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APPLICATION PROOF OF

CHEUNG KONG PROPERTY HOLDINGS LIMITED
長江實業地產有限公司

(Incorporated in the Cayman Islands with limited liability)
(the "**Company**")

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CHEUNG KONG PROPERTY HOLDINGS LIMITED
長江實業地產有限公司

(Incorporated in the Cayman Islands with limited liability)

LISTING BY WAY OF INTRODUCTION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE COMPANY ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Stock Code : [REDACTED]

Joint Sponsors
(in alphabetical order)

BofA Merrill Lynch HSBC

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This listing document is published in connection with the Listing and contains particulars given in compliance with the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules solely for the purpose of giving information with regard to the Group.

This listing document does not constitute an offer of, nor is it calculated to invite offers for, shares or other securities of the Company, nor have any such shares or other securities been allotted with a view to any of them being offered for sale to, or subscription by, the public. No Shares will be allotted or issued in connection with, or pursuant to, this listing document.

The Shares have not been registered under the U.S. Securities Act or the laws of any state in the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the U.S. Securities Act and applicable state laws. There will be no public offering of securities in the United States. **Neither the SEC nor any other U.S. federal or state securities commission or regulatory authority has approved or disapproved of the Shares or passed an opinion on the adequacy of this listing document. Any representation to the contrary is a criminal offence in the United States.**

CKH Holdings Shareholders and Beneficial CKH Holdings Shareholders located or resident in jurisdictions other than Hong Kong, including but not limited to those in the United States, should refer to the important information set out in "*The Distribution In Specie and the Spin-off – Distribution In Specie – Non-Qualifying CKH Holdings Shareholders*". Your attention is drawn to "*Risk Factors*". Information regarding dealings and settlement of dealings in the Shares following completion of the Listing is set out in "*The Distribution In Specie and the Spin-off*".

[REDACTED]

EXPECTED TIMETABLE[1]

[REDACTED]

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IMPORTANT NOTICE TO INVESTORS

We have not authorised anyone to provide you with information that is different from what is contained in this listing document. Any information or representation not made in this listing document must not be relied on by you as having been authorised by the Company or any of the Relevant Persons.

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QUESTIONS AND ANSWERS

The following are some of the questions you may have and the answers to those questions. **However, you are urged to read this entire listing document, including the Appendices, carefully.**

1. What is the purpose of this listing document?

- This listing document is published in connection with the Company's listing on the Main Board of the Stock Exchange by way of introduction and is solely for the purpose of providing you with information with regard to the Group.

2. What is the Spin-off?

- The Spin-off involves the spin-off and distribution of the Combined Property Businesses (being the existing property businesses of the CKH Holdings Group and the Hutchison Group) to the CKH Holdings Shareholders by way of the Distribution In Specie and the separate listing of the Shares on the Main Board of the Stock Exchange by way of introduction. The Company is not offering any Shares for sale or subscription.

- The Spin-off is subject to the fulfilment (or, where relevant, waiver) of certain conditions, including, among other things, completion of the Merger Proposal and the Listing Committee of the Stock Exchange [granting approval] for the listing of the Shares on the Main Board of the Stock Exchange.

3. What is the Distribution In Specie?

- Pursuant to the Distribution In Specie, subject to the fulfilment (or, where relevant, waiver) of certain conditions, the Company will allot and issue new Shares to the Qualifying CKH Holdings Shareholders in the ratio of one Share for every one CKH Holdings Share held at the Record Time (being [REDACTED] 2015).

4. Do I need to pay anything for the Shares or complete any application form to receive the Shares pursuant to the Distribution In Specie?

- No, you do not need to pay anything for the Shares or complete any application form to receive the Shares pursuant to the Distribution In Specie. Please also see question 7 below.

5. What arrangements are being made relating to the sale of odd lots of Shares?

- The Company has appointed [REDACTED] and [REDACTED] to provide, on a best efforts basis, a service to match the sale and purchase of odd lots of Shares issued pursuant to the Distribution In Specie during the period of 60 days commencing from (and including) the Listing Date (which is expected to be [REDACTED] 2015). Please refer to "*The Distribution In Specie and the Spin-off – Arrangements Relating to the Sale of Odd Lots of the Shares*" for further details.

6. Who will receive Shares pursuant to the Distribution In Specie?

- Qualifying CKH Holdings Shareholders as at the Record Time will receive Shares pursuant to the Distribution In Specie. In addition to the existing CKH Holdings Shareholders, these CKH Holdings Shareholders will include holders of the CKH Holdings Shares to be issued pursuant to:

  (a) the Husky Share Exchange (i.e. the Husky Sale Shares Vendor (or as it may direct)); and

(b) the Hutchison Scheme (i.e. the Hutchison Scheme Shareholders other than Non-Qualifying Hutchison Overseas Shareholders),

unless they are Non-Qualifying CKH Holdings Shareholders. Please also see question 7 below.

7. Who are Non-Qualifying CKH Holdings Shareholders? Will they receive Shares pursuant to the Distribution In Specie?

- Non-Qualifying CKH Holdings Shareholders are those CKH Holdings Shareholders with registered addresses in, or CKH Holdings Shareholders or Beneficial CKH Holdings Shareholders who are otherwise known by CKH Holdings to be residents of, jurisdictions outside Hong Kong at the Record Time and whom the CKH Holdings Board and the Board, based on enquiries made on their behalves, consider it necessary or expedient to exclude from receiving Shares pursuant to the Distribution In Specie after taking into account the legal restrictions under the applicable laws of the relevant jurisdictions where the CKH Holdings Shareholders or Beneficial CKH Holdings Shareholders are located or resident or the requirements of the relevant regulatory bodies or stock exchanges in those jurisdictions. The relevant Non-Qualifying CKH Holdings Shareholders will not receive any Shares.

- Based on the registered addresses of the CKH Holdings Overseas Shareholders and the Hutchison Overseas Shareholders as at the Latest Practicable Date and the advice received, Non-Qualifying CKH Holdings Shareholders are expected to be those CKH Holdings Shareholders in Australia, the Cayman Islands, the United Arab Emirates and the United States, subject to certain exceptions as further described in "*The Distribution In Specie and the Spin-off*".

- The Shares which the Non-Qualifying CKH Holdings Shareholders would otherwise receive pursuant to the Distribution In Specie will be sold in the market as soon as reasonably practicable following the Listing. If the aggregate proceeds (net of expenses and taxes) from the sale of the Shares a Non-Qualifying CKH Holdings Shareholder would otherwise have received are HK$50 or more, such proceeds will be paid to the relevant Non-Qualifying CKH Holdings Shareholder in Hong Kong dollars in full satisfaction of the relevant Shares which such shareholder would otherwise have received pursuant to the Distribution In Specie.

8. When do you expect the Spin-off and the Distribution In Specie to be completed?

- The Spin-off and the Distribution In Specie are expected to be completed on [REDACTED] 2015.

- The Share certificates are expected to be despatched to the Qualifying CKH Holdings Shareholders on [REDACTED] 2015. If the Distribution In Specie does not become unconditional, the Share certificates will not become valid and dealings in the Shares will not commence on [REDACTED] 2015.

SUMMARY

This summary is intended to give you an overview of the information contained in this listing document. Since it is a summary, it does not contain all the information that may be important to you. You should read this listing document in its entirety.

Statements contained in this summary that are not historical facts may be forward-looking statements. Such statements are based on certain assumptions. While the Directors consider such assumptions to be reasonable, whether actual results will meet our expectations will depend on a number of risks and uncertainties over which we have no control. Under no circumstances should the inclusion of such information in this listing document be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Company or any of the Relevant Persons or that these results will be achieved or are likely to be achieved.

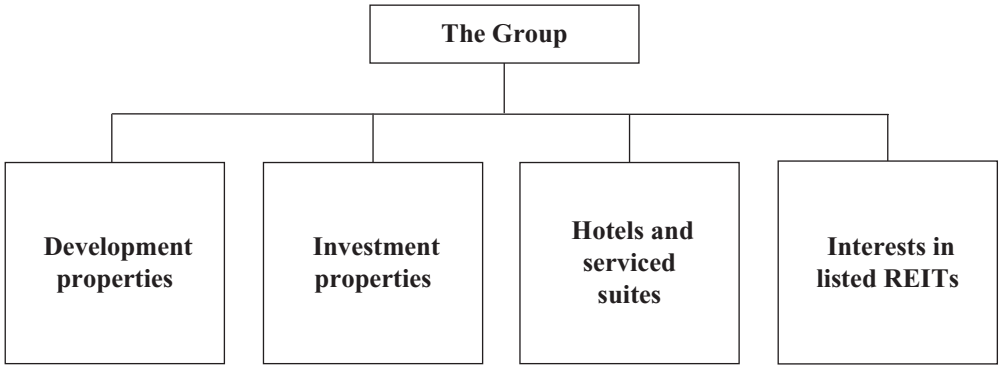
OVERVIEW

The Group is one of Hong Kong's largest property developers with a leading market share in Hong Kong, strong penetration in the PRC and an international presence through its operations in Singapore and the United Kingdom. The Company's predecessor Cheung Kong became listed in Hong Kong in 1972 and the Group benefits from a long and successful track record of over 40 years.

The Group's Principal Activities

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

The Group's Property Interests



The Group's property interests comprise the following:

- ***Development properties***, which include properties for and under development (including completed properties held for sale) and properties in which the Group has a development interest;
- ***Investment properties***, which include office, retail and industrial properties and car park spaces;
- ***Hotels and serviced suites***; and

- ***Interests in listed REITs***, which include unitholding interests in Fortune REIT, Prosperity REIT and Hui Xian REIT. The Group also has interests in ARA Asset Management (which is the holding company of the managers of Fortune REIT and Prosperity REIT) and Hui Xian Asset Management Limited (which is the manager of Hui Xian REIT).

Overview of the Group's Property Portfolio

The Group has a diversified portfolio of properties globally, which includes properties located in Hong Kong, the PRC, Singapore, the United Kingdom and The Bahamas.

As at 31 December 2014, the Combined Property Businesses (which will be held by the Group pursuant to the Property Businesses Combination) had a total attributable interest in approximately 1.6 million sq.m. of rental properties, a development land bank of approximately 15.8 million sq.m. (of which approximately 14.5 million sq.m. is located in the PRC) and more than 14,600 hotel rooms.

As at 28 February 2015, the Group's diverse portfolio of development properties, investment properties and hotels and serviced suites that were valued by the Property Valuers had a total valuation of approximately HK$420.1 billion.

COMPETITIVE STRENGTHS

The Directors consider that the Group's key competitive strengths include:

- One of Hong Kong's largest property developers, with a proven track record in Hong Kong and the PRC
- Diversified business mix
- Strong recurring income from extensive asset portfolio
- Focus on optimising land bank to balance stability and growth
- Disciplined investment approach and prudent financial management
- Highly experienced and professional management with a global vision and strong commitment to robust corporate governance

See "*Business – Competitive Strengths*" for more details.

BUSINESS STRATEGIES

The Group will continue to adhere to its core strategic objective of maximising shareholder value by driving the long-term sustainable growth of its business. The Group is focused on pursuing other attractive investment opportunities within its core markets, whilst at the same time seeking to expand its geographic coverage, with a goal of creating steady returns for Shareholders.

- Continue to focus on the Group's core markets
- Maintain an active but prudent land bank strategy

- Continue to grow the Group's recurring income from investment properties
- Enhance the scale and brand positioning of the Group's hotel and serviced suite portfolio
- Maintain a disciplined financial management approach

See "*Business – Business Strategies*" for more details.

THE DISTRIBUTION IN SPECIE AND THE SPIN-OFF

On [●] 2015, the Board resolved, with the consent of CKH Holdings, to implement the Distribution In Specie immediately following completion of the Property Businesses Combination.

Immediately following completion of the Hutchison Proposal and upon completion of the Property Businesses Combination, the Combined Property Businesses will be held by the Group, which will at that time be wholly-owned by CKH Holdings. Immediately following completion of the Property Businesses Combination, the Company will allot and issue to the Qualifying CKH Holdings Shareholders new Shares pursuant to the Distribution In Specie in the ratio of one Share for every one CKH Holdings Share held as at the Record Time and immediately thereafter, the two Shares then held by CKH Holdings will be surrendered for cancellation. Accordingly, the Qualifying CKH Holdings Shareholders will hold the same proportionate interests in the Company as they hold in CKH Holdings as at the Record Time. Details of the Distribution In Specie, including information for the Non-Qualifying CKH Holdings Shareholders, are set out in "*The Distribution In Specie and the Spin-off – Distribution In Specie*".

The Spin-off

If the Spin-off proceeds, it will be implemented in compliance with the Listing Rules. The Spin-off will be effected through a listing of the Shares by way of introduction and the Distribution In Specie whereby the Qualifying CKH Holdings Shareholders will receive the relevant Shares. The Company is not offering any Shares for sale or subscription. For further details of the Spin-off, including its objectives and benefits, see "*The Distribution In Specie and the Spin-off – The Spin-off*".

KEY RISKS AND UNCERTAINTIES

There are risks and uncertainties involved in the Group's business. These risks and uncertainties can be categorised as set out below. See "*Risk Factors*" for more details. The following highlights some of the key risks that affect the Group's business:

(a) Risks relating to the Group's Business

- The Group is principally dependent on the performance of the real estate markets in Hong Kong and the PRC.
- The Group may not always be able to obtain suitable land reserves at commercially reasonable cost and successfully identify and acquire suitable land for development at a cost comparable to its historical cost levels.
- The Group's results of operations may be materially and adversely impacted by labour shortages and/or rising costs of construction materials and labour.

- The Group may be unable to obtain, or may suffer material delays in obtaining, the relevant government approvals or be unable to take possession of the land parcels for its property development projects.

(b) Risks relating to the Property and Hotel Industries

- The Group faces increasing competition in Hong Kong, the PRC and other places where it operates.

- The Group's business is subject to government policies and regulations, and in particular, the Group is susceptible to changes in policies related to the property industry and the hotel industry in Hong Kong and the PRC.

