into an agreement with CK Hutchison to set out the framework terms governing the leasing transactions between the Group and the CK Hutchison Group (the “Leasing Transactions”) to be entered into during the period from the Listing Date to 31 December 2017 (the “Term”) (the “Master Leasing Agreement”). Pursuant to the Master Leasing Agreement, the Company agrees to lease or license or to procure its subsidiaries to lease or license various premises (including office space, car parks and building areas but excluding hotel premises) owned by the Group to members of the CK Hutchison Group as and when reasonably requested by members of the CK Hutchison Group from time to time during the Term, at a rental or licence fee to be negotiated on a case-by-case and an arm’s length basis, and shall be on normal commercial terms.

The aggregate rental or licence fees of the Leasing Transactions are subject to the annual caps of HK\$683 million, HK\$763 million and HK\$856 million for the period ended 31 December 2015, and for the years ended/ending 31 December 2016 and 31 December 2017 respectively. During the year ended 31 December 2016, HK\$658 million has been paid/payable by the CK Hutchison Group to the Group for the Leasing Transactions.

(b) Purchases of goods and services by the Group from the CK Hutchison Group for use in connection with the Group’s property development projects

On 5 May 2015, the Company entered into an agreement with CK Hutchison to set out the framework terms governing the purchases of goods and services by the Group from the CK Hutchison Group for use in connection with the Group’s property development projects (the “Project Related Supplies Transactions”) to be entered into during the Term (the “Master Purchase Agreement”). Pursuant to the Master Purchase Agreement, CK Hutchison agrees to provide, or to procure its subsidiaries to provide, the Project Related Supplies Transactions to members of the Group as and when reasonably requested by the members of the Group from time to time during the Term, at a fee or charge to be negotiated on a case-by-case and an arm’s length basis, and shall be on normal commercial terms.

Report of the Directors (continued)

The aggregate fees and charges of the Project Related Supplies Transactions are subject to the annual caps of HK\$86 million, HK\$160 million and HK\$160 million for the period ended 31 December 2015, and years ended/ending 31 December 2016 and 31 December 2017 respectively. During the year ended 31 December 2016, HK\$94 million has been paid/payable by the Group to the CK Hutchison Group for the Project Related Supplies Transactions.

(c) Provision of Internet and telecommunication products and services by the CK Hutchison Group to the Group

On 5 May 2015, the Company entered into an agreement with CK Hutchison to set out the framework terms governing the provision of Internet and telecommunication products and services by the CK Hutchison Group to the Group (the "Internet and Telecommunication Supplies Transactions") to be entered into during the Term (the "Master Internet and Telecommunication Supplies Agreement"). Pursuant to the Master Internet and Telecommunication Supplies Agreement, CK Hutchison agrees to provide, or to procure its subsidiaries to provide, the Internet and Telecommunication Supplies Transactions to members of the Group as and when reasonably requested by members of the Group from time to time during the Term, at a fee or charge to be negotiated on a case-by-case and an arm's length basis, and shall be on normal commercial terms.

The aggregate fees or charges of the Internet and Telecommunication Supplies Transactions are subject to the annual caps of HK\$76 million, HK\$91 million and HK\$97 million for the period ended 31 December 2015, and years ended/ending 31 December 2016 and 31 December 2017 respectively. During the year ended 31 December 2016, HK\$26 million has been paid/payable by the Group to the CK Hutchison Group for the Internet and Telecommunication Supplies Transactions.

The Stock Exchange has granted to the Company a waiver from strict compliance with the announcement requirements under Chapter 14A of the Listing Rules with respect to the Continuing Connected Transactions provided that the annual aggregate transaction amounts in respect of each category of the Continuing Connected Transactions do not exceed the relevant annual cap amount set out above.

The Continuing Connected Transactions have been reviewed by the Independent Non-executive Directors. The Independent Non-executive Directors have confirmed that for the year 2016 the Continuing Connected Transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Company has engaged the auditor of the Company to report the Continuing Connected Transactions of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reported to the Board of Directors and confirmed that for the year 2016 nothing has come to their attention that causes them to believe that the Continuing Connected Transactions (i) have not been approved by the Board of Directors of the Company; (ii) were not, in all respects, in accordance with the pricing policies of the Group for the transactions involving the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and (iv) have exceeded the annual caps as set by the Company.

2. Connected Transactions

The following transactions constituted connected transactions of the Company under the Listing Rules during the financial year ended 31 December 2016 and up to the date of this Report:

- (a) On 2 December 2016, Accipiter Investments Limited ("AIL"), a direct wholly-owned subsidiary of the Company and CK Capital Investment Limited ("CKCI"), an indirect wholly-owned subsidiary of CK Hutchison, entered into a sale and purchase agreement, pursuant to which CKCI agreed to sell and AIL agreed to purchase companies engaged in the aircraft leasing business by AIL purchasing: (i) all the issued shares in CK Capital Limited owned by CKCI for an adjusted consideration of approximately US\$981 million (equivalent to approximately HK\$7,630 million) which was settled as to approximately US\$172 million (equivalent to approximately HK\$1,338 million) by way of the assumption by AIL of CKCI's liability under the non-interest bearing loan in the principal amount of approximately US\$172 million (equivalent to approximately HK\$1,338 million) owed by CKCI to CK Capital Limited on the date of completion and as to the balance in cash; and (ii) the entire issued share capital of Harrier Global Limited owned by CKCI for an adjusted consideration of approximately US\$7 million (equivalent to approximately HK\$60 million) which was wholly settled in cash. The acquisitions were completed on 15 December 2016. Each of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor has or may be regarded as having a material interest in the acquisitions, they abstained from voting on the resolutions of the Board of the Company approving the acquisitions.

The above transaction was subject to the reporting and announcement requirements but exempt from the requirements relating to circular, appointment of independent financial adviser and independent shareholders' approval under Chapter 14A of the Listing Rules.

Report of the Directors (*continued*)

- (b) On 14 January 2017, the Company, Cheung Kong Infrastructure Holdings Limited (“CKI”) and Power Assets Holdings Limited (“PAH”) (together, the “Consortium Members”) entered into a consortium formation agreement, pursuant to which, subject to obtaining the necessary independent shareholders’ approvals (“Approval(s)”), the relevant Consortium Members will become indirect owners of CK William UK Holdings Limited (“JV Co”) and fund the JV Co and its subsidiaries for the proposed acquisition of all of the stapled securities in issue of the DUET Group (the “Target”) by way of schemes of arrangement and a trust scheme (the “Schemes”) as described in the Company’s announcement of 16 January 2017 (the “Acquisition”) and enter into the shareholders’ agreement to govern the shareholder relationship in JV Co as well as the downstream business of the Target (“Joint Venture Transaction”). On 14 January 2017, the Company together with CKI, PAH, CK William Australia Bidco Pty Ltd and the Target entered into a scheme implementation agreement in relation to the Acquisition. The Target, whose securities are listed on the Australian Securities Exchange, is an owner and operator of energy utility assets in Australia, the United States, the United Kingdom and Europe. Completion of the Acquisition is still subject to, among other things, the approval of the Target’s securityholders and other governmental approvals. As CK Hutchison holds approximately 71.93% of the issued share capital of CKI, CKI may be regarded as a connected person of the Company by virtue of it being a subsidiary of CK Hutchison. The necessary Approvals for the Joint Venture Transaction were obtained at the respective general meetings of the Company, CKI and PAH held on 14 March 2017. Therefore, subject to the Schemes becoming effective, the Joint Venture Transaction will proceed between, and the Target will be indirectly held by, the Company, CKI and PAH as to 40%, 40% and 20% respectively, and the maximum financial commitment of the Company in relation to the Joint Venture Transaction will be up to approximately AUD3,012 million (equivalent to approximately HK\$17,259 million). Each of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor has or may be regarded as having a material interest in the Joint Venture Transaction, each of them has voluntarily abstained from voting on the Board resolutions of the Company for approving the Joint Venture Transaction.

The above transaction was subject to the announcement, reporting and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Major Customers and Suppliers

During the year, 35% of the Group’s purchases were attributable to the Group’s five largest suppliers with the largest supplier accounted for 13% of the Group’s purchases. The Group’s revenue from sales of goods or rendering of services attributable to the Group’s five largest customers was less than 30%.

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

Directors' Interests in Competing Businesses

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

1. Business Activities of the Group

- (1) Property development and investment
- (2) Hotel and serviced suite operation
- (3) Property and project management
- (4) Interests in Real Estate Investment Trusts
- (5) Ownership and leasing of movable assets

2. Interests in Competing Business

Name of Director	Name of Company	Nature of Interest	Competing Business (Note)
Li Tzar Kuoi, Victor	Cheung Kong Infrastructure Holdings Limited	Chairman	(5)
	CK Life Sciences Int'l., (Holdings) Inc.	Chairman	(1)
Kam Hing Lam	Cheung Kong Infrastructure Holdings Limited	Group Managing Director	(5)
	CK Life Sciences Int'l., (Holdings) Inc.	President and Chief Executive Officer	(1)
	Hui Xian Asset Management Limited	Chairman	(1), (2), (3) & (4)
Ip Tak Chuen, Edmond	Cheung Kong Infrastructure Holdings Limited	Deputy Chairman	(5)
	CK Life Sciences Int'l., (Holdings) Inc.	Senior Vice President and Chief Investment Officer	(1)
	ARA Asset Management Limited	Non-executive Director	(3) & (4)
	Hui Xian Asset Management Limited	Non-executive Director	(1), (2), (3) & (4)
Chiu Kwok Hung, Justin	ARA Asset Management Limited	Chairman	(3) & (4)
	ARA Asset Management (Fortune) Limited	Non-executive Director*	(3) & (4)
	ARA Asia Dragon Limited	Director	(1) & (3)
	ARA Asset Management (Prosperity) Limited	Chairman	(3) & (4)
Chow Wai Kam	AVIC International Holding (HK) Limited	Non-executive Director	(1)

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

* With effect from 1 January 2017, Mr. Chiu Kwok Hung, Justin has stepped down as Chairman of board of directors but remains as a Non-executive Director of ARA Asset Management (Fortune) Limited.

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*)

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's Amended and Restated Articles of Association, or the laws of Cayman Islands, which would oblige the Company to offer new shares on pro-rata basis to existing shareholders.

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

During the year ended 31 December 2016, the Company bought back a total of 35,679,000 shares of HK\$1.00 each in the capital of the Company ("Shares") on the Stock Exchange, with the aggregate consideration paid (before expenses) amounting to HK\$1,766,127,850. All the Shares bought back were subsequently cancelled during the year. As at 31 December 2016, the total number of Shares in issue was 3,823,999,500.

Particulars of the share buy-backs during the year are as follows:

Month	Number of Shares bought back	Purchase price per Share		Aggregate consideration (before expenses) (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
March 2016	13,535,000	48.50	45.85	632,425,925
May 2016	645,500	45.30	45.15	29,200,800
December 2016	21,498,500	52.00	50.25	1,104,501,125
	35,679,000			1,766,127,850

Save as disclosed above, during the year ended 31 December 2016, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Subsequent to 31 December 2016, the Company bought back a total of 23,805,000 Shares on the Stock Exchange, with the aggregate consideration paid (before expenses) amounting HK\$1,218,199,525. All the Shares bought back were subsequently cancelled. As at the date of this Report of the Directors, the total number of Shares in issue is 3,800,194,500.

Particulars of the share buy-back subsequent to 31 December 2016 are as follows:

Month	Number of Shares bought back	Purchase price per Share		Aggregate consideration (before expenses) (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
January 2017	23,805,000	52.40	49.15	1,218,199,525

The Directors believed that the above share buy-backs might lead to an enhancement of the net assets and/or earnings per Share.

Equity-Linked Agreements

For the year ended 31 December 2016, the Company has not entered into any equity-linked agreement, and there did not subsist any equity-linked agreement entered into by the Company as at 31 December 2016.

Management Contracts

No contracts concerning to the management and administration of the whole or any substantial part of any business of the Group were entered into or existed during the year.

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 Report, the Company has maintained the prescribed public float under the Listing Rules.

Donations

During the year, the Group supported a wide variety of charitable activities of the community. Donations of approximately HK\$27,000,000 were made by the Group to various charitable organisations.

Audit Committee

The Group's Annual Report for the year ended 31 December 2016 has been reviewed by the audit committee of the Company (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 78 to 80.

Auditor

The consolidated financial statements for the year have been audited by Messrs. Deloitte Touche Tohmatsu who will retire and offer themselves for re-appointment at the 2017 annual general meeting.

On behalf of the Board

Li Ka-shing

Chairman

Hong Kong, 22 March 2017

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 emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders.

Save as disclosed below, the Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices, of the Corporate Governance Code (“CG Code”) 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 31 December 2016. In respect of code provisions A.5.1 to A.5.4 of the CG Code, the Company does not have a nomination committee. At present, the full Board is responsible for reviewing the structure, size and composition of the Board and the appointment of new Directors 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. The Board as a whole is also responsible for reviewing the succession plan for the Directors, in particular the Chairman of the Board (the “Chairman”) and the Managing Director. In respect of code provision A.6.7 of the CG Code, an Independent Non-executive Director was not in a position to attend the annual general meeting of the Company held on 13 May 2016 (“2016 AGM”) due to health reason. In respect of code provision E.1.2 of the CG Code, the Chairman was unable to attend the 2016 AGM due to sudden indisposition. The Managing Director and Deputy Chairman of the Company chaired the 2016 AGM on behalf of the Chairman pursuant to the Company’s Amended and Restated Articles of Association and was available to answer questions.

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

I. Code Provisions

Code Ref.	Code Provisions	Comply (“C”)/ Explain (“E”)	Corporate Governance Practices																																		
A.	DIRECTORS																																				
A.1	The Board																																				
	<p>Corporate Governance Principle</p> <p><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></p> <p><i>The Board should regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether he is spending sufficient time performing them.</i></p>																																				
A.1.1	Regular board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of majority of directors.	C	<ul style="list-style-type: none"> The Board meets regularly and held meetings in March, May, August and November of 2016. Directors’ attendance records in 2016 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</i>)</td> <td>3/4</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>CHIU Kwok Hung, Justin</td> <td>4/4</td> </tr> <tr> <td>CHOW Wai Kam</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 colspan="2">Independent Non-executive Directors</td> </tr> <tr> <td>CHEONG Ying Chew, Henry</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>Simon MURRAY</td> <td>4/4</td> </tr> <tr> <td>YEH Yuan Chang, Anthony</td> <td>1/4</td> </tr> </tbody> </table> <ul style="list-style-type: none"> The Directors may attend meetings in person, by phone or through means of electronic communication or by their alternate directors (if applicable) or proxies in accordance with the Company’s Amended and Restated Articles of Association (“Articles”). An updated and consolidated version of the Company’s Amended and Restated 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”). There were no significant changes in the Company’s constitutional documents during the year 2016. 	Members of the Board	Attendance	Executive Directors		LI Ka-shing (<i>Chairman</i>)	3/4	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	CHIU Kwok Hung, Justin	4/4	CHOW Wai Kam	4/4	PAU Yee Wan, Ezra	4/4	WOO Chia Ching, Grace	4/4	Independent Non-executive Directors		CHEONG Ying Chew, Henry	4/4	CHOW Nin Mow, Albert	4/4	HUNG Siu-lin, Katherine	4/4	Simon MURRAY	4/4	YEH Yuan Chang, Anthony	1/4
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Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
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 Directors are consulted as to whether they may wish to include any matter in the agenda before the agenda for each regular Board 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 C	<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.
A.1.4	Minutes of board meetings and meetings of board committees should be kept by a duly appointed secretary of the meeting and should be open for inspection at any reasonable time on reasonable notice by any director.	C	<ul style="list-style-type: none"> The Company Secretary prepares written resolutions or minutes and keeps records of substantive matters discussed and decisions resolved at all Board and Board Committee meetings. Board and Board Committee minutes are sent to all Directors/Board Committee members within a reasonable time after each Board and Board Committee meeting. Board and Board Committee minutes/resolutions are available for inspection by Directors/Board Committee members.
A.1.5	<ul style="list-style-type: none"> Minutes of board meetings and meetings of board committees should record in sufficient detail the matters considered and decisions reached. Draft and final versions of minutes for all directors to comment and to keep records within a reasonable time after the board meeting. 	C C	<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.1.6	<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 them perform their duties to the company. 	C C	<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.
A.1.7	<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 be dealt with by a physical board meeting rather than a written resolution. Independent non-executive directors who, and whose close associates, have no material interest in the transaction should be present at that board meeting. 	C C	<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.1.8	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 3 June 2015 including the year 2016/2017.

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices																		
A.2	Chairman and Chief Executive <i>Corporate Governance Principle</i> <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.2.1	<ul style="list-style-type: none"> – Separate roles of chairman and chief executive not to be performed by the same individual. – Division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. 	<p>C</p> <p>C</p>	<ul style="list-style-type: none"> • The positions of the Chairman and the Managing Director are currently held by separate individuals. • The Chairman determines the broad strategic direction of the Company and its subsidiaries (collectively, 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.	C	<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 met with the Independent Non-executive Directors without the presence of the Executive Directors in November of 2016. Attendance record of the meeting is as follows: <table style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <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;">1/1</td> </tr> <tr> <td colspan="2">Independent Non-executive Directors</td> </tr> <tr> <td>CHEONG Ying Chew, Henry</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>CHOW Nin Mow, Albert</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>HUNG Siu-lin, Katherine</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>Simon MURRAY</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>YEY Yuan Chang, Anthony</td> <td style="text-align: right;">0/1</td> </tr> </tbody> </table> 	Attendance		Chairman		LI Ka-shing	1/1	Independent Non-executive Directors		CHEONG Ying Chew, Henry	1/1	CHOW Nin Mow, Albert	1/1	HUNG Siu-lin, Katherine	1/1	Simon MURRAY	1/1	YEY Yuan Chang, Anthony	0/1
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A.2.3	The chairman should be responsible for ensuring that directors receive, in a timely manner, adequate information which must be accurate, clear, complete and reliable.	C	<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 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.2.4	<ul style="list-style-type: none"> – The chairman to provide leadership for the board – The chairman should ensure that the board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner. – The chairman should be primarily responsible for drawing up and approving the agenda for each board meeting. He should take into account, where appropriate, any matters proposed by the other directors for inclusion in the agenda. The chairman may delegate this 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 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 2016. • 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. 																		

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.2.5	The chairman should take primary 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	<ul style="list-style-type: none"> 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 it acts in the best interests of the company. The chairman should encourage directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that board decisions fairly reflect board consensus. 	C	<ul style="list-style-type: none"> Please refer to A.2.3 and A.2.4 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 met with the Independent Non-executive Directors without the presence of the Executive Directors in November of 2016. Please refer to A.2.2 above for the attendance record.
A.2.8	The chairman should ensure that appropriate steps are taken to provide effective communication with shareholders and that their views 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, 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 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) press conferences and briefing meetings with analysts are arranged from time to time to update on the performance of the Group; (vi) the Company's Hong Kong Share 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 February 2015, the Board has established a shareholders communication policy and in June 2015, the Board has made it available on the Company's website. The policy is subject to review on a regular basis to ensure its effectiveness.
A.2.9	The chairman should promote a culture of openness and debate by facilitating the effective contribution of non-executive directors in particular and ensuring constructive relations between executive and non-executive directors.	C	<ul style="list-style-type: none"> The Chairman promotes a culture of openness and actively encourages Directors with different views to voice their opinion and be fully engaged in the Board's affairs so as to contribute to the Board's functions.

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.3	Board composition Corporate Governance Principle <i>The Board should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and should include a balanced composition of Executive and Non-executive Directors so that independent judgement can effectively be exercised.</i>		
A.3.1	Independent non-executive directors should be identified in all corporate communications that disclose the names of directors.	C	<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 and the Independent Non-executive Directors, is disclosed in all corporate communications. The Board consists of a total of fourteen Directors, comprising nine Executive Directors and five Independent Non-executive Directors. 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 180. The Directors' biographical information and the relationships among the Directors are set out on pages 28 to 30. 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.3.2	The company should maintain on its website and on HKEx's 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 respective roles and functions together with their biographical information, and whether they are independent non-executive directors. Since June 2015, the updated list of Directors has been posted on the website of HKEx which will be revised from time to time if necessary. The Company has also posted on its website and/or the website of HKEx the Terms of Reference of its Board Committees to enable the shareholders to understand the roles played by those Independent Non-executive Directors who serve on the relevant Board Committees.
A.4	Appointments, re-election and removal Corporate Governance Principle <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. All Directors should be subject to re-election at regular intervals.</i>		
A.4.1	Non-executive directors should be appointed for a specific term, subject to re-election.	C	<ul style="list-style-type: none"> All Directors (including Independent Non-executive Directors) are subject to retirement by rotation once every three years and are subject to re-election in accordance with the Articles and the CG Code.
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 appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. 	C	<ul style="list-style-type: none"> In accordance with the Articles, 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 Articles, 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 Independent Non-executive Directors) are subject to retirement by rotation once every three years and are subject to re-election in accordance with the Articles and the CG Code. 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.

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.5.1 – A.5.4 (cont'd)	<p>(c) assess the independence of independent non-executive directors; and</p> <p>(d) make recommendations to the board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive.</p> <p>– The nomination committee should make available its terms of reference explaining its role and the authority delegated to it by the board by including them on HKEx's website and the company's website.</p> <p>– The company should provide the nomination committee sufficient resources to perform its duties. Where necessary, the nomination committee should seek independent professional advice, at the company's expense, to perform its responsibilities.</p>		
A.5.5	<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 he should be elected and the reasons why they consider him to be independent.</p>	C	<ul style="list-style-type: none"> Please refer to A.4.3 above for the details.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.5.6	The nomination committee (or the board) should have a policy concerning diversity of board members, and should disclose the policy or a summary of the policy in the Corporate Governance Report.	C	<ul style="list-style-type: none"> • In February 2015, the Company has established a policy concerning diversity of Board members ("Board Diversity Policy") and in June 2015, the Company has made it available on the Company's website. • In the Board Diversity Policy:– <ol style="list-style-type: none"> 1. The Company recognises the benefits of having a Board that has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's businesses. 2. The Company maintains that appointments to the Board should be based on merit that complements and expands the skills and experience of the Board as a whole, and after due regard to factors which include but not limited to gender, age, cultural and educational background, and/or professional experience, and any other factors that the Board may consider relevant and applicable from time to time towards achieving a diverse Board. 3. The full Board of the Company is responsible for reviewing the structure, size and composition and the appointment of new Directors of the Company from time to time to ensure that it has a balanced composition of skills and experience appropriate to the requirements of the Company's businesses, with due regard to the benefits of diversity on the Board. The Board as a whole is also responsible for reviewing the succession plan for the Directors of the Company, in particular, for the Chairman and the Managing Director. • Selection of Board members is based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and other factors that the Board may consider relevant and applicable from time to time. The ultimate decision is based on merit and contribution that the selected Board members could bring to the Board. • The Board has, from time to time, reviewed and monitored the implementation of the policy to ensure its effectiveness. It will at appropriate time set measurable objectives for achieving diversity on the Board.
A.6	<p>Responsibilities of directors</p> <p><i>Corporate Governance Principle</i></p> <p><i>Every Director must always know his responsibilities as a Director of the Company and its conduct, business activities and development.</i></p>		
A.6.1	Every newly appointed director of the company should receive a comprehensive, formal and tailored induction on appointment. Subsequently he should receive any briefing and professional development necessary to ensure that he has a proper understanding of the company's operations and business and is fully aware of his responsibilities under statute and common law, the Listing Rules, legal and other regulatory requirements and the company's business and governance policies.	C	<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 them with the duties and responsibilities as a Director of the Company and the business operation of the Company. • A package, which has been compiled and reviewed by the Company's legal advisers, setting out the duties and responsibilities of directors under the Listing Rules and relevant regulatory requirements is provided to each newly appointed Director. Further 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 have also 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 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 has 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.