(c) Risks relating to the PRC and Hong Kong

- Changes in PRC and Hong Kong political and economic policies and conditions could adversely affect the Group's business and prospects.

(d) Risks relating to the Listing and the Spin-off

- The Spin-off is conditional upon, and will only be completed immediately following, completion of the Hutchison Proposal.

PROPERTY BUSINESSES COMBINATION

In preparation for the Listing and before the commencement of dealings in the Shares on the Stock Exchange, a number of pre-completion and reorganisation steps have been or will be taken, pursuant to which interests in the Combined Property Businesses currently under the CKH Holdings Group and/or the Hutchison Group will be reorganised under the Group. The reorganisation steps include the following:

(a) shares in a number of the CPB Companies will be reorganised to form part of the Group; and

(b) loans owing by certain CPB Companies to the Cheung Kong Group or the Hutchison Group at completion of the Property Businesses Combination will be assigned to the Group.

Prior to completion of the Property Businesses Combination, the Cheung Kong Reorganisation and the Merger Proposal will be implemented. The Cheung Kong Reorganisation was completed on [18 March] 2015. Details of the Cheung Kong Reorganisation, the Merger Proposal and the Property Businesses Combination are set out in "*History and Reorganisation – The Reorganisation*".

RELATIONSHIP WITH THE CKH HOLDINGS GROUP

As at the Latest Practicable Date, the Company is a wholly-owned subsidiary of CKH Holdings. The Company will cease to be a subsidiary of CKH Holdings upon completion of the Distribution In Specie. There is a clear and distinct delineation between the businesses of the Group and the businesses of the CKH Holdings Group. On this basis, the Directors are satisfied that the Group will be capable of carrying on its businesses independently from the CKH Holdings Group following the Listing. See *"Relationship with the CKH Holdings Group*" for more details.

OVERVIEW OF FINANCIAL INFORMATION

During the Track Record Period, the Cheung Kong Property Group derived turnover from property sales. In addition, the Cheung Kong Property Group and the Hutchison Property Group derived turnover from (i) property rental, (ii) hotels and serviced suites and (iii) property and project management. The Cheung Kong Property Group and the Hutchison Property Group also conducted property sales and other property businesses through joint ventures.

For the years ended 31 December 2012, 2013 and 2014, the Cheung Kong Property Group's turnover amounted to HK$19,192 million, HK$17,011 million and HK$24,038 million, respectively, while its profit for the year amounted to HK$17,063 million, HK$14,424 million and HK$17,316 million, respectively. For the same period, the Hutchison Property Group's turnover amounted to HK$6,237 million, HK$6,676 million and HK$6,901 million, respectively, while its profit for the year amounted to HK$8,478 million, HK$9,392 million and HK$35,959 million, respectively.

For the years ended 31 December 2012, 2013 and 2014, the Cheung Kong Property Group's share of property sales attributable to its interests in joint ventures amounted to HK$11,846 million, HK$15,301 million and HK$6,959 million, respectively. For the same period, the Hutchison Property Group's share of property sales attributable to its interests in joint ventures amounted to HK$11,805 million, HK$15,233 million and HK$6,845 million, respectively.

Assuming completion of the Hutchison Proposal, the Property Businesses Combination (including the consolidation of joint ventures) and the Spin-off as if the Listing had taken place on 1 January 2014, pro forma turnover of the Group would have amounted to HK$46,606 million and pro forma profit for the year of the Group would have amounted to HK$54,052 million for the year ended 31 December 2014.

Historically, the Cheung Kong Property Group and the Hutchison Property Group have been managed and operated largely independently of each other. Many of their development projects in the PRC were conducted through joint ventures that were not consolidated in either company's financial statements. In particular, the Cheung Kong Property Group and the Hutchison Property Group historically did not consolidate their joint ventures' turnover under the relevant International Financial Reporting Standards ("**IFRS**") accounting rules, and profits contributed by their joint ventures were historically recorded as share of net profit of joint ventures.

Immediately following completion of the Property Businesses Combination, a substantial portion of the joint ventures between the Cheung Kong Property Group and the Hutchison Property Group will become subsidiaries of the Company and will be consolidated into the financial statements of the Group. The financial information of the remaining non-consolidated joint ventures will continue to be recorded as share of net profit of joint ventures under the equity method of accounting.

As a result, the historical financial statements of the Cheung Kong Property Group and the Hutchison Property Group are not directly comparable to the future financial statements of the Group immediately following completion of the Property Businesses Combination, which will contain the results of operations, financial position and cash flows of the Combined Property Businesses and the joint ventures that will become subsidiaries of the Company as prepared and presented on a consolidated basis. The historical results of the Cheung Kong Property Group and the Hutchison Property Group presented below and in the Accountants' Reports in Appendices IA and IB therefore will not be comparable to, or be reflective of, the Group's results following completion of the Property Businesses Combination.

Summary Combined Income Statements

The table below sets out selected financial information from the combined income statements of the Cheung Kong Property Group and the Hutchison Property Group for the Track Record Period and the unaudited pro forma combined income statement of the Group for the year ended 31 December 2014:

	Cheung Kong Property Group			Hutchison Property Group			Group pro forma
	Year ended 31 December						
	2012	2013	2014	2012	2013	2014	2014
	(HK$ million)						
Turnover	**19,192**	**17,011**	**24,038**	**6,237**	**6,676**	**6,901**	**46,606**
Operating costs	(12,451)	(10,612)	(15,609)	(3,646)	(3,727)	(3,841)	(30,105)
Share of net profit of joint ventures	5,480	4,031	2,835	4,959	3,763	2,342	93
Increase in fair value of investment properties	4,470	1,782	4,542	859	17	28,088	33,683
Operating profit	**18,312**	**15,865**	**18,939**	**8,704**	**9,935**	**36,445**	**56,839**
Profit for the year	**17,063**	**14,424**	**17,316**	**8,478**	**9,392**	**35,959**	**54,052**

Summary Combined Statements of Financial Position

The table below sets out a summary of the combined statements of financial position of the Cheung Kong Property Group, the Hutchison Property Group and the unaudited pro forma combined statement of assets and liabilities of the Group for the dates indicated:

	Cheung Kong Property Group			Hutchison Property Group			Group pro forma
	As at 31 December						
	2012	2013	2014	2012	2013	2014	2014
	(HK$ million)						
Total current assets	96,475	92,690	86,633	45,381	51,007	55,789	253,501
Total current liabilities	(105,095)	(91,594)	(82,796)	(29,410)	(26,683)	(33,019)	(139,235)
Net current (liabilities)/ assets	(8,620)	1,096	3,837	15,971	24,324	22,770	114,266
Total non-current liabilities	(1,120)	(1,576)	(1,349)	(31,815)	(32,017)	(30,700)	(50,219)
Total non-current assets	91,417	89,634	96,583	92,389	94,159	125,122	162,539
Net assets	**81,677**	**89,154**	**99,071**	**76,545**	**86,466**	**117,192**	**226,586**

Summary Combined Statements of Cash Flows

The table below sets out a summary of the combined statements of cash flows of the Cheung Kong Property Group and the Hutchison Property Group for the Track Record Period and the unaudited pro forma combined statements of cash flows of the Group for the year ended 31 December 2014:

	Cheung Kong Property Group			Hutchison Property Group			Group pro forma
	Year ended 31 December						
	2012	2013	2014	2012	2013	2014	2014
	(HK$ million)						
Net cash flows (used in)/generated from operating activities	(3,402)	3,769	7,972	(158)	221	1,551	(186)
Net cash flows generated from investing activities	3,021	6,903	2,917	2,574	1,046	269	6,762
Net cash flows generated from/(used in) financing activities	3,921	(13,499)	(10,604)	138	(6,031)	(2,690)	(7,153)
Net increase/(decrease) in cash and cash equivalents	3,540	(2,827)	285	2,554	(4,764)	(870)	(577)
Cash and cash equivalents at 1 January	9,356	12,896	10,069	6,441	8,995	4,231	32,935
Cash and cash equivalents at 31 December	**12,896**	**10,069**	**10,354**	**8,995**	**4,231**	**3,361**	**32,358**

Changes in Fair Value of Investment Properties

Changes in fair value of investment properties are recognised in the combined income statements in the year or period such changes arise. The fair values of the Cheung Kong Property Group's and the Hutchison Property Group's investment properties as at 31 December 2012, 2013 and 2014 were determined by professional valuation conducted by independent property valuers on the basis of capitalisation of rental income derived from the existing tenancies with due allowance for reversionary potential of each of the properties or by reference to comparable market transactions. The reversionary potential of the properties was estimated by the independent property valuers based on the risk profile of the properties being valued. The higher the risk profile, the lower the fair value is.

Please refer to Note 9 in "*Accountants' Report on the Cheung Kong Property Group*" in Appendix IA and Note 10 in "*Accountants' Report on the Hutchison Property Group*" in Appendix IB for the ranges of capitalisation rates used for the valuation of Cheung Kong Property's and the Hutchison Property Group's investment properties.

For the years ended 31 December 2012, 2013 and 2014, the Cheung Kong Property Group had an increase in fair value of investment properties of HK$4,470 million, HK$1,782 million and HK$4,542 million, respectively. For the same years, the Hutchison Property Group had an increase in fair value of investment properties of HK$859 million, HK$17 million and HK$28,088 million. The significant increase in the Hutchison Property Group's investment properties from 2013 to 2014 was due to the

improvement in market conditions in 2014 as a result of the high global liquidity and easing of investor concerns over a potential increase in interest rates, which boosted the overall investor confidence and sentiment.

As a result of the changes in the market conditions, the independent property valuers changed certain assumptions used to value the investment properties, including reducing the weighted average capitalisation rate used from 8.7% as at 31 December 2013 to 6.1% as at 31 December 2014 for the valuation of Hutchison Property Group's investment properties. The amounts of revaluation adjustments have been, and may continue to be, significantly affected by the prevailing property markets. See "*Financial Information – Significant Factors Affecting Our Results of Operations – Fair Value of Our Investment Properties*" and "*Financial Information – Critical Accounting Policies and Estimates – Investment Properties Valuation*".

Key Financial Ratios

The following table sets out the key financial ratios for the Cheung Kong Property Group and the Hutchison Property Group as at and for the periods indicated:

	Cheung Kong Property Group			Hutchison Property Group		
	As at and for the year ended 31 December					
	2012	2013	2014	2012	2013	2014
Liquidity ratios						
Current ratio[(1)]	0.9x	1.0x	1.0x	1.5x	1.9x	1.7x
Quick ratio[(2)]	0.2x	0.1x	0.2x	1.5x	1.9x	1.6x
Capital adequacy ratios						
Gearing ratio[(3)]	50.1%	41.9%	34.2%	25.1%	27.7%	20.5%
Debt-to-asset ratio[(4)]	28.7%	26.0%	24.1%	20.5%	19.4%	15.2%
Profitability ratios						
Return on total assets[(5)]	9.1%	7.9%	9.5%	6.2%	6.5%	19.9%
Return on equity[(6)]	21.7%	16.8%	18.0%	11.2%	10.9%	30.9%

Notes:

(1) Current ratio is calculated by dividing total current assets by total current liabilities.

(2) Quick ratio is calculated by dividing total current assets less stock of properties by total current liabilities.

(3) For the Cheung Kong Property Group, gearing ratio is calculated by dividing interest-bearing borrowings and interest-bearing amounts due to the Cheung Kong Group less cash and cash equivalents by total equity and multiplying the resulting value by 100%. For the Hutchison Property Group, gearing ratio is calculated by dividing interest-bearing borrowings and interest-bearing amounts due to the Hutchison Group less cash and cash equivalents by total equity and multiplying the resulting value by 100%.

(4) For Cheung Kong Property Group, debt-to-asset ratio is calculated by dividing interest-bearing borrowings and interest-bearing amounts due to the Cheung Kong Group by total assets and multiplying the resulting value by 100%. For Hutchison Property Group, debt-to-asset ratio is calculated by dividing interest-bearing borrowings and interest-bearing amounts due to the Hutchison Group by total assets and multiplying the resulting value by 100%.

(5) Return on total assets is calculated by dividing profit for the year by total assets at the end of the year and multiplying the resulting value by 100%.

(6) Return on equity is calculated by dividing profit for the year by shareholders' funds at the end of the year and multiplying the resulting value by 100%.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma financial information has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Listing been completed as at 31 December 2014 or any future date.

We have prepared and included the unaudited pro forma financial information as at and for the year ended 31 December 2014 as set out in Appendix II for the purpose of illustrating the effect of the completion of the Hutchison Proposal, the Property Businesses Combination (including consolidation of the joint ventures that will become subsidiaries of the Company) as if the Listing had taken place on 1 January 2014 for pro forma combined income statement and statement of cash flows and 31 December 2014 for pro forma combined statement of assets and liabilities.

The unaudited pro forma financial information has been prepared in accordance with Rule 4.29 of the Listing Rules, incorporating the combined results and cash flows of the Cheung Kong Property Group, the Hutchison Property Group and the joint ventures that will become subsidiaries of the Company for the year ended 31 December 2014; and the combined assets and liabilities of the Cheung Kong Property Group, the Hutchison Property Group and the joint ventures that will become subsidiaries of the Company as at 31 December 2014. The unaudited pro forma information does not form part of the Accountants' Reports set out in Appendices IA and IB to this listing document.

See *"Appendix II – Unaudited Pro Forma Financial Information"* for details.

DIVIDEND POLICY

Prior to completion of the Merger Proposal, each of the Hutchison Group and the Cheung Kong Group declared a second interim dividend in lieu of a final dividend in respect of the financial year of 2014 based on their respective full results for the financial year of 2014[, which was paid on 15 April 2015].

For the financial year of 2015, if the Merger Proposal and the Spin-off have become effective, an interim dividend will be declared by each of CKH Holdings and the Company at the time of the announcement of their respective interim results which will take into account the results of the respective businesses of the CKH Holdings Group and the Group from 1 January 2015. Subject to the business results for the financial year of 2015, assuming an existing CKH Holdings Shareholder or Hutchison Shareholder continues to hold both the CKH Holdings Shares and the Shares received after completion of the Proposals, it is expected that the combined per share dividend CKH Holdings and the Company will pay in respect of the financial year of 2015 on those shares will be more than the total dividend per Cheung Kong share or Hutchison Share, as the case may be, paid in respect of the financial year of 2014, excluding any special dividends paid in that year.

Going forward, from and including the financial year of 2016, the Company will adopt a dividend policy that is consistent with its business profile. Subject to business conditions and the maintenance of a strong credit profile, the Company expects the dividend policy will result in a higher dividend payout ratio than that in the financial year of 2015.

PROPERTY VALUATION

The following information is extracted from the property valuation reports of the Property Valuers in "*Appendix III – Property Valuation*". You should note that the market values of the properties prepared by the Property Valuers were based on certain assumptions which may be subject to changes and may not be realised. See "*Risk Factors – Risks Relating to Our Business – The appraised value of our properties may be different from the actual realisable value and is subject to change*" for further details.

(a) DTZ Debenham Tie Leung Limited

No.	Property group	Market value in existing state attributable to the Cheung Kong Property Group and/or the Hutchison Property Group as at 28 February 2015 (million)	Valuation approach and key assumptions	Page no. of property valuation report in Appendix III
1.	Group I – Completed properties held by the Cheung Kong Property Group and the Hutchison Property Group for sale in the PRC	RMB23,055	***Direct Comparison Approach*** assuming the sale of each of these properties in its existing state by making reference to comparable sales transactions as available in the relevant market; or ***Investment Approach*** on the basis of capitalisation of the rental income derived from the existing tenancies with due allowance for reversionary potential of each of the properties. • Market unit price for (1) Residential: RMB5,500 to RMB91,704 per sq.m. on GFA basis. (2) Office: RMB7,298 to RMB50,721 per sq.m. on GFA basis. (3) Commercial: RMB8,233 to RMB52,186 per sq.m. on GFA basis. (4) Car park: RMB61,000 to RMB293,700 per lot. • Market monthly unit rent for (1) Commercial: RMB100 to RMB249 per sq.m. on GFA basis. • Capitalisation rate for (1) Commercial: 4% to 6.5%	III-1 to III-39

No.	Property group	Market value in existing state attributable to the Cheung Kong Property Group and/or the Hutchison Property Group as at 28 February 2015 (million)	Valuation approach and key assumptions	Page no. of property valuation report in Appendix III
2.	Group II – Completed properties held by the Cheung Kong Property Group and the Hutchison Property Group for investment in the PRC	RMB4,242	***Investment Approach*** on the basis of capitalisation of rental income derived from the existing tenancies with due allowance for reversionary potential of each of the properties or by reference to comparable market transactions. • Market monthly unit rent for (1) Office: RMB50 to RMB339 per sq.m. on GFA basis. (2) Commercial: RMB16 to RMB1,510 per sq.m. on GFA basis • Capitalisation rate for (1) Office: 6% to 7.5% (2) Commercial: 6.5% to 7.5%	III-1 to III-39
3.	Group III – Completed properties held by the Cheung Kong Property Group and the Hutchison Property Group for operation in the PRC	RMB1,427	***Discounted Cash Flow Approach*** involving discounting future net cash flow of each property for a 10-year investment horizon and the anticipated net operating income receivable thereafter being capitalised at appropriate terminal capitalisation rates until the end of the respective land use terms to its present value by using an appropriate discount rate that reflects the rate of return required by a third party investor for an investment of this type. • Discount rate: 9.5% to 10% • Terminal capitalisation rate: 5.5%	III-1 to III-39

No.	Property group	Market value in existing state attributable to the Cheung Kong Property Group and/or the Hutchison Property Group as at 28 February 2015 (million)	Valuation approach and key assumptions	Page no. of property valuation report in Appendix III
4.	Group IV – Properties held by the Cheung Kong Property Group and the Hutchison Property Group under development in the PRC	RMB64,336	***Direct Comparison Approach*** by making reference to comparable sales evidence as available in the relevant market and also taking into account the incurred construction costs and the costs that will be incurred to complete the development to reflect the quality of the completed development. The Property Valuer has adopted the Direct Comparison Approach or the Investment Approach to assess the development value as if completed as at the Valuation Date. • Market unit price adopted for estimating the development value as if completed as at the Valuation Date: (1) Residential: RMB7,116 to RMB38,700 per sq.m. on GFA basis. (2) Office: RMB11,464 to RMB42,240 per sq.m. on GFA basis. (3) Commercial: RMB12,045 to RMB101,848 per sq.m. on GFA basis. (4) Car park: RMB90,000 to RMB260,000 per lot. • Market monthly rent adopted for estimating the development value as if completed as at the Valuation Date: (1) Office: RMB260 per sq.m. on GFA basis. (2) Commercial: RMB196 to RMB490 per sq.m. on GFA basis. • Capitalisation rate for (1) Office: 7% (2) Commercial: 7%	III-1 to III-39

No.	Property group	Market value in existing state attributable to the Cheung Kong Property Group and/or the Hutchison Property Group as at 28 February 2015 (million)	Valuation approach and key assumptions	Page no. of property valuation report in Appendix III
5.	Group V – Properties held by the Cheung Kong Property Group and the Hutchison Property Group for future development in the PRC	RMB18,586	***Direct Comparison Approach*** assuming the sale of each of these properties in its existing state by making reference to comparable sales transactions as available in the relevant market. • Accommodation value for land: RMB2,252 to RMB24,519 per sq. m. • Unit site value for agricultural land: RMB270 per sq.m.	III-1 to III-39
6.	Group VI – Completed properties held by the Cheung Kong Property Group and the Hutchison Property Group for sale in Hong Kong	HK$17,041	***Direct Comparison Approach*** assuming the sale of each of these properties in its existing state by making reference to comparable sales transactions as available in the relevant market; or ***Investment Approach*** on the basis of capitalisation of rental income derived from the existing tenancies with due allowance for reversionary potential of each of the properties. • Market unit price for (1) Residential: HK$80,700 to HK$215,300 per sq.m. on saleable area basis. (2) Office: HK$53,800 per sq.m. on GFA basis. (3) Industrial: HK$30,100 to HK$45,000 per sq.m. on GFA basis. • Market monthly unit rent for (1) Commercial: HK$75 to HK$1,170 per sq.m. on GFA basis. • Capitalisation rate for (1) Commercial: 4% to 5.5%	III-1 to III-39

No.	Property group	Market value in existing state attributable to the Cheung Kong Property Group and/or the Hutchison Property Group as at 28 February 2015 (million)	Valuation approach and key assumptions	Page no. of property valuation report in Appendix III
7.	Group VII – Completed properties held by the Cheung Kong Property Group and the Hutchison Property Group for investment in Hong Kong	HK$117,767	***Investment Approach*** on the basis of capitalisation of rental income derived from the existing tenancies with due allowance for reversionary potential of each of the properties or by reference to comparable market transactions. • Market monthly unit rent for (1) Residential: HK$194 to HK$484 per sq.m. on GFA basis. (2) Office: HK$129 to HK$1,220 per sq.m. on lettable floor area basis. (3) Commercial: HK$319 to HK$19,800 per sq.m. on lettable floor basis. (4) Industrial: HK$68 to HK$285 per sq.m. on GFA basis. • Capitalisation rate for (1) Residential: 2% to 3% (2) Office: 4.5% to 5.75% (3) Commercial: 4.25% to 5.75% (4) Industrial: 4.25% to 5.5%	III-1 to III-39
8.	Group VIII – Completed hotel properties held by the Cheung Kong Property Group and the Hutchison Property Group for operation in Hong Kong	HK$63,908	***Discounted Cash Flow Approach*** involving discounting future net cash flow of each property for a 10-year investment horizon and the anticipated net operating income receivable thereafter being capitalised at appropriate terminal capitalisation rates to its present value by using an appropriate discount rate that reflects the rate of return required by a third party investor for an investment of this type. • Discount rate: 8.5% • Terminal capitalisation rate: 3.5% to 5%	III-1 to III-39

No.	Property group	Market value in existing state attributable to the Cheung Kong Property Group and/or the Hutchison Property Group as at 28 February 2015 (million)	Valuation approach and key assumptions	Page no. of property valuation report in Appendix III
9.	Group IX – Properties held by the Cheung Kong Property Group under development in Hong Kong	HK$67,981	***Direct Comparison Approach*** by making reference to comparable sales evidence as available in the relevant market and also taking into account the incurred construction costs and the costs that will be incurred to complete the development to reflect the quality of the completed development. The Property Valuer has adopted the Direct Comparison Approach to assess the development value as if completed as at the Valuation Date. • Market unit price adopted for estimating the development value as if completed as at the Valuation Date: (1) Residential: HK$76,700 to HK$484,000 per sq.m. on GFA basis. (2) Commercial: HK$63,200 to HK$592,000 per sq.m. on GFA basis. • Accommodation value for land: HK$59,800 to HK$366,000 per sq. m. on GFA basis.	III-1 to III-39
10.	Group X – Properties held by the Cheung Kong Property Group for future development in the Hong Kong	HK$2,276	***Direct Comparison Approach*** assuming sale of each of these properties in its existing state by making reference to comparable sales transactions as available in the relevant market. • Accommodation value for land: HK$46,000 to HK$58,000 per sq. m. on GFA basis. • Unit site value for agricultural land: HK$1,180 to HK$9,800 per sq.m.	III-1 to III-39
11.	Group XI – Property held by the Cheung Kong Property Group under development in Singapore	SGD549	***Direct Comparison Approach*** by making reference to comparable sales evidence as available in the relevant market and also taking into account the incurred construction costs and the costs that will be incurred to complete the development to reflect the quality of the completed development. The Property Valuer has adopted the presold consideration as the development value as if completed as at the Valuation Date: (1) Residential: SGD13,308 per sq.m. on GFA basis	III-1 to III-39
12.	Group XII – Property held by the Cheung Kong Property Group and the Hutchison Property Group for future development in Singapore	SGD265	***Direct Comparison Approach*** assuming the sale of each of these properties in its existing state by making reference to comparable sales transactions as available in the relevant market. • Accommodation value for land: SGD8,800 per sq. m.	III-1 to III-39

No.	Property group	Market value in existing state attributable to the Cheung Kong Property Group and/or the Hutchison Property Group as at 28 February 2015 (million)	Valuation approach and key assumptions	Page no. of property valuation report in Appendix III
13.	Group XIII – Property held by the Cheung Kong Property Group and the Hutchison Property Group under development in the United Kingdom	GBP489	***Direct Comparison Approach*** by making reference to comparable sales evidence as available in the relevant market and also taking into account the incurred construction costs and the costs that will be incurred to complete the development to reflect the quality of the completed development. The Property Valuer has adopted the Direct Comparison Approach or the Investment Approach to assess the development value as if completed as at the Valuation Date. • Market unit price adopted for estimating the development value as if completed as at the Valuation Date: (1) Private residential: GBP19,700 to GBP20,465 per sq.m. (2) Affordable housing provision: GBP2,690 per sq.m. • Market monthly rent adopted for estimating the development value as if completed as at the Valuation Date: (1) Commercial: GBP270 to GBP375 per sq.m. on GFA basis (2) Capitalisation rate: 7% to 9%	III-1 to III-39
14.	Group XIV – Property held by the Cheung Kong Property Group and the Hutchison Property Group for future development in the United Kingdom	GBP125	***Direct Comparison Approach*** by making reference to comparable sales evidence as available in the relevant market and also taking into account the costs that will be incurred to complete the development to reflect the quality of the completed development. The Property Valuer has adopted the Direct Comparison Approach or the Investment Approach to assess the development value as if completed as at the Valuation Date. • Market unit price adopted for estimating the development value as if completed as at the Valuation Date: (1) Private residential: GBP7,265 to GBP7,805 per sq.m. (2) Affordable housing provision: GBP1,885 per sq.m. • Market monthly rent adopted for estimating the development value as if completed as at the Valuation Date: (1) Commercial: GBP110 to GBP270 per sq.m. on GFA basis (2) Capitalisation rate: 7% to 9%	III-1 to III-39

(b) Gerald Eve LLP

No.	Property	Market value in existing state attributable to the Cheung Kong Property Group and/or the Hutchison Property Group as at 28 February 2015 (million)	Valuation approach and key assumptions	Page no. of property valuation report in Appendix III
1.	Albion Riverside, London, United Kingdom	GBP25.5	***Investment Approach*** on the basis of capitalisation of rental income derived from the existing tenancies with due allowance for reversionary potential of the property or by comparable market. • Market monthly unit rent: GBP247.5 to GBP295.9 per sq. m. • Reversionary capitalisation rate: 6.35%	III-40 to III-49

(c) Smiths Gore

No.	Property	Market value in existing state attributable to the Cheung Kong Property Group and/or the Hutchison Property Group as at 28 February 2015 (million)	Valuation approach and key assumptions	Page no. of property valuation report in Appendix III
1.	Land at Teversham Road, Fulbourn, Cambridgeshire, United Kingdom	GBP0.4	***Direct Comparison Approach*** assuming sale of the property in its existing state with the benefit of vacant possession by making reference to comparable sales transactions as available in the relevant market. • Market unit price: GBP6.2 per sq. m.	III-50 to III-57

(d) CBRE, Inc.

No.	Property	Market value in existing state attributable to the Cheung Kong Property Group and/or the Hutchison Property Group as at 28 February 2015 (million)	Valuation approach and key assumptions	Page no. of property valuation report in Appendix III
1.	Silver Point Beach Land Freeport, The Bahamas	USD2.1	***Direct Comparison Approach*** utilises sales of comparable properties, adjusted for differences, to arrive at a value for the subject property: • Market unit price: USD18.4 to USD40.8 per sq. m.	III-58 to III-67
2.	Grand Lucayan Beach and Golf Resort, The Bahamas	USD57.0	***Direct Comparison Approach*** utilises sales of comparable properties, adjusted for differences, to arrive at a value for the subject property; and • Market unit price: USD111,467 to USD152,928 per unit ***Income Capitalisation Approach*** that reflects the rate of return required by a third party investor for an investment of this type with due allowance for reversionary potential of each property. • Discount rate: 11% • Terminal capitalisation rate: 9%	III-68 to III-87

RECENT DEVELOPMENTS

On 9 January 2015, Cheung Kong and Hutchison announced the Cheung Kong Reorganisation, the Merger Proposal and the Spin-off. CKH Holdings became the holding company of the Cheung Kong Group upon completion of the Cheung Kong Reorganisation on [18] March 2015.