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.6.2	<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 performance reporting 	<p>C</p> <p>C</p> <p>C</p> <p>C</p>	<ul style="list-style-type: none"> • The Independent Non-executive Directors exercise their independent judgement and advise on the future business direction and strategic plans of the Company. • The Independent 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.
A.6.3	<p>Every director should ensure that he can give sufficient time and attention to the company's affairs and should not accept the appointment if he cannot do so.</p>	C	<ul style="list-style-type: none"> • There is satisfactory attendance at Board meetings during the year. Please refer to A.1.1 above for the 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, and his/her global perspective.
A.6.4	<p>Board should establish written guidelines no less exacting than the Model Code for relevant employees.</p>	C	<ul style="list-style-type: none"> • The Company had adopted the model code for securities transactions by directors of listed issuers set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions effective from 3 June 2015 ("Model Code"). The Model Code has been reviewed by the Company from time to time to comply with the new requirements set out in Appendix 10 to the Listing Rules. • 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 31 December 2016. • Written guidelines no less exacting than the Model Code relating to securities transactions for employees are set out in the Employee Handbook of the Company. • Since February 2015, the Company has established a policy on handling of confidential information, information disclosure and securities dealing for all employees of the Group to comply with when they are in possession of confidential or inside information in relation to the Group. Such policy has complied with the requirements set out in Part XIVA of the Securities and Futures Ordinance. Such policy has been posted on Company's intranet and disseminated to all employees of the Company.
A.6.5	<p>All directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the board remains informed and relevant. The company should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of a listed company director.</p>	C	<ul style="list-style-type: none"> • A package, which has been prepared and compiled by the Company's legal advisers, setting out the duties and responsibilities of directors under the Listing Rules and relevant regulatory requirements, is provided to each newly appointed Director. Further 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 have also been forwarded to each Director for his/her information and ready reference.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices																																		
A.6.5 (cont'd)			<ul style="list-style-type: none"> • In addition, the Company has 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 continuous professional development during the year 2016. During the year, the Company had arranged at the cost of the Company 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. Directors have also participated in continuous professional training organised by professional bodies and/or government authorities. <p>The Directors' knowledge and skills are continuously developed and refreshed by, inter alia, the following means:</p> <ol style="list-style-type: none"> (1) Reading memoranda issued or materials provided (for example, in-house directors' seminar) from time to time by the Company to Directors, and as applicable, briefings and reports by the Company Secretary, as regards legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties with the latest developments in public consultations, laws, rules and regulations relating to the duties and responsibilities of directors and corporate governance; (2) Participation in continuous professional training seminars/conferences/courses/workshops on subjects relating to directors' duties and corporate governance, etc. organised by the Company and/or professional bodies and/or government authorities; and (3) Reading news/journal/magazine/other reading materials as regards legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties. <ul style="list-style-type: none"> • Records of the Directors' training during 2016 are as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Members of the Board</th> <th style="text-align: right;">Training received</th> </tr> </thead> <tbody> <tr> <td colspan="2">Executive Directors</td> </tr> <tr> <td>LI Ka-shing (<i>Chairman</i>)</td> <td style="text-align: right;">(1) & (3)</td> </tr> <tr> <td>LI Tzar Kuoi, Victor (<i>Managing Director and Deputy Chairman</i>)</td> <td style="text-align: right;">(1) & (3)</td> </tr> <tr> <td>KAM Hing Lam (<i>Deputy Managing Director</i>)</td> <td style="text-align: right;">(1) & (3)</td> </tr> <tr> <td>IP Tak Chuen, Edmond (<i>Deputy Managing Director</i>)</td> <td style="text-align: right;">(1) & (3)</td> </tr> <tr> <td>CHUNG Sun Keung, Davy</td> <td style="text-align: right;">(1) & (3)</td> </tr> <tr> <td>CHIU Kwok Hung, Justin</td> <td style="text-align: right;">(1), (2) & (3)</td> </tr> <tr> <td>CHOW Wai Kam</td> <td style="text-align: right;">(1), (2) & (3)</td> </tr> <tr> <td>PAU Yee Wan, Ezra</td> <td style="text-align: right;">(1), (2) & (3)</td> </tr> <tr> <td>WOO Chia Ching, Grace</td> <td style="text-align: right;">(1), (2) & (3)</td> </tr> <tr> <td colspan="2">Independent Non-executive Directors</td> </tr> <tr> <td>CHEONG Ying Chew, Henry</td> <td style="text-align: right;">(1), (2) & (3)</td> </tr> <tr> <td>CHOW Nin Mow, Albert</td> <td style="text-align: right;">(1), (2) & (3)</td> </tr> <tr> <td>HUNG Siu-lin, Katherine</td> <td style="text-align: right;">(1), (2) & (3)</td> </tr> <tr> <td>Simon MURRAY</td> <td style="text-align: right;">(1) & (3)</td> </tr> <tr> <td>YEH Yuan Chang, Anthony</td> <td style="text-align: right;">(1) & (3)</td> </tr> </tbody> </table>	Members of the Board	Training received	Executive Directors		LI Ka-shing (<i>Chairman</i>)	(1) & (3)	LI Tzar Kuoi, Victor (<i>Managing Director and Deputy Chairman</i>)	(1) & (3)	KAM Hing Lam (<i>Deputy Managing Director</i>)	(1) & (3)	IP Tak Chuen, Edmond (<i>Deputy Managing Director</i>)	(1) & (3)	CHUNG Sun Keung, Davy	(1) & (3)	CHIU Kwok Hung, Justin	(1), (2) & (3)	CHOW Wai Kam	(1), (2) & (3)	PAU Yee Wan, Ezra	(1), (2) & (3)	WOO Chia Ching, Grace	(1), (2) & (3)	Independent Non-executive Directors		CHEONG Ying Chew, Henry	(1), (2) & (3)	CHOW Nin Mow, Albert	(1), (2) & (3)	HUNG Siu-lin, Katherine	(1), (2) & (3)	Simon MURRAY	(1) & (3)	YEH Yuan Chang, Anthony	(1) & (3)
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Corporate Governance Report (continued)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.6.6	Each director should disclose to the company at the time of his appointment, and in a timely manner for any change, the number and nature of offices held in public companies or organisations and other significant commitments. The identity of the public companies or organisations and an indication of the time involved should also be disclosed. The board should determine for itself how frequently this 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.6.7	Independent non-executive directors and other non-executive directors, as equal board members, should give the board and any committees on which they serve 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 and the meeting between the Chairman and the Independent Non-executive Directors and the general meeting during the year except that an Independent Non-executive Director did not attend the 2016 AGM due to health reason. Please refer to A.1.1, A.2.2, B.1.2, C.3.1 and E.1.2 for the attendance records. Extent of participation and contribution should be viewed both quantitatively and qualitatively.
A.6.8	Independent non-executive directors and other 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"> Please refer to A.6.7 above.
A. 7	Supply of and access to information Corporate Governance Principle <i>Directors should be provided in a timely manner with appropriate information in the form and quality to enable them to make an informed decision and perform their duties and responsibilities.</i>		
A.7.1	<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 meetings As far as practicable for other board or board committee meetings 	C C	<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.7.2	<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 individual directors should have separate and independent access to the company's senior management for making further enquiries where necessary. 	C C	<ul style="list-style-type: none"> The Company Secretary and the General 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.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices								
A.7.3	<ul style="list-style-type: none"> – All directors are entitled to have access to board papers and related materials. – Queries raised by directors should receive a prompt and full response, if possible. 	C	<ul style="list-style-type: none"> • Please refer to A.7.1 and A.7.2 above. 								
B. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT AND BOARD EVALUATION											
B.1	<p>The level and make-up of remuneration and disclosure</p> <p><i>Corporate Governance Principle</i></p> <p><i>The Company should disclose its Director's remuneration policy and other remuneration related matters. The procedure for setting policy on Executive Directors' remuneration and all Directors' remuneration packages should be formal and transparent.</i></p>										
B.1.1	The remuneration committee should consult the chairman and/or chief executive about their remuneration proposals for other executive directors and should have access to independent professional advice if necessary.	C	<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 have been determined with reference to the skills, knowledge, involvement in the Company's affairs and the performance of each Director, and to the profitability of the Company and prevailing market conditions during the year. • 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, including the corporate philosophy in formulating employees' remuneration packages, and market trends and related information. 								
B.1.2	<p>The remuneration committee's terms of reference should include:</p> <ul style="list-style-type: none"> – recommend to the board on the company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy – review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives – either to determine, with delegated responsibility, or to make recommendations to the board on the remuneration packages of individual executive directors and senior management – recommend to the board on the remuneration of non-executive directors 	C	<ul style="list-style-type: none"> • The Company established its remuneration committee ("Remuneration Committee") on 26 February 2015. A majority of the members are Independent Non-executive Directors. • The Remuneration Committee comprises the Chairman, Mr. Li Ka-shing, and two Independent Non-executive Directors, namely, Ms. Hung Siu-lin, Katherine (Chairman of the Remuneration Committee) and Mr. Cheong Ying Chew, Henry. • The terms of reference of the Remuneration Committee (both English and Chinese versions) follow closely the requirements of the CG Code. The same as 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 Independent Non-executive Directors. • Since the publication of the Annual Report 2015 in April 2016, meetings of the Remuneration Committee were held in November 2016 and January 2017. Attendance records of the members of the Remuneration Committee are as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Members of the Remuneration Committee</th> <th style="text-align: right;">Attendance</th> </tr> </thead> <tbody> <tr> <td>HUNG Siu-lin, Katherine (<i>Chairman of the Remuneration Committee</i>)</td> <td style="text-align: right;">2/2</td> </tr> <tr> <td>LI Ka-shing</td> <td style="text-align: right;">2/2</td> </tr> <tr> <td>CHEONG Ying Chew, Henry</td> <td style="text-align: right;">2/2</td> </tr> </tbody> </table> 	Members of the Remuneration Committee	Attendance	HUNG Siu-lin, Katherine (<i>Chairman of the Remuneration Committee</i>)	2/2	LI Ka-shing	2/2	CHEONG Ying Chew, Henry	2/2
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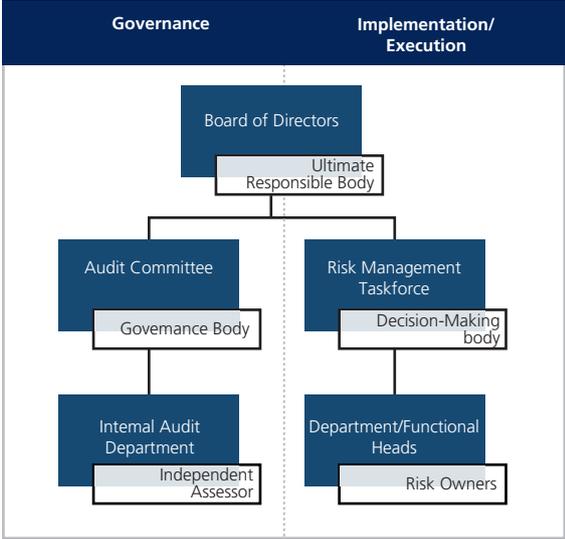
Corporate Governance Report (continued)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
B.1.2 (cont'd)	<ul style="list-style-type: none"> – consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group – review and approve compensation payable on loss or termination of office or appointment – review and approve compensation arrangements relating to dismissal or removal of directors for misconduct – ensure that no director or any of his associates is involved in deciding his own remuneration 		<ul style="list-style-type: none"> • The following is a summary of the work of the Remuneration Committee during the said meetings: <ol style="list-style-type: none"> 1. Review the remuneration policy for 2016/2017; 2. Recommend to the Board the Company's policy and structure for the remuneration of Directors and the management; 3. Review the remuneration packages of Executive Directors and the management with reference to the established system of the Company for determining the remuneration review; 4. Review and approve the remuneration of Independent Non-executive Directors; and 5. Review the annual bonus policy. • No Director or any of his/her associates is involved in deciding his/her own remuneration at the meetings of the Remuneration Committee held in November 2016 and January 2017.
B.1.3	The remuneration committee should make available its terms of reference, explaining its role and the authority delegated to it by the board by including them on HKEx's website and the company's website.	C	<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 the management, and reviewing the remuneration packages of all Executive Directors and the management with reference to the corporate goals and objectives of the Board resolved from time to time.
B.1.4	The remuneration committee should be provided with sufficient resources to perform its duties.	C	<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.
B.1.5	The company should disclose details of any remuneration payable to members of senior management by band in the annual reports.	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 Consolidated Financial Statements for details of the remuneration payable to the Directors.
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 sufficient explanation and information to the board to enable it to make an informed assessment of financial and other information put before it for approval.	C	<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	Management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the company's performance, position and prospects in sufficient detail to enable the board as a whole and each director to discharge their duties.	C	<ul style="list-style-type: none"> • Monthly updates had been provided to all members of the Board since 3 June 2015, for the purpose of providing a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail and to enable the Board as a whole and each Director to discharge their duties.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.1.3	<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 auditor's report on the financial statements. - 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. - Where the directors are aware of material uncertainties relating to events or conditions that may cast significant doubt on the company's ability to continue as a going concern, they should be clearly and prominently disclosed and discussed at length in the Corporate Governance Report. 	<p>C</p> <p>C</p> <p>C</p> <p>N/A</p>	<ul style="list-style-type: none"> • The Directors acknowledged in writing their responsibility for preparing the financial statements of the Group for the year ended 31 December 2016. • 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.1.3 of the CG Code. • With the assistance of the Company's Accounts Department which is under the supervision of the General Manager who is a professional accountant, the Directors ensure the preparation of the consolidated financial statements of the Group are in accordance with statutory requirements and applicable accounting standards. • The Directors also ensure the publication of the consolidated financial statements of the Group is in a timely manner. • The statement by the auditor of the Company regarding its reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 161 and 165.
C.1.4	The directors should include in the separate statement containing a discussion and analysis of the group's performance in the annual report, an explanation of the basis on which the company generates or preserves value over the longer term (the business model) and the strategy for delivering the company's objectives.	C	<ul style="list-style-type: none"> • The Board has included the separate statement containing a discussion and analysis of the Group's sustainable development strategy in the Management Discussion and Analysis of Annual Report 2016.
C.1.5	The board should present a balanced, clear and understandable assessment in annual and interim reports, and other financial disclosures required by the Listing Rules. It should also do so for reports to regulators and information disclosed under statutory requirements.	C	<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 and updated with the requirements under the applicable rules and regulations about timely disclosure of 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.

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.2	Risk management and internal control Corporate Governance Principle <i>The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board should oversee management in the design, implementation and monitoring of the risk management and internal control systems, and management should provide a confirmation to the Board on the effectiveness of these systems.</i>		
C.2.1 – C.2.5	<ul style="list-style-type: none"> – The board to oversee the company's risk management and internal control systems on an ongoing basis, to review the effectiveness of the company's and its subsidiaries' risk management and internal control systems has been conducted 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. – The board's annual review should, in particular, ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the company's accounting, internal audit and financial reporting functions. – The board's annual review should, in particular, consider: <ul style="list-style-type: none"> (a) 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; (b) the scope and quality of management's ongoing monitoring of risks and of the internal control system, and where applicable, the work of its internal audit function and other assurance providers; (c) the extent and frequency of communication of monitoring results to the board (or board committee(s)) which enables it to assess control of the company and the effectiveness of risk management; 	C	<p>INTRODUCTION</p> <p>The Group strives to maintain high standards of corporate governance. It also maintains a robust internal controls system that is designed to provide reasonable, but not absolute, assurance regarding the prevention, detection and handling of any material misstatement or loss and to manage, rather than eliminate, the risk of failure in operating systems and in the achievement of its objectives. The main features of this system, which continue to operate, are described as below.</p> <p>Throughout the 2016 financial year, the Group has complied with the Provisions of the CG Code, as set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").</p> <p>In view of the implementation of the Consultation Conclusions on Risk Management and Internal Control, relating to Section C.2.1 of the CG Code, issued by the Stock Exchange in December 2014 ("Consultation Conclusions"), the Group has reviewed its risk management framework and processes and has implemented relevant measures resulting from this exercise that aim to enhance these. In particular, the Group has developed, approved and implemented an enterprise risk management ("ERM") system (the "ERM System"), which is defined in and supported by a risk management policy (the "RM Policy"). The RM Policy has been endorsed by the Audit Committee.</p> <p>The terms of reference of the Audit Committee, a revised version of which was approved by the Board on 17 March 2016, include responsibility for the oversight of the Group's risk management and internal controls systems, as delegated by the Board. In addition, a Risk Management Taskforce ("RMTF") has been established and is the decision-making body for the operation of the ERM System.</p> <p>The ERM System defines the roles and responsibilities within the Group for risk management activity and describes the methodology and approach to risk identification and assessment that the Group has adopted. It also contains the established protocols for the communication of risks and measures to address them. The Board is ultimately responsible for determining and evaluating the risks it is willing to take in achieving the Group's objectives, ensuring it establishes and maintains effective risk management and internal controls systems, and overseeing these systems on an ongoing basis. The Group's management is responsible for designing, implementing and monitoring its risk management and internal controls systems.</p> <p>Other than achieving compliance with the Consultation Conclusions, the Group strives to enhance the communication of information on risk and controls between different levels and departments/functions within the Group for the purpose of obtaining practical business benefit.</p> <p>In addition, the RM Policy provides direction to management within the Group for applying consistent risk management practices in which its significant risks are identified, prioritized and addressed. It also serves to provide continuity in the Group's risk management activities, as personnel may change over time, and to facilitate such transitioning.</p> <p>Overall, risk management activity is a key element of our corporate governance practices. We recognize that effective risk management is essential to the financial and operational success of the Group. The Group is committed to the continuous improvement of its risk management and internal control systems and will continue to conduct regular reviews to ensure that they are effective and appropriate, especially as business conditions and the organization develops.</p>

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.2.1 – C.2.5 (cont'd)	<p>(d) significant control failings or weaknesses that have been identified during the period. Also, 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 condition; and</p> <p>(e) the effectiveness of the company's processes for financial reporting and Listing Rule compliance.</p> <p>– The company should disclose, in the Corporate Governance Report, a narrative statement on how they have complied with the risk management and internal control code provisions during the reporting period. In particular, they should disclose:</p> <p>(a) the process used to identify, evaluate and manage significant risks;</p> <p>(b) the main features of the risk management and internal control systems;</p> <p>(c) an acknowledgement by the board that it is responsible for the risk management and internal control systems and reviewing their effectiveness; the board to explain that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss;</p>		<p>A "Top-Down" approach is adopted for the Group's risk management system. This is manifested by strong oversight exercised by the Board, the Audit Committee, the RMTF and senior management in the establishment and maintenance of the ERM System.</p> <p>GOVERNANCE STRUCTURE FOR ENTERPRISE RISK MANAGEMENT</p> <p>The governance structure for our ERM System is as shown below:</p>  <pre> graph TD subgraph Governance Board[Board of Directors] AC[Audit Committee] IAD[Internal Audit Department] Board --- AC Board --- IAD end subgraph Implementation_Execution [Implementation/Execution] RMT[Risk Management Taskforce] DFH[Department/Functional Heads] RMT --- DFH end Board --- RMT AC --- GB[Governance Body] IAD --- IA[Independent Assessor] RMT --- DM[Decision-Making body] DFH --- RO[Risk Owners] </pre> <p>The Board has overall responsibility for maintaining a sound and effective risk management and internal controls system for the Group including, but not limited to, the following tasks:</p> <ul style="list-style-type: none"> • Setting and communicating the Group's strategies and objectives; • Overseeing the Group's ERM System and activity, including internal controls, on an ongoing basis, having overall accountability for the effectiveness of these; • Evaluating and providing direction to the Group on the nature and extent of the risks that shall be taken to achieve its strategic objectives (i.e. setting the Risk Appetite); • Ensuring a review of the effectiveness of the Group's ERM System and material financial, operational and compliance controls is conducted at least annually, considering any significant failings or weaknesses identified in relation to these, their impact and how they are being addressed; • Reviewing changes in the nature and extent of significant risks from the last annual review and the Group's ability to respond to these and to changes in its business and external environment; and • Reviewing the scope and quality of management's ongoing monitoring of risks and internal controls, the extent and frequency of communication of the results of risk monitoring to the Board.

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.2.1 – C.2.5 (cont'd)	<p>(d) the process used to review the effectiveness of the risk management and internal control systems and to resolve material internal control defects; and</p> <p>(e) the procedures and internal controls for the handling and dissemination of inside information.</p> <p>– The company should have an internal audit function. The company without an internal audit function should review the need for one on an annual basis and should disclose the reasons for the absence of such a function in the Corporate Governance Report.</p>		<p>The Audit Committee also plays a vital role in overseeing the ERM System on behalf of the Board, including by way of the following:</p> <ul style="list-style-type: none"> • Reviewing and approving the RM Policy and changes to this that are requested or required; • On behalf of the Board, reviewing, on at least an annual basis, the Group's ERM System and internal controls with the RMTF and the Internal Audit Department to ensure that management has fulfilled its duties of establishing and maintaining an effective ERM system and internal controls; • Reviewing the results of the annual risk assessment, including changes in the nature, and extent of significant risks since the last review and the Group's ability to respond to changes in these, and in its business and the external environment; • Reviewing any enhancements to the ERM System proposed by the RMTF; • Assessing the extent and frequency of the communication of the monitoring results to the Board and the Audit Committee and the effectiveness of the ERM System, as well as processes for financial reporting and for achieving compliance with Listing Rules; • Considering the results of any investigation into the Group's risk management practices and internal controls, as delegated by the Board or that it performs on its own initiative, and management's responses to the findings of such investigations; • Identifying key risk issues that might require the Board's attention and reporting these accordingly; • Performing an annual review of the Internal Audit Department including the adequacy of its budget and resources, the qualifications and experience of its management and staff, and the quality of its training program, in order to ensure that it is able to provide sufficient coverage of the Group's key risk issues; and • Reviewing reports from the external auditor, Messrs. Deloitte Touche Tohmatsu ("Deloitte"), on internal controls and relevant financial reporting matters, in addition to management's review. <p>The RMTF is the decision-making body of the ERM System. It is chaired by an Executive Director of the Group and comprises of delegates of the Executive Directors and representatives from different functions of the Group, so as to provide effective coverage of the Group as a whole. The RMTF is responsible for the following:</p> <ul style="list-style-type: none"> • Assisting the Board and the Audit Committee with overseeing the ERM System and its implementation; • Making decisions relating to the design or modification of the ERM System, i.e. risk assessment approach/methodology; • Ensuring that a risk management culture is fostered and developed and that the ERM System is embedded over time into the Group's daily operations; • Performing ad hoc reviews of the ERM System, as needed; • Resolving and aligning any risk management practices and activities of different departments/functions that are inconsistent; • Ensuring that departments/functions of the Group commit sufficient resources to carrying out risk management activity in accordance with the RM Policy; • Reviewing and approving the Risk Inventory (which covered the operational, compliance, and environmental, social and governance risks) produced as part of the annual risk assessment process performed by Functional Heads and which summarizes all key strategic, financial, operational and compliance risks identified; • Reviewing the results of the annual risk assessment and submitting these to the Audit Committee for its own review; and • Proposing enhancements to the ERM System, including those required to fulfill any changes in regulatory requirements, and submitting these to the Audit Committee for review.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.2.1 – C.2.5 (cont'd)			<p>The Internal Audit Department acts as an independent assessor of the ERM System. In maintaining a sound ERM System, the Internal Audit Department's major responsibilities include but are not limited to the following:</p> <ul style="list-style-type: none"> • Carrying out independent assessments of the adequacy and effectiveness of the Group's ERM System; • Acting as an advisory member of the RMTF on such matters as the design, implementation and development of the ERM System, risk assessment practices, etc.; • Reporting to the Audit Committee on the results of its independent assessments, the scope, frequency and timing of which are subject to the discretion of the Audit Committee; and • Providing administrative support in relation to the Group's risk assessment process. <p>On top of the above responsibilities, Internal Audit Department also provides an independent appraisal of the Group's financial and operating activities, and makes constructive recommendations to relevant management regarding actions necessary to address any areas for improvement.</p> <p>The Internal Audit Department carries out an annual risk assessment of the Group's operations and derives a yearly audit plan based on the risk ratings of various auditable areas. The audit plan is reviewed and endorsed by the Audit Committee before execution. In addition to its agreed schedule of work derived from this plan, the Internal Audit Department conducts other review and investigative work as may be required. The results of internal audit reviews and agreed management 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 management regarding the implementation of the agreed action plans, to ensure that internal controls are continuously enhanced.</p> <p>Department/Functional Heads and their delegates are responsible for managing risks during their day-to-day operations. Their major responsibilities include, but are not limited to, the following:</p> <ul style="list-style-type: none"> • Operating in a manner that is consistent with the Group's risk appetite; • Embedding appropriate risk management processes and practices into day-to-day operations and fostering a risk culture within the departments/functions under their responsibility; • Supporting and participating in the implementation of the ERM System; • Attending meetings on risk assessment and other risk management-related meetings upon the request of the RMTF; • Identifying and assessing risks associated with business activities (including new business) within their own departments/functions; • Participating in the Group's control self-assessment process (which is performed at least annually), in order to assess the effectiveness of controls over the reliability of financial reporting, the effectiveness and efficiency of operations, compliance with applicable laws and regulations as well as mitigation of the Group's risks; • Preparing for and seeking the approval of the responsible Executive Director for operational budgets, as well as complying with processes for appraising, reviewing and approving major capital and recurrent expenditure; • Reporting the results of operations against budgets to the Executive Directors on a regular basis; and • Implementing risk action plans to address key risks for which systems, processes and controls are assessed as being ineffective. <p>ENTERPRISE RISK ASSESSMENT METHODOLOGY</p> <p>The Group adopted the Committee of Sponsoring Organizations of the Treadway Commission's ERM Framework in establishing the ERM System which illustrates the key components of any ERM system necessary for managing risks.</p> <p>Our ERM activity is integrated into our business and decision-making process, including with regards to the formulation of strategic objectives, business planning and development and daily operations.</p>

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.2.1 – C.2.5 (cont'd)			<p>The Group's methodology for its risk assessment comprises four core stages that are shown below.</p>  <p>It mainly involves:</p> <p>a) Risk Identification</p> <p>Department/Functional Heads identify risks in the operations they are responsible for as well as risks they believe are relevant to the Group as a whole. All the identified risks are consolidated into a risk inventory.</p> <p>b) Risk Assessment</p> <p>Risks in the Risk Inventory are evaluated by assessment participants from the Group using predefined risk assessment criteria associated with two risk dimensions – (i) impact of each risk; and (ii) the Group's vulnerability to each risk. The risk scoring and prioritization process is then performed.</p> <p>c) Risk Response</p> <p>The prioritized risk ranking is then submitted to the Internal Audit Department and the RMTF for review. Risk Owners are assigned for each selected risk, with more significant risks being assigned to more senior individuals. Risk Owners also formulate risk mitigation plans for the significant risks identified and relating to their areas of responsibility.</p> <p>When determining appropriate risk mitigation plans, four types of risk response are generally adopted:</p> <ul style="list-style-type: none"> • Acceptance: Risks are considered immaterial and are therefore accepted, based on the Group's risk appetite. No action is considered necessary. • Reduction: Risks cannot be considered immaterial and actions, such as implementing more effective controls, have to be taken to reduce the potential impact of the risk, and the Group's vulnerability to it, to an acceptable level. • Sharing: Risks cannot be considered immaterial and the Group itself cannot effectively reduce the risk to an acceptably low level in isolation. Therefore, a portion of the risk has to be transferred to, or shared with, other parties (by insurance, outsourcing, etc.). • Avoidance: Risks are so significant that there are no means, either through reduction or sharing, of reducing them to acceptable levels without incurring excessive costs. Therefore, activities giving rise to such risks should be avoided. <p>Such plans are assessed by the Internal Audit Department and reviewed and approved by the RMTF. The Internal Audit Department takes the finalised risk ranking account into its internal audit plan and revises this plan as needed. The revised internal audit plan will then be submitted to the Audit Committee for approval.</p> <p>d) Risk Monitoring and Reporting</p> <p>Risk monitoring and reporting are key components of the ERM System as they enable the Board, the Audit Committee, the RMTF and Department/Functional Heads to determine whether it is functioning effectively. This includes ensuring that risks are identified, prioritised and communicated to those responsible for taking action to address them, and that such actions have been taken and are operating effectively.</p>

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.2.1 – C.2.5 (cont'd)			<p>Risk Owners are responsible for monitoring the implementation and effectiveness of the risk mitigation plans they are responsible for. They provide periodic updates to the RMTF regarding the progress of the implementation of their risk mitigation plans and on the performance of these plans, according to the frequency specified in each plan. Risk management monitoring activities and the effectiveness of the implementation of risk mitigation plans are made subjects of review by the Internal Audit Department and are included in its internal audit plans.</p> <p>COMMUNICATION OF RISK EVENTS</p> <p>Where risk events arise, our communication, both within the Group and to external parties, is an integral part of the ERM System. To enable the Group to make appropriate decisions and responses to mitigate or address any risk event, relevant information on the incident is communicated by and to the right functions and individuals, completely and accurately, and in a timely manner.</p> <p>The Group has written procedures relating to the handling of confidential and inside information, including Price Sensitive Information in accordance with Hong Kong regulations, that meet many of the requirements for communication of information on risk events specified above. These procedures are posted on the Group's intranet and disseminated to all employees of the Group.</p> <p>In addition, various functions in the Group have established practices and protocols for the escalation and handling of crisis level events, involving the Executive Directors, senior management, the Corporate Affairs Department, etc., as appropriate. Group personnel refer to their functional/departmental leadership if they require further information or guidance relating to the crisis management practices and protocols that are relevant to them.</p> <p>REVIEW OF THE EFFECTIVENESS OF ENTERPRISE RISK MANAGEMENT SYSTEM AND INTERNAL CONTROL</p> <p>As mentioned above, the Board is ultimately responsible for the Group's risk management and internal controls system and for reviewing its effectiveness.</p> <p>The Internal Audit Department conducts ongoing independent assessments of the Group's risk management and internal controls systems, including those of its subsidiaries, and reports on these to the Audit Committee. The Audit Committee also reviewed the effectiveness of the Group's risk management and internal controls systems and reported on these to the Board for the financial year.</p> <p>For the year ended 31 December 2016, the Board has received a confirmation from management on the effectiveness of the risk management and internal controls systems. The Board and its Audit Committee considered the risk management and internal controls system to be effective and adequate. They also considered the adequacy of resources, staff qualifications and experience, training and budget of its accounting, internal audit and financial reporting functions. No significant areas of concern that might affect our stakeholders, including our shareholders, were identified during the captioned period.</p>

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices								
C.3	Audit Committee <i>Corporate Governance Principle</i> <i>The Board should establish formal and transparent arrangements to consider how it will apply financial reporting, risk management and internal control principles and maintain 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 should be sent to all committee members for their comment and records, within a reasonable time after the meeting. 	<p>C</p> <p>C</p>	<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 2016. Attendance records of members of the Audit Committee are as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Members of the Audit Committee</th> <th style="text-align: right;">Attendance</th> </tr> </thead> <tbody> <tr> <td>CHEONG Ying Chew, Henry (<i>Chairman of the Audit Committee</i>)</td> <td style="text-align: right;">2/2</td> </tr> <tr> <td>CHOW Nin Mow, Albert</td> <td style="text-align: right;">2/2</td> </tr> <tr> <td>HUNG Siu-lin, Katherine</td> <td style="text-align: right;">2/2</td> </tr> </tbody> </table> • The following is a summary of the work of the Audit Committee during 2016: <ol style="list-style-type: none"> 1. Review the financial report for 2016 interim results; 2. Review the findings and recommendations of the Internal Audit Department on the work of various departments and related companies; 3. Review the effectiveness of the risk management and internal control systems; 4. Review the external auditor's audit findings; 5. Review the auditor's remuneration; 6. Review the risks of different business units and analysis thereof provided by the relevant business units; 7. Review the control mechanisms for such risks and advising on action plans for improvement of the situations; 8. Review the arrangements employees can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters; and 9. Perform the corporate governance functions and review the corporate governance policies and practices. • 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 significant suspected infringement of laws, rules, or regulations had been found, and concluded at the meeting held on 13 March 2017 that the risk management and internal control systems were adequate and effective. • On 13 March 2017, the Audit Committee met to review the Group's 2016 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 Annual Report 2016 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 31 December 2016. • The Audit Committee also recommended to the Board the re-appointment of Deloitte as the Company's external auditor for 2017 and that the related resolution shall be put forth for shareholders' consideration and approval at the 2017 annual general meeting. • The Group's Annual Report for the year ended 31 December 2016 has been reviewed by the Audit Committee. 	Members of the Audit Committee	Attendance	CHEONG Ying Chew, Henry (<i>Chairman of the Audit Committee</i>)	2/2	CHOW Nin Mow, Albert	2/2	HUNG Siu-lin, Katherine	2/2
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C.3.2	A former partner of existing auditing firm shall not act as a member of the audit committee for 1 year from the date of his ceasing to be a partner of or to have any financial interest in, the firm, whichever is later.	C	<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. 								