As far as the Directors are aware, there have been no material changes in the financial or trading position of the Group or the general economic and market conditions, or legal and regulatory regimes, in the jurisdictions or the industries in which the Cheung Kong Property Group and the Hutchison Property Group operate that have materially and adversely affected the Group's business, operations or financial position since 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to the Latest Practicable Date.

LISTING EXPENSES

In relation to the Listing, the Company expects to incur listing expenses of approximately HK$140.1 million prior to completion of the Hutchison Proposal and the Property Businesses Combination, the entirety of which will be borne by the CKH Holdings Group. The Company did not incur listing expenses during the Track Record Period.

DISTRIBUTION IN SPECIE

On [●] 2015, the Board resolved, with the consent of CKH Holdings, to implement the Distribution In Specie immediately following completion of the Property Businesses Combination.

Immediately following completion of the Hutchison Proposal and upon completion of the Property Businesses Combination, the Combined Property Businesses will be held by the Group, which will at that time be wholly-owned by CKH Holdings. Immediately following completion of the Property Businesses Combination, the Company will allot and issue to the Qualifying CKH Holdings Shareholders new Shares pursuant to the Distribution In Specie in the ratio of one Share for every one CKH Holdings Share held as at the Record Time and immediately thereafter, the two Shares then held by CKH Holdings will be surrendered for cancellation. Accordingly, the Qualifying CKH Holdings Shareholders will hold the same proportionate interests in the Company as they hold in CKH Holdings as at the Record Time.

These CKH Holdings Shareholders will include, among others, holders of the CKH Holdings Shares to be issued pursuant to (a) the Husky Share Exchange (i.e. the Husky Sale Shares Vendor (or as it may direct)) and (b) the Hutchison Scheme (i.e. the Hutchison Scheme Shareholders other than the Non-Qualifying Hutchison Overseas Shareholders), unless they are Non-Qualifying CKH Holdings Shareholders.

(a) Conditions Precedent to the Spin-off

The Spin-off will be subject to the fulfilment (or, where relevant, waiver) of the following conditions precedent:

(i) completion of the Cheung Kong Reorganisation (which occurred on [18 March] 2015);

(ii) the Listing Committee granting approval for the listing by way of introduction of, and permission to deal in, the Shares and such approval not having been revoked prior to completion of the Spin-off;

(iii) completion of the Husky Share Exchange having occurred;

(iv) the Hutchison Scheme having become effective;

(v) fulfilment (or, where applicable, waiver) of the respective conditions precedent to the Specified Loans Purchase Agreement and the Reorganisation Agreement (other than the condition precedent relating to the Hutchison Scheme having become effective); and

(vi) all authorisations, registrations, filings, rulings, consents, permissions and approvals (including approval in-principle) which may be required in connection with the Spin-off under any existing contractual arrangements, including loan and other finance documentation, or regulatory requirements having been obtained and all regulatory filing obligations having been complied with.

CKH Holdings has reserved the right to waive the condition precedent in (vi) above in whole or in part and either generally or in respect of any particular matter. The other conditions precedent cannot be waived. As at the Latest Practicable Date, none of the above conditions [(other than the condition precedent in (i) above)] had been satisfied.

(b) Non-Qualifying CKH Holdings Shareholders

The allotment and issue by the Company of the Shares under the Distribution In Specie to certain CKH Holdings Shareholders may be subject to laws of jurisdictions outside Hong Kong. CKH Holdings Shareholders and Beneficial CKH Holdings Shareholders residing in jurisdictions other than Hong Kong should inform themselves about and observe all legal and regulatory requirements applicable to them. It is the responsibility of CKH Holdings Shareholders and Beneficial CKH Holdings Shareholders to satisfy themselves as to the full observance of the laws of the relevant jurisdictions applicable to them in connection with the Distribution In Specie, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with any other necessary formalities and payment of any issue, transfer or other taxes due in such jurisdiction.

CKH Holdings Overseas Shareholders and Beneficial CKH Holdings Shareholders should consult their professional advisers if they are in any doubt as to the potential applicability of, or consequences under, any provision of law or regulation or judicial or regulatory decisions or interpretations in any jurisdictions, territory or locality therein or thereof and, in particular, whether there will be any restriction or prohibition on the acquisition, retention, disposal or otherwise with respect to the Shares, as the case may be. It is emphasised that none of CKH Holdings, the Company or any of the Relevant Persons accepts any responsibility in relation to the above.

Non-Qualifying CKH Holdings Shareholders are those CKH Holdings Shareholders with registered addresses in, or CKH Holdings Shareholders or Beneficial CKH Holdings Shareholders who are otherwise known by CKH Holdings to be residents of, jurisdictions outside Hong Kong at the Record Time and whom the CKH Holdings Board and the Board, based on enquiries made on their behalves, consider it necessary or expedient to exclude them from receiving Shares pursuant to the Distribution In Specie on account of the legal restrictions under the applicable laws of the relevant jurisdictions where the CKH Holdings Shareholders or Beneficial CKH Holdings Shareholders are located or resident or the requirements of the relevant regulatory bodies or stock exchanges in those jurisdictions. The relevant Non-Qualifying CKH Holdings Shareholders will not receive any Shares.

The Shares which the Non-Qualifying CKH Holdings Shareholders would otherwise receive pursuant to the Distribution In Specie will be issued to a nominee, who will sell such Shares in the market as soon as reasonably practicable following the commencement of dealings in the Shares on the Stock Exchange. If the aggregate proceeds (net of expenses and taxes) from the sale of the Shares a Non-Qualifying CKH Holdings Shareholder would otherwise have received are HK$50 or more, such proceeds will be paid to the relevant Non-Qualifying CKH Holdings Shareholder in Hong Kong dollars in full satisfaction of the relevant Shares which such shareholder would otherwise have received pursuant to the Distribution In Specie. The CKH Holdings Board and the Board do not propose that the Shares be alloted and issued to CKH Holdings Shareholders in the United States as part of the Distribution In Specie unless it is determined that it can be done in transactions that are exempt from or do not require registration under the U.S. Securities Act.

As at the Latest Practicable Date:

(a) based on the information provided by CKH Holdings, there were 125 CKH Holdings Shareholders whose addresses as registered in the register of members of CKH Holdings were outside Hong Kong, namely in Australia, Canada, the Cayman Islands, France, Guyana, Macau, Malaysia, New Zealand, the Philippines, the PRC, Singapore, Switzerland, Taiwan, the United Kingdom and the United States; and

(b) based on the information provided by Hutchison, there were 508 Hutchison Shareholders whose addresses as registered in the register of members of Hutchison were outside Hong Kong, namely in Australia, Austria, Bermuda, Canada, France, Indonesia, India, Ireland, Japan, Kenya, Macau, Malaysia, New Zealand, Nigeria, the Republic of Panama, the Philippines, Portugal, the PRC, Republic of Korea, Singapore, Sri Lanka, Sweden, Switzerland, Tahiti, Taiwan, Thailand, the United Arab Emirates, the United Kingdom and the United States.

Based on the advice received and where relevant, taking into account the number of CKH Holdings Overseas Shareholders and Hutchison Overseas Shareholders in the relevant jurisdictions as at the Latest Practicable Date and/or the number of CKH Holdings Shares and Hutchison Shares they then held and assuming that the relevant legal requirements remain unchanged, the Excluded Jurisdictions are expected to be:

(i) Australia, on the basis that there are more than 20 CKH Holdings Overseas Shareholders whose addresses are registered in the register of members of CKH Holdings as at the Latest Practicable Date (the "**Australian Shareholders**");

(ii) the Cayman Islands, other than to any CKH Holdings Overseas Shareholders which are registered as Cayman Islands exempted companies or Cayman Islands exempted limited partnerships;

(iii) the United Arab Emirates; and

(iv) the United States, subject to "– *Limited categories of persons in the Excluded Jurisdictions who may be able to receive the Shares issued pursuant to the Distribution In Specie*" below,

and therefore, the CKH Holdings Overseas Shareholders in these Excluded Jurisdictions are expected to be Non-Qualifying CKH Holdings Shareholders. If, at the Record Time, there are 20 or fewer Australian Shareholders, Australia will not be classified as an "Excluded Jurisdiction" and the Australian Shareholders will not be Non-Qualifying CKH Holdings Shareholders.

With respect to the Excluded Jurisdictions, CKH Holdings will send a letter to CCASS Participants (other than CCASS Investor Participants) notifying them that, in light of applicable laws and regulations of the Excluded Jurisdictions, to the extent they hold any CKH Holdings Shares on behalf of any Beneficial CKH Holdings Shareholder with an address located in any of the Excluded Jurisdictions, they should sell the Shares which they receive pursuant to the Distribution In Specie on behalf of the CKH Holdings Overseas Shareholder and pay the net proceeds of such sale to such Beneficial CKH Holdings Shareholder. None of CKH Holdings, the Company or any of the Relevant Persons takes any responsibility for the sale of such Shares or the payment of the net proceeds of the sale of such Shares to any such underlying Beneficial CKH Holdings Shareholder.

If there is any other jurisdiction outside Hong Kong in which the address of any CKH Holdings Shareholder as shown in the register of members of CKH Holdings at the Record Time is located or any CKH Holdings Shareholder or Beneficial CKH Holdings Shareholder at the Record Time is otherwise known by CKH Holdings to be resident, and such CKH Holdings Shareholders should, in the view of the CKH Holdings Board and the Board having made the relevant enquiries and having considered the circumstances, be excluded from receiving the Shares pursuant to the Distribution In Specie on the basis of the legal restrictions under the applicable laws of such jurisdiction or the requirements of the relevant regulatory bodies or stock exchanges in such jurisdiction, the Company will make an announcement.

Limited categories of persons in the Excluded Jurisdictions who may be able to receive the Shares issued pursuant to the Distribution In Specie

Notwithstanding what is said in the section above, the following limited categories of persons in the Excluded Jurisdictions may be able to receive the Shares pursuant to the Distribution In Specie.

CKH Holdings Shareholders or Beneficial CKH Holdings Shareholders in the United States are generally Non-Qualifying CKH Shareholders. However, a limited number of CKH Holdings Shareholders and Beneficial CKH Holdings Shareholders in the United States who CKH Holdings and the Company reasonably believe are "qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act may be able to receive the Shares issued pursuant to the Distribution In Specie in transactions exempt from registration requirements of the U.S. Securities Act, provided that they fulfil relevant requirements to the satisfaction of CKH Holdings and the Company.

CKH Holdings and the Company reserve the right, in their absolute discretion, to determine whether to allow such participation, as well as the identity of the persons who may be allowed to do so.

Information for Overseas Shareholders

A summary of the requirements applicable to CKH Holdings Overseas Shareholders who are resident or located in certain jurisdictions is set out in "*Appendix VII – General Information – Information for Overseas Shareholders*".

THE SPIN-OFF

If the Spin-off proceeds, it will be implemented in compliance with the Listing Rules. The Spin-off will be effected through a listing of the Shares by way of introduction and the Distribution In Specie whereby the Qualifying CKH Holdings Shareholders will receive the relevant Shares. The Company is not offering any Shares for sale or subscription.

Objectives and Benefits of the Merger Proposal and the Spin-off

The Directors believe that the Merger Proposal and the Spin-off will achieve the following objectives and benefits for the Group and the CKH Holdings Group and their respective shareholders (as the case may be) as a whole:

(a) Shareholder value creation through the elimination of the holding company discount of Cheung Kong's stake in Hutchison

The Merger Proposal and the Spin-off should immediately realise value for shareholders through the elimination of the CKH Holdings holding company discount associated with the existing tiered shareholding structure as no Hutchison Shares will be held indirectly. Based on the closing price of the Cheung Kong shares on the Stock Exchange on 7 January 2015 (which was prior to the publication of the Announcement on 9 January 2015), the Cheung Kong shares were trading at a 23.0% and 26.0% discount to, or HK$87 billion or HK$102 billion less than, Cheung Kong's book equity value attributable to shareholders (being the shareholders' funds in the consolidated financial statements of Cheung Kong) as at 30 June 2014 and 31 December 2014, respectively (based on the unaudited consolidated financial statements of Cheung Kong for the six months ended 30 June 2014 and the audited consolidated financial statements of Cheung Kong for the year ended 31 December 2014), which included its approximately 49.97% stake in Hutchison. A part of this is attributable to the holding company discount on CKH Holdings' stake in Hutchison, which would be eliminated through the Merger Proposal and the Spin-off as shareholders will hold shares in CKH Holdings and the Company directly.

Since the exchange ratios for each of the Husky Share Exchange and the Hutchison Proposal have been determined by reference to the average closing prices of the shares of Cheung Kong and Hutchison for the five trading days up to (and including) 7 January 2015 and the average closing price of the Husky Shares for the five trading days up to (and including) 6 January 2015 with no premium or discount involved, all CKH Holdings Shareholders and Hutchison Shareholders will be able to benefit from the continuing growth of the distinct businesses of CKH Holdings and the Company.

(b) Greater transparency and business coherence

After completion of the Merger Proposal and the Spin-off, the business profiles of CKH Holdings and the Company will be very clearly delineated. As a result, shareholders and potential investors will be better able to differentiate and value the businesses of the CKH Holdings Group and the Group based on their respective earnings, cash flow and net asset value profiles. The increased transparency and greater coherence in the grouping of the existing businesses of the CKH Holdings Group and the Hutchison Group under the new structure is expected to enhance value, in particular given the differences between the valuation methodologies investors would normally apply to the property business of the Company and the diversified portfolio of infrastructure and consumer businesses of CKH Holdings.