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.3.3	<p>The audit committee's terms of reference should include:</p> <ul style="list-style-type: none"> – recommendations to the board on the appointment, reappointment and removal of external auditor and approval of their terms of engagement – review and monitor external auditor's independence and objectivity and effectiveness of audit process – review of the company's financial information – oversight of the company's financial reporting system, risk management and internal control systems, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the company's accounting and financial reporting function 	C	<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 CG Code and are modified from time to time and adopted by the Board, are posted on the websites of the Company and HKEx.
C.3.4	<p>The audit committee should make available its terms of reference, explaining its role and the authority delegated to it by the board by including them on HKEx's and the company's website.</p>	C	<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 February 2015 with written terms of reference based on the guidelines recommended by the Hong Kong Institute of Certified Public Accountants. • In accordance with the requirements of the CG Code, 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 CG Code. 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, risk management and internal control systems, review of the Group's financial information, review of the relationship with the external auditor of the Company and performance of the corporate governance functions delegated by the Board. • The Audit Committee comprises three Independent Non-executive Directors, namely, Mr. Cheong Ying Chew, Henry (Chairman of the Audit Committee), Mr. Chow Nin Mow, Albert and Ms. Hung Siu-lin, Katherine, held two meetings in 2016.
C.3.5	<p>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.</p>	N/A	<ul style="list-style-type: none"> • The Audit Committee recommended to the Board that, subject to shareholders' approval at the forthcoming annual general meeting, Deloitte be re-appointed as the Company's external auditor for 2017. • The fees for (i) audit services, (ii) tax services and (iii) advisory services provided by the external auditor of the Company for the year ended 31 December 2016 amounted to approximately HK\$19 million, HK\$1 million and HK\$9 million, respectively.
C.3.6	<p>The audit committee should be provided with sufficient resources to perform its duties.</p>	C	<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	Comply ("C")/ Explain ("E")	Corporate Governance Practices
D.2	Board Committees		
	<p>Corporate Governance Principle <i>Board Committees should be formed with specific written terms of reference which deal clearly with their authority and duties.</i></p>		
D.2.1	Where board committees are established to deal with matters, the board should give them sufficiently clear terms of reference to enable them to perform their functions properly.	C	<ul style="list-style-type: none"> Three Board Committees, namely, Audit Committee, Remuneration Committee and Executive Committee, have been established with specific terms of reference as mentioned in C.3.3 and B.1.3 above.
D.2.2	The terms of reference of board committees should require them 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).	C	<ul style="list-style-type: none"> Board Committees report to the Board of their decisions and recommendations at the Board meetings.
D.3	Corporate Governance Functions		
D.3.1	<p>The terms of reference of the board (or a committee or committees performing this function) should include:</p> <ul style="list-style-type: none"> – develop and review the company's policies and practices on corporate governance and make recommendations to the board; – review and monitor the training and continuous professional development of directors and senior management; – review and monitor the company's policies and practices on compliance with legal and regulatory requirements; – develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and – review the company's compliance with the CG Code and disclosure in the Corporate Governance Report. 	C	<ul style="list-style-type: none"> The terms of reference of the Audit Committee that were adopted with effect from 26 February 2015 includes 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. At the Audit Committee's meeting held in March 2017, the Audit Committee was satisfied that the above-mentioned corporate governance functions were adhered to, and members of the Audit Committee had examined the Company's policies and practices on corporate governance and compliance with legal and regulatory requirements including:– <ol style="list-style-type: none"> (a) Policy on Handling of Confidential Information, Information Disclosure, and Securities Dealing; (b) Procedures for Reporting Possible Improprieties in Matters of Financial Reporting, Internal Control or Other Matters; (c) Shareholders Communication Policy; (d) Media and Public Engagement Policy; (e) Model Code for Securities Transactions by Directors; (f) Board Diversity Policy; and (g) Competition Compliance Policy.
D.3.2	The board should be responsible for performing the corporate governance duties set out in the terms of reference in D.3.1 or it may delegate the responsibility to a committee or committees.	C	<ul style="list-style-type: none"> The Board has delegated the responsibility of performing the corporate governance duties to the Audit Committee. To that effect, the terms of reference of the Audit Committee as set out in D.3.1 above to include the corporate governance functions delegated by the Board.

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices																																		
E.	COMMUNICATION WITH SHAREHOLDERS																																				
E.1	Effective communication <i>Corporate Governance Principle</i> <i>The Board should be responsible for maintaining an on-going dialogue with shareholders and in particular, use annual general meetings or other general meetings to communicate with them and encourage their participation.</i>																																				
E.1.1	For each substantially separate issue at a general meeting, a separate resolution should be proposed by the chairman of that meeting. The company should avoid "bundling" resolutions unless they are interdependent and linked forming one significant proposal. Where the resolutions are "bundled", the company should explain the reasons and material implications in the notice of meeting.	C	<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. 																																		
E.1.2	<ul style="list-style-type: none"> The chairman of the board should attend the annual general meeting. He should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committee to be available to answer questions at the annual general meeting. 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 requires independent shareholders' approval. The company's management should ensure the external auditor attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence. 	<p>E</p> <ul style="list-style-type: none"> In 2016, the Chairman was unable to attend the annual general meeting due to a sudden indisposition. The Managing Director and Deputy Chairman of the Group chaired the meeting on behalf of the Chairman pursuant to the Articles and was available to answer questions. The Chairman of Audit Committee and Chairman of the Remuneration Committee attended the 2016 AGM and were available to answer questions. Directors' attendance records of 2016 AGM 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</i>)</td> <td>0/1</td> </tr> <tr> <td>LI Tzar Kuoi, Victor (<i>Managing Director and Deputy Chairman</i>)</td> <td>1/1</td> </tr> <tr> <td>KAM Hing Lam (<i>Deputy Managing Director</i>)</td> <td>1/1</td> </tr> <tr> <td>IP Tak Chuen, Edmond (<i>Deputy Managing Director</i>)</td> <td>1/1</td> </tr> <tr> <td>CHUNG Sun Keung, Davy</td> <td>1/1</td> </tr> <tr> <td>CHIU Kwok Hung, Justin</td> <td>1/1</td> </tr> <tr> <td>CHOW Wai Kam</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 colspan="2">Independent Non-executive Directors</td> </tr> <tr> <td>CHEONG Ying Chew, Henry</td> <td>1/1</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>Simon MURRAY</td> <td>1/1</td> </tr> <tr> <td>YEH Yuan Chang, Anthony</td> <td>0/1</td> </tr> </tbody> </table> <ul style="list-style-type: none"> In 2016, the Company's external auditor attended the 2016 AGM and was available to answer questions. <p>C</p>	Members of the Board	Attendance	Executive Directors		LI Ka-shing (<i>Chairman</i>)	0/1	LI Tzar Kuoi, Victor (<i>Managing Director and Deputy Chairman</i>)	1/1	KAM Hing Lam (<i>Deputy Managing Director</i>)	1/1	IP Tak Chuen, Edmond (<i>Deputy Managing Director</i>)	1/1	CHUNG Sun Keung, Davy	1/1	CHIU Kwok Hung, Justin	1/1	CHOW Wai Kam	1/1	PAU Yee Wan, Ezra	1/1	WOO Chia Ching, Grace	1/1	Independent Non-executive Directors		CHEONG Ying Chew, Henry	1/1	CHOW Nin Mow, Albert	1/1	HUNG Siu-lin, Katherine	1/1	Simon MURRAY	1/1	YEH Yuan Chang, Anthony	0/1	
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E.1.3	The company should arrange for the notice to shareholders to be sent for annual general meeting at least 20 clear business days before the meeting and to be sent at least 10 clear business days for all other general meetings.	C	<ul style="list-style-type: none"> The Company's notice to shareholders for 2016 AGM was sent at least 20 clear business days before the meeting. 																																		

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
E.1.4	The board should establish a shareholders' communication policy and review it on a regular basis to ensure its effectiveness.	C	<ul style="list-style-type: none"> • In February 2015, the Board established a shareholders communication policy and made it available on the Company's website in June 2015. The policy is subject to review on a regular basis to ensure its effectiveness. • The particulars of shareholders' rights relating to, inter alia, convening of 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 set out the rights of shareholders. 2. Any two or more shareholders holding not less than one-tenth of the paid-up capital of the Company or any one shareholder which is a recognised clearing house (or its nominee(s)) holding not less than one-tenth of the paid-up capital of the Company may, in accordance with the requirements and procedures set out in the Articles, request the Board to convene an extraordinary general meeting pursuant to Article 73 of the Articles. The objects of the meeting must be stated in the written requisition which must be signed by the requisitioner(s) and deposited at the principal office of the Company in Hong Kong. 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. 3. Pursuant to Article 115 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 of his/her intention to propose such person for election as a Director with the Company Secretary during a period, as may from time to time be designated by the Company, of a seven-day period commencing on a day after the dispatch of the notice of the general meeting appointed for such election. If there is a different period for lodgement of the notice, such period shall in any event be a period of not less than seven days, commencing no earlier than the day after the dispatch of the notice of the general meeting and ending no later than seven days prior to the date of such 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. 4. 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 each share registered in his/her/its name in the register. On a poll a shareholder entitled to more than one vote is under no obligation to cast all his/her/its votes in the same way. 5. 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 176 of the Articles. 6. 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. 7. 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.

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
E.2	Voting by Poll <i>Corporate Governance Principle</i> <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 ensure that an explanation is provided of the detailed procedures for conducting a poll and answer any questions from shareholders on voting by poll.	C	<ul style="list-style-type: none"> At the 2016 AGM, the chairman of the meeting explained (through the Company Secretary) the detailed procedures for conducting a poll, and answered questions from shareholders. At the 2016 AGM, the chairman of the meeting exercise his power under the Articles to put each resolution set out in the notice to be voted by way of a poll. Representatives of the Hong Kong Share Registrar of the Company were appointed as scrutineers to monitor and count the poll votes cast at the 2016 AGM. All the resolutions (other than procedural or administrative 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.
F.	COMPANY SECRETARY <i>Corporate Governance Principle</i> <i>The Company Secretary plays an important role in supporting the Board by ensuring good information flow within the Board and that Board policy and procedures are followed. The Company Secretary is responsible for advising the Board through the Chairman and/or the Managing Director on governance matters and should also facilitate induction and professional development of Directors.</i>		
F.1.1	The company secretary should be an employee of the company and have day-to-day knowledge of the company's affairs.	C	<ul style="list-style-type: none"> The Company has appointed an employee of the Company to be the Company Secretary of the Company since its incorporation in January 2015. The Company Secretary ensures the effective conduct of Board meetings and that Board procedures are duly followed. The Company Secretary prepares written resolutions or minutes and keeps records of substantive matters discussed and decisions resolved at all Board and Board Committee meetings. The Company Secretary also advises on compliance with all applicable laws, rules and regulations abreast with the investments of the Group and keeps the Board fully updated with all legislative, regulatory and corporate governance developments.
F.1.2	The board should approve the selection, appointment or dismissal of the company secretary.	C	<ul style="list-style-type: none"> The appointment and removal of the Company Secretary is subject to Board approval in accordance with the Articles.
F.1.3	The company secretary should report to the board chairman and/or the chief executive.	C	<ul style="list-style-type: none"> The Company Secretary reports to the Board through the Chairman whilst all members of the Board have access to the advice of the Company Secretary.
F.1.4	All directors should have access to the advice and services of the company secretary to ensure that board procedures, and all applicable law, rules and regulations, are followed.	C	<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. Memoranda 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.

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>		
	<i>The Board should regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether he is spending sufficient time performing them.</i>		
	There is no recommended best practice under Section A.1 in the CG Code.		
A.2	Chairman and Chief Executive		
	<i>Corporate Governance Principle</i>		
	<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>		
	There is no recommended best practice under Section A.2 in the CG Code.		
A.3	Board composition		
	<i>Corporate Governance Principle</i>		
	<i>The Board should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and should include a balanced composition of Executive and Non-executive Directors so that independent judgement can effectively be exercised.</i>		
	There is no recommended best practice under Section A.3 in the CG Code.		
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. All Directors should be subject to re-election at regular intervals.</i>		
	There is no recommended best practice under Section A.4 in the CG Code.		
A.5	Nomination Committee		
	<i>Corporate Governance Principle</i>		
	<i>In carrying out its responsibilities, the nomination committee should give adequate consideration to the principles under Sections A.3 and A.4 in the CG Code.</i>		
	There is no recommended best practice under Section A.5 in the CG Code.		
A.6	Responsibilities of directors		
	<i>Corporate Governance Principle</i>		
	<i>Every Director must always know his responsibilities as a Director of the Company and its conduct, business activities and development.</i>		
	There is no recommended best practice under Section A.6 in the CG Code.		
A.7	Supply of and access to information		
	<i>Corporate Governance Principle</i>		
	<i>Directors should be provided in a timely manner with appropriate information in the form and quality to enable them to make an informed decision and perform their duties and responsibilities.</i>		
	There is no recommended best practice under Section A.7 in the CG Code.		

Corporate Governance Report (continued)

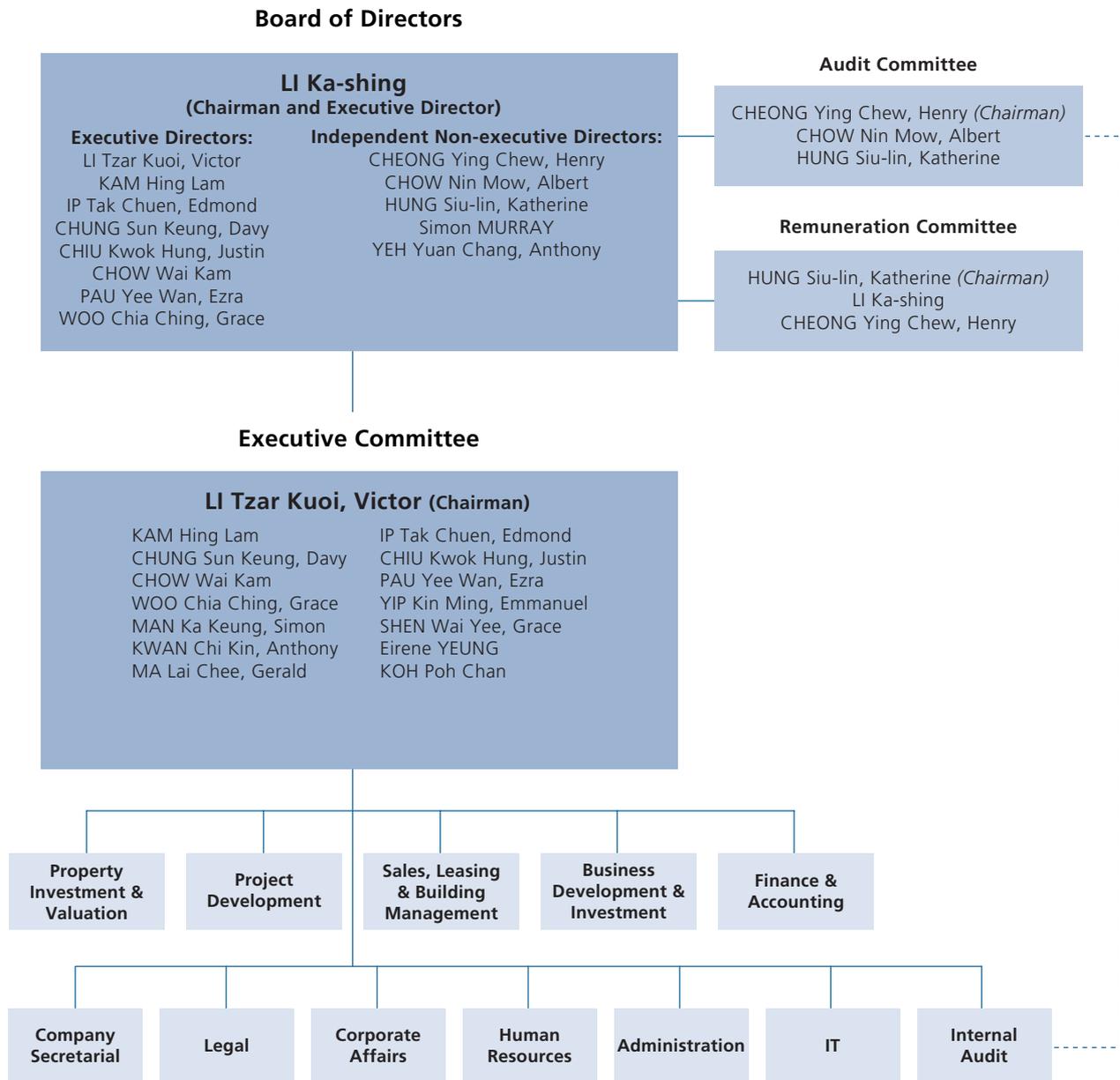
Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
B. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT AND BOARD EVALUATION			
B.1 The level and make-up of remuneration and disclosure			
<i>Corporate Governance Principle</i> The Company should disclose its Director's remuneration policy and other remuneration related matters. The procedure for setting policy on Executive Directors' remuneration and all Directors' remuneration packages should be formal and transparent.			
B.1.6	Where the board resolves to approve any remuneration or compensation arrangements with which the remuneration committee disagrees, the board should disclose the reasons for its resolution in its next Corporate Governance 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.
B.1.7	A significant proportion of executive directors' remuneration should link rewards to corporate and individual performance.	C	<ul style="list-style-type: none"> In 2016, a significant proportion of Executive Directors' remuneration has been structured to link rewards to corporate and individual performance. Please refer to note 4 in the Notes to Consolidated Financial Statements for details of discretionary bonus.
B.1.8	The company should disclose details of any remuneration payable to members of senior management, on an individual and named basis, in the annual reports.	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 Consolidated Financial Statements for details of the remuneration payable to the Directors.
B.1.9	The board should conduct a regular evaluation of its performance.	C	<ul style="list-style-type: none"> The performances of the Board or individual Directors are best reflected by the Company's results and stock price performance, as well as the Company's decisions to retain the individuals as its Directors.
C. ACCOUNTABILITY AND AUDIT			
C.1 Financial reporting			
<i>Corporate Governance Principle</i> The Board should present a balanced, clear and comprehensible assessment of the Company's performance, position and prospects.			
C.1.6 – C.1.7	<p>– The company should announce and publish quarterly financial results within 45 days after the end of the relevant quarter. These should disclose sufficient information to enable shareholders to assess the company's performance, financial position and prospects. The company's quarterly financial results should be prepared using the accounting policies of its half-year and annual accounts.</p> <p>– Once the company announces quarterly financial results, it should continue to do so for each of the first 3 and 9 months periods of subsequent financial years. Where it decides not to continuously announce and publish its financial results for a particular quarter, it should announce the reason(s) for this decision.</p>	E	<ul style="list-style-type: none"> The Company issued half-yearly financial results within 2 months after the end of the relevant period, and annual financial results within 3 months after the end of the relevant year. In addition, all significant transactions and inside information have been announced and disclosed in accordance with the Listing Rules during the year. The shareholders of the Company are therefore able to assess the performance, financial position and prospects of the Company. The Company does not consider it necessary, nor is it in the interests of the Company and its shareholders, to issue quarterly financial results. This would result in incurring costs disproportionate to any additional benefits to the shareholders. Quarterly financial reports may not fairly reflect the actual performance of the Company given that the development cycle of property projects often spans a period of three to five years.

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.2	Risk management and internal control <i>Corporate Governance Principle</i> <i>The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board should oversee management in the design, implementation and monitoring of the risk management and internal control systems, and management should provide a confirmation to the Board on the effectiveness of these systems.</i>		
C.2.6	The board may disclose in the Corporate Governance Report that it has received a confirmation from management on the effectiveness of the company's risk management and internal control systems.	C	<ul style="list-style-type: none"> Please refer to C.2.1 – C.2.5 above for the details.
C.2.7	The board may disclose in the Corporate Governance Report details of any significant areas of concern.	C	<ul style="list-style-type: none"> Please refer to C.2.1 – C.2.5 above for the details.
C.3	Audit Committee <i>Corporate Governance Principle</i> <i>The Board should establish formal and transparent arrangements to consider how it will apply financial reporting, risk management and internal control principles and maintain an appropriate relationship with the Company's auditors.</i>		
C.3.8	The audit committee should establish a whistleblowing policy and system for employees and those who deal with the company (e.g. customers and suppliers) to raise concerns, in confidence, with the audit committee about possible improprieties in any matter related to the company.	C	<ul style="list-style-type: none"> Please refer to C.3.7 above for the details.
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 for Board approval and those delegated to management.</i>		
There is no recommended best practice under Section D.1 in the CG Code.			
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 their authority and duties.</i>		
There is no recommended best practice under Section D.2 in the CG Code.			
D.3	Corporate Governance Functions		
There is no recommended best practice under Section D.3 in the CG Code.			

Corporate Governance Report (continued)

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
E.	COMMUNICATION WITH SHAREHOLDERS		
E.1	Effective communication Corporate Governance Principle <i>The Board should be responsible for maintaining an on-going dialogue with shareholders and in particular, use annual general meetings or other general meetings to communicate with them and encourage their participation.</i>		
		There is no recommended best practice under Section E.1 in the CG Code.	
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>		
		There is no recommended best practice under Section E.2 in the CG Code.	
F.	COMPANY SECRETARY		
	Corporate Governance Principle <i>The Company Secretary plays an important role in supporting the Board by ensuring good information flow within the Board and that Board policy and procedures are followed. The Company Secretary is responsible for advising the Board through the Chairman and/or the Managing Director on governance matters and should also facilitate induction and professional development of Directors.</i>		
		There is no recommended best practice under Section F in the CG Code.	

Management Structure Chart



Environmental, Social and Governance Report

This Environmental, Social and Governance (“ESG”) Report (the “Report”) summarises the initiatives, programmes and performance of Cheung Kong Property Holdings Limited (the “Company”) and its subsidiaries (the “Group”) as well as demonstrates its commitment to sustainability.

APPROACH TO ESG AND REPORTING

The Group’s ESG approach is to factor the concept of sustainability into its business operations with a view to creating long-term value for customers, employees, business partners, shareholders, investors and the wider community.

As a property developer with leading market share in Hong Kong and the Mainland, and an international presence through its operations in Singapore and the United Kingdom, the Group recognises the importance of integrating ESG aspects into its risk management system. To achieve this, cross-departmental working group is formed with the Board overseeing the Group’s ESG direction and practices. ESG performance is measured and reported to the management team, which confirms that appropriate and effective ESG risk management and internal control systems are in place.

SCOPE OF REPORTING

The scope of this Report covers the Group’s businesses and operations of property development, property investment, property management, and hotels and serviced suites over which it has direct management control, unless otherwise specified. The Group will continue to assess any material ESG aspects of any new business acquired for incorporation to the ESG reporting.