The Merger Proposal and the Spin-off will align the businesses of each of CKH Holdings and the Company with their respective investor bases and eliminate the investment arbitrage that originates from valuation mismatch between CKH Holdings and Hutchison.

The Merger Proposal and the Spin-off will permit each of CKH Holdings and the Company to focus its strategic plans and growth opportunities independently and will allow the management of each of CKH Holdings and the Company to focus independently on the specific and distinct business characteristics of the Combined Property Businesses and the Combined Non-Property Businesses, respectively. The Merger Proposal and the Spin-off will also provide each of CKH Holdings and the Company greater flexibility in investing capital in a manner appropriate for its business strategy and facilitate a more company-specific allocation of capital, including increased strategic flexibility to make future acquisitions. Finally, the separation of the businesses of each of CKH Holdings and the Company

through the Merger Proposal and the Spin-off will permit each of CKH Holdings and the Company to reduce its exposure to unrelated risk and provide cost savings for each of CKH Holdings and the Company.

(c) Removal of the layered holding structure allows shareholders to directly invest in two separate listed vehicles alongside the Trust

As at the Latest Practicable Date, the Trust is the controlling shareholder (as defined under the Listing Rules) of CKH Holdings, which in turn owns approximately 49.97% of Hutchison. Following completion of the Merger Proposal and the Spin-off, the Trust, together with Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, will directly and/or indirectly hold approximately 30.15% of the shares of each of CKH Holdings and the Company, and the Li family will continue to chair and lead the management of both companies.

(d) All eligible shareholders to hold CKH Holdings Shares and the Shares directly, enhancing investment flexibility and efficiencies

Upon completion of the Merger Proposal and the Spin-off, all eligible CKH Holdings Shareholders and Hutchison Shareholders will hold CKH Holdings Shares and Shares directly. This will provide all shareholders with the choice to adjust their shareholdings in CKH Holdings and/or the Company according to their individual investment objectives and preferences.

(e) Enhanced size and scale

After completion of the Merger Proposal and the Spin-off, the CKH Holdings Group will be a multinational conglomerate of significant size and scale, operating in over 50 countries. Infrastructure assets currently owned by the CKH Holdings Group, which contributed HK$1.8 billion to the profit before tax in the financial year of 2014 for the Cheung Kong Group, will be combined with the infrastructure assets currently owned by the Hutchison Group in the consolidated accounts of CKH Holdings, and there will be an increased interest in the energy sector through CKH Holdings becoming the largest shareholder in Husky. In addition, the portfolio of the CKH Holdings Group will include the Hutchison Group's existing operations in the ports and related services, retail and telecommunications. The CKH Holdings Group's newly acquired business of ownership and leasing of movable assets will further diversify the CKH Holdings Group's business mix.

Upon Listing, the Group will be one of the largest property developers listed in Hong Kong with a leading market share in Hong Kong, strong penetration in the PRC and an international presence. As at 31 December 2014, the Combined Property Businesses (which will be held by the Group pursuant to the Property Businesses Combination) had a total attributable interest in approximately 1.6 million sq.m. of rental properties, a development land bank of approximately 15.8 million sq.m. (of which approximately 14.5 million sq.m. are located in the PRC) and more than 14,600 hotel rooms.

[REDACTED]

[REDACTED]

ARRANGEMENTS RELATING TO THE SALE OF ODD LOTS OF THE SHARES

In order to assist Shareholders to sell their odd lots of Shares received under the Distribution In Specie if they so wish, the Company has appointed [REDACTED] and [REDACTED] (the "**Odd Lot Traders**") to provide, on a best efforts basis, a service to match the sale and purchase of odd lots of Shares (the "**Matching Service**") during the period of 60 days commencing from (and including) the Listing Date (which is expected to be [REDACTED] 2015) (the "**Matching Period**").

In the event of successful matching, no brokerage will be charged by the Odd Lot Traders for the Shares sold as the Company has agreed to absorb this cost as part of the appointment of the Odd Lot Traders. The opening of trading accounts with the Odd Lot Traders for the purpose of the Matching Service is subject to satisfactory completion of requisite account opening procedures.

Any Shareholder wishing to make use of the Matching Service may contact the following persons during the Matching Period:

[REDACTED]

Shareholders who have brokerage accounts and who wish to sell their odd lots of Shares received under the Distribution In Specie may also approach and inform their brokers that the Odd Lot Traders will, on a best efforts basis during the Matching Period, provide liquidity for odd lots of Shares. Shareholders selling odd lots of Shares through their brokers to the Odd Lot Traders will be responsible for all fees (if any) payable to their brokers, but no additional brokerage will be payable by them to the Odd Lot Traders.

Holders of Shares received under the Distribution In Specie should note that the successful matching of odd lots of Shares and the provision of liquidity referred to above is not guaranteed. Shareholders are advised to consult their own professional advisers if they are in doubt about any of these arrangements.

RESPONSIBILITY STATEMENT

[REDACTED]

FORWARD-LOOKING STATEMENTS

This listing document contains forward-looking statements and opinions. All statements other than statements of historical facts contained in this listing document, including, without limitation, (a) the discussions of our business strategies, objectives and expectations regarding our future operations, margins, profitability, liquidity and capital resources, (b) the future development of, and trends and conditions in, the property industry and the general economy of the countries in which we operate or plan to operate, (c) our ability to control costs, (d) the nature of, and potential for, the future development of our business, (e) the estimated date of completion of our projects set out in "*Business – List of Properties*" and (f) any statements preceded by, followed by or that include words and expressions such as "expect", "believe", "plan", "intend", "aim", "estimate", "forecast", "project", "anticipate", "seek", "may", "will", "ought to", "would", "should" and "could" or similar words or statements, as they relate to the Group or our management, are intended to identify forward-looking statements.

These statements are based on assumptions regarding our present and future business, our business strategies and the environment in which we will operate. These forward-looking statements reflect our current views as to future events and are not a guarantee of our future performance. Forward-looking statements are subject to certain known and unknown risks, uncertainties and assumptions, including the risk factors described in "*Risk Factors*", which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements.

Subject to the requirements of applicable laws, rules and regulations, we do not have any obligation, and undertake no obligation, to update or otherwise revise the forward-looking statements in this listing document, whether as a result of new information, future events or developments or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this listing document might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements contained in this listing document are qualified by reference to the cautionary statements set out in this section.

In this listing document, statements of or references to our intentions or that of any of the Directors are made as at the date of this listing document. Any of these intentions may change in light of future developments.

You should carefully consider all the information set out in this listing document and, in particular, the risks and uncertainties described below before making an investment in the Shares. The occurrence of any of the following events could materially and adversely affect us. If these events occur, the trading price of the Shares could decline and you may lose all or part of your investment.

RISKS RELATING TO OUR BUSINESS

We are principally dependent on the performance of the real estate markets in Hong Kong and the PRC.

Most of our properties are located in Hong Kong and the PRC. Our business and prospects therefore principally depend on the performance of the real estate markets in Hong Kong and the PRC, in particular, Shanghai, Wuhan and Chengdu. Any adverse change in the demand for properties and any measures that the relevant governments may take to restrict the growth of the property market, or control the prices of properties or rental values in the places that we operate, particularly where we have or plan to develop properties, may materially and adversely impact our business, financial condition, results of operations and growth prospects.

The property markets in Hong Kong and the PRC are affected by many factors, including changes in the social, political, economic and legal environment and changes in the government's fiscal and economic policies. We are also sensitive to changes in economic conditions, consumer confidence, consumer spending and consumer preferences. Other factors beyond our control, such as levels of personal disposable income, may also affect consumer confidence in our geographic markets and demand for properties.

The Hong Kong and PRC property markets have experienced fluctuations in recent years in response to government policies and trends in the Hong Kong, PRC and global economies. There have been increasing concerns over the sustainability of the real estate market growth in Hong Kong and the PRC due to the slowdown of the PRC economy and the normalisation of U.S. monetary policy, as well as the general uncertainty of the global economy since the global financial crisis in 2008. In particular, certain cities in the PRC have experienced a cooling-down period in recent months as a result of the slowdown in the PRC economy and housing prices in certain cities may continue to decline. Any slowdown in the Hong Kong, PRC and global economies or financial turmoil in the future may materially and adversely affect the potential purchasers and tenants of our properties, which may lead to a decrease in the general demand for our properties and a decrease in the selling prices or rents of our properties.

The occurrence of any of the above may materially and adversely impact our business, financial condition, results of operations and growth prospects.

We may not always be able to obtain suitable land reserves at commercially reasonable cost and successfully identify and acquire suitable land for development at a cost comparable to our historical cost levels.

Our business is dependent upon our ability to identify and acquire suitable land at commercially reasonable costs and our ability to generate profit from the sale and lease of properties developed on such land. Therefore, we strive to maintain or replenish our land reserves at an appropriate pace, and target those land parcels of suitable size and appropriate scope of usage for our requirements, and in strategic locations, in order to position ourselves for sustainable growth in our business.

It may be difficult to obtain suitable land in Hong Kong, the PRC and other places where we operate at commercially reasonable cost due to strong competition from other developers and the limited amount of undeveloped land and land for redevelopment. Such development sites have generally become increasingly scarce and the costs of acquiring such sites have increased in recent years. As a result, our future growth prospects and results of operations may be materially and adversely affected if we are not able to acquire a sufficient amount of suitable new land for development at reasonable cost levels.

The land supply policies implemented by the governments in the places where we operate have a direct impact on our ability to acquire land and our land acquisition costs. In particular, the Hong Kong and the PRC governments control the land supply and regulate the means by which property developers may obtain land for property development. These measures may further intensify the competition for securing land and limit our ability to develop properties. Changes in government policies that reduce the land supply or limit our ability to tender for land may materially and adversely affect us.

The occurrence of any of the above may materially and adversely impact our business, financial condition, results of operations and growth prospects.

Our results of operations may be materially and adversely impacted by labour shortages and/or the rising cost of construction materials and labour.

As a result of economic growth and infrastructure development in Hong Kong and the PRC, prices for construction materials and wages for construction workers have increased in recent years. Furthermore, with the overall improvement of living standards in Hong Kong and the PRC as well as the PRC government's recent policies which aim at increasing the wages of migrant workers, we expect labour costs to continue to increase in the foreseeable future. In addition to the higher labour costs, competition for construction workers has intensified during the last few years as the demand for labour continued to increase in the places where we operate. For example, Hong Kong has been experiencing an increasing shortage of construction workers and service workers, which may cause disruptions to our property development business as we have been experiencing increasing difficulties in securing an adequate supply of skilled labour for our property development projects and investment properties. In addition, labour shortages in nearby regions such as Macau also further intensified the competition for labour supply in the region, which may negatively impact our operations.

Increases in the costs of construction materials and labour will likely prompt our contractors to increase their fee quotes for our new property development projects. Furthermore, as we typically pre-sell our properties prior to their completion, we may not be able to pass the increased costs onto the purchasers of our properties if costs of construction materials and labour increase subsequent to the pre-sale.

If the labour shortages continues to increase and/or if the costs of labour or construction materials continue to increase significantly and we are unable to offset such increases by reducing other costs or pass on such increases to the purchasers or tenants of our properties, our business, financial condition, results of operations and growth prospects may be materially and adversely impacted.

We rely on third party contractors for the construction of our property developments and other services and we cannot assure you that third party contractors will always meet our quality standards and provide services in a timely manner.

We rely on third party construction companies for construction of buildings for our property development projects. We also engage third party contractors to carry out various works, including, but not limited to, design, structural engineering, internal decoration, landscaping, and electrical and mechanical engineering. We generally select third party contractors through competitive bids and evaluate them based on factors including their competence, market reputation and our prior relationship with them, if any. Completion of our projects is subject to the satisfactory performance by these third party contractors of their contractual obligations, including their adherence to our quality and safety standards and the pre-agreed schedule for completion. We also strictly monitor the progress and quality of the contractors. However, we cannot assure you that the services provided by any of these third party contractors will be satisfactory or meet our requirements for quality and safety, or that their services will be completed on time. If the performance of any third party contractor proves unsatisfactory, or if any of them is in breach of its contractual obligations due to its financial difficulties or other reasons, we may need to replace such contractor or take other actions to remedy the situation, which could materially and adversely impact our costs and the progress of construction of our projects.

As we may expand our business into other geographic locations, there may be a shortage of third party contractors that meet our standards and, as a result, we may not be able to engage a sufficient number of high quality contractors in a timely manner. If the performance of any of these independent contractors or third parties is not satisfactory to our customers, our reputation may be adversely affected. In addition, we may be unable to offset an increase in the costs of labour or pass such costs on to the purchasers or tenants of our properties. Furthermore, any serious dispute with these third party contractors which we are unable to resolve could result in costly legal proceedings.

The occurrence of any of the above may materially and adversely impact our business, financial condition, results of operations and growth prospects.

We generate a significant portion of our turnover from the sale of properties, which depends on a number of factors, including the schedule of our property development and the timing of property sales.

For the years ended 31 December 2012, 2013 and 2014, approximately 61.6%, 46.0% and 76.9%, respectively, of the Cheung Kong Property Group's turnover and its share of property sales of joint ventures was derived from Hong Kong, and 38.4%, 50.9% and 19.2%, respectively, of the Cheung Kong Property Group's turnover and its share of property sales of joint ventures was derived from the PRC. For the same period, approximately 33.3%, 28.9% and 47.0% of the Hutchison Property Group's turnover and its share of property sales of joint ventures was derived from Hong Kong, and 65.4%, 65.6% and 42.1%, respectively, of the Hutchison Property Group's revenue and its share of property sales of joint ventures was derived from the PRC.