REPORTING FRAMEWORK

This Report is prepared in accordance with the ESG Reporting Guide set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Reporting Guide”).

Information relating to the Group’s corporate governance practices can be found in its Corporate Governance Report on pages 58 to 89.

REPORTING PERIOD

This Report covers environmental, social and governance matters and activities pertaining to the Group in the year ended 31 December 2016.

STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their feedback regarding its businesses and ESG aspects. In order to understand and address their concerns, the Group engages key stakeholders including employees, investors, customers, suppliers, government bodies as well as local communities through various channels, such as meetings, surveys, e-communication platforms, public events and publications. The Group takes stakeholders’ expectations into consideration in setting its business and ESG strategies, and aims to work with them to improve its performance and create greater value for the wider community on a continuous basis.

In the year of 2016, for the purpose of meeting the new requirements of the Reporting Guide, a working group has been formed with designated members of the management team from accounts department, administration department, building cost & contract department, China department, company secretarial department, construction audit & quality assurance department, construction management department, corporate affairs department, development department, E&M department, human resources department, information technology department, internal audit department, leasing department, legal department, sales department, sales department – building management, Hutchison Property Group and Harbour Plaza Hotel Management Group to identify and assess material ESG aspects of our operations.

An independent consultant has been retained to provide reporting advisory services to the Company and to assist with developing a structure, processes and practices for ESG reporting for the Company's compilation of an ESG report in accordance with the Reporting Guide. This exercise encompassed over 50 key internal stakeholders (including delegate(s) from the Executive Directors and/or department heads). An information collection template was formulated based on the assessed material ESG aspects. Information was collected from the relevant departments and business units (including the above mentioned departments) of the Group. The management team has confirmed that appropriate and effective ESG risk management and internal control systems are in place. This Report has also been reviewed by the consultant which has confirmed that disclosures made by the Company in the Report meets with the requirements of the Reporting Guide.

MATERIALITY ASSESSMENT

The Group has considered feedback from the relevant stakeholders in determining the Group's material ESG aspects to be covered in this Report. These are shown in the table below, together with the aspects of the Reporting Guide to which they relate:

<i>ESG aspects set out the in the Reporting Guide</i>	<i>Material ESG aspects for the Group</i>
A. Environmental	
A1 Emissions	<ul style="list-style-type: none"> Waste Minimisation Managing Greenhouse Gases and Contractors' Emissions
A2 Use of Resources	<ul style="list-style-type: none"> Achieving Higher Energy Efficiency Reducing the Use of Water and Packaging Materials
A3 The Environment and Natural Resources	<ul style="list-style-type: none"> Managing other Environmental Impacts
B. Social	
B1 Employment	<ul style="list-style-type: none"> Fair Employment Practices
B2 Health and Safety	<ul style="list-style-type: none"> Health and Safety Management
B3 Development and Training	<ul style="list-style-type: none"> Talent Development
B4 Labour Standards	<ul style="list-style-type: none"> Anti-Child and Forced Labour
B5 Supply Chain Management	<ul style="list-style-type: none"> Responsible Procurement Practices
B6 Product Responsibility	<ul style="list-style-type: none"> Maintaining Products and Services Quality Protecting Data Privacy and Intellectual Property
B7 Anti-corruption	<ul style="list-style-type: none"> Anti-Bribery and Anti-Corruption
B8 Community Investment	<ul style="list-style-type: none"> Contributions to Society

Environmental, Social and Governance Report (*continued*)

A. ENVIRONMENTAL

A1: Emissions

Waste Minimisation

Minimising waste generation at source and, reuse and recycling waste before final necessary disposal are the principles adopted by the Group's waste management policy.

With respect to the Group's property development business, contractors are required to comply with a set of waste management procedures. Hazardous or chemical waste is collected by qualified and licensed waste collectors. Regarding non-hazardous waste, the Group strives to avoid over-ordering of materials by proper planning and construction site management. Materials such as timber and rubble and, as well as steel and metal, are segregated for recycling. Precast units are used in order to reduce the amount of waste generated on construction site.

The Group supports the concept of "3Rs" (Reduce, Reuse and Recycle) and strives to raise environmental awareness on the part of tenants and owners in properties owned and/or managed by the Group by encouraging them to participate in various green activities, such as Green Bazaar, Source Separation of Waste, Waste Electrical and Electronic Equipment Recycling Day.

Harbour Plaza Hotel Management Group has implemented measures for paper recycling. Expired gaseous mediums used in fire extinguishing systems and refrigerant used for chillers and cold rooms are also recycled.

Managing Greenhouse Gases and Contractors' Emissions

Recognising the impact of carbon and other air emissions on the global climate and the environment, the Group strives to curtail its carbon footprint through incorporating green practices in its daily operations.

In 2016, the Group continued to participate in the Carbon Audit programme in support of the Hong Kong Government's Carbon Reduction Charter. Residential, commercial and industrial properties managed by the Group's property management subsidiaries, including Goodwell Property Management Limited ("Goodwell") and Citybase Property Management Limited ("Citybase") (both awarded ISO 14001 for their environmental management systems) as well as Hutchison Property Management Company Limited ("HPM"), have implemented eco-friendly initiatives in their daily management operations. During the year under review, properties managed by the Group have participated in the Carbon Audit programme, involving residential properties with over 70,000 households.

Cheung Kong Center Property Management Limited was awarded the Carbon Reduction Certificate of the Hong Kong Green Organisation Certification, which recognises those buildings or organisations that have achieved a verified reduction in overall carbon emissions. A property managed by Goodwell was awarded the Silver Award of Property Management (Residential) category in the Hong Kong Awards for Environmental Excellence. Citybase was awarded the Hong Kong Green Mark Certificate under the "Wood Recycling & Tree Conservation Scheme 2016", the Certificate of Appreciation from Friends of EcoPark and the Bronze Award under the GreenPlus Recognition Award 2016 organised by CLP Power Hong Kong Limited. All Harbour Plaza Hotels in Hong Kong were awarded the Hong Kong Green Mark Certificate under the "Wood Recycling & Tree Conservation Scheme 2016".

Restaurants operated in Harbour Plaza Hotel Management Group are required to comply with the requirements of oil fume emissions. Grease traps are also required to be installed so as to reduce oil emissions. Shuttle bus service providers are encouraged to use low emission vehicles.

A2: Use of Resources

Achieving Higher Energy Efficiency

The Group continues with initiatives to introduce resource efficiency and eco-friendly measures to the Group's residential and commercial developments from planning to construction, and is committed to optimising the use of resources in all of its business operations.

Committed to being a responsible developer, the Group endeavours to minimise the environmental impact of its buildings from as early as the planning and design stage. A range of initiatives have been implemented to reduce electricity consumption but without compromising comfort levels in the buildings. Measures include adopting naturally ventilated staircases and lift lobbies in residential buildings, incorporating insulation and sun-shading features in the building envelope, using double-glazing with Low-E glass and insulated window frames, optimising the size of windows in order to enhance energy efficiency.

During the construction stage, in order to manage product quality and reduce the occurrence of abortive works, regular meetings with contractors are held and regular site inspections are performed. Guidance and instructions regarding mock-ups and control samples are provided to contractors and/or sub-contractors before mass production or construction takes place.

For the purpose of the efficient use of electricity, various energy saving practices have been implemented in the Group's offices, hotels and residential, industrial and commercial properties managed by the Group. Measures include installing energy efficient lighting appliances such as LEDs, T5 fluorescent lamps with timers and, motion detecting devices; reducing number of lifts operating at mid-night; and, using heat pumps or other recovery systems in the hotels' hot water systems. The Group's serviced suites include "conservation of electricity and water" as one of the conditions in the license agreement for serviced suites. Notices are posted in the guestrooms of Harbour Plaza hotels to raise guests' awareness of and support for ecological matters and energy saving measures.

Reducing the Use of Water and the Packaging Materials

The Group recognises the growing concern of the public regarding water conservation and its role in water saving. The Group is committed to promoting awareness of water conservation amongst its staff, contractors, tenants and hotel guests. This includes organising activities in the Group's managed properties to promote green awareness on the part of residents, tenants and owners, and displaying labels to remind staff to avoid unnecessary resource consumption.

Measures are incorporated into the operations to reduce the use of freshwater. Rain and grey water is collected for wheel-washing at the development projects sites. In the Group's hotels, water savers are installed in guestroom showers, basins and public areas. Treated sea water (instead of potable water) is used for flushing systems, hotel refrigeration and cooling systems. For the catering service in the hotels operation, the use of disposables and packaging materials is minimised, and biodegradable materials have been used in packaging materials.

A3: The Environment and Natural Resources

Managing Other Environmental Impact

The Group endeavours to manage and minimise the impact of its operations on the environment and natural resources.

Environmental, Social and Governance Report (*continued*)

Noise pollution

Construction noise management measures are required to be implemented by contractors to control the noise produced by operation at construction sites. Time of carrying out certain noise generating construction works is restricted. Piling contractors are requested to use noise enclosures for piling rigs. Acoustic mats are used to screen off particularly noisy operations.

Dust

Dust suppression measures are required to be implemented by contractors at the Group's development sites. Dust screens are provided, and weekly dust monitoring is also conducted at designated dust emission sources during periods of construction.

Waste Water Discharge

Various measures are carried out by contractors in handling waste water to comply with relevant regulations. Such measures include filtering rainwater and sewage before making discharges to the public drainage system.

Landscape and natural habitats

Professional landscape consultants are employed by the Group to conduct tree surveys and perform conservation work at its development projects. Whenever possible, existing trees in woodland areas within development sites are retained, and roofs and walls with greenery are constructed. The development projects in the United Kingdom have incorporated the landscape design to care for the habitats of birds.

External lighting

Residential, industrial and commercial properties managed by the Group as well as hotels are encouraged to participate in "Earth Hour", which is the world's annual "Lights Out" event aimed at raising public awareness of energy saving and carbon reduction for a sustainable future. In 2016, 10 Harbour Plaza Hotel Management Group's hotels and selected properties managed by Citybase, Goodwell and HPM have joined "Earth Hour 2016". Members of the Group and properties managed by the Group have also joined the "Charter on External Lighting".

Renovation

From time to time, offices, hotels or properties owned and/or managed by the Group undergo renovation. To lessen the disturbance of these activities on tenants, staff and hotel guests, contractors performing renovations are requested to use materials or equipment that have least emissions and noise. Water-based or eco-friendly paint is used and office repair and renovation works is scheduled after office hours.

Indoor air quality

Indoor air quality in selected properties managed and/or owned by the Group are regularly monitored and measured. Air purifying systems have been installed in the hotels of Harbour Plaza Hotel Management Group in order to maintain indoor air quality and filter out pollutants, contaminants and dust particles.

During the year under review, the Group was not aware of any material non-compliance with laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that would have a significant impact on the Group.

B. SOCIAL

B1: Employment

Fair Employment Practices

The Group recognises that sustainable growth in its business relies on recruitment and retention of talent. To motivate and retain talent, the Group offers competitive remuneration which is reviewed annually to reflect each employee's performance and contribution as well as market developments. Permanent employees of the Company are also provided with other fringe benefits including medical, life and disability insurance coverage as well as free annual health checks. Retirement schemes are included as part of the remuneration packages. In 2016, the Company continued to receive the "Good MPF Employer Award".

It is the Group's policy to promote equal opportunities in recruitment, internal transfer and promotion. To ensure a fair workplace environment and prevent potential and existing employees from being disadvantaged or excluded on the basis of gender, age, family status, sexual orientation, disability, race or religion or other characteristics, all levels of applicants and staff are appraised by the same set of assessment/performance criteria.

Employees can enjoy discounted services and products offered by Group entities. Each year, the Group hosts an annual dinner at which the colleagues interact socially and enjoy a sense of belonging. Fresh fruit is regularly provided by the Company to staff and nutraceutical soup is also arranged twice a week. Other recreational activities such as health talk and various interest classes are also organised for employees of the Hutchison Property Group.

B2: Health and Safety

Health and Safety Management

The Group recognises the importance of work safety. Regular inspections of construction sites are conducted for monitoring contractors' safety practices. Contractors are also requested to conduct risk assessments to identify the risks associated with each construction activity, and the nature and extent of these risks as well as to determine the preventive or protective measures required to address them. Contractors' implementation of their site safety management plans is monitored. Regular training sessions and safe working procedures are provided to contractors in order to help them identify hazards and potential risks.

To provide a safe working environment for employees in the office, risk assessments of workstations, equipment and tools of all users are performed on a regular basis. Upgrades and maintenance are performed in line with the pace of technological change and the needs and demands of employees. To ensure hygienic working conditions, cleaning of air-conditioning systems and disinfection treatment of carpets is carried out at regular intervals.

A Safety Committee or Emergency Response Team has been formed in each of the hotels of the Harbour Plaza Hotel Management Group for managing and monitoring matters relating to health and safety. Training sessions or briefings are provided and Employee Health and Safety Handbooks are distributed or made available to hotel employees to help to avoid work related injuries. In addition, fire drills are held at least once a year.

In 2016, both Citybase and Goodwell achieved its OHSAS 18001 certification for its occupational health and safety management system. Both Goodwell and Citybase received the "Bronze Award" in the "Safety Culture Award" category for a property managed by them and Citybase was also awarded, for a property managed by it, the "Gold Award" in the "Best Presentation Award" category in the "Best Property Safety Management Award 2015-16" organised by Occupational Safety and Health Council.

Environmental, Social and Governance Report (*continued*)

B3: Development and Training

Talent Development

The Group aspires to develop employees by providing opportunities to advance their careers. Employees of the Group are encouraged to take part in internal and external training courses. The Group's policy is to support employees who attend job related training courses or professional seminars through sponsoring them and/or granting them special fully-paid leave.

Vocational training, for skills enhancement and development, is provided to employees on an as-needed basis. Corporate orientation programmes are held for new staff to assist them with adopting the Group's corporate culture. Other tailor-made training programmes are also organised for employees in specific work units, providing them with practical learning relevant to their jobs or functions.

Directors of the Group are provided with continuous professional development training to develop and refresh their knowledge and skills. These include seminars and workshops on corporate governance practices as well as updates on regulatory development and requirements.

B4: Labour Standards

Anti-Child and Forced Labour

The Group does not engage in or tolerate any use of child or forced labour. Procedures are established to ensure no child labour is engaged. During the recruitment process of the Company, the age of candidates will be verified with their identification documents. Contractors and sub-contractors are also required to declare that they have not employed any child or forced labour.

With respect to the hotel operations, all hotels' contracts with suppliers contain provisions that disallow unethical labour practices along the supply chain. If any suppliers are found to have employed any child or forced labour, the contracts with those suppliers will be terminated.

During the year under review, the Group was not aware of any material non-compliance with laws and regulations relating to employment and labour practices, occupational health and safety that have a significant impact on the Group. Nor did we identify any incidents that have a significant impact on the Group relating to the use of child or forced labour.

B5: Supply Chain Management

Responsible Procurement Practices

The Group strives to engage its suppliers in developing a sustainable supply chain and actively work with them so that they can achieve the Group's standards on business ethics, environment, and health and safety.

Regarding the property development projects, any form of bribery or corruption is strictly and expressly prohibited in the tendering process for construction projects. Employees are reminded to avoid situations that may lead to or involve conflict of interest. To ensure fairness in the tendering process, a Tender Committee is set up to monitor the supplier and/or contractor selection process. The Tender Committee makes use of analyses and recommendations made by external consultants and internal project staff in awarding contracts to bidders.

All approved suppliers to Harbour Plaza Hotel Management Group are provided with the Supplier Code of Conduct, which requires them to promote safe and healthy working conditions, use fair hiring practices, treat their employees with dignity and respect and adhere to environmentally responsible practices in their operations. Any breach of the Supplier Code of Conduct by a supplier may result in its business relationship with the Group being terminated. If any supplier's performance is determined to be below expectation, it would not be re-invited for future quotations or tenders.

Evaluation and monitoring of the performance of the Company's suppliers will be carried out every time when services are provided by the relevant suppliers to ensure compliance with service standards, contract conditions and quality provisions. In line with the Company's commitment to integrity in business, the Company has established an open and fair procurement process. There must be written records of the reasons for any non-inclusion and suspension of contractors or suppliers.

During the year, 35% of the Group's purchases, of which 21% were in Hong Kong, 14% in the Mainland, were attributable to the Group's five largest suppliers.

B6: Product Responsibility

Maintaining Products and Services Quality

Customer service teams have been established to handle queries from customers in a timely and efficient manner. For residential properties developed by the Group in Hong Kong, the Mainland and overseas, re-examinations and re-inspections of properties are carried out when they are handed over to purchasers. Follow-up services are also provided to purchasers to assist them with setting up connections to utilities, telecommunications and other services. Regular inspections are carried out by the Group in order to ensure the quality of the properties being constructed and to be delivered by the contractors.

Regarding the hotels of Harbour Plaza Hotel Management Group, measures have been adopted to ensure the quality of the food supplies. Suppliers of dairy and high-risk food products (including fresh milk, cream, chilled salmon, fresh and frozen oysters) are required to provide health certificates.

In order to enhance the Group's products and services on a continuous basis, customers are encouraged to provide feedback on their experience, and procedures for handling customers' queries and complaints have been established. When a complaint is received from a hotel guest or customer, a targeted response within a specific timeframe is set out in the internal guidelines. In 2016, Hoi Yat Heen, Greens Café and The Point at Harbour Plaza North Point and Promenade Restaurant and Senzuru Japanese Restaurant at Harbour Plaza Metropolis were accredited as Quality Tourism Services restaurants by the Hong Kong Tourism Board in recognition of their superb customer service. Harbour Plaza Hotels & Resorts received the TTG Travel Awards 2016 for "Best Local Hotel Chain" for the 7th consecutive year, and Harbour Plaza 8 Degrees also received the TTG China Travel Awards 2016 for "Best Mid-Range Hotel in Hong Kong".

Environmental, Social and Governance Report (*continued*)

Protecting Data Privacy and Intellectual Property

The Group respects personal data privacy and intellectual property rights. Policies and measures have been formulated regarding the protection, collection and usage of personal data and protection of intellectual property. Training is provided to relevant employees regarding the protection of personal data. Review and revision of the Group's personal data and privacy protection practices are carried out to ensure compliance with relevant laws. Trademarks and domain names are registered in various jurisdictions in order to protect the intellectual property of the Group.

During the year under review, the Group was not aware of any incidents of material non-compliance with laws and regulations concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress, that have a significant impact on the Group.

B7: Anti-corruption

Anti-Bribery and Anti-Corruption

The Group adopts a "zero tolerance" approach to bribery, corruption and fraud of any kind. As part of the Company's corporate orientation programme, newly joined employees are required to attend seminars delivered by the Independent Commission Against Corruption ("ICAC") which introduces them to anti-corruption guidelines and practices. Members of the Group continue to co-operate with the ICAC in promoting anti-corruption practices.

The Group has issued its Code of Conduct and whistle-blowing procedures which have been posted on the intranet. Employees are encouraged to report any concerns they have regarding bribery and corruption. Procedures are in place to ensure that such reports are logged and investigated, and that appropriate action to address them is taken.

In line with the Group's commitment to integrity in business, employees and stakeholders who deal with the Group, including customers, suppliers, creditors and debtors, are encouraged to report any suspected impropriety, misconduct or malpractice that they encounter as occurring within the Group.

During the year under review, the Group was not aware of any material breach of laws and regulations relating to bribery, extortion, fraud and money laundering that have a significant impact on the Group.

B8: Community Investment

Contributions to Society

As a responsible corporate citizen, the Group strives to make its shares of contributions towards enhancing the well-being of society through community investment. Apart from making donations to charitable organisations, members of the Group also take their own initiatives in helping and supporting their local communities.

The Group has long regarded The Community Chest of Hong Kong as one of its partners in community services. In 2016, the Group continued to support and take part in a matching donation programme, which encourages the public to participate in charitable activities via the programme. The Group, together with its affiliates was named as one of The Community Chest's top three donors for the 17th consecutive year.

The Group also supports the We R Family Foundation to launch the 333 Learning Companion Leadership Programme, which provides free tutoring and value-added courses, and professional support to advance the education development and competitiveness of children and youth of underprivileged families. Over 4,300 students in 120 primary and secondary schools have benefited since the programme was launched in 2010. There are four centres in North District, Kwun Tong, Sham Shui Po and Tin Shui Wai, which also serve neighbouring districts including Tai Po, Wong Tai Sin, Kowloon City and Kwai Tsing. In 2016, the Programme received matching funds from the Government's Partnership Fund for the Disadvantaged.

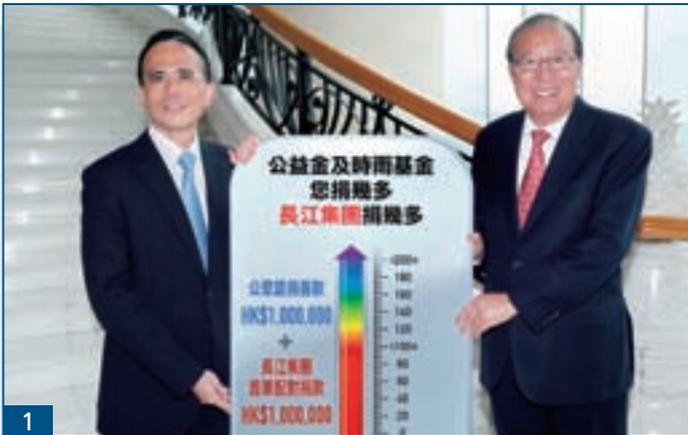
During the year, donations of approximately HK\$27,000,000 were made by the Group to various charitable organisations.

Recognising the continuous effort of the Group in integrating corporate social responsibility into its businesses through caring for the community, employees and the environment, members of the Group (including property management service centres) were awarded a total of 88 "Caring Companies" logos under the Caring Company Scheme in 2016. Among those 88 "Caring Companies" logos, over 15 were "10 Years Plus Caring Company Logo".

Citybase is also a long-standing supporter of various non-profit organisations, including the Ronald McDonald House Charities Hong Kong, Fu Hong Society, Evangelical Lutheran Church Social Service Hong Kong, Hong Chi Association and Caritas Social Work Services Division, which allow it to serve the community in diverse ways. In 2016, both Citybase and Goodwell were awarded "Award of 10,000 Hours for Volunteer Service" from the Social Welfare Department – Steering Committee on Promotion of Volunteer Service 2016. The Group has also participated in various charitable and environmental protection events, including Chinese New Year Gift Transfer, Food Donations and Used Book Donations, which not only support the needy but also reuse resources in a more efficient way.

In addition to the Group's charitable donations and its employees contribution in the hours on community service, certain members of the Group also offer industry exposure to students in Hong Kong. In 2016, Harbour Plaza Hotel Management Group continued to organise internship programmes with various colleges and universities. In addition, Hutchison Property Group also participated in the secondary school student internship programme to give secondary students opportunities to work in different departments.

Environmental, Social and Governance Report (continued)



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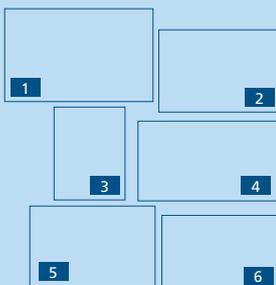
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1. Cheung Kong Group launched a one-for-one donation campaign for the Community Chest Rainbow Fund
2. Goodwell awarded “Caring Companies” logo
3. Harbour Plaza Hotels & Resorts received the TTG Travel Awards 2016 for “Best Local Hotel Chain”
4. Staff of Hutchison Whampoa Properties (Chongqing) participated in planting activity with the left-behind girls in rural area
5. A team building training course for staff of Citybase
6. South Horizons – Easter & Summer Programmes

LI KA SHING FOUNDATION – CHANGING TIMES, UNCHANGING PROMISE

Mr. Li Ka-shing, the Chairman of the Group, recognises the importance of education and healthcare to societal development. He established the Li Ka Shing Foundation (LKSF) in 1980 with his personal funding to: 1) foster change, 2) empower people, 3) develop a better society, and 4) inspire societal improvement. To date, over HK\$20 billion has been put to work to support all its initiatives across 27 countries and regions. Over 80% of LKSF's donations benefit projects in the Greater China Region.

Major or special projects of the Foundation in 2016 are as follows:

Love Ideas, Love HK

Funded with contributions of over HK\$300 million, *Love HK Your Way!* continues to support new and ongoing programmes, including:

Philosophy of Care

The *Heart of Gold Hong Kong Hospice Service Programme* was established in collaboration with matching funds from the Hospital Authority. Since its launch in 2007, the Programme has provided 430,000 sessions and benefited over 38,000 patients. The website www.Hospicehome.hk has received 720,000 views. Total contributions amount to HK\$126 million. Hospice centres in ten public hospitals offer one-stop services for terminally ill cancer patients and their family members. The HA has received Government support to integrate the hospice centres into their standard development under recurrent expenses, enabling more underprivileged patients to benefit.

Sounds Great

In July 2016, LKSF contributed HK\$2.5 million to distribute 10,000 high quality audio books to nearly 100 organizations allowing the elderly, visually impaired, and people with disabilities to enjoy celebrity autobiographies, Chinese literary classics, and stories of old Hong Kong.

Community Care

Decide Well, Spend Wisely

Following the successful launch of *Love Ideas Love HK!* in 2010, LKSF teamed up with social welfare organizations to establish the “*Decide Well, Spend Wisely*” project in July 2016. In phase 1, over 5,700 HKDSE students in 51 secondary schools in Yuen Long, Tin Shui Wai and Outlying Islands received HK\$5,000 bank gift cheques to help alleviate stress and encourage them to spend wisely.

Listening Angels

Through 2016, the Caritas Family Crisis Hotline and Education Centre has received contributions of HK\$39 million from LKSF to handle over 49,700 cases. In July 2016, with additional support from LKSF, Caritas moved to new premises with enhanced facilities, and continued to provide a 24-hour hotline for individuals and families in crisis.

Paradigm Shift in Human Capital Development and Leadership

Shantou University

Founded in 1981, Shantou University (STU) is a key comprehensive university in Guangdong Province and the only privately funded public university on the Mainland. Based on the guiding philosophy of “governance for academic freedom”, STU has been engineering reforms in the country’s higher education sector. LKSF considers STU to be a long-term keystone project, and has earmarked over HK\$8 billion through 2018 to support the University, which has cultivated over 100,000 graduates to date.

In 2016, STU continued to build on its record of outstanding performance in teaching and research. STU played a leading role in China’s CDIO engineering educational reform, and founded the CDIO Engineering Education Alliance; 100% of undergraduates selected STU as their first preference; first-time employment rate reached 98.34%, first in Guangdong Province; salary of graduates after five years in the workforce exceeds 88% of graduates from other universities, according to data compiled by iPIN.com; listed as a Guangdong Province high-level university; the only Mainland university founded after 1980 to be ranked in the top 800 in the Times Higher Education World Universities Ranking. A new medical college building, a multi-purpose Sports Park, and three new residential colleges have been completed. The total floor space completed on campus is 568,000 sq. m.

In February 2017, the Foundation sponsored STU in the world’s first university ocean rowing expedition to foster team spirit and perseverance. 10 male and 10 female students embarked on their eight-day, 640 km maritime journey from Shantou to Hong Kong to raise funds for conservation causes.

Shantou University Medical College

With the new Medical College Building and its cutting-edge facilities now in use, Shantou University Medical College (SUMC) is dedicated to promoting a culture of “active learning” and to becoming a model of medical education reform in Mainland China. For the 19th consecutive year, undergraduates chose SUMC as their first preference. The passing rate of SUMC graduates in the National Medical Licensing Examination ranks among the best in the nation. The passing rate of SUMC students from the English-based medical programme in United States Medical Licensing Examination Step-1 exceeded 93% for five years in a row. First-time employment rate for SUMC graduates reached 97.46%, the highest in the Province for the 16th year. The International Institute of Infection and Immunity and the Second Affiliated Hospital made a breakthrough discovery on the possible human-to-human transmission of the H7N9 influenza virus, and their paper titled “Probable Hospital Cluster of H7N9 Influenza Infection” was published in the New England Journal of Medicine. The International Joint Laboratory on Virology and Emerging Infectious Diseases became the first joint international laboratory to be commissioned by the Ministry of Education.

Cheung Kong Graduate School of Business

Since its founding in 2002, Cheung Kong Graduate School of Business has established itself as Mainland China’s globalized business school, cultivating over 10,000 business leaders in a wide range of industries.

Guangdong Technion-Israel Institute of Technology

LKSF made a US\$130 million contribution to establish the Guangdong Technion-Israel Institute of Technology, a joint venture between STU and Technion, to promote development of tertiary education in Guangdong, and build capacity in STU’s healthcare research. GTIIT received formal approval for establishment from the Ministry of Education in December 2016. The first phase will be inaugurated in 2017 with an initial batch of 300 students.

Project Define

Project Define, launched jointly with the Ministry of Civil Affairs through a RMB20 million LKSF contribution, has enabled 4,600 Chinese women cadets and civil affairs officers to realize their power to serve the community through the use of technology in boosting their knowledge base. The Project has garnered further support from the Government and other community resources. The Project continues to support programmes in the Chaoshan region, exploring new models in women's employment and service, and promoting vocational education for girls in rural areas.

Healthcare Services — Hope and Dignity

Mainland Projects

LKSF has supported a number of major healthcare initiatives in Mainland China, including the Heart of Gold Nationwide Hospice Service Programme, phases 1-3 of the Cheung Kong New Milestone Programme in collaboration with the China Disabled Persons' Federation to install prosthetics and provide rehabilitation support and training, and Nationwide Medical Aid for the Poor. Aggregate donations of over RMB1 billion have benefited over 17 million patients. Another RMB16 million have been donated to support the Kumbum Tibetan Medical Hospital Aid Programme to provide free medical services for ethnic minorities, serving over 160,000 to date.

LKSF has also contributed RMB8 million to the China Organ Transplantation Development Foundation (COTDF) to instigate reforms and support voluntary civilian organ donation as the only legitimate source for organ transplants. As of 2016, there have been over four thousand cases of civilian organ donations, with over 11,000 major organs (heart, lung, liver, kidney), and more than 13,200 transplantation operations performed.

International Medical Education and Research

LKSF's contributions to overseas projects in 2016 exceeded HK\$110 million. Among the key projects is the Li Ka Shing Centre for Health Information and Discovery at Oxford University, which was granted a total of GBP20 million. Phase two of the project, the 5,000-sq.m. Big Data Institute which can accommodate 350 researchers will be inaugurated in May 2017. A donation of NZD5 million was made to the University of Auckland to promote innovation and philanthropy. The University of British Columbia received a contribution of CAD1 million for its MBA Global Immersion Programme, and a donation was made to Hospitality and Hope to provide temporary shelter and food for the homeless in Northumbrian, UK.

Innovation and Technology

China Charity Museum

In September 2016, LKSF was invited to install an exhibition at the new China Charity Museum in Nantong. The exhibition was created using advanced multi-media technology to articulate the Foundation's mission and its philanthropic work worldwide. The China Charity Museum is the first themed museum developed jointly by the Ministry of Civil Affairs and the Jiangsu Provincial Government, and is the first national museum on charity.

Exponential Technologies

Singularity University, founded by innovation experts from Google, NASA, and tech entrepreneurs, held a two-day Exponential Learning Program in April 2016. 300 students from Hong Kong institutions got a first-hand look at the latest technologies and trends including AI, Robotics, 3D Printing.

Technology-assisted Agricultural Development

LKSF made a contribution of RMB12 million to support the Xinjiang Castor Seed Project to promote industrialization of castor oil production and technology-assisted agricultural development. Oil extracted from the seed of the castor oil plant is a promising source of renewable energy. LKSF hopes the introduction of castor seeds by Kaiima Israel and world-leading planting management technology will help develop a highly efficient agricultural optimization structure. Results from the first trial planting were positive and the target is to build up to 90,000 mu plantation of castor plants within five years.

Guan Yin: Bodhisattava of Compassion and Wisdom

From its opening in 2015 to the end of 2016, Tsz Shan Monastery received nearly 350,000 visitors, and continues to organize religious, educational, cultural and spiritual experiential activities to provide a serene place for spiritual contemplation. Tsz Shan is also collaborating with tertiary institutions to develop programmes and utilize multi-media technology to explore new ways to connect people in the age of globalization. Since its inception, the Tsz Shan Monastery Buddhist Spiritual Counselling Centre has offered support to over 1,100 Hong Kong residents in need of spiritual guidance. The Centre has also organized 69 spiritual health activities with over 2,400 total participants.

LKSF will continue to cultivate a culture of giving as its unchanging promise.



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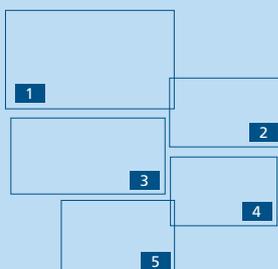
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1. Mr. Li welcomes the members of the Shantou University Ocean Rowing Expedition teams "Hannah" and "Jasmine".
2. Singularity University hosted an exclusive two-day program for 300 local students on AI, robotics, 3D printing and other leading-edge technologies.
3. The community offers support and encouragement for cancer patients and healthcare professionals through the HospiceHome website.
4. "Decide Well, Spend Wisely" supports good decision-making and helps relieve stress for 2016 DSE students.
5. The newly completed Clinical Simulation and Learning Centre at the Shantou University Medical College features state-of-the-art facilities for aspiring doctors.

Highlights of Development Properties

Crescendo

Yuen Long

This deluxe residence on a lush green setting features 67 low-density detached houses offering residents an exclusive, opulent lifestyle.



Yuccie Square

Yuen Long

In close proximity to the Long Ping station of the MTR West Rail Line, this modern residential development seizes the advantage of transportation convenience.



Highlights of Development Properties (*continued*)

Seanorama

Sha Tin

A seaside quality residence nestled in green surroundings and overlooking the magnificent Tolo Harbour.



Harbour Glory

North Point

With a prime waterfront location on Hong Kong Island, this premium residence offers the commanding views of Victoria Harbour and the city's beautiful landscape.



Highlights of Development Properties *(continued)*

Ocean Pride

Tsuen Wan

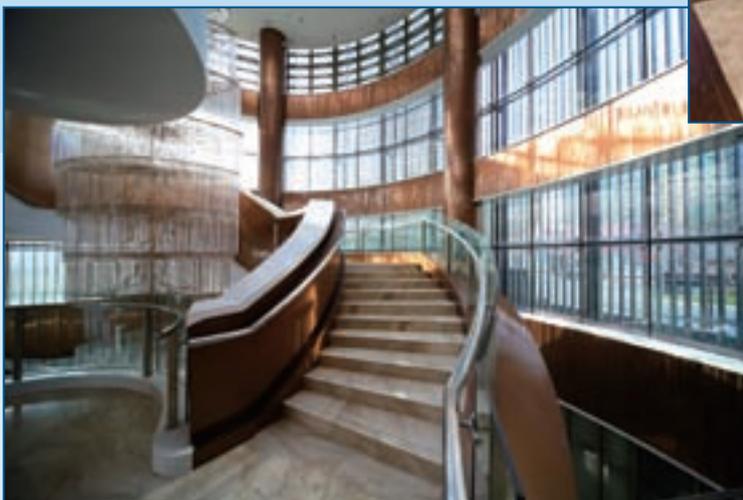
Conveniently located above the Tsuen Wan West Station of the MTR West Rail Line, this premier residential property with over 90% of the units overlooking the scenic sea views represents a fine example of quality living.



Upper West Shanghai

Shanghai

This mega development at Zhen Ru Fu Zhong Xin in the Putuo District represents a new landmark in Shanghai featuring retail, office, residential premises and serviced apartments as well as a hotel.



Highlights of Development Properties (*continued*)

Century Link

Shanghai

Located atop the Century Avenue Station, the interchange station of four major Metro lines in the Pudong's Lujiazui District, Shanghai, this contemporary comprehensive development offers a wide spectrum of business, retail and entertainment options.



Emerald City

Nanjing

With a prime location at Ying Tian Avenue of the Jianye District, Nanjing, this grand comprehensive development represents an optimal choice for modern living, business, retail and leisure.



Highlights of Development Properties (*continued*)

Millennium Waterfront

Wuhan

Strategically located at Jinghan Road, the core district of Hankou in Wuhan, this waterfront residential and commercial development commands the glorious views of Yangtze River.



The Metropolitan Wuhan

Wuhan

A premier residential and commercial development located above the Hankou Xun Li Men Metro Station, the interchange of Metro Station Line No. 2 and Light Railway Line No.1 in Wuhan. The development enjoys easy access to the transportation network and embraces the concept of premium living.



Highlights of Investment Properties



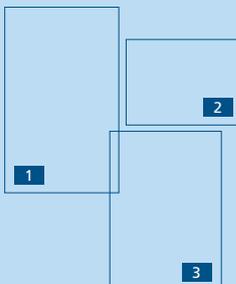
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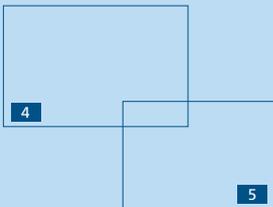
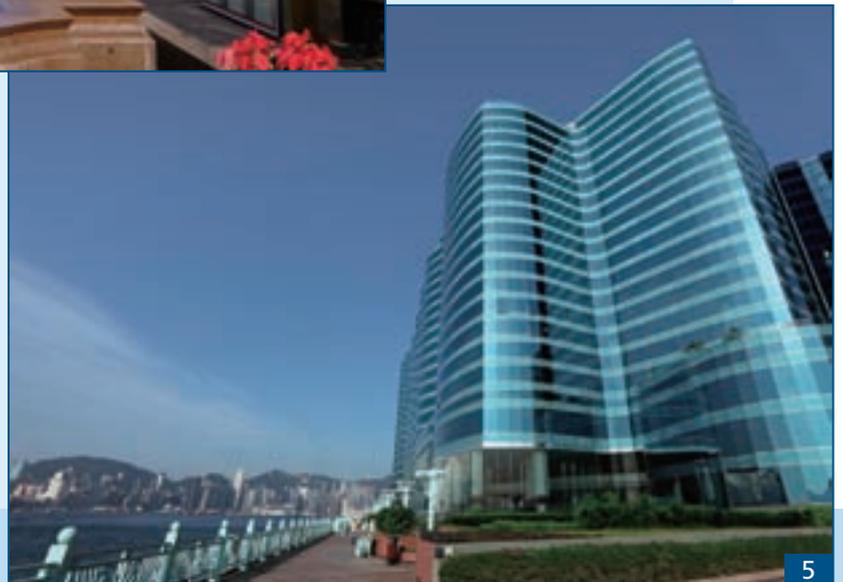


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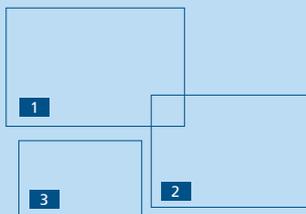
1. Cheung Kong Center
2. Hutchison House
3. China Building

With an aggregate gross floor area of approximately 17 million sq.ft., the Group's investment properties are mostly located in Hong Kong and comprise mainly office, retail, and industrial properties. To further strengthen its recurring revenue base, the Group will continue to optimise and enhance its investment property portfolio through investments in high quality projects with stable rental returns.



- 4. 1881 Heritage
- 5. The Harbourfront

Highlights of Hotels and Serviced Suites



1. Harbourview Horizon All-Suite Hotel
2. Harbour Plaza Resort City
3. Harbourfront Horizon All-Suite Hotel

The Group now owns and/or manages hotels and serviced suites located in Hong Kong, the Mainland and The Bahamas, with over 16,000 rooms in aggregate. It will continue to enhance the scale and brand positioning of its existing portfolio while seeking to achieve higher operational efficiency to timely release the underlying portfolio value.



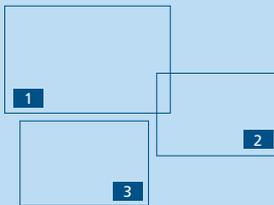
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- 1. Harbour Grand Hong Kong
- 2. Horizon Suite Hotel Tolo Harbour Hotel
- 3. Harbour Grand Kowloon

Schedule of Major Properties

As at 31 December 2016

A. PROPERTIES FOR/UNDER DEVELOPMENT

Description	Lot Number/Location	Group's Interest	Approx. Site Area (sq. m.)
Hong Kong			
A site at Repulse Bay	R.B.L. 177 R.P.	100.0%	3,295
Seanorama, Ma On Shan	S.T.T.L. 574	100.0%	14,400
A site at Mid-level	I.L. 8949	100.0%	10,488
Harbour Glory, North Point	I.L. 8920	100.0%	7,887
A site at Sha Tin	S.T.T.L. 614	100.0%	6,299
A site at Fung Yuen, Tai Po	Various lots in D.D. 11	100.0%	69,415
A site at Yuen Long	Lot 1457 R.P. in D.D. 123 Y.L.	60.0%	799,983
A site at North District	Various lots	100.0%	168,575
Various sites at Yuen Long	Various lots	100.0%	194,688
Various sites at Tai Po	Various lots	100.0%	12,400
The Mainland			
La Grande Ville	Beijing	100.0%	368,072
The Greenwich	Beijing	100.0%	97,801
Beixinjiayuan	Beijing	100.0%	256,332
Noble Hills	Changsha	100.0%	197,039
Le Parc	Chengdu	100.0%	239,224
Regency Hills	Chongqing	95.0%	968,805
The South Bay	Dalian	100.0%	319,359
Heizuizi, Xigang District	Dalian	100.0%	142,900
Laguna Verona	Dongguan	99.8%	1,428,924

Approx. Floor Area Attributable to the Group (sq. m.)	Existing Land Use	Stage of Completion	Estimated Date of Completion
6,613	Residential	Interior finishing	June, 2017
52,227	Residential	Superstructure in progress	October, 2017
26,569	Residential	Superstructure in progress	March, 2018
13,871	Residential	Superstructure in progress	September, 2018
70,200	Residential/Hotel	Superstructure in progress	June, 2018
22,676	Residential	Ground investigation work	–
–	Agricultural land	Planning	–
–	Agricultural land	Planning	–
–	Agricultural land	Planning	–
–	Agricultural land	Planning	–
–	Agricultural land	Planning	–
254,303	Residential	Interior finishing	January, 2017
98,838	Residential	Site formation	December, 2018
36,564	Residential	Foundation work	March, 2019
199,111	Residential/Commercial	Foundation work	September, 2019
80,000	Residential	Planning	–
71,104	Residential/Commercial	Superstructure in progress	September, 2017
85,013	Residential	Foundation work	September, 2018
58,105	Residential/Commercial	Planning	June, 2019
55,550	Residential/Commercial	Planning	June, 2020
56,854	Commercial	Superstructure in progress	September, 2017
244,289	Residential/Commercial	Superstructure in progress	June, 2018
214,940	Residential/Commercial	Superstructure in progress	December, 2018
366,901	Residential/Commercial	Site formation	June, 2019
84,701	Residential/Commercial	Superstructure in progress	December, 2017
156,438	Residential/Commercial	Superstructure in progress	March, 2018
149,664	Residential/Commercial	Site formation	December, 2018
305,614	Residential/Commercial	Site formation	September, 2019
356,746	Residential/Commercial	Planning	December, 2020
386,212	Residential/Commercial	Planning	June, 2021
1,516,316	Residential/Commercial	Planning	–
57,445	Residential/Commercial	Superstructure completed	March, 2017
339,224	Residential/Commercial	Planning	–
124,599	Residential/Commercial	Foundation work	August, 2021
345,127	Residential/Commercial	Planning	–
109,647	Residential	Superstructure in progress	March, 2017
96,467	Residential/Commercial	Superstructure in progress	April, 2017
65,339	Residential	Superstructure in progress	September, 2017
102,444	Residential/Commercial	Planning	December, 2018
178,455	Residential	Planning	September, 2019
131,739	Residential	Planning	June, 2020
102,239	Residential	Planning	June, 2021
454,657	Residential	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)			
Cape Coral	Guangzhou	100.0%	21,317
Yuhu Mingdi	Guangzhou	80.0%	112,774
Noble Hills	Guangzhou	100.0%	386,520
Aotou, Daya Bay	Huizhou	100.0%	80,052
Silver Cove	Jiangmen	90.0%	1,333,333
Emerald City	Nanjing	100.0%	4,856
The Harbourfront	Qingdao	90.0%	13,368
Hupan Mingdi	Shanghai	100.0%	114,783
City Link	Shanghai	60.0%	14,528
Upper West Shanghai	Shanghai	60.0%	150,253
Regency Garden	Shanghai	85.0%	30,360
Regency Cove	Wuhan	100.0%	713,208
The Greenwich	Xian	100.0%	43,997
Cuilihu	Zhongshan	100.0%	104,215
Horizon Costa	Zhuhai	100.0%	200,000
Overseas			
Stars of Kovan	Singapore	100.0%	10,097
Chelsea Waterfront	London, the United Kingdom	95.0%	35,620
A site at Convoys Wharf	London, the United Kingdom	100.0%	161,400

Approx. Floor Area Attributable to the Group (sq. m.)	Existing Land Use	Stage of Completion	Estimated Date of Completion
96,768	Residential	Superstructure completed	January, 2017
64,110	Residential	Superstructure in progress	December, 2017
44,556	Residential	Superstructure in progress	November, 2018
96,012	Residential	Superstructure in progress	December, 2017
131,843	Residential	Planning	March, 2019
121,713	Residential/Commercial	Planning	September, 2019
114,167	Residential/Commercial	Planning	September, 2021
16,474	Residential	Site formation	June, 2018
22,224	Residential	Site formation	June, 2019
73,512	Residential/Commercial/Hotel	Site formation	June, 2021
269,527	Residential	Site formation	–
30,727	Residential	Superstructure completed	June, 2017
72,197	Residential/Commercial	Superstructure in progress	September, 2017
69,778	Residential/Commercial	Superstructure completed	March, 2017
65,050	Residential	Superstructure in progress	December, 2017
86,760	Residential/Commercial	Superstructure in progress	March, 2018
40,511	Commercial	Superstructure in progress	August, 2017
137,762	Commercial	Superstructure in progress	December, 2017
310,359	Residential/Commercial/Hotel	Superstructure in progress	June, 2018
18,611	Commercial/Hotel	Superstructure in progress	December, 2018
46,107	Residential	Planning	December, 2018
30,182	Residential	Planning	March, 2020
68,095	Residential	Site formation	March, 2019
179,602	Residential	Planning	September, 2019
226,431	Residential/Hotel	Planning	September, 2020
184,608	Residential/Commercial	Planning	December, 2021
767,642	Residential/Commercial	Planning	–
52,828	Residential	Superstructure in progress	June, 2017
63,918	Residential/Commercial	Site formation	June, 2018
111,744	Residential/Commercial	Planning	June, 2020
125,820	Residential	Planning	June, 2021
30,292	Residential/Commercial	Foundation work	November, 2019
11,832	Residential	Interior finishing	August, 2017
2,546	Residential	Superstructure in progress	October, 2017
5,470	Residential	Superstructure in progress	February, 2018
8,387	Residential	Superstructure in progress	September, 2018
18,960	Residential/Commercial	Planning	December, 2019
28,154	Residential/Commercial	Planning	October, 2020
285,029	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		
Ocean Pride, Tsuen Wan	T.W.T.L. 401	42,870
A site at Peel Street/Graham Street, Site B, Central Area 86, Tseung Kwan O (Package 8)	I.L. 9038 T.K.O.T.L. 70 R.P., Site H	1,690 16,638
A site at Hai Tan Street/Kweilin Street/Pei Ho Street, Sham Shui Po	N.K.I.L. 6506	7,507

C. PROPERTIES FOR INVESTMENT/OWN USE

Description	Lot Number/Location	Group's Interest
Hong Kong		
Cheung Kong Center, Central	I.L. 8887	100.0%
The Center (portion), Central	I.L. 8827	100.0%
One and Two Harbourfront, Hung Hom	Sections A, B & R.P. of H.H.M.L. 6 & Extension	100.0%
Hutchison House, Central	I.L. 8286	100.0%
Hutchison Telecom Tower (portion), Tsing Yi	T.Y.T.L. 139 section A	100.0%
China Building, Central	I.L. 2317	100.0%
Whampoa Garden (portion), Hung Hom	K.I.L. 10750 sections A to H & J to L	100.0%
Aberdeen Centre (portion), Aberdeen	A.I.L. 302 & 304	100.0%
Victoria Mall, Tsim Sha Tsui	K.I.L. 11086 R.P.	85.0%
1881 Heritage, Tsim Sha Tsui	K.I.L. 11161 R.P.	100.0%
Harbourview Horizon All-Suite Hotel, Hung Hom Bay	K.I.L. 11103	100.0%
Harbourfront Horizon All-Suite Hotel and Kowloon Harbourfront Hotel, Hung Hom Bay	K.I.L. 11110	100.0%
Harbour Plaza Resort City, Tin Shui Wai	T.S.W.T.L. 4	98.5%
Horizon Suite Hotel at Tolo Harbour, Ma On Shan	S.T.T.L. 461	100.0%
Harbour Grand Kowloon, Hung Hom	Sections A, B & R.P. of H.H.M.L. 6 & Extension	100.0%
Harbour Plaza Metropolis, Hung Hom	K.I.L. 11077	100.0%
Harbour Grand Hong Kong, North Point	I.L. 7106 s.A & Extension	Development interest
Harbour Plaza North Point	I.L. 8885	100.0%
The Kowloon Hotel, Tsim Sha Tsui	K.I.L. 10737	100.0%
Sheraton Hong Kong Hotel & Towers, Tsim Sha Tsui	K.I.L. 9172	39.0%
Harbour Plaza 8 Degrees, Kowloon City	K.I.L. 4013 R.P.	100.0%
The Apex Horizon, Kwai Chung	K.C.T.L. 467 R.P.	100.0%
Rambler Oasis Hotel, Tsing Yi	T.Y.T.L. 140	100.0%
Rambler Garden Hotel, Tsing Yi	T.Y.T.L. 140	100.0%
Hutchison Logistics Centre (portion), Kwai Chung	K.C.L. 4 & Extension	100.0%
Watson Centre, Kwai Chung	K.C.T.L. 258	100.0%
Cavendish Centre, Aberdeen	A.I.L. 399	100.0%
Conic Investment Building, Hung Hom	Subsection 1 of section O of K.M.L. 40	100.0%

Approx. Floor Area of the Development (sq. m.)	Existing Land Use	Stage of Completion	Estimated Date of Completion
104,239	Residential/Commercial	Superstructure in progress	June, 2018
103,411	Residential	Superstructure in progress	September, 2018
17,790	Residential/Commercial	Superstructure in progress	June, 2018
97,000	Residential	Planning	September, 2019
55,342	Residential/Commercial	Foundation work	April, 2020

Approx. Floor Area Attributable to the Group (sq. m.)	Existing Use	Lease Term
117,370	Office/Retail	Medium Term Lease
113,594	Office/Retail	Medium Term Lease
80,174	Office/Retail	Long Lease
46,797	Office/Retail	Long Lease
27,896	Office	Medium Term Lease
24,039	Office/Retail	Long Lease
159,235	Retail	Long Lease
32,054	Retail	Long Lease
13,289	Retail	Medium Term Lease
13,023	Retail/Hotel	Medium Term Lease
119,280	Hotel	Medium Term Lease
107,444	Hotel	Medium Term Lease
60,571	Hotel	Medium Term Lease
56,000	Hotel	Medium Term Lease
47,467	Hotel	Long Lease
42,857	Hotel	Medium Term Lease
41,341	Hotel	Medium Term Lease
31,873	Hotel	Medium Term Lease
30,610	Hotel/Retail	Medium Term Lease
24,161	Hotel/Retail	Long Lease
21,420	Hotel	Long Lease
21,190	Hotel	Medium Term Lease
19,810	Hotel	Medium Term Lease
19,613	Hotel	Medium Term Lease
437,122	Industrial/Office	Medium Term Lease
63,843	Industrial	Medium Term Lease
31,854	Industrial	Long Lease
30,409	Industrial	Medium Term Lease

Schedule of Major Properties (continued)

C. PROPERTIES FOR INVESTMENT/OWN USE (continued)

Description	Lot Number/Location	Group's Interest
The Mainland		
Westgate Mall	Shanghai	60.0%
Century Place	Shenzhen	80.0%
Kerry Everbright City	Shanghai	24.8%
Harbour Plaza Chongqing	Chongqing	100.0%
The Great Wall Sheraton Hotel Beijing	Beijing	49.8%
Sheraton Chengdu Lido Hotel	Chengdu	69.0%
Sofitel Shenyang Lido	Shenyang	29.0%
Overseas		
Bahamas Grand Lucayan	Grand Bahama Island, The Bahamas	100.0%

Notes to Schedule of Major Properties:

1. Properties which are insignificant, including overseas properties, agricultural land and completed properties for sales, are not included.
2. Properties owned by associates are not included.
3. 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 Attributable to the Group (sq. m.)	Existing Use	Lease Term
61,280	Retail/Office	Short Lease
42,210	Retail	Medium Term Lease
12,703	Retail/Office	Medium Term Lease
52,238	Hotel	Medium Term Lease
40,635	Hotel	Short Lease
38,882	Hotel	Medium Term Lease
23,505	Hotel	Medium Term Lease
95,457	Hotel	Freehold

Consolidated Income Statement

For the year ended 31 December 2016

	Note	2016 \$ Million	2015 \$ Million
Group revenue		69,300	57,280
Share of revenue of joint ventures		610	1,513
Total	(3)	69,910	58,793
Group revenue		69,300	57,280
Investment and other income		720	580
Operating costs			
Property and related costs		(38,301)	(32,587)
Salaries and related expenses		(3,990)	(2,475)
Interest and other finance costs		(645)	(549)
Depreciation		(779)	(508)
Service fees		–	(357)
Other expenses		(530)	(323)
		(44,245)	(36,799)
Share of profit of joint ventures		93	311
Share of profit of associates		44	67
Increase in fair value of investment properties		1,262	1,408
Profit on disposal of joint ventures		–	1,366
Profit before taxation	(4)	27,174	24,213
Taxation	(5)	(7,365)	(6,305)
Profit after taxation		19,809	17,908
Profit attributable to			
Shareholders		19,415	17,113
Non-controlling interests		394	795
		19,809	17,908
Earnings per share	(6)	\$5.05	\$4.43

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2016

	2016 \$ Million	2015 \$ Million
Profit after taxation	19,809	17,908
<hr/>		
Other comprehensive income (loss) – reclassifiable to income statement		
Translation of financial statements of operations outside		
Hong Kong – exchange loss	(5,982)	(3,476)
Investments available for sale – gain (loss) in fair value	713	(80)
Derivative financial instruments for hedging – gain in fair value	104	–
Share of other comprehensive loss of joint ventures	(227)	(175)
Other comprehensive income (loss) – not reclassifiable to income statement		
Gain (loss) on remeasurement of defined benefit obligations	22	(46)
Other comprehensive loss	(5,370)	(3,777)
<hr/>		
Total comprehensive income	14,439	14,131
<hr/>		
Total comprehensive income attributable to		
Shareholders	14,374	13,643
Non-controlling interests	65	488
	14,439	14,131

Consolidated Statement of Financial Position

As at 31 December 2016

	Note	2016 \$ Million	2015 \$ Million
Non-current assets			
Fixed assets	(8)	33,695	18,614
Investment properties	(9)	125,306	119,959
Joint ventures	(10)	7,907	4,393
Associates	(11)	7,333	7,743
Investments available for sale	(12)	6,233	5,451
Long term receivables and others		1,715	1,892
Deferred tax assets	(13)	1,843	2,256
		184,032	160,308
Current assets			
Stock of properties	(14)	137,548	153,301
Debtors, prepayments and others	(15)	12,655	12,335
Bank balances and deposits		62,601	45,861
		212,804	211,497
Current liabilities			
Bank and other loans	(16)	4,378	5,772
Creditors and accruals	(17)	17,396	14,785
Customers' deposits received		19,527	11,832
Provision for taxation		2,456	4,238
		43,757	36,627
Net current assets		169,047	174,870
Non-current liabilities			
Bank and other loans	(16)	65,798	55,217
Deferred tax liabilities	(13)	10,824	10,096
Pension obligations	(18)	183	178
		76,805	65,491
Net assets		276,274	269,687
Representing:			
Share capital	(19)	3,824	3,860
Share premium	(19)	249,179	250,951
Reserves		17,196	8,285
Shareholders' funds		270,199	263,096
Non-controlling interests		6,075	6,591
Total equity		276,274	269,687

Li Ka-shing
Director

Ip Tak Chuen, Edmond
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2016

	Shareholders' funds				Total	Non-controlling interests	Total equity
	Share capital \$ Million	Share premium \$ Million	Combined capital \$ Million	Reserves ⁽¹⁾ \$ Million			
Balance at 1 January 2015	-	-	93	96,161	96,254	2,817	99,071
Profit after taxation	-	-	-	17,113	17,113	795	17,908
Other comprehensive income (loss)							
Translation of financial statements of operations outside Hong Kong – exchange loss	-	-	-	(3,166)	(3,166)	(310)	(3,476)
Investments available for sale – loss in fair value	-	-	-	(80)	(80)	-	(80)
Share of other comprehensive loss of joint ventures	-	-	-	(175)	(175)	-	(175)
Loss on remeasurement of defined benefit obligations	-	-	-	(49)	(49)	3	(46)
Total comprehensive income	-	-	-	13,643	13,643	488	14,131
Elimination of combined capital upon completion of Property Businesses Combination (as described in 2015 annual report)	-	-	(93)	-	(93)	-	(93)
Reserve established as a result of Property Businesses Combination	-	-	-	(69,014)	(69,014)	-	(69,014)
Share premium established pursuant to Property Businesses Combination (Note 19(b))	-	254,811	-	-	254,811	-	254,811
Non-controlling interests resulting from Property Businesses Combination	-	-	-	-	-	6,779	6,779
Issuance of shares by way of capitalisation of share premium (Note 19(c))	3,860	(3,860)	-	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	(2,732)	(2,732)
Dividend paid to non-controlling interests	-	-	-	-	-	(761)	(761)
Dividend paid to Cheung Kong (Holdings) Limited and its subsidiaries	-	-	-	(31,154)	(31,154)	-	(31,154)
Dividend paid to shareholders 2015 interim dividend \$0.35 per share	-	-	-	(1,351)	(1,351)	-	(1,351)
Balance at 31 December 2015	3,860	250,951	-	8,285	263,096	6,591	269,687
Balance at 1 January 2016	3,860	250,951	-	8,285	263,096	6,591	269,687
Profit after taxation	-	-	-	19,415	19,415	394	19,809
Other comprehensive income (loss)							
Translation of financial statements of operations outside Hong Kong – exchange loss	-	-	-	(5,657)	(5,657)	(325)	(5,982)
Investments available for sale – gain in fair value	-	-	-	713	713	-	713
Derivative financial instruments for hedging – gain in fair value	-	-	-	104	104	-	104
Share of other comprehensive loss of joint ventures	-	-	-	(227)	(227)	-	(227)
Gain on remeasurement of defined benefit obligations	-	-	-	26	26	(4)	22
Total comprehensive income	-	-	-	14,374	14,374	65	14,439
Change in non-controlling interests	-	-	-	-	-	(106)	(106)
Buy-back and cancellation of issued shares (Note 19(e))	(36)	(1,772)	-	36	(1,772)	-	(1,772)
Dividend paid to non-controlling interests	-	-	-	-	-	(475)	(475)
Dividend paid to shareholders 2015 final dividend \$1.05 per share 2016 interim dividend \$0.38 per share	-	-	-	(4,038)	(4,038)	-	(4,038)
	-	-	-	(1,461)	(1,461)	-	(1,461)
Balance at 31 December 2016	3,824	249,179	-	17,196	270,199	6,075	276,274

Consolidated Statement of Changes in Equity (continued)

(1) Reserves

	Business combination reserve \$ Million	Investment revaluation reserve \$ Million	Exchange reserve \$ Million	Other reserves \$ Million	Retained profits \$ Million	Total \$ Million
Balance at 1 January 2015	–	2,037	4,245	–	89,879	96,161
Profit after taxation	–	–	–	–	17,113	17,113
Other comprehensive income (loss)	–	174	(3,595)	–	(49)	(3,470)
Reserve established as a result of Property Businesses Combination	(69,014)	–	–	–	–	(69,014)
Dividend paid to Cheung Kong (Holdings) Limited and its subsidiaries	–	–	–	–	(31,154)	(31,154)
Dividend paid to shareholders 2015 interim dividend \$0.35 per share	–	–	–	–	(1,351)	(1,351)
Balance at 31 December 2015	(69,014)	2,211	650	–	74,438	8,285
Balance at 1 January 2016	(69,014)	2,211	650	–	74,438	8,285
Profit after taxation	–	–	–	–	19,415	19,415
Other comprehensive income (loss)	–	713	(5,755)	(25)	26	(5,041)
Buy-back and cancellation of issued shares	–	–	–	36	–	36
Dividend paid to shareholders 2015 final dividend \$1.05 per share	–	–	–	–	(4,038)	(4,038)
2016 interim dividend \$0.38 per share	–	–	–	–	(1,461)	(1,461)
Balance at 31 December 2016	(69,014)	2,924	(5,105)	11	88,380	17,196

Consolidated Statement of Cash Flows

For the year ended 31 December 2016

	Note	2016 \$ Million	2015 \$ Million
Operating activities			
Cash generated from operations	(a)	48,426	28,746
Investment in/loan advance to joint ventures		(2,611)	(8,810)
Dividend/loan repayment from joint ventures		261	1,449
Interest received		531	399
Profits tax paid		(7,639)	(3,866)
Net cash from operating activities		38,968	17,918
Investing activities			
Investment in/loan advance to joint ventures		(1,417)	(18)
Dividend/loan repayment from joint ventures		–	36
Disposal of joint ventures		–	3,061
Distribution from associates		568	286
Purchase of investments available for sale		(69)	(65)
Dividend from investments available for sale		326	371
Disposal of investments available for sale		–	155
Addition of investment properties		(4,540)	(60)
Addition of aircraft		(6,922)	–
Addition of other fixed assets		(758)	(423)
Disposal of investment properties and fixed assets		16	–
Business integration (as described in 2015 annual report)		–	5,420
Net cash from (used in) investing activities		(12,796)	8,763
Financing activities			
Borrowing of bank and other loans		15,696	61,760
Repayment of bank and other loans		(14,083)	(19,396)
Loan advance from Cheung Kong (Holdings) Limited and its subsidiaries		–	3,587
Interest paid to Cheung Kong (Holdings) Limited and its subsidiaries		–	(440)
Dividend paid to Cheung Kong (Holdings) Limited and its subsidiaries		–	(31,154)
Dividend paid to non-controlling interests		(475)	(761)
Dividend paid to shareholders		(5,499)	(1,351)
Decrease in funding from non-controlling interests		(106)	(2,732)
Buy-back and cancellation of issued shares		(1,772)	–
Interest and other finance cost paid		(1,321)	(1,165)
Net cash from (used in) financing activities		(7,560)	8,348
Net increase in cash and cash equivalents		18,612	35,029
Translation difference		(1,622)	(843)
Cash and cash equivalents at 1 January		44,540	10,354
Cash and cash equivalents at 31 December	(b)	61,530	44,540

Consolidated Statement of Cash Flows (continued)

Notes:

(a) Cash generated from operations

	2016 \$ Million	2015 \$ Million
Profit before taxation	27,174	24,213
Interest income	(531)	(332)
Interest and other finance costs	645	549
Dividend income from investments available for sale	(326)	(371)
Depreciation	779	508
Share of profit of joint ventures	(93)	(311)
Share of profit of associates	(44)	(67)
Increase in fair value of investment properties	(1,262)	(1,408)
Profit on disposal of joint ventures	–	(1,366)
Others	50	230
Decrease in long term receivables and others	284	314
Changes in working capital		
Decrease in stock of properties	10,395	14,237
Increase in debtors, prepayments and others	(113)	(6,118)
(Increase) decrease in restricted bank balances	250	(637)
Increase in creditors and accruals	2,618	1,446
Increase (decrease) in customers' deposits received	8,600	(3,351)
Decrease in amounts due from subsidiaries of Cheung Kong (Holdings) Limited	–	1,210
	21,750	6,787
	48,426	28,746

(b) Cash and cash equivalents

	2016 \$ Million	2015 \$ Million
Bank balances and deposits	62,601	45,861
Less: Restricted bank balances	(1,071)	(1,321)
	61,530	44,540

Restricted bank balances represent sale proceeds placed with banks in accordance with the requirements of property development on the Mainland and are restricted for use before certain conditions of the property development are met.

Notes to Consolidated Financial Statements

1. General Information

The Company is an exempted company with limited liability incorporated in the Cayman Islands on 2 January 2015 and its shares have been listed on The Stock Exchange of Hong Kong Limited since 3 June 2015. The addresses of its registered office and principal place of business are set out on page 180 of the annual report.

The consolidated financial statements reported in Hong Kong dollars and set out on pages 128 to 160 were approved by the board of directors on 22 March 2017.

2. Principal Accounting Policies

(a) Basis of preparation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRSs") under the historical cost convention except for investments in securities, investment properties and derivative financial instruments which are stated at fair values as described below in (f), (h) and (k) respectively.

For the comparative figures, please refer to the basis of preparation as described in 2015 annual report.

The International Accounting Standards Board has issued a number of new and revised IFRSs. The adoption of these IFRSs which are effective for the Group's annual accounting periods beginning on 1 January 2016 has no significant impact on the Group's results and financial position, and for the following IFRSs 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 Group's annual accounting periods beginning on 1 January 2017

Amendments to IFRSs	Annual Improvements 2014 – 2016 Cycle (Amendments to IFRS 12)
Amendments to IAS 7	Disclosure Initiative
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

Effective for the Group's annual accounting periods beginning on 1 January 2018

Amendments to IFRSs	Annual Improvements 2014 – 2016 Cycle (Amendments to IAS 28)
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
Amendments to IAS 40	Transfers of Investment Property
IFRIC 22	Foreign Currency Transactions and Advance Consideration

Effective for the Group's annual accounting periods beginning on 1 January 2019

IFRS 16	Leases
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Effective date not yet determined

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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Notes to Consolidated Financial Statements (continued)

2. Principal Accounting Policies (continued)

(b) Consolidation

The consolidated financial statements include the financial statements of the Company and its direct and indirect subsidiaries made up to 31 December, and incorporate the Group's interests in joint ventures and associates as described below in (d) and (e) respectively.

Results of subsidiaries, joint ventures 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 consolidated income statement.

(c) Subsidiaries

A subsidiary is an entity which the Group has (i) power over the entity; (ii) exposure, or rights, to variable returns from involvement with the entity; and (iii) ability to use power over the entity to affect the amount of return.

(d) Joint ventures

A joint venture is an entity in which the Group has a long term equity interest and of which the Group shares joint control with other parties under contractual arrangements on decisions that significantly affect its returns.

Investments in joint ventures 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 joint ventures are incorporated in the consolidated financial statements to the extent of the Group's share of their total comprehensive income based on their financial statements made up to 31 December and 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 joint venture, in which the Group has a long term equity interest and 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/distributions 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 total comprehensive income based on their financial statements made up to 31 December and after adjusting, where necessary, to ensure consistency with the Group's accounting policies.

2. Principal Accounting Policies *(continued)*

(f) Investments in securities

Investments in securities, other than subsidiaries, joint ventures or associates, are classified as either investments held for trading or investments available for sale, and stated at fair value. Changes in fair value of investments held for trading are included in income statement. Changes in fair value of investments available for sale are recognised in other comprehensive income and reclassified to income statement upon disposal.

Investments available for sale are reviewed for impairment when there are significant or prolonged declines in fair value of equity securities below investment costs or when there are observable evidences that investment costs of debt securities cannot be recovered in full. Impairment, if any, is charged to income statement and is not reversible except for increase in fair value of debt securities in a subsequent period that can be objectively related to events occurring after the impairment is recognised.

Purchase and sale of investments in securities are accounted for on a trade date basis.

(g) Fixed assets

Fixed assets are stated at cost less depreciation and provision for impairment.

For hotel and serviced suite properties and properties for own use, leasehold land is amortised over the remaining term of the lease on a straight-line basis and buildings are depreciated over the shorter of 50 years or the remaining term of the lease of the underlying leasehold land. Aircraft are depreciated on a straight-line basis over the expected remaining useful lives after taking 10% of the acquisition costs as residual values. Other fixed assets are depreciated on a straight-line basis at annual rates from 5% to 33 $\frac{1}{3}$ % based on their respective estimated useful lives.

(h) Investment properties

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

(i) Stock of properties

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

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

Notes to Consolidated Financial Statements (continued)

2. Principal Accounting Policies (continued)

(j) Debtors and receivables

Debtors and receivables are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method less provision for impairment.

(k) Derivative financial instruments

Derivative financial instruments are stated at fair value and changes in fair value are included in income statement.

For derivative financial instruments that qualify for hedging and are designated as (i) fair value hedges – changes in fair value are included in income statement together with changes in fair value of the hedged assets or liabilities; (ii) net investment hedges – changes in fair value are recognised in other comprehensive income and the associated changes in fair value are reclassified to income statement upon disposal of the investments hedged; and (iii) cash flow hedges – changes in fair value are recognised in other comprehensive income and the associated changes in fair value are reclassified to income statement when the hedged transactions affect income statement.

(l) 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.

(m) Creditors

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

(n) Pension obligations

Defined benefit obligations are measured at present value of the estimated future cash outflows, taking into account the fair value of pension scheme assets, using discount rates by reference to market yields of high quality bonds at the year end date.

Costs of defined benefit pensions are charged to income statement using the projected unit credit method to spread the costs over employees' future service lives. Gain or loss on remeasurement of defined benefit obligations is recognised in other comprehensive income.

Contributions to defined contribution schemes are charged to income statement when employees' service are provided.

2. Principal Accounting Policies *(continued)*

(o) Revenue recognition

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

Property rental and aircraft leasing income are 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 in foreign currencies are converted at the rates of exchange ruling at the transaction dates. Exchange differences are included in income statement.

For translation of financial statements of subsidiaries, joint ventures and associates denominated in foreign currencies into Hong Kong dollars for consolidation, assets and liabilities are translated at the rates of exchange ruling at the year end date and results are translated at the average rates of exchange during the year. Exchange differences are recognised in other comprehensive income.

(q) Taxation

Profits tax is provided for, using the applicable enacted rates at the year end date, on the estimated assessable profits less available tax relief for losses of each individual company comprising the Group.

Deferred tax liabilities are provided for, using the applicable enacted rates, on temporary differences between the carrying amounts of assets and liabilities and their tax bases, and deferred tax assets are recognised, using the applicable enacted rates, to the extent that future taxable profits will be available and deductible temporary differences and unused tax losses can be utilised to offset the profits.

(r) Borrowing costs

Borrowing costs are charged to income statement when 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 Consolidated Financial Statements (continued)

3. Revenue and Profit Contribution

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

Revenue comprises the Group's proceeds from property sales, property rental income, revenue from hotel and serviced suite operation, income from property and project management, aircraft leasing income, and the Group's share of revenue of joint ventures.

Revenue for the year by principal activities is as follows:

	Group		Joint ventures		Total	
	2016 \$ Million	2015 \$ Million	2016 \$ Million	2015 \$ Million	2016 \$ Million	2015 \$ Million
Property sales	56,475	48,141	329	918	56,804	49,059
Property rental	7,316	4,935	114	203	7,430	5,138
Hotel and serviced suite operation	4,823	3,767	27	238	4,850	4,005
Property and project management	500	437	120	154	620	591
Aircraft leasing	186	–	20	–	206	–
	69,300	57,280	610	1,513	69,910	58,793

and is derived from the following locations:

	2016 \$ Million	2015 \$ Million
Hong Kong	32,305	24,566
The Mainland	37,065	30,271
Singapore	41	3,781
Others	499	175
	69,910	58,793

3. Revenue and Profit Contribution *(continued)*

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

	Group		Joint ventures		Total	
	2016 \$ Million	2015 \$ Million	2016 \$ Million	2015 \$ Million	2016 \$ Million	2015 \$ Million
Property sales	17,490	15,469	177	53	17,667	15,522
Property rental	6,761	4,398	23	115	6,784	4,513
Hotel and serviced suite operation	1,521	1,206	(12)	73	1,509	1,279
Property and project management	223	176	44	81	267	257
Aircraft leasing	78	–	6	–	84	–
	26,073	21,249	238	322	26,311	21,571
Interests in real estate investment trusts					347	500
					26,658	22,071
Interest and other finance costs					(645)	(549)
Increase in fair value of investment properties						
Group					1,262	1,408
Joint ventures					3	16
Profit on disposal of joint ventures					–	1,366
Others					(28)	43
Taxation						
Group					(7,365)	(6,305)
Joint ventures					(76)	(142)
Profit attributable to non-controlling interests					(394)	(795)
Profit attributable to shareholders					19,415	17,113

Management discussion and analysis of principal activities is set out on pages 15 to 27 of the annual report.

Notes to Consolidated Financial Statements (continued)

4. Profit before Taxation

	2016 \$ Million	2015 \$ Million
Profit before taxation is arrived at after charging:		
Interest and other finance costs		
Bank and other loans	1,326	1,032
Cheung Kong (Holdings) Limited and its subsidiaries	–	355
Less: Amount capitalised	(681)	(838)
	645	549
Directors' emoluments		
Salaries, allowances and benefits in kind	149	80
Pension scheme contribution	14	8
Discretionary bonus	132	143
	295	231
Auditors' remuneration	19	19
Costs of properties sold	34,797	29,797
Exchange differences	645	256
and after crediting:		
Interest income		
Bank balances and deposits	397	266
Loan receivables	74	47
Loan to joint ventures	60	19
Dividend from investments available for sale	326	371

Notes:

- (a) Interest and other finance costs were capitalised to property development projects at rates based on the weighted average cost of 1.5% for general borrowings.

4. Profit before Taxation (continued)

- (b) Directors' emoluments paid to directors (including the five highest paid individuals in the Group) in connection with the management of affairs of the Company and its subsidiaries are as follows:

	Director's Fees \$ Million	Salaries, Allowances and Benefits in Kind \$ Million	Pension Scheme Contribution \$ Million	Discretionary Bonus \$ Million	Inducement or Compensation Fee \$ Million	2016 Total \$ Million	2015 Total \$ Million
Li Ka-shing	0.01	–	–	–	–	0.01	0.01
Li Tzar Kuoi, Victor	0.22	49.22	4.92	29.67	–	84.03	75.98
Kam Hing Lam	0.22	22.52	2.25	0.96	–	25.95	14.75
Ip Tak Chuen, Edmond	0.22	19.34	1.93	1.59	–	23.08	18.28
Chung Sun Keung, Davy	0.22	11.47	1.14	19.95	–	32.78	26.31
Chiu Kwok Hung, Justin	0.22	11.67	1.16	19.96	–	33.01	26.44
Chow Wai Kam	0.22	5.06	0.44	23.91	–	29.63	17.48
Pau Yee Wan, Ezra	0.22	13.00	1.30	15.83	–	30.35	23.28
Woo Chia Ching, Grace	0.22	13.00	1.30	19.88	–	34.40	27.17
Cheong Ying Chew, Henry	0.41	–	–	–	–	0.41	0.35
Chow Nin Mow, Albert	0.35	–	–	–	–	0.35	0.30
Hung Siu-lin, Katherine	0.41	–	–	–	–	0.41	0.35
Simon Murray	0.22	–	–	–	–	0.22	0.19
Yeh Yuan Chang, Anthony	0.22	–	–	–	–	0.22	0.19
Total for 2016	3.38	145.28	14.44	131.75	–	294.85	
Total for 2015	2.91	77.80	7.73	142.64	–		231.08

All directors (except for the Chairman) receive an annual fee of \$220,000 each. The independent non-executive directors acting as members of Audit Committee and/or Remuneration Committee receive an additional annual fee of \$130,000 each for the former and \$60,000 each for the latter. Other than a director's fee of \$5,000 (rounded to \$0.01 million for presentation), no other remuneration is paid to the Chairman, Mr. Li Ka-shing.

Notes to Consolidated Financial Statements (continued)

5. Taxation

	2016 \$ Million	2015 \$ Million
Current tax		
Hong Kong	2,024	1,414
Outside Hong Kong	3,841	3,359
Deferred tax	1,500	1,532
	7,365	6,305

Profits tax is provided for at the rate of 16.5% (2015 – 16.5%) on the estimated assessable profits in Hong Kong. Profit before results of joint ventures and associates is reconciled with taxation as follows:

	2016 \$ Million	2015 \$ Million
Profit before taxation	27,174	24,213
Less: Share of profit of joint ventures	(93)	(311)
Share of profit of associates	(44)	(67)
	27,037	23,835
At profits tax rate of 16.5% (2015 – 16.5%)	4,461	3,933
Tax rate differences at locations outside Hong Kong	3,416	2,975
Dividend income	(54)	(61)
Fair value changes of investment properties	(242)	(269)
Tax losses and deductible temporary differences	(10)	(82)
Non-assessable/deductible items	(388)	(50)
Deferred tax assets derecognised	125	–
Over/under provision in prior years	62	(129)
Others	(5)	(12)
	7,365	6,305

6. Earnings Per Share

The calculation of earnings per share is based on profit attributable to shareholders and on the weighted average of 3,847,159,309 shares in issue during the year (2015 – 3,859,678,500 shares issued on the listing date as if such number of shares had been in issue throughout the year).

7. Dividends

Dividends paid and proposed for the year by the Company are as follows:

	2016 \$ Million	2015 \$ Million
Interim dividend paid at \$0.38 (2015 – \$0.35) per share	1,461	1,351
Final dividend proposed at \$1.15 (2015 – \$1.05) per share	4,370	4,038
	5,831	5,389

At the year end date, the Company's reserves available for distribution to shareholders amounted to \$259,091 million (2015 – \$257,606 million). Final dividend proposed for 2015 was approved by shareholders on 13 May 2016 and paid on 1 June 2016.

8. Fixed Assets

	Hotels and serviced suites \$ Million	Hotels and serviced suites under development \$ Million	Land and buildings \$ Million	Aircraft \$ Million	Other assets \$ Million	Total \$ Million
Cost						
At 1 January 2015	11,708	1,319	–	–	996	14,023
Business integration (as described in 2015 annual report)	9,248	134	3,614	–	2,201	15,197
Translation differences	(81)	–	(18)	–	(39)	(138)
Additions/transfers	(77)	237	1	–	254	415
Disposals	(1)	–	–	–	(90)	(91)
At 31 December 2015	20,797	1,690	3,597	–	3,322	29,406
Translation differences	(119)	–	(29)	–	(63)	(211)
Additions/transfers	20	381	15	15,186	344	15,946
Disposals	–	–	–	–	(102)	(102)
At 31 December 2016	20,698	2,071	3,583	15,186	3,501	45,039
Accumulated depreciation/provisions						
At 1 January 2015	3,242	–	–	–	853	4,095
Business integration (as described in 2015 annual report)	4,231	–	384	–	1,741	6,356
Translation differences	(38)	–	(7)	–	(34)	(79)
Depreciation	341	–	52	–	115	508
Disposals	(1)	–	–	–	(87)	(88)
At 31 December 2015	7,775	–	429	–	2,588	10,792
Translation differences	(66)	–	(12)	–	(53)	(131)
Depreciation	406	–	89	90	194	779
Disposals	–	–	–	–	(96)	(96)
At 31 December 2016	8,115	–	506	90	2,633	11,344
Net book value						
At 31 December 2016	12,583	2,071	3,077	15,096	868	33,695
At 31 December 2015	13,022	1,690	3,168	–	734	18,614

Notes to Consolidated Financial Statements (continued)

8. Fixed Assets (continued)

During the year, the Group invested in aircraft leasing business and made acquisitions of aircraft in the amount of \$15,186 million, of which aircraft amounting to \$12,763 million were acquired from CK Hutchison Holdings Limited.