Our results of operations may fluctuate due to factors such as the schedule of our property development and the timing of our property sales. Turnover from property sales is recognised (i) either on the date of sale or on the date of issue of the relevant occupation or completion permit, whichever is later, and (ii) when the economic benefit accrues to the Cheung Kong Property Group or the Hutchison Property Group and (iii) when the significant risks and rewards of the properties accrue to the purchasers. Our revenue and results of operation may vary significantly from period to period depending on the number of properties completed during a specific period, which in turn depends on the capital requirements and the lead time required for completion of the construction projects. Furthermore, the timing of property sales is dependent on when we are able to obtain the requisite governmental approvals, and the time required for the approval process is beyond our control.

Fluctuations in our operating results may also be caused by other factors, such as changes in market demand for our properties. In addition, the cyclical property market affects the optimal timing for the acquisition of land, the planning of development and the sales of properties. As our results of operations relating to property development activities may be susceptible to significant fluctuations, our period-to-period comparisons of results of operations and cash flow positions should not be taken as meaningful measures of our financial performance for any specific period.

We may be unable to obtain, or may suffer material delays in obtaining, the relevant government approvals or be unable to take possession of the land parcels for our property development projects.

The real estate industries in Hong Kong and the PRC are regulated by the respective governments. In general, property developers must comply with various requirements mandated by applicable laws and regulations, including the policies and procedures established by the local authorities to implement such laws and regulations. Specifically, in order to conduct property development activities, property developers in Hong Kong and the PRC must obtain the relevant permits, licences, certificates and other approvals at various stages of the property development process. The grant of such permits, licences, certificates and other approvals is dependent on meeting certain conditions set by the authorities, which are often subject to the discretion of the relevant government authorities and to changes in new laws, regulations and policies, especially those with respect to the real estate industry.

Hong Kong

In Hong Kong, land is obtained from the government and is usually subject to various covenants in the conditions of grant and in the government leases, including land use and development restrictions. In addition, the Hong Kong government imposes restrictions on when development properties can be pre-sold prior to their completion. In recent years, our experience has been that it has taken a longer period of time to obtain approval to commence pre-sales of our development properties. As we typically pre-sell a significant portion of our development properties prior to their completion, such restrictions and the timing of obtaining approvals for pre-sales may affect our liquidity, restrict our cash flow position and limit our ability to generate sufficient funding for our operations.

PRC

In the PRC, in addition to obtaining the required permits, licences, certificates and other approvals, property developers must also develop the land according to the terms of the land grant contract, including those relating to the payment of fees, the designated uses of land and the time for

commencement and completion of development of the land. Any violation of the terms of the land grant contract may result in the relevant authorities issuing a warning to the developer, imposing a fine on the developer and/or forfeiting the land use rights.

In relation to the Group's PRC land interests as at the Latest Practicable Date, there were five instances where we could not take possession of the land parcels. The reasons for our inability to take possession of the land parcels included that the land parcels for development had not been cleared in time for handing over to the Group and also that certain conditions that had to be satisfied by others before the land could be developed had not been fulfilled. The relevant land parcels occupied a total site area of approximately 4.4 million sq.m.. This inability may in turn delay our development schedules with respect to these development sites.

We cannot assure you that we will not encounter problems in obtaining the necessary government approvals, in fulfiling the conditions required for obtaining the relevant approvals or in taking possession of the land parcels for our property development projects, or that we will be able to fulfill the obligations under the land grant contracts in the future including the time for commencement and completion of development or that we will be able to comply with new laws, regulations or policies that may come into effect from time to time with respect to the real estate industry in general or the particular processes with respect to the granting of the relevant approvals. If we are unable to obtain the relevant approvals or to fulfil the conditions of those approvals or take possession of the land parcels for our property development projects, these projects may not proceed on schedule or at all.

The occurrence of any of the above may materially and adversely impact our business, financial condition, results of operations and growth prospects.

Our turnover and profit levels are affected by our turnover mix and other factors and we may not be able to sustain our existing level of turnover or profit.

The Cheung Kong Property Group recorded turnover of approximately HK$19,192 million, HK$17,011 million and HK$24,038 million, respectively, for the years ended 31 December 2012, 2013 and 2014 and recorded profit for the year of approximately HK$17,063 million, HK$14,424 million and HK$17,316 million during the same periods. The Hutchison Property Group recorded turnover of approximately HK$6,237 million, HK$6,676 million and HK$6,901 million, respectively, for the years ended 31 December 2012, 2013 and 2014 and recorded profit for the year of HK$8,478 million, HK$9,392 million and HK$35,959 million during the same periods. Factors which may reduce our turnover and profit include:

- changes in the mix of our turnover sources, such as income from the sale of our property development, rental income from our investment properties and income from our hotels;
- increased market competition;
- measures implemented by the government that may dampen consumer sentiment;
- inability to achieve target sales volumes and selling prices;
- inability to achieve target rental rates, daily room rates and occupancy rates;
- a decrease in the fair value of our investment properties;

- our costs may not decrease in tandem with a reduction in turnover at our properties, as many of the expenses associated with owning and maintaining our properties are fairly fixed and inflexible and which include land costs, development costs, administrative expenses and selling and marketing expenses; and

- inability to negotiate volume discounts with suppliers on favourable terms.

We cannot assure you that we can maintain or increase our turnover or profit. We may not be able to sustain similar patterns or levels of turnover or profit in the future. The occurrence of any of the above may materially and adversely impact our business, financial condition, results of operations and growth prospects.

We may not be able to complete or deliver our property development projects on time, on budget, or at all.

The progress and costs of a development project can be adversely affected by many factors, including:

- changes in market conditions, economic downturns and decreases in business and consumer sentiment in general;

- delays in obtaining the necessary licences, permits or approvals from governments;

- delays in obtaining the necessary financing;

- changes in the timing of or results of property pre-sales;

- changes in government policies or relevant laws or regulations on a national and/or local level, including but not limited to, policies relating to the reclamation of land for urban development;

- relocation of existing residents and/or demolition of existing buildings;

- shortages of materials, equipment, contractors and labour;

- labour disputes;

- an ageing workforce and a mismatch in skills of the workforce;

- construction accidents;

- natural catastrophes and adverse weather conditions;

- geological conditions at our property development sites;

- structural issues, whether natural or man-made, in the foundation of our properties or in the areas surrounding our properties;

- the involvement of non-government organisations or other parties against a property development project for environmental or other reasons; and

- other unforeseen problems and circumstances.

Construction delays or the inability to complete the construction of a project according to our planned specifications, schedule or budget as a result of the above factors may affect our results of operations and financial position and may also adversely affect our customers' satisfaction. We cannot assure you that we will not experience any significant delays in the completion or delivery of our projects, or that we will not be subject to any liabilities to our customers, tenants or relevant governmental authorities for any such delays. With respect to pre-sold properties, delays in the completion and delivery of these properties beyond the contractual time limits may result in adverse contractual and other legal consequences, including interest or other payments being payable by us and the right of purchasers to rescind the relevant purchase contracts. Liabilities arising from any delays in the completion or delivery of our projects may materially and adversely impact our business, financial condition, results of operations and growth prospects. See "*Business – Development Properties* " for further information relating to our property development projects.

The historical financial statements of the Cheung Kong Property Group and the Hutchison Property Group may not be a reliable indicator of the future performance or indebtedness position of the Group following completion of the Property Businesses Combination.

Immediately following completion of the Property Businesses Combination, the Group will hold the property businesses of the Cheung Kong Property Group and the Hutchison Property Group. Historically, the Cheung Kong Property Group and the Hutchison Property Group have been managed and operated largely independently of each other. Many of their development projects in the PRC were conducted through joint ventures that were not consolidated in either company's financial statements. In particular, the Cheung Kong Property Group and the Hutchison Property Group historically did not consolidate their joint ventures' turnover as their respective turnover under the relevant IFRS accounting rules and profits contributed by their joint ventures were historically recorded as share of their respective profits from joint ventures. Immediately following completion of the Property Businesses Combination, a substantial portion of the joint ventures between the Cheung Kong Property Group and the Hutchison Property Group will become subsidiaries of the Company and be consolidated into the financial statements of the Group. As a result, the historical financial statements of the Cheung Kong Property Group and the Hutchison Property Group are not directly comparable to the future financial statements of the Group immediately following completion of the Property Businesses Combination, which will contain the results of operations, financial position and cash flows of the Combined Property Businesses and the joint ventures that will become subsidiaries of the Company as prepared and presented on a consolidated basis. See "*Financial Information – Significant Factors Affecting Comparability of Our Results of Operations*".

Our indebtedness could have an adverse effect on our financial condition, diminish our ability to raise additional capital to fund our operations and limit our ability to explore business opportunities.

We maintain a certain level of indebtedness to finance our operations. As at 31 January 2015, the Group had indebtedness amounting to approximately HK$142,925 million. Our indebtedness could have an adverse effect on us, for example by:

- requiring us to maintain certain financial ratios;

- requiring us to dedicate a large portion of our cash flow from operations to fund interest payments and repayments of our debt, thereby reducing the availability of our cash flow to expand our business;

- increasing our vulnerability to adverse general economic or industry conditions;

- limiting our flexibility in planning for or reacting to changes in our business or the industry in which we operate;

- limiting our ability to raise additional debt or equity capital in the future or increasing the cost of such funding;

- restricting us from making strategic acquisitions or taking advantage of business opportunities; and

- making it more difficult for us to satisfy our obligations with respect to our debt.

See "*Financial Information – Indebtedness – Loan Facilities*" for more details. In the future, we may from time to time incur substantial additional indebtedness, which could intensify the risks that we face as a result of our indebtedness.

Our ability to generate sufficient cash to satisfy our outstanding and future debt obligations will depend upon our future operating performance, which will be affected by, among other things, prevailing economic conditions, governmental regulations, the demand for properties in the places we operate and other factors, many of which are beyond our control. We may not generate sufficient cash flow to pay our anticipated operating expenses and to service our debts, in which case we will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditures, disposing of our assets, restructuring or refinancing our indebtedness or seeking equity capital. These strategies may not be implemented on satisfactory terms, or at all, and, even when implemented, may result in an adverse effect on our business, financial condition and results of operations.

Furthermore, our inability to meet payment obligations or to comply with affirmative covenants or required financial ratios or the violation of any restrictive covenants may constitute an event of default under the terms of our borrowings. If an event of default occurs, our lenders would be entitled to accelerate payment of all or any part of our outstanding indebtedness.

The occurrence of any of these events of default would materially and adversely impact our business, financial condition, results of operations and growth prospects.

Our profit and results of operations are subject to changes in interest rates.

Changes in interest rates have affected and will continue to affect our financing costs and, ultimately, our results of operations. Interest expense (including capitalised interest expense) on the Cheung Kong Property Group's borrowings incurred in the financial years ended 31 December 2012, 2013 and 2014 were HK$1,138 million, HK$1,309 million and HK$1,245 million, respectively. Interest expense (including capitalised interest expense) on the Hutchison Property Group's borrowings incurred during the same periods were HK$1,111 million, HK$1,116 million and HK$1,235 million, respectively. Immediately following completion of the Property Businesses Combination, the Group will also

consolidate into its balance sheet the loans of the joint ventures that will become its subsidiaries following the Property Businesses Combination. The Group's finance costs and interest expense will fluctuate with changes in interest rates.

Hong Kong

Our borrowings include amounts denominated in Hong Kong dollars. The interest rates on some of our outstanding Hong Kong dollar denominated borrowings are benchmarked to the Hong Kong interbank offered rates ("**HIBOR**") for Hong Kong dollars. We cannot assure you that the benchmark interest rate will not increase in the future, which would increase our financing costs and interest expense.

PRC

Our borrowings also include amounts denominated in RMB. The PBOC has from time to time adjusted its benchmark lending rates to respond to changes in the PRC and global economy. On 22 November 2014, the PBOC published and set the benchmark one-year bank lending rate at 5.6%. On 28 February 2015, the PBOC announced that effective on 1 March 2015, the benchmark one-year bank lending rate would be reduced to 5.35%. However, we cannot assure you that PBOC will not raise lending rates in the future.

As we also borrow from overseas banks and other financial institutions, changes in the prevailing interest rates in the global credit markets for the currencies we borrow may also affect us.

Any increase in the interest rates we pay on the currencies we borrow will increase our financing costs and the mortgage rates of our customers and may materially and adversely impact our business, financial condition, results of operations and growth prospects.

We may face significant risks before realising any benefits from property development.

One of our primary businesses is the development of properties for sale and investment. Property development typically requires substantial capital outlay during the land acquisition and construction phases and it may take a number of years before positive cash flows can be generated from a development. Depending on the size of the development, developing a property usually takes a number of years. Consequently, changes in the business environment during the course of the development may affect the revenue and cost of the development, as well as disrupt the scheduled timing of property sales, which in turn may affect the profitability of the project. Revenue generated by, and the value of, a property development may be adversely affected by a number of factors, including, but not limited to, international, regional and local economic environments, local property conditions, perceptions of purchasers and tenants as to the convenience and attractiveness of the projects, competition from other properties with respect to their selling prices for comparable properties and market rates for comparable leases. Factors that may affect the profitability of a project include the risk that the receipt of government approvals may take longer than expected, the inability to complete construction according to original specifications, schedule or budget, poor leasing markets for the properties and increased construction costs.

If any of the property development risks described above materialises, our returns on investments may be lower than originally expected, which may in turn result in a material and adverse impact on our business, financial condition, results of operations and growth prospects.

We may be subject to fines or sanctions if we do not pay land premiums or do not develop properties according to the terms of the land grant documents.

We are limited by the Hong Kong and PRC governments with respect to certain aspects of the development of our properties, and we must comply with the relevant regulations or be subject to the risk of penalties.

Hong Kong

In Hong Kong, land grants obtained from the government usually include a provision which stipulates when the land needs to be developed by ("**Building Covenant Period**"). If we do not complete the development before the expiry of the Building Covenant Period, there are provisions for re-entry by the government, unless the government grants an extension of the Building Covenant Period, in which case a payment is usually required to be made to the government for the extension.

PRC

Under PRC laws and regulations relating to idle land, if a developer fails to develop land according to the terms of the land grant contract (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 contract may also restrict a developer's ability to participate, or prevent it from participating, in future land bidding. Specifically, under current PRC laws and regulations:

- If we do not pay the required land grant premium by the stipulated deadline, we may be subject to confiscation of the deposit, late payment penalties or the repossession of the land by the government.