Analysis of aircraft by geographical location is not practicable as aircraft are movable assets leased to airline operators. Other fixed assets with carrying amounts of \$16,927 million (2015 – \$16,809 million) and \$1,672 million (2015 – \$1,805 million) at the year end date were located in Hong Kong and outside Hong Kong respectively.

Depreciation for the year by principal activities is as follows:

	2016 \$ Million	2015 \$ Million
Property sales	32	11
Property rental	91	54
Hotel and serviced suite operation	553	426
Property and project management	13	17
Aircraft leasing	90	–
	779	508

9. Investment Properties

	Properties completed \$ Million	Properties under development \$ Million	Total \$ Million
At 1 January 2015	33,285	–	33,285
Business integration (as described in 2015 annual report)	85,021	384	85,405
Translation differences	(239)	–	(239)
Additions	91	9	100
Increase in fair value	1,368	40	1,408
At 31 December 2015	119,526	433	119,959
Translation differences	(463)	–	(463)
Additions	4,441	117	4,558
Disposals	(10)	–	(10)
Increase in fair value	1,213	49	1,262
At 31 December 2016	124,707	599	125,306

Gross rental income and direct operating expenses of investment properties for the year amounted to \$7,014 million (2015 – \$4,719 million) and \$109 million (2015 – \$111 million) respectively.

9. Investment Properties *(continued)*

At the year end date:

- (a) investment properties with carrying amounts of \$116,203 million (2015 – \$114,187 million) and \$9,103 million (2015 – \$5,772 million) were located in Hong Kong and outside Hong Kong respectively;
- (b) investment properties in Hong Kong were fair valued by DTZ Cushman & Wakefield Limited, independent professional valuers;
- (c) fair values of investment properties were derived, using the income capitalisation method, by adopting the appropriate capitalisation rates ranging from 4% to 8% after the current rental income of the investment properties and their reversionary income potential were considered;
- (d) fair values of investment properties under development were derived, using the residual method, which valued the investment properties under development (assuming completion at the year end date) using the income capitalisation method mentioned above by adopting a capitalisation rate of 5% and deducted the estimated costs to completion and a profit and risk margin of the development from the valuation; and
- (e) the capitalisation rates were adopted after analysis and interpretation of relevant observable market transactions, indirectly observable market information, prevailing market conditions and expectations; and capitalisation rates used are inversely related to the values derived.

10. Joint Ventures

	2016 \$ Million	2015 \$ Million
Investments in joint ventures – unlisted	4,168	2,751
Share of results less dividends	211	613
	4,379	3,364
Amounts due from joint ventures		
Interest bearing loans – repayable within 5 years	3,097	640
Non-interest bearing loans – no fixed repayment terms	431	389
	7,907	4,393

Share of results of joint ventures for the year are as follows:

	2016 \$ Million	2015 \$ Million
Net profit	93	311
Other comprehensive loss	(227)	(175)
Total comprehensive income	(134)	136

Notes to Consolidated Financial Statements (continued)

11. Associates

	2016 \$ Million	2015 \$ Million
Investment in an associate – listed in Hong Kong	8,076	7,962
Share of results less distributions	(743)	(219)
	7,333	7,743
Market value on quoted market price	6,226	6,956

At the year end date, particulars of the associate are as follows:

Name	Effective interest held by the Group	Principal activities and place of business
Hui Xian Real Estate Investment Trust (“Hui Xian REIT”)	32.4%	Investment in hotels and serviced suites, office and retail properties on the Mainland

Summarised financial information of Hui Xian REIT is as follows:

	2016 RMB Million	2015 RMB Million
Revenue for the year	3,106	3,106
Profit for the year attributable to unitholders	114	168
Financial position:		
Current assets	7,391	6,422
Non-current assets	39,549	40,282
Current liabilities	(1,901)	(2,356)
Non-current liabilities	(17,639)	(15,816)
Non-controlling interest	(243)	(256)
Net assets before distribution payable	27,157	28,276

The Group’s share of net assets before distribution payable amounted to \$9,855 million (2015 – \$10,994 million) at the year end exchange rate. Distribution received from Hui Xian REIT during the year amounted to \$568 million and distribution received last year after Hui Xian REIT became an associate on 3 June 2015 amounted to \$286 million.

12. Investments Available for Sale

	2016 \$ Million	2015 \$ Million
Listed investments		
Equity securities – listed in Hong Kong	3,469	3,121
Equity securities – listed outside Hong Kong	2,700	2,330
Debt securities – listed in Hong Kong	64	–
	6,233	5,451

13. Deferred Tax Assets / Liabilities

	2016 \$ Million	2015 \$ Million
Deferred tax assets	1,843	2,256
Deferred tax liabilities	(10,824)	(10,096)
Net deferred tax liabilities	(8,981)	(7,840)

Analysis of net deferred tax liabilities are as follows:

	2016 \$ Million	2015 \$ Million
Accelerated tax depreciation	(3,378)	(2,971)
Fair value changes of investment properties	(458)	(546)
Increase in value of other properties	(4,379)	(3,481)
Tax losses	996	750
Distributable profits outside Hong Kong	(1,527)	(1,345)
Other temporary differences	(235)	(247)
	(8,981)	(7,840)

Notes to Consolidated Financial Statements (continued)

13. Deferred Tax Assets / Liabilities (continued)

Movements of net deferred tax liabilities are as follows:

	2016 \$ Million	2015 \$ Million
At 1 January	(7,840)	(999)
Business integration (as described in 2015 annual report)	–	(5,443)
Translation differences	359	134
Net credit (charge) to income statement		
Accelerated tax depreciation	(107)	(99)
Fair value changes of investment properties	53	55
Increase in value of other properties	(1,147)	(954)
Tax losses	(75)	(176)
Distributable profits outside Hong Kong	(272)	(278)
Other temporary differences	48	(80)
At 31 December	(8,981)	(7,840)

At the year end date, no deferred tax asset was recognised for tax losses and deductible temporary differences amounting to \$5,299 million (2015 – \$4,548 million) and \$3,208 million (2015 – \$2,737 million) respectively, of which tax losses amounting to \$360 million (2015 – \$119 million) would expire within 5 years.

14. Stock of Properties

	2016 \$ Million	2015 \$ Million
Properties for/under development	75,199	99,481
Joint development projects	20,592	17,952
Properties for sale	41,757	35,868
	137,548	153,301

At the year end date:

- (a) stock of properties with carrying amounts of \$62,204 million (2015 – \$65,109 million) and \$75,344 million (2015 – \$88,192 million) were located in Hong Kong and outside Hong Kong respectively; and
- (b) properties for/under development and joint development projects amounting to \$71,393 million (2015 – \$72,888 million) were not scheduled for completion within twelve months.

15. Debtors, Prepayments and Others

	2016 \$ Million	2015 \$ Million
Trade debtors	9,147	9,359
Loan receivables	1,619	1,430
Prepayments and others	1,889	1,546
	12,655	12,335

Trade debtors comprise mainly receivables for sales of properties and leasing of properties and aircraft. Sales terms vary for different development projects and are determined with reference to the prevailing market conditions. Sales of properties are normally completed when sales prices are fully paid in accordance with the terms of sale and purchase agreements and deferred payment terms are sometimes offered to purchasers at a premium. Rentals and deposits are payable in advance by lessees as set out in the lease agreements.

Ageing analysis of trade debtors with reference to the terms of the agreements is as follows:

	2016 \$ Million	2015 \$ Million
Current to one month	9,057	9,244
Two to three months	46	60
Over three months	44	55
	9,147	9,359

and ageing analysis of trade debtors past due but not impaired is as follows:

	2016 \$ Million	2015 \$ Million
Overdue within one month	95	93
Overdue for two to three months	46	60
Overdue over three months	44	55
	185	208

Notes to Consolidated Financial Statements (continued)

16. Bank and Other Loans

	2016 \$ Million	2015 \$ Million
Bank loans repayable		
within 1 year	4,378	5,772
after 1 year but not exceeding 2 years	35,547	5,403
after 2 years but not exceeding 5 years	17,433	46,333
after 5 years	8,188	3,481
	65,546	60,989
Other loans repayable		
after 2 years but not exceeding 5 years	3,880	–
after 5 years	750	–
	4,630	–
	70,176	60,989
Less: Amounts classified under current liabilities	(4,378)	(5,772)
Amounts classified under non-current liabilities	65,798	55,217

At the year end date:

- bank loans amounting to \$15,268 million (2015 – \$11,816 million) were secured by assets as described in note 21;
- bank loans in RMB carried interest at rates generally within the range from 90% to 110% of the rates prescribed by the People's Bank of China and bank loans in other currencies carried interest at rates generally based on the inter-bank offered rates of the relevant currency plus a margin of approximately 1%;
- interest rate swaps with notional principal of US\$559 million were in place to convert the floating rate basis of bank loans to fixed rate basis; and with maturities in 2019 and 2023, the interest rate swaps carried a fair value gain of \$107 million as advised by financial institutions; and
- other loans included the following notes issued by CK Property Finance (MTN) Limited in Hong Kong and guaranteed by the Company:

HK\$750,000,000	2.29% due September 2026
US\$500,000,000	LIBOR+0.78% due December 2021

17. Creditors and Accruals

	2016 \$ Million	2015 \$ Million
Trade creditors	5,865	5,056
Accruals and other creditors	11,531	9,729
	17,396	14,785

17. Creditors and Accruals *(continued)*

Ageing analysis of trade creditors with reference to invoice dates and credit terms is as follows:

	2016 \$ Million	2015 \$ Million
Current to one month	5,814	4,956
Two to three months	36	48
Over three months	15	52
	5,865	5,056

18. Pension Obligations

	2016 \$ Million	2015 \$ Million
Present value of defined benefit obligations	949	960
Less: Fair value of scheme assets	(766)	(782)
	183	178

Employees pension schemes include defined benefit schemes and defined contribution schemes and the assets of the employees pension schemes are held independently of the Group's assets.

Defined benefit schemes include (i) provision of benefits based on employer and employee vested contributions plus interest at 6% per annum, or a sum derived by a formula using the final salary and years of service, whichever is greater ("Scheme A"); and (ii) provision of benefits based on employer vested contributions only plus interest at 5% per annum ("Scheme B").

For Scheme A's funding purpose, an independent actuarial valuation as at 1 August 2015 reported a funding level of 111% of the accrued actuarial liabilities on an ongoing basis. The valuation was performed by Tian Keat Aun, a Fellow of The Institute and Faculty of Actuaries, of Towers Watson Hong Kong Limited using the attained age valuation method which adopted an investment return of 5.5% per annum and a salary increment of 4% per annum as the assumptions. For Scheme B, the vested benefits were fully funded.

During the year, pension obligation costs incurred on defined benefit schemes amounted to \$53 million (2015 – \$90 million) including employers' contributions of \$48 million (2015 – \$43 million), and forfeited contributions of \$8 million (2015 – \$5 million) were used to reduce the employers' contributions for the year.

Defined contribution schemes include occupational retirement schemes and mandatory pension schemes. For occupational retirement schemes, contributions are made either by employer only or by both employer and employees at rates ranging from 5% to 10% of the employees' salary. For mandatory pension schemes, contributions are made by both employer and employees based on the employees' relevant monthly income in accordance with statutory requirements.

During the year, contributions to defined contribution schemes amounted to \$309 million (2015 – \$212 million) and forfeited contributions of \$6 million (2015 – \$2 million) were used to reduce the employers' contributions for the year.

Notes to Consolidated Financial Statements (continued)

19. Share Capital / Share Premium

	No. of Shares	Share Capital \$	Share Premium \$ Million
Authorised share capital			
Shares of \$1 each			
At 2 January 2015 (date of incorporation)	380,000	380,000	
Increase on 4 May 2015	7,999,620,000	7,999,620,000	
	8,000,000,000	8,000,000,000	
Issued share capital			
Shares of \$1 each issued			
Share of \$1 issued at par (note (a))	1	1	–
Share of \$1 issued at premium (note (b))	1	1	254,811
Share of \$1 each issued at par to the shareholders of CK Hutchison (note (c))	3,859,678,500	3,859,678,500	(3,860)
Cancellation of shares of \$1 each issued (note (d))	(2)	(2)	–
At 31 December 2015	3,859,678,500	3,859,678,500	250,951
Buy-back and cancellation of issued shares (note (e))	(35,679,000)	(35,679,000)	(1,772)
At 31 December 2016	3,823,999,500	3,823,999,500	249,179

Notes:

- (a) One share of \$1 was issued to CK Hutchison Holdings Limited (“CK Hutchison”) at par.
- (b) One share of \$1 was issued at premium for an amount of \$254,811 million to CK Hutchison pursuant to the Property Businesses Combination (as described in 2015 annual report).
- (c) Upon completion of the Property Businesses Combination, 3,859,678,500 shares of \$1 each were issued and credited as fully paid at par to the shareholders of CK Hutchison by way of capitalisation of an amount of \$3,860 million standing to the credit of the share premium account.
- (d) The shares issued to CK Hutchison in notes (a) and (b) above were surrendered to the Company for cancellation at nil consideration immediately after the issuance of shares mentioned in note (c) above.
- (e) During the year, the Company bought back 35,679,000 of its own issued shares on The Stock Exchange of Hong Kong Limited for a total consideration (including expenses) of \$1,772 million and cancelled all the shares bought back.

Particulars of the share buy-backs during the year are as follows:

Month	Number of shares bought back	Purchase price per share		Aggregate consideration (before expenses)
		Highest	Lowest	
March 2016	13,535,000	\$48.50	\$45.85	\$632,425,925
May 2016	645,500	\$45.30	\$45.15	\$29,200,800
December 2016	21,498,500	\$52.00	\$50.25	\$1,104,501,125
	35,679,000			\$1,766,127,850

20. Operating Leases

Operating leases are contracted generally with a 2 to 6 year term for property rental and a 8 to 12 year term for aircraft leasing. Analysis of future minimum lease income receivable under non-cancellable operating leases at the year end date is as follows:

	2016 \$ Million	2015 \$ Million
Future minimum lease income receivable		
not later than 1 year	8,347	6,540
later than 1 year but not later than 5 years	15,101	10,332
later than 5 years	9,345	2,013
	32,793	18,885

21. Charges on Assets

At the year end date, (i) properties amounting to \$15,089 million (2015 – \$21,450 million) were charged to secure bank loans arranged for property projects on the Mainland; and (ii) aircraft amounting to \$12,733 million were charged to secure bank loans arranged for aircraft acquisitions.

22. Commitments

At the year end date, the Group had capital commitments for additions of (i) fixed assets amounting to \$12,561 million (2015 – \$1,001 million) and (ii) investment properties amounting to \$703 million (2015 – \$579 million).

23. Contingent Liabilities

At the year end date, the Group provided guarantees to (i) land owner of a hotel project for its share of revenue amounting to \$564 million (2015 – \$576 million); (ii) banks for mortgage loans provided to purchasers of properties developed and sold by the Group on the Mainland amounting to \$5,385 million (2015 – \$1,678 million); and (iii) banks for loans lent to a joint venture amounting to \$1,164 million.

Notes to Consolidated Financial Statements (continued)

24. Financial Risks and Management

Financial assets and financial liabilities of the Group include investments available for sale, cash balances maintained for liquidity, trade debtors, loan and other receivables, creditors and borrowings. 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 and borrows principally on a floating rate basis. The Group manages and reviews its exposure to foreign exchange rates and interest rates on a regular basis. At times of exchange rate or interest rate uncertainty or volatility and when appropriate, hedging instruments including swaps and forwards are used in the management of exposure to foreign exchange rate and interest rate fluctuations.

At the year end date, approximately 87.8% of the Group's borrowings were in HK\$ and US\$, with the balance in RMB mainly for the purpose of financing property projects on the Mainland. The Group derives its revenue from property development mainly in HK\$ and RMB and maintains cash balances substantially in HK\$ and RMB. Income in foreign currencies, including US\$, GBP and SGD, is derived from the Group's overseas property projects and aircraft leasing business, and cash in these currencies is maintained for operational requirements.

(b) Risk management

Cash balances maintained for liquidity are placed with a number of major banks. Loan receivables normally carry interest at rates with reference to banks' lending rates and are secured by charge on assets. Trade debtors include mainly receivables arising from sales of properties and leasing of properties and aircraft. Regular review and follow-up actions are carried out on overdue amounts to minimise credit risk exposures.

The exposure of investments available for sale to price changes is managed by closely monitoring changes in market conditions that may have an impact on market prices or factors affecting the fair value. If the fair value of the investments available for sale was 5% higher/lower at the year end date, the Group's investment revaluation reserve would increase/decrease by approximately \$312 million (2015 – \$273 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 interest costs for the year by approximately \$651 million (2015 – \$610 million) assuming the change in interest rates had been applied to the Group's borrowings at the year end date which were kept constant throughout the year, and the amount of interest costs capitalised would increase/decrease by approximately \$334 million (2015 – \$369 million) based on the proportion of interest and other 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 bank balances in RMB. It is estimated that if RMB had strengthened/weakened against HK\$ by 5% at the year end date, the Group's profit after taxation would increase/decrease by approximately \$88 million (2015 – \$263 million).

24. Financial Risks and Management *(continued)*

(c) Liquidity management

The Group monitors its liquidity requirements on a short to medium term basis and arranges bank and other borrowings accordingly. With plenty of cash on 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.

At the year end date, the contractual undiscounted cash flows (including interest payments after interest rate hedging where applicable) of the Group's borrowings by contractual maturities are as follows:

	2016 \$ Million	2015 \$ Million
Within 1 year	5,791	6,985
After 1 year but not exceeding 2 years	36,519	6,343
After 2 years but not exceeding 5 years	23,061	47,257
After 5 years	9,476	3,946
	74,847	64,531

25. Fair Value Measurement

At the year end date, investments available for sale were measured at fair value based on quoted prices in active markets and derivative financial instruments were measured at fair value based on value inputs, other than quoted prices, that are observable either directly or indirectly. The carrying amounts of the Group's other financial assets and financial liabilities approximated their fair values at the year end date.

26. 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 through the optimisation of debt and equity balance. The capital structure of the Group consists of bank and other loans as detailed in note 16, bank balances and deposits, shareholders' funds (comprising share capital, share premium and reserves) 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 calculated as follows:

	2016 \$ Million	2015 \$ Million
Bank and other loans	70,176	60,989
Less: Bank balances and deposits	(62,601)	(45,861)
Net debt	7,575	15,128
Total equity	276,274	269,687
Net debt	7,575	15,128
Net total capital	283,849	284,815
Net debt to net total capital ratio	2.7%	5.3%

Notes to Consolidated Financial Statements (continued)

27. Statement of Financial Position of the Company

	As at 31 December	
	2016 \$ Million	2015 \$ Million
Non-current assets		
Fixed assets	5	3
Subsidiaries (note (a))	238,990	249,677
	238,995	249,680
Current assets		
Debtors, prepayments and others	52	41
Bank balances and deposits	24,196	12,084
	24,248	12,125
Current liabilities		
Creditors and accruals	299	326
Provision for taxation	29	13
	328	339
Net current assets	23,920	11,786
Net assets	262,915	261,466
Representing:		
Share capital	3,824	3,860
Share premium	249,179	250,951
Reserves (note (b))	9,912	6,655
Shareholders' funds	262,915	261,466

Notes:

- (a) Particulars regarding the principal subsidiaries are set out in Appendix I.
(b) Movements of reserves are as follows:

	Capital redemption reserve \$ Million	Retained profits \$ Million	Total \$ Million
At 2 January 2015 (date of incorporation)	–	–	–
Profit for the period	–	8,006	8,006
Dividend paid	–	(1,351)	(1,351)
At 31 December 2015	–	6,655	6,655
Profit for the year	–	8,720	8,720
Buy-back and cancellation of issued shares	36	–	36
Dividend paid	–	(5,499)	(5,499)
At 31 December 2016	36	9,876	9,912

Li Ka-shing
Director

Ip Tak Chuen, Edmond
Director

Principal Subsidiaries

Appendix I

The directors are of the opinion that a full list of all the subsidiaries will result in particulars of excessive length. Therefore the following list contains only the particulars of the subsidiaries which materially contributed to the revenue, results, net assets or business aspects of the Group. Unless otherwise stated, the companies listed below were incorporated in Hong Kong and their principal area of operation was in Hong Kong.

Name		Paid up share/ registered capital	Effective percentage held by the Group	Principal activities
Accipiter Holdings Designated Activity Company ^{8****}	US\$	138,363,379	100	Aircraft leasing
Albany Investments Limited	HK\$	1	100	Property development
Almeisan B.V. ^{9**}	GBP	1	100	Property investment
Beijing Chang Le Real Estates Development Co., Ltd. ^{1*}	US\$	29,000,000	100	Property development
Beijing Po Garden Real Estates Development Co., Ltd. ^{1*}	US\$	29,000,000	100	Property development
Bermington Investment Limited	HK\$	2	100	Hotel & serviced suite operation
Bradford Investments Limited	HK\$	1	80	Property development
Bristow Investments Limited	HK\$	1	100	Property development
Carlford Investments Limited	HK\$	1	100	Property development
Cheung Kong Property Development Limited	HK\$	2	100	Project management
Citybase Property Management Limited	HK\$	100,000	100	Property management
CK Property Finance Limited ⁶	US\$	1	100	Finance
CK Property Finance (MTN) Limited ⁷	US\$	1,000	100	Finance
Consolidated Hotels Limited	HK\$	78,000,000	39	Hotel & serviced suite operation
Crown Treasure Investments Limited	HK\$	1	100	Property development
Elbe Office Investments Limited	HK\$	2	100	Property investment
Flying Snow Limited	HK\$	2	100	Property investment
Goodwell Property Management Limited	HK\$	100,000	100	Property management
Great Art Investment Limited	HK\$	1	100	Property development
Great Wall Hotel Joint Venture of Beijing ^{2*}	US\$	40,000,000	49.82	Hotel & serviced suite operation
Harbour Grand Hong Kong Limited	HK\$	2	100	Hotel & serviced suite operation
Harbour Plaza 8 Degrees Limited	HK\$	2	100	Hotel & serviced suite operation
Harbour Plaza Chongqing Company Limited ^{4*}	US\$	22,800,000	100	Hotel & serviced suite operation
Harbour Plaza Hotel Management Limited	HK\$	2	100	Hotel management
Harbour Plaza Metropolis Limited ⁶	US\$	1	100	Hotel & serviced suite operation
Harbour Plaza Resort City Limited ⁶	US\$	10,000	98.47	Hotel & serviced suite operation
Hongville Limited	HK\$	2	100	Property investment
Hutchison Estate Agents Limited	HK\$	50,000	100	Property agency
Hutchison Hotel Hong Kong Limited	HK\$	2	100	Hotel & serviced suite operation
Hutchison Lucaya Limited ^{10*****}	US\$	5,000	100	Hotel & serviced suite operation
Hutchison Property Group Limited ⁶	US\$	1	100	Project management
Hutchison Whampoa Properties (Chengdu) Limited ^{4*}	RMB	1,650,000,000	100	Property development
Hutchison Whampoa Properties (Chongqing Nanan) Limited ^{2*}	RMB	3,255,000,000	95	Property development
Hutchison Whampoa Properties (Nanjing) Limited ^{4*}	HK\$	4,006,400,000	100	Property development
Hutchison Whampoa Properties (Qingdao) Limited ^{4*}	US\$	318,600,000	90	Property development
Hutchison Whampoa Properties (Wuhan Jiangnan South) Limited ^{4*}	US\$	437,300,000	100	Property development
Jubilee Year Investments Limited	HK\$	1	100	Property development
King Century Investments Limited	HK\$	1	100	Property development
Kingsmark Investments Limited	HK\$	1	100	Property development & investment
Kovan Treasure Pte. Ltd. ^{5***}	SGD	1,000,000	100	Property development

Principal Subsidiaries (continued)

Name		Paid up share/ registered capital	Effective percentage held by the Group	Principal activities
Matrica Limited	HK\$	20	100	Hotel & serviced suite operation
New Harbour Investments Limited	HK\$	1	100	Property development
Ocean Century Investments Limited	HK\$	1	100	Property development
Oxford Investments Limited	HK\$	2	100	Property development
Pearl Wisdom Limited	HK\$	2	100	Hotel & serviced suite operation
Randash Investment Limited	HK\$	110	100	Hotel & serviced suite operation
Rhine Office Investments Limited	HK\$	2	100	Property investment
Rich View Investments Limited	HK\$	1	100	Property development
Sai Ling Realty Limited	HK\$	10,000	100	Property development
Shanghai Changrun Jianghe Property Development Co., Ltd. ^{2*}	RMB	2,645,560,000	60	Property development
Shanghai He Xin Property Development Company Limited ^{4*}	HK\$	1,862,200,000	100	Property development
Shanghai Heya Property Development Co., Ltd. ^{3*}	RMB	700,000,000	100	Property development
Shanghai Westgate Mall Co., Ltd. ^{1*}	US\$	40,000,000	60	Property investment
Shenzhen Hutchison Whampoa CATIC Properties Limited ^{1*}	RMB	620,000,000	80	Property development & investment
Sino China Enterprises Limited	HK\$	2	100	Hotel & serviced suite operation
Stanley Investments Limited	HK\$	1	100	Property development
Swiss Investments Limited	HK\$	1	100	Property development
The Center (Holdings) Limited ⁶	US\$	1	100	Property investment
The Kowloon Hotel Limited ¹⁰	US\$	5	100	Hotel & serviced suite operation
Towerich Limited	HK\$	2	100	Hotel & serviced suite operation
Turbo Top Limited	HK\$	2	100	Property investment
Vember Lord Limited	HK\$	2	100	Property investment
Wealth Pine Investment Limited	HK\$	1	85	Property development
Winchesto Finance Company Limited	HK\$	15,000,000	100	Finance

- 1 Cooperative joint venture registered under the law of the People's Republic of China
2 Equity joint venture registered under the law of the People's Republic of China
3 Limited company registered under the law of the People's Republic of China
4 Wholly foreign owned enterprise registered under the law of the People's Republic of China
5 Incorporated in Singapore
6 Incorporated in the British Virgin Islands
7 Incorporated in the Cayman Islands
8 Incorporated in Ireland
9 Incorporated in The Netherlands
10 Incorporated in The Bahamas
* Principal area of operation was in the Mainland
** Principal area of operation was in The United Kingdom
*** Principal area of operation was in Singapore
**** Principal area of operation was in Ireland
***** Principal area of operation was in The Bahamas

Independent Auditor's Report

Deloitte.

德勤

TO THE MEMBERS OF CHEUNG KONG PROPERTY HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Cheung Kong Property Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 128 to 160, which comprise the consolidated statement of financial position as at 31 December 2016, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition of property sales</p> <p>We identified revenue recognition of property sales as a key audit matter as it is quantitatively significant to the consolidated income statement and there is judgment involved in determining the appropriate point at which to recognise revenue from property sales.</p> <p>The Group's revenue from property sales for the year ended 31 December 2016 amounted to HK\$56,475 million, which is disclosed in note 3 to the consolidated financial statements, represented 81% of the Group revenue. As disclosed in Note 2(o) to the consolidated financial statements, revenue from property sales is recognised when the property development is completed with the relevant occupation permit issued by the authorities and significant risks and rewards of the properties are passed to the purchasers.</p>	<p>Our procedures in relation to revenue recognition of property sales included:</p> <ul style="list-style-type: none"> • Testing the management's key controls over revenue recognition; and • Evaluating whether the significant risks and rewards of ownership of the properties have been transferred to the purchasers, on a sample basis, with reference to the occupation permits and the terms set out in the sale and purchase agreements; assessing the progress of the transfer of the properties to the purchasers and the settlement of the considerations for the property sales and evaluating the management's assessment of chance of default by the purchasers after taking into account the market conditions and performance.
<p>Valuation of investment properties</p> <p>We identified the valuation of investment properties as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the judgements involved in determining the inputs used in the valuation.</p> <p>As at 31 December 2016, the Group's investment properties amounted to HK\$125,306 million and represented 32% of the Group's total assets. As disclosed in note 9 to the consolidated financial statements, the Group's investment properties are stated at fair values based on valuation performed by independent professional valuers ("Valuers"). For the completed investment properties, the fair values are derived using income capitalisation method; and for the investment properties under development, the fair values are derived using the residual method. The valuations are dependent on certain significant inputs that involve judgements, including reversionary income and appropriate capitalisation rates for completed investment properties; and estimated costs to completion, profit and risk margin and capitalisation rate for investment properties under development.</p>	<p>Our procedures in relation to the valuation of the investment properties included:</p> <ul style="list-style-type: none"> • Evaluating the competence, capabilities and objectivity of the Valuers; • Assessing the scope of the valuation, appropriateness of significant assumptions, critical judgements and data used in the valuations and assessing the appropriateness of the methodology and assumptions used; • Checking the reasonableness of source data used in the valuations on a sample basis by benchmarking them to relevant market information; and • Comparing the inputs adopted to the data of the market and assessing the reasonableness of the inputs.

Key audit matter	How our audit addressed the key audit matter
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Determination of the net realisable value of stock of properties

We identified the assessment of whether the stock of properties were stated at the lower of cost and net realisable value (“NRV”) as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole and the involvement of estimations in the assessment. As disclosed in note 2(i) to the consolidated financial statements, the Group’s stock of properties are stated at the lower of cost or NRV. As at 31 December 2016, the Group’s stock of properties amounted to HK\$137,548 million and represented 35% of the Group’s total assets. The determination of the NRV involves estimates based on prevailing market conditions and also taking into account the estimated future cost to completion.

Our procedures in relation to assessing whether the stock of properties were stated at the lower of cost and NRV included:

- Assessing the management’s process in estimating the future costs to completion for the stock of properties, on a sample basis, by comparing them to the actual development cost of similar completed properties of the Group and comparing the adjustments made by the management in the future costs to completion to current market data; and
- Assessing the appropriateness of the NRV of the stock of properties, on a sample basis, by comparing the NRV to market prices achieved in the same projects or comparable properties, based on the current market development trend, government regulations in the real estate industry and our knowledge of the Group’s business.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor’s report thereon (“Other Information”).

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report (*continued*)

Responsibilities of the Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of 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.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors, in particular the Audit Committee, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease continues as a going concern.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (*continued*)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Ho Kam Wing, Richard.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
22 March 2017

Listed Real Estate Investment Trusts

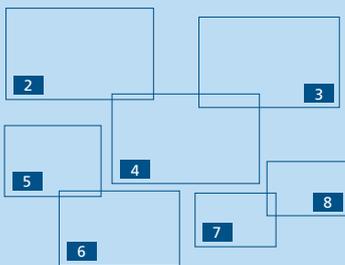


HUI XIAN REIT
匯賢產業信託



1. Beijing Oriental Plaza, Hui Xian REIT's flagship asset

Hui Xian REIT is the first RMB-denominated REIT listed in Hong Kong. Its asset portfolio spans across retail, office, serviced apartment and hotel businesses on the Mainland, namely investments in relation to Beijing Oriental Plaza, Chongqing Metropolitan Oriental Plaza, Sofitel Shenyang Lido, Harbour Plaza Chongqing and Sheraton Chengdu Lido Hotel.



- 2. The Malls at Beijing Oriental Plaza
- 3. The Tower Offices at Beijing Oriental Plaza
- 4. Grand Hyatt Beijing at Beijing Oriental Plaza
- 5. Sofitel Shenyang Lido
- 6. Chongqing Metropolitan Oriental Plaza
- 7. Harbour Plaza Chongqing
- 8. Sheraton Chengdu Lido Hotel

Listed Real Estate Investment Trusts (*continued*)

FORTUNE

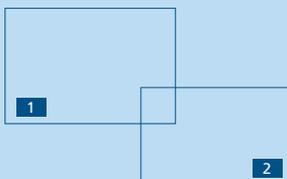
置富產業信託 REIT



1

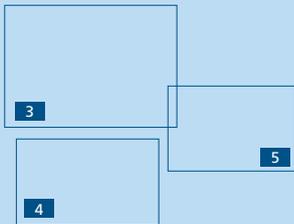


2



1. Fortune City One, the commercial constituent of the over 10,000-unit City One Shatin residential development.
2. Fortune Kingswood, the largest shopping center in Tin Shui Wai.

Fortune REIT has a primary listing in Hong Kong and a secondary listing in Singapore. It is Asia's first cross-border REIT and also the first REIT to hold assets in Hong Kong. It currently holds a portfolio of 17 private housing estate retail properties in Hong Kong comprising 3.18 million sq.ft. of retail space and 2,713 car parking spaces.



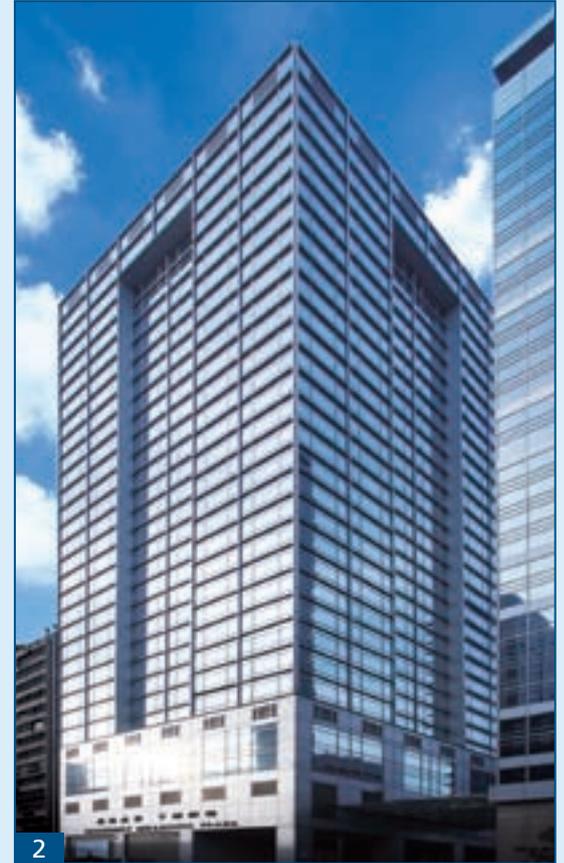
3. Ma On Shan Plaza, one of the largest malls along the MTR Ma On Shan line.

4. Metro Town, located on top of Tiu Keng Leng MTR Station.

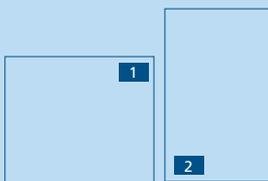
5. Fortune Metropolis, located in the Kowloon transportation hub of Hung Hom. It is directly connected to Hung Hom MTR Station with the Cross Harbour Tunnel just minutes away.

Listed Real Estate Investment Trusts (*continued*)

1



2



1. The Metropolis Tower – Flagship property of Prosperity REIT at Hung Hom Station of MTR East Rail Line, enjoy convenient transportation access and panoramic sea views of the Victoria Harbour.
2. Prosperity Millennia Plaza – Strategically located in the Island East office district and is adjacent to Harbour Plaza North Point Hotel.

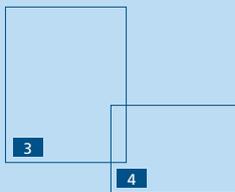
Prosperity REIT is the first private sector REIT listed on the Main Board of the Hong Kong Stock Exchange. As at 31 December 2016, it owned a diverse portfolio of 8 properties in the decentralised business districts of Hong Kong, with a total gross rentable area of 1,352,174 sq.ft., and a total of 498 car park spaces.



3



4



3. 9 Chong Yip Street – Major acquisition in 2014, a Grade A office building located in Kwun Tong which is progressing to CBD2.

4. Prosperity Place – Located in Kwun Tong, within close vicinity of major shopping malls and commercial buildings, positioned as a vertical shopping spot with retail and service trade tenants. A spacious main lobby with wide street frontage, added in a café and living green wall, it is the most eye catching building on Shing Yip Street.

Risk Factors

The Group's businesses, financial condition, results of operations and growth prospects may be affected by risks and uncertainties directly or indirectly pertaining to the Group's businesses. The risk factors set out below are those that could result in the Group's businesses, financial condition, results of operations or growth prospects differing materially from expected or historical results. Such 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.

Property Developments

There exist general risks inherent in property development and in the ownership of properties, including, among other things, rising construction costs, risks that financing for developments may not be available on favourable terms, that construction may not be completed on schedule or within budget especially due to issues such as aging workforce, labour shortage, skills mismatch and succession gap as well as the escalation of material prices, 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 the changes in the relationships between countries or sovereign states, the state of the local economy, political and societal 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. Taxes, levies, stamp duties and similar taxes or charges payable for the sale or transfer of residential properties as well as policies and rules on profit repatriation may be imposed by the relevant authorities from time to time.

Investment in property is generally illiquid, which may limit the ability of the Group to timely monetise property assets.

Supply of land is subject to the development of land policies in different markets. Acquisition of land in Hong Kong, the Mainland and other overseas markets may be subject to various regulatory requirements or restrictions as well as changes in demand and supply dynamics. Future growth prospects of the property development business are therefore affected by the availability and price levels of prime sites in Hong Kong, the Mainland and other overseas markets.

The Group may be subject to fines or sanctions if it does not pay land premiums or does not develop properties according to the terms of the land grant documents. Under the Mainland laws and regulations relating to idle land, if a developer fails to develop land according to the terms of the land grant contracts (including but not limited to, the payment of fees, the designated uses of land and the time for commencement and completion of development of the land), the relevant authorities may issue a warning to or impose a fine on the developer or require the developer to forfeit the land use rights. Any violation of the terms of the land grant contracts may also restrict a developer's ability to participate, or prevent it from participating, in future land bidding. Furthermore, there are specific requirements regarding idle land and other aspects of land use rights grant contracts in many cities on the Mainland, and the local authorities are expected to enforce such rules in accordance with the instructions from the central government of the Mainland.

Circumstances leading to the repossession of land or delays in the completion of a property development may arise and if the Group's land is repossessed, the Group will not be able to continue its property development on the forfeited land, recover the costs incurred for the initial acquisition of the repossessed land or recover development costs and other costs incurred up to the date of the repossession. Furthermore, regulations relating to idle land or other aspects of land use rights may become more restrictive or punitive in the future. If the Group does not comply with the terms of any land use rights grant contracts as a result of delays in project development, or as a result of other factors, the Group may lose the opportunity to develop the project, as well as its past investments in the land, which may materially and adversely impact its business, financial condition, results of operations and growth prospects.

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 condition 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. Any such factors may adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

Industry Trends and Interest Rates

The trends in the industries in which the Group operates, including the property market sentiment and conditions, property values, the mark to market value of investment securities, the currency environment and interest rate cycles, may pose significant risks to the Group's businesses, financial condition, results of operations or growth prospects. 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 businesses, financial condition, results of operations or growth prospects.

Risk Factors (*continued*)

In particular, income from finance and treasury operations is dependent upon the capital markets, 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 businesses, financial condition, results of operations or growth prospects. The volatility 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 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 businesses, financial condition, results of operations or growth prospects. 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 which may adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

New Business Ventures

To balance and mitigate the inherent risks associated with cyclical nature of property development, or generally, the Group is committed to balancing and strengthening its business portfolio through diversification and globalisation. The Group has taken steps to create and will continue to explore ways to create new sources of revenue by investing into new business sectors and geographical regions if appropriate in respect of investments that meet its criteria. However, there is no assurance that the Group will implement its diversification and globalisation strategies successfully or that its strategies will be able to deliver the results as anticipated. Also, expansion into new sectors and markets may expose the Group to new uncertainties including but not limited to risks relating to insufficient operating experience in certain sectors and markets, changes in governmental policies and regulations and other adverse developments affecting such sectors and markets. There is also no assurance that all investors would favour the new ventures that may be made by the Group.

The Aviation Industry

Deterioration in the Financial Condition of the Commercial Airline Industry

The financial condition of the commercial airline industry generally may have an impact on the Group's businesses, results of operations or growth prospects. The Group may experience (a) downward pressure on demand for the aircraft in the Group's fleet and reduced market lease rates and effective lease margins, as well as reduced aircraft values; (b) a higher incidence of lessee defaults, lease restructurings, repossessions and airline bankruptcies and restructurings, resulting in lower lease rates and effective margins and/or increased costs due to maintenance, insurance, storage and legal costs associated with the repossession, as well as lost revenue for the time the aircraft are off lease, increased aircraft transition costs to new lessees (including refurbishment and modification of aircraft to fit the specifications of new lessees) and possibly lower lease rates from the new lessees; and (c) an inability to lease aircraft on commercially acceptable terms, resulting in lower lease margins due to aircraft not earning revenue and resulting in storage, insurance and maintenance costs. Any such factors may adversely affect the Group's businesses, results of operations or growth prospects.

Cyclicality of Supply and Demand for Aircraft

The commercial jet aircraft leasing and sales industry has periodically experienced cycles of aircraft oversupply and undersupply. The oversupply of a specific type of aircraft in the market is likely to depress aircraft lease rates and values of that type of aircraft.

The supply and demand of aircraft is affected by various cyclical factors that are not under the Group's control, including (a) passenger air travel demand; (b) airline profitability; (c) fuel costs and general economic condition; (d) geopolitical events; (e) outbreaks of communicable, pandemic diseases and natural disasters; (f) governmental regulation, including new Airworthiness Directives and environmental and safety regulations; (g) interest rates; (h) airline restructurings and bankruptcies; (i) cancellation or deferral of orders for aircraft; (j) delays in delivery by manufacturers; (k) the cost and availability of credit; (l) manufacturer production levels and technological innovation, including introduction of new generation aircraft; (m) retirement and obsolescence of aircraft models; (n) manufacturers merging or exiting the industry or ceasing to produce aircraft or engine types; (o) accuracy of estimates relating to future supply and demand made by manufacturers and airlines; (p) re-introduction into service of aircraft previously in storage; and (q) airport and air traffic control infrastructure constraints.

These factors may produce sharp decreases or increases in aircraft values and lease rates, and may result in lease defaults and may prevent the aircraft from being re-leased or, where applicable, sold on satisfactory terms. This would have an adverse effect on the Group's businesses, results of operations or growth prospects.

Effects of Fuel Costs

Fuel costs represent a major expense to companies operating within the airline industry. Fuel prices fluctuate widely depending primarily on international market conditions, geopolitical and environmental events, natural disasters, regulatory changes and currency exchange rates. Significant changes in fuel prices could have a material adverse impact on airline profitability (including the profitability of the initial lessees) and may adversely affect the Group's businesses, results of operations or growth prospects.

Dependence on Aircraft and Engine Manufacturers

The supply of large passenger jet aircraft is dominated by a small number of airframe manufacturers, and a limited number of engine manufacturers. The Group therefore depends on these manufacturers' success in remaining financially stable, producing aircraft and related components that meet technical and regulatory requirements and airlines' demands and providing ongoing and reliable customer support. Should the manufacturers fail to respond appropriately to market changes, or to fulfill their contractual obligations or to produce aircraft or components that meet technical or regulatory requirements, the Group may experience (a) poor customer support from the manufacturers of aircraft and components resulting in reduced demand for a particular manufacturer's product, creating downward pressure on demand for those aircraft and components of those types in the Group's fleet and reduced market lease rates for aircraft of those types; (b) a reduction in the Group's competitiveness due to deep discounting by the manufacturers, which may lead to reduced market lease rates and may adversely affect the value of the Group's portfolio and the Group's ability to remarket or sell some of the aircraft; and (c) poor customer support from the manufacturers of associated components resulting in disruption to the lessees' operations and consequent loss of revenue for the lessees. Any such factors may adversely affect the Group's businesses, results of operations or growth prospects.

Risk Factors (*continued*)

Effects of Environmental Regulation

Many aspects of commercial airlines' operations are subject to increasingly stringent federal, state, local and foreign laws protecting the environment, including the imposition of additional taxes on airlines or their passengers. Regulatory actions that may be taken in the future by the relevant governments and authorities may have a materially adverse impact on the airline industry, particularly if regulators were to conclude that emissions from commercial aircraft cause significant harm to the upper atmosphere or have a greater impact on climate change. Potential actions may include the imposition of requirements to purchase emission offsets or credits, which could require participation in emission trading, substantial taxes on emissions and growth restrictions on airline operations, among other potential regulatory actions. Any such factors may adversely affect the Group's businesses, results of operations or growth prospects.

Effects of Terrorist Attacks, War or Armed Hostilities and Other Geopolitical Conditions

Terrorist attacks and geopolitical conditions have negatively affected the airline industry and concerns about geopolitical conditions, war or armed hostilities and further terrorist attacks could continue to negatively affect airlines (including the initial lessees) for the foreseeable future depending upon various factors including (a) higher costs to airlines due to the increased security measures; (b) losses in passenger revenue due to a decrease in travel; (c) the price and availability of jet fuel and the ability to obtain fuel hedges under current market conditions; (d) higher financing costs and difficulty in raising financing; (e) significantly higher costs of aircraft insurance coverage for future claims caused by acts of war, terrorism, sabotage, hijacking and other similar perils, and the extent to which such insurance will continue to be available or may exclude events such as radioactive dirty bombs, bio-hazardous materials and electromagnetic pulsing, which may damage or destroy aircraft; (f) the ability of airlines to reduce their operating costs and conserve financial resources; and (g) special charges recognised by some airlines, such as those related to the impairment of aircraft and other long lived assets stemming from the grounding of aircraft as a result of terrorist attacks. Any such factors may adversely affect the Group's businesses, results of operations or growth prospects.

Infrastructure Market

Some of the investments as may be acquired or owned by the Group (for example, gas and electricity) are subject to regulatory pricing and strict adherence must be made to the licence requirements, codes and guidelines established by the relevant regulatory authorities from time to time. Failure to comply with these licence requirements, codes or guidelines may lead to penalties, or, in extreme circumstances, amendment, suspension or cancellation of the relevant licences by the authorities. Infrastructure projects are capital intensive, and with only a few major players in the market, there is no assurance of ready buyers on disposal.

The distribution and transmission networks of the Group's utilities investments are also exposed to supply interruptions. If a severe earthquake, storm, flood, fire, sabotage, terrorist attack or other unplanned event interrupts service, the loss of cash flow resulting from the interruption and the cost of recovery from network damage could be considerable and potentially cause poor customer perception and may also lead to claims and litigations. Moreover, some losses from events such as terrorist attacks may not be recoverable. Increases in the number or duration of supply interruptions could result in material increases in the costs associated with the operation of the distribution and transmission networks. All of these uncertain factors could have a material adverse effect on the businesses, financial conditions, results of operations or growth prospects of the Group.

Currency Fluctuations

The results of the Group are reported 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 financial position or potential income, asset value and liabilities.

To minimise currency risk exposure in respect of its investments in other countries, the Group generally hedges those investments with (a) currency swaps and (b) appropriate level of borrowings denominated in the local currencies. The Group has not entered into any speculative derivative transaction.

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 dollars could adversely affect its businesses, financial condition, results of operations or growth prospects. For instance, the recent depreciation of the British pounds relative to the Hong Kong dollars subsequent to the referendum in the United Kingdom in favour of Brexit could adversely affect the Group's results of operations.

Cybersecurity

With the fast expanding adoption of Internet and networking operational technology, cyberattacks around the world are occurring at a higher frequency and intensity. The Group's critical utility and information assets are exposed to attack, damage or unauthorised access in the cyberworld. Cybersecurity risks could have material adverse effect on the operational and business performance, as well as the business reputation of the Group.

Although the Group has not experienced any major damage to its assets or activities from cyberattacks to date, there can be no assurance that future cyberattacks or breaches of the Group's cybersecurity will not occur and result in significant impact on the Group's reputation, business, results of operations and financial condition.

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 have 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 fulfil their obligations under the joint ventures, which may affect the Group's businesses, financial condition, results of operations or growth prospects.

Risk Factors (continued)

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 businesses, financial condition, results of operations or growth prospects. 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 guidelines, directives, policies or measures by governments, whether fiscal, tax, regulatory, environmental or other competitive changes, may lead to an increase in additional or unplanned operating expenses and capital expenditures, increase in market capacity, reduction in government subsidies, 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, which may adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

Impact of New Accounting Standards

The International Accounting Standards Board has from time to time issued new and revised International Financial Reporting Standards ("IFRS"). As accounting standards continue to develop, the International Accounting Standards Board may in the future issue more new and revised IFRS and the Group may be required to adopt new accounting policies which might or could have a significant impact on the Group's businesses, financial condition, results of operations or growth prospects.

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 and other communicable diseases from time to time have also affected many areas of the world. The outbreak of the Ebola virus disease also poses a significant threat to global industries. Additional outbreaks of other epidemic diseases may adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

Natural Disasters

Some of the Group's assets and businesses, 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 businesses and materially and adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

Although the Group has not experienced any major structural damage to its property development projects or assets or facilities from earthquakes or natural disasters 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 businesses, financial condition, results of operations or growth prospects.

Past Performance and Forward-Looking Statements

The performance and the results of operations of the Group 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>
CHIU Kwok Hung, Justin	<i>Executive Director</i>
CHOW Wai Kam	<i>Executive Director</i>
PAU Yee Wan, Ezra	<i>Executive Director</i>
WOO Chia Ching, Grace	<i>Executive Director</i>

CHEONG Ying Chew, Henry	<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>
Simon MURRAY	<i>Independent Non-executive Director</i>
YEH Yuan Chang, Anthony	<i>Independent Non-executive Director</i>

Audit Committee

CHEONG Ying Chew, Henry (<i>Chairman</i>)
CHOW Nin Mow, Albert
HUNG Siu-lin, Katherine

Remuneration Committee

HUNG Siu-lin, Katherine (<i>Chairman</i>)
LI Ka-shing
CHEONG Ying Chew, Henry

Executive Committee

LI Tzar Kuoi, Victor (<i>Chairman</i>)	
KAM Hing Lam	IP Tak Chuen, Edmond
CHUNG Sun Keung, Davy	CHIU Kwok Hung, Justin
CHOW Wai Kam	PAU Yee Wan, Ezra
WOO Chia Ching, Grace	YIP Kin Ming, Emmanuel
MAN Ka Keung, Simon	SHEN Wai Yee, Grace
KWAN Chi Kin, Anthony	Eirene YEUNG
MA Lai Chee, Gerald	KOH Poh Chan

Company Secretary

Eirene YEUNG

Authorised Representatives

IP Tak Chuen, Edmond
Eirene YEUNG

General Manager, Accounts Department

MAN Ka Keung, Simon

Principal Bankers

China Construction Bank Corporation
Bank of China (Hong Kong) Limited
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Sumitomo Mitsui Banking Corporation
DBS Bank Ltd., Hong Kong Branch
Mizuho Bank, Ltd.
Oversea-Chinese Banking Corporation Limited
Industrial and Commercial Bank of China Limited
The Hongkong and Shanghai Banking Corporation Limited
Shanghai Pudong Development Bank Co., Ltd.

Auditor

Deloitte Touche Tohmatsu

Legal Advisers

Woo, Kwan, Lee & Lo

Registered Office

PO Box 309, Ugland House, Grand Cayman,
KY1-1104, Cayman Islands

Principal Place of Business

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

Principal Share Registrar and Transfer Office

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall, Cricket Square,
Grand Cayman, KY1-1102, Cayman Islands

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: 1113
Bloomberg: 1113 HK
Reuters: 1113.HK

Website

www.ckph.com.hk

Key Dates

Annual Results Announcement	22 March 2017
Closure of Register of Members (for determination of shareholders who are entitled to attend and vote at Annual General Meeting)	8 to 11 May 2017 (both days inclusive)
Annual General Meeting	11 May 2017
Record Date (for determination of shareholders who qualify for the Final Dividend)	17 May 2017
Payment of Final Dividend	31 May 2017

This annual report 2016 (“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 Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong or by email to ckph.ecom@computershare.com.hk.

The Annual Report (both English and Chinese versions) has been posted on the Company’s website at www.ckph.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 Hong Kong Share Registrar or by email to ckph.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 Hong Kong Share Registrar or by email to ckph.ecom@computershare.com.hk promptly be sent the Annual Report in printed form free of charge.

Shareholders may at any time choose to change their 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 Hong Kong Share Registrar or sending a notice to ckph.ecom@computershare.com.hk.



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