- If we do not commence development within one year from the commencement date stipulated in the land grant contract, the relevant PRC land bureau may serve a warning notice on us and impose an idle land fee on the land of up to 20% of the land grant premium, unless the delay in development is caused by government reasons or a force majeure event.

- If we do not commence development within two years from the commencement date stipulated in the land grant contract, the land use rights are subject to forfeiture to the PRC government unless the delay in development is caused by government reasons or force majeure.

In addition to the above, the land grant contracts also contain provisions that stipulate, among other things, the time frame for developing the land, the area to be developed and the total capital expenditure on the land development. If we do not complete the development according to the completion date stipulated in the land grant contract, we may be subject to a fine or land use rights forfeiture to the PRC government unless otherwise stipulated in the land grant contract. Even if we commence development of the land in accordance with the land grant contract, if the developed land area is less than one-third of the total land area, or if the total capital expenditure on land development is less than one-fourth of the total amount expected to be invested in the project, and the development of the land is suspended for over one year without government approval, the land will still be treated as idle land.

Furthermore, there are specific requirements regarding idle land and other aspects of land use rights grant contracts in many cities in the PRC, and the local authorities are expected to enforce such rules in accordance with instructions from the central government of the PRC. Where a holder of the right to use a plot of State-owned land for construction contracts engages in malicious hoarding or speculation of the land, current measures in place require the competent land authorities, among other things, not to accept any application for new land use rights or process any title transfer transaction, mortgage transaction, lease transaction or land registration application in respect of any idle land before such holder completes the required rectification procedures.

In relation to our PRC land interests as at the Latest Practicable Date, five development sites (with total site area of approximately 1.6 million sq.m.) had experienced delays in commencement of construction under the land grant contracts largely due to government reasons (including but not limited to changes to site planning and land delivery schedules). In relation to our PRC land interests as at the Latest Practicable Date, three development sites with total site area of approximately 1.2 million sq.m. had experienced delays in completion of development under the land grant contracts largely due to government reasons and the impact of third party activities. See "*Business – Legal and Regulatory Proceedings and Compliance Matters – PRC Property-Related Matters*" for further information on our PRC land-related issues, including the advice of our PRC counsels.

We cannot assure you that circumstances leading to the repossession of land or delays in the completion of a property development will not arise. If our land is repossessed, we will not be able to continue our 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, we cannot assure you that regulations relating to idle land or other aspects of land use rights will not become more restrictive or punitive in the future. If we do not comply with the terms of any land use rights grant contract as a result of delays in project development, or as a result of other factors, we may lose the opportunity to develop the project, as well as our past investments in the land, which may materially and adversely impact our business, financial condition, results of operations and growth prospects.

The appraised value of our properties may be different from the actual realisable value and is subject to change.

The appraised values of our properties as contained in "*Appendix III – Property Valuation*" are based on assumptions that include elements of subjectivity and uncertainty and may be subject to substantial fluctuations. Some of the key assumptions include:

- we will complete development projects on time;
- we have obtained or will obtain on a timely basis all approvals from regulators necessary for the development of the projects; and
- we have paid all the land grant premiums and obtained all land use rights certificates and transferable land use rights without any payment obligation of additional land grant premium.

In addition, the appraised value of our investment properties is based on key assumptions including their market position, levels of yield, rent and/or price. See "*Financial Information – Critical Accounting Policies and Estimates – Investment Properties Valuation*". Even though our property valuers adopted valuation methodologies used in valuing similar types of properties when preparing the property valuation reports, the assumptions adopted may prove to be incorrect.

As a result, the appraised values of our properties may differ materially from the price we could receive in an actual sale of the properties in the market and should not be taken as their actual realisable value or an estimation of their realisable value. For example, the Hong Kong property market is at or near historic peaks and has in the past been highly volatile and suffered significant falls in prices. Unforeseeable changes in the development of property development projects, as well as national and local economic conditions, may affect the value of our properties. In particular, the valuation of our investment properties could stagnate or even decrease if the market for comparable properties in the places where we operate experiences a downturn as a result of government austerity measures with respect to the property sector, any deterioration in the macroeconomic environment or for other reasons.

The occurrence of any of the above may materially and adversely impact our business, financial condition, results of operations or growth prospects.

Gains or losses arising from changes in the fair value of our investment properties are likely to fluctuate from time to time, and gains may decrease significantly and losses may rise significantly in the future.

We are required to reassess the fair value of our investment properties at every balance sheet date for which we issue financial statements. Under IFRS, gains or losses arising from changes in the fair value of our investment properties are included in our income statement for the period in which they arise. Our investment properties were revalued by independent property valuers as at 31 December 2012, 2013 and 2014 on an open-market-and-existing-use basis, which reflected market conditions on the respective dates. The Property Valuers also valued our investment properties as at 28 February 2015, which was conducted for the purpose of the valuation reports as set out in "*Appendix III – Property Valuation*". Based on the valuations provided by our independent property valuer, we recognised the aggregate fair market value of our investment properties and relevant deferred tax on our consolidated balance sheet and increases in fair value of investment properties and movements of the relevant deferred tax on our consolidated income statement. For the years ended 31 December 2012, 2013 and 2014, fair value gains of the Cheung Kong Property Group's investment properties amounted to HK$4,470 million, HK$1,782 million and HK$4,542 million, respectively, and accounted for approximately 24.4%, 11.2% and 24.0%, respectively, of its profit before taxation. For the same periods, fair value gains of the Hutchison Property Group's investment properties amounted to HK$859 million, HK$17 million and HK$28,088 million, respectively, and accounted for approximately 9.6%, 0.2% and 76.2%, respectively, of its profit before taxation. In particular, the significant increase in the fair value gain of the Hutchison Property Group's investment properties from 2013 to 2014 was due to high global liquidity and easing of investor concerns over a potential increase in interest rates that led to a boost in overall investor confidence and sentiment and accordingly a change in the assumptions (including a lower weighted average capitalisation ratio) used to value the investment properties as a result of a change in the market conditions.

Fair value gains or losses are not cash items and, as a result, do not correspondingly increase or decrease our cash and cash equivalents despite the increase or decrease in profit. The amount of revaluation adjustments has been, and will continue to be, subject to market fluctuations. As a result, we cannot assure you that changes in market conditions will, in the future, create gains arising from

changes in fair value of our investment properties at similar levels or at all, or that the fair value of our investment properties will not decrease in the future. In particular, the fair value of our investment properties could decline if the property markets in the regions where we operate experience a slowdown. Any such decrease in the fair value of our investment properties could materially and adversely affect our profitability.

We may be subject to negative consequences for the inability to register lease contracts or for leasing premises that lack the relevant title certificates

According to the relevant PRC laws and regulations, lease contracts are required to be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. During the Track Record Period, we did not strictly follow the requirements of the relevant laws and regulations in relation to the registration of lease contracts. Non-registration of the lease contracts does not affect the validity of the lease contracts under the relevant PRC laws and regulations. Non-registration of a lease contract can, however, result in the imposition of a maximum fine of RMB10,000 for each non-registered lease contract. Should such fines be imposed, the maximum penalty we could be required to pay would be less than RMB1 million as of the Latest Practicable Date. In addition, from time to time, premises that we lease may not possess the relevant title certificate resulting from the landlords' inability to obtain such documents. This may result in third parties challenging our interests in the respective leased properties and may require us to seek alternative premises for some of the properties that we leased. There can be no assurance that legal disputes or conflicts concerning such leases and tenancies will not arise in the future. See "*Business – Legal and Regulatory Proceedings and Compliance Matters – PRC Property-Related Matters*" for further information on other PRC land-related matters.

The occurrence of any of the above conflicts or disputes or the imposition of fines could require us to make additional efforts and/or incur additional expenses, any of which may materially and adversely impact our business, financial condition, results of operations and growth prospects.

Certain portions of our properties are designated as civil air defence properties.

Pursuant to the PRC Law on National Defence 《中華人民共和國國防法》 promulgated by the National People's Congress (the "**NPC**") in March 1997 and amended in August 2009, national defence assets are owned by the state. Pursuant to the PRC Law on Civil Air Defence 《中華人民共和國人民防空法》 (the "**Civil Air Defence Law**") promulgated by the NPC on 29 October 1996 and amended on 27 August 2009, civil air defence is an integral part of national defence. As at the Latest Practicable Date, certain areas of our properties are considered to be civil air defence properties. As at 31 December 2014, such civil air defence properties had an aggregate GFA of approximately 773,183 sq.m. and had a carrying amount of RMB372.5 million.

In addition, under the Civil Air Defence Law, while an investor in civil air defence properties can use and manage civil air defence properties in times of peace and profit therefrom, such use must not impair their functions as civil air defence properties. The design, construction and quality of the civil air defence properties must also conform to the protection and quality standards established by the PRC government. If we do not maintain the civil air defence properties in accordance with the applicable laws and regulations, we may be subject to adverse legal consequences. Furthermore, in the event that the PRC government declares a state of war, the PRC government may take over the civil air defence properties as civil air defence shelters. If we do not provide the civil air defence properties when required by the PRC government in such times of war, we may be subject to sanctions or other penalties imposed by the PRC government.

The occurrence of any of the above may materially and adversely impact our business, financial condition, results of operations and growth prospects.

Our provisions for land appreciation tax in the PRC could prove to be insufficient.

Our PRC properties developed for sale are subject to LAT. Under PRC tax laws and regulations, all income derived from the sale or transfer of land use rights, buildings and their ancillary facilities in the PRC is subject to LAT on the appreciation of land value at progressive rates ranging from 30% to 60%. LAT is calculated based on proceeds received from the sale of properties less deductible expenditures as provided in the relevant tax laws. We make provisions for the full amount of applicable LAT in accordance with the relevant PRC tax laws and regulations from time to time pending settlement with the relevant tax authorities. Provisions for LAT are made based on our own estimates including, among other things, our own apportionment of deductible expenses which is subject to final confirmation by the relevant tax authorities upon settlement of the LAT. We only prepay a portion of such provisions each year as required by the local tax authorities.

We cannot assure you that the relevant tax authorities will agree with our calculation of LAT liabilities, nor can we assure you that the LAT provisions will be sufficient to cover our LAT obligations in respect of the past LAT liabilities of the Combined Property Businesses. If the relevant tax authorities determine that our LAT liabilities exceed our LAT prepayments and provisions and seek to collect that excess amount, our cash flow, results of operations and financial condition may be materially and adversely affected. As there are uncertainties as to when the tax authorities will enforce the LAT collection and whether they will apply LAT collection retrospectively to properties sold before the enforcement, any payment as a result of the enforcement of LAT collection may restrict our cash flow position and our ability to finance our land acquisitions and execute our business plans.

The occurrence of any of the above may materially and adversely impact our business, financial condition, results of operations and growth prospects.

We may be liable to purchasers of our properties for damages if we do not deliver strata-title building ownership certificates in a timely manner.

Property developers in the PRC are typically required to deliver to the purchasers the relevant strata-title building ownership certificates within a time frame set out in the property sale and purchase agreement. Property developers generally elect to specify the deadline for the delivery in the property sale and purchase agreements to allow sufficient time for the application and approval processes. Under current regulations for applying for strata-title building ownership certificates, property developers must first file an application with and submit the required materials to the relevant local authority. Upon receiving the complete application materials in statutory form, the relevant local authority will accept or reject the application within 30 working days. If the application is accepted, property developers must then submit, within the required periods after delivery of the properties, the relevant property sale and purchase agreements, the purchasers' identification documents, proof of deed tax payment, together with the general property ownership certificates, for review by the relevant local authority and the subsequent issuance of the strata-title building ownership certificates. Delays by the various administrative authorities in reviewing the application and granting approval as well as other factors may delay delivery of the general and strata-title building ownership certificates. In the event of a late delivery of any strata-title building ownership certificate due to delays which are deemed to be caused by us, the purchaser would be able to terminate the property sale and purchase agreement, reclaim the

payment and claim damages. We cannot assure you that we will not incur material liabilities to purchasers in the future for the late delivery of strata-title building ownership certificates due to our fault or for any reason beyond our control.

The occurrence of any of the above may materially and adversely impact our business, financial condition, results of operations and growth prospects.

We are subject to fines and may be required to cease operating property development projects if we do not obtain and/or renew valid qualification certificates.

In accordance with the Regulations on Administration of Urban Real Estate Development 《城市房地產開發經營管理條例》 promulgated by the State Council of the PRC in July 1998 (the "**Development Regulations**"), the Provisions on Administration of Qualifications of Real Estate Developers 《房地產開發企業資質管理規定》 (the "**Provisions on Administration of Qualifications**") promulgated by the Ministry of Construction in March 2000 and other relevant laws and regulations, property developers in the PRC are required to obtain the relevant class of qualification certificates for the development of certain types of properties and certain sizes of property developments. The Development Regulations provide that when an enterprise engages in the development and sale of real estate without any qualification certificates or a property developer engages in the development and sale of real estate beyond the class of its qualification certificate, it must rectify the non-compliance within the time limit set by the real estate development authorities under the local government on or above the county level, and is also subject to a fine ranging from RMB50,000 to RMB100,000. If the property developer does not rectify the non-compliance within the time limit, its business licence may be revoked by the Administration for Industry and Commerce. Typically, qualification certificates of property developers are inspected on an annual basis. The property developer's registered capital, property development investments, history of property development, quality of property construction, quality control system, management expertise or any illegalities on the part of the developer will be taken into account by the relevant authorities in deciding whether to approve or renew qualification certificates of the property developers and whether to approve the annual inspection of the qualification certificates. If we are unable to obtain, renew or pass the annual verification of the requisite qualification certificates or rectify any non-compliance, we may not be able to carry on all or part of our business. If any of our project companies is unable to obtain, renew or pass the annual inspection of the qualification certificates, that project company may not be permitted to continue to engage in real estate development or to conduct any pre-sales for that development.

The occurrence of any of the above may materially and adversely impact our business, financial condition, results of operations or growth prospects.

We may be adversely affected by material issues that affect our relationships or business ventures with our joint venture partners.

We carry out, and expect to carry out in the future, some of our business through joint ventures or ventures with third parties. Such joint venture arrangements involve a number of risks, including:

- with respect to joint ventures involving a joint venture company, we may not be able to pass certain important board resolutions requiring unanimous consent of all the directors of our joint venture companies if there is a disagreement between us and our joint venture partners;

- any disagreement with any of our joint venture partners in connection with the scope or performance of our respective obligations under the joint venture arrangements might affect our ability to develop or operate a property;

- our joint venture partners may be unable or unwilling to perform their obligations under the joint venture arrangements with us, including their obligations to make required capital contributions and shareholder loans, whether as a result of financial difficulties or otherwise;

- our partners may have economic or business interests or goals that are inconsistent with those of the Group;

- our partners may take action contrary to our requests or instructions, or contrary to our policies or objectives with respect to our property development; or

- our partners may face financial or other difficulties affecting their ability to perform their obligations under the relevant joint venture with us.

The occurrence of any of the above may materially and adversely impact our business, financial condition, results of operations and growth prospects.

We may not have adequate capital resources to fund our land acquisitions and future property developments.

Property development is capital intensive. Our property development projects are generally funded through amounts due to the Combined Non-Property Businesses, cash generated from operations and bank borrowings. Prior to the Listing, the Cheung Kong Property Group and the Hutchison Property Group centralised their cash management at their respective former parent groups (namely, the Cheung Kong Group and the Hutchison Group). This centralised cash management included advances from their respective former parent groups and transfers of income from operations from the Cheung Kong Property Group and the Hutchison Property Group to their respective former parent groups. In the future, we intend to fund our operations primarily from cash generated from operations, bank borrowings and funding raised from the capital markets. A number of factors, such as general economic conditions, our financial performance, availability of credit from financial institutions and monetary policies, may affect our ability to obtain adequate financing for our projects on favourable terms. Many of these factors are beyond our control. In recent years, global credit markets have tightened significantly with the failure and/or the nationalisation of a number of large financial institutions in Europe, the United States and other countries. Financial institutions are generally more cautious in lending funds to companies, and as a result, companies may face increased financing costs as they may only be able to procure funds from financial institutions with increased interest rates applied to their funds. There can be no assurance that our existing major lenders will not change their lending policies, increase our funding costs and, or, adopt a more cautious credit stance as a result of the overall economic climate, or any other factors that may limit our ability to obtain credit on favourable terms and affect our options for obtaining liquidity.

The PRC government has also in recent years taken a number of measures to further tighten lending requirements for property developers, which, among other things:

- prohibit PRC commercial banks from financing the payment of land grant premiums;

- prohibit PRC commercial banks from extending any existing loans or granting any revolving credit facilities in any form to property developers that hold idle land for speculation, hoard properties and drive up property prices;

- prohibit PRC commercial banks from taking properties of property developers that have been vacant for more than three years as security for loans;

- prohibit PRC commercial banks from granting loans to development projects that fail to meet project capital ratio requirements or lack the required government permits and certificates;

- prohibit property developers from using borrowings obtained from any local banks to fund property developments outside that local region; and

- prohibit a foreign-funded enterprise that fails to make full payment of its registered capital, fails to obtain the land use rights certificate or fails to use at least 50% of its total project investment funding for project development purposes, from applying for any domestic or overseas loans.

In addition, the PBOC sets the benchmark lending rates and regulates the reserve requirement ratio for commercial banks in the PRC, which affects the availability and cost of financing from them. The PBOC has adjusted the bank reserve requirement ratio several times in recent years. Moreover, the PRC government has also introduced new monetary policies in recent years that have resulted in the tightening and loosening of liquidity in the market depending on whether the government raises or lowers bank interest rates and bank reserve requirement ratios, which has resulted in fluctuations in our business and results of operations. We cannot assure you that the PRC government will not introduce other measures which may limit our access to capital resources.

The above and other governmental actions and policy initiatives may limit our flexibility and ability to use bank loans or financings from other financial institutions, to finance our property developments and therefore may require us to maintain a relatively high level of internally sourced cash. If we are unable to fund our projects on reasonable terms, our business, financial condition, results of operations and growth prospects may be materially and adversely impacted.

We are partially dependent on rental income from our rental portfolio and any downturn in the rental market for commercial and residential properties could negatively affect the demand for our rental properties and the amount of rental income we earn.

Leasing of our rental portfolio constitutes an important part of our business. For the years ended 31 December 2012, 2013 and 2014, property rental income of the Cheung Kong Property Group amounted to HK$1,867 million, HK$1,961 million and HK$1,908 million, respectively, and constituted approximately 9.7%, 11.5% and 7.9%, respectively, of its total turnover. For the same period, property rental income of the Hutchison Property Group amounted to HK$3,318 million, HK$3,682 million and HK$3,995 million, respectively, and constituted approximately 53.2%, 55.2% and 57.9%, respectively, of its total turnover. We are subject to risks associated with the ownership and operation of commercial and residential properties including, amongst other things, changes in market rental levels, competition for tenants, costs resulting from on-going maintenance and repair and inability to collect rent from tenants or renew leases with tenants due to bankruptcy, insolvency or other financial difficulties. In addition, we may not be able to renew leases with our tenants on terms acceptable to us, or at all, upon the expiration of the existing terms. Furthermore, any downturn in the rental market for commercial and

residential properties could negatively affect the demand for our rental properties and the amount of rental income we earn, which may materially and adversely impact our business, financial condition, results of operations and growth prospects.

We may not be able to continue to attract and retain quality tenants.

Our investment properties compete for tenants with other properties on the basis of, amongst other things, location, quality, maintenance, property management, rent levels and other lease terms. We cannot assure you that existing or prospective tenants will not choose other properties. Any future increase in the supply of properties which compete with ours would increase the competition for tenants and as a result we may have to reduce rent or incur additional costs to make our properties more attractive. If we are not able to retain our existing tenants or attract new tenants to replace those that leave or to lease our new properties, our occupancy rates may decline. If we are unable to attract well-known brands as our tenants or keep our existing tenants who bring in well-known brands to our properties, our investment properties may become less attractive and competitive.

The occurrence of any of these events may materially and adversely impact our business, financial condition, results of operations and growth prospects.

The results of operations of our property rental and property management businesses may be materially and adversely impacted by the lack of effective management of our investment properties and development properties.

Our results of operations depend, to a certain extent, on rental income from our investment properties, which in turn is dependent upon the effective management of these properties. We rely primarily on services from the property management division of the Cheung Kong Property Group to provide property management services to our investment properties. However, we cannot assure you that our investment properties will continue to be effectively managed and maintained. If our investment properties are not maintained in a manner consistent with the required quality standards, we may not be able to retain our existing tenants and may also be unable to attract prospective quality tenants. The inability of the Cheung Kong Property Group to manage our investment properties in an efficient, effective and professional manner could therefore have a material and adverse effect on us. In addition, we consider property management to be an important element of after-sales services provided to our customers with respect to properties that we have sold. Ineffective property management in this regard may also result in damage to our overall brand and reputation.

The occurrence of any of the above may materially and adversely impact our business, financial condition, results of operations and growth prospects.

We incur high maintenance and operating costs in operating our investment properties and hotels, and these costs may increase.

Our investment properties and hotel businesses consume a large quantity of utilities such as gas, water and electricity. We are generally not able to influence the prices which utility providers charge us, nor can we easily switch to different utility providers. Any price increase or change in pricing structure from these utility providers could have an adverse effect on our operating costs. In addition, increases in the prices of other products and services which we procure to maintain our services to our tenants and guests could increase our operating costs. If we are not able to pass these higher operating costs on to our customers, our business, financial condition, results of operations and growth prospects may be materially and adversely impacted.

In addition, operating investment properties and hotels involves a significant amount of fixed costs, including maintenance costs as well as employee and staff salaries and expenses. These fixed costs limit our ability to respond to adverse market conditions by minimising costs. Such costs may have an adverse impact on our profitability when the property rental and hotel industries experience a downturn and may exacerbate a decline in occupancy rates, rental rates or room rates.

Any significant increase in maintenance costs may materially and adversely impact our business, financial condition, results of operations and growth prospects.

Our investment properties and hotels may encounter temporary closures, reduced turnover or lower occupancy rates as a result of repairs, refurbishments and/or the redevelopment or renovation of the properties or neighbouring properties.

Our investment properties and hotels may require repairs and refurbishments which may require significant capital expenditures. Our investment properties and hotels may also need to undergo redevelopment or renovation works from time to time to retain their attractiveness and may also require maintenance or repairs. Such repairs, refurbishments, redevelopments or renovations of our investment properties and hotels may impact our ability to attract tenants at our investment properties and customers for our hotels and their facilities. In some circumstances, such repairs, refurbishments, redevelopments or renovation may require the temporary closure of an investment property or hotel or the related facilities within the investment property or hotel. As a result, during periods of any such repairs, refurbishments, redevelopments or renovations, we may experience a reduction in occupancy rates, rental income and/or average room rates of the investment property or hotels and the number of customers using the catering facilities at these properties.

Furthermore, buildings in the proximity to any of our investment properties and hotels may be demolished or redeveloped for alternative uses, which may cause disruption to operations at our investment properties and hotels. This may in turn negatively impact the revenue, attractiveness and valuation of our investment properties and hotels. Moreover, any development or redevelopment of neighbouring properties could add properties that compete with our investment properties and hotels.

The occurrence of any of the above may materially and adversely impact our business, financial condition, results of operations and growth prospects.

We rely on third party hotel management companies to manage the day-to-day operations of some of our hotels pursuant to the hotel management agreements.

Pursuant to the hotel management agreements between the third party hotel management companies and us, the hotel management companies supervise the day-to-day operations and marketing of the hotels they manage. As such, we are dependent on these third party hotel management companies to manage such functions for the relevant hotels and are exposed to risks which are beyond our control, including the third party hotel management companies or their parent companies suffering from financial difficulties. If the third party hotel management companies are unable to maintain the quality and adequate supply of various levels of hotel management personnel as stipulated under the hotel management agreements, the business, financial condition, results of operations and growth prospects of our hotel business may be materially and adversely impacted.

The hotel management agreements generally require us and the third party hotel management companies to comply with operational and performance conditions that are subject to interpretation and could result in disagreements or termination of the hotel management agreements. In addition, any

contractual or other disagreements with the third party hotel management companies may adversely impact our relationships with these hotel management companies. If any of the hotel management agreements is terminated prior to its expiration, we may experience disruptions to our hotel operations while we seek to replace the relevant hotel management company. In addition, the relevant hotel would need to be rebranded, which would likely involve a substantial initial outlay for the marketing, refurbishment, branding and hospitality items and fixtures and furniture of the hotel, and it may take several years for a successful operation to be re-established under the new brand. The disruption and costs associated with the termination of a hotel management agreement may be significant and may materially and adversely impact the business, financial condition, results of operations and growth prospects of our hotel business.

If our suppliers do not deliver high quality food, beverage and other supplies to our restaurants at our hotels at competitive prices or in a timely manner, we may experience supply shortages and reduced profitability.

The ability to source quality food ingredients and beverages at competitive prices in a timely manner is important to our hotel business. Our ability to maintain consistent quality and maintain our menu offerings throughout our restaurants depends in part upon our ability to acquire fresh food products and beverages and related supplies from reliable sources that meet our quality specifications and in sufficient quantities. We are exposed to the risks that we will not be able to obtain supplies in sufficient quantities or of a sufficient quality and that the price of our supplies will rise significantly. A disruption of our food or beverage supplies could occur for a variety of reasons, many of which are beyond our control and this could increase our food and beverage costs and/or cause shortages of food, beverages and other supplies at our restaurants. These factors may materially and adversely impact the business, financial condition, results of operations and growth prospects of our hotel business.

We face risks related to instances of food-borne illnesses, food contamination and the associated liability claims.

As we provide food and beverage and banquet services at our hotels, we face an inherent risk of our food and beverages being found to be unfit for consumption or causing illness due to contamination or degeneration, tampering by third parties or other problems arising during the various stages of procurement, transportation, preparation and storage, as well as the associated liability claims. Our food quality depends partly on the quality of the food ingredients and raw materials provided by our suppliers. We may not be able to detect all defects in our supplies and food contamination that could be caused by third party food suppliers or other factors which are outside of our control. Due to the scale of our operations, we also face the risk that certain of our employees may not adhere to our mandated procedures and requirements. If we are unable to detect defective food supplies or observe proper hygiene and other quality control requirements or standards in our operations, this could adversely affect the quality of the food we offer, which could lead to liability claims, complaints and related adverse publicity, reduced customer traffic at our hotels and restaurants, damage to our reputation and brand and the imposition against us of penalties by relevant authorities and compensation awards by courts.

Additionally, we are subject to extensive and stringent health and sanitation laws and regulations that impose fines and/or suspension or revocation of licenses for violation of such laws and regulations. Furthermore, these laws and regulations are constantly evolving, and we cannot assure you that the relevant government or authority will not impose additional or stricter laws or regulations, the compliance with which may cause us to incur significant costs which we may not be able to pass on to our customers. If we are unable to comply with existing or future health and sanitation laws and

regulations or do not meet public expectations in relation to health and sanitation, our business, financial condition, results of operations and growth prospects may be materially and adversely impacted.

The illiquidity of investment properties and the lack of alternative uses of investment properties and hotels may significantly limit our ability to respond to adverse changes in the performance of our investment properties.

Property investments in general are relatively illiquid; accordingly our ability to sell promptly one or more of our investment properties in response to changing economic, financial and investment conditions is limited. The property market is affected by various factors, such as general economic conditions, availability of financing, interest rates and supply and demand, many of which are beyond our control. We cannot predict whether we will be able to sell any of our investment properties for the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a purchaser and to complete the sale of a property. Moreover, we may also need to incur capital expenditure to manage and maintain our properties or to correct defects or make improvements to these properties before selling them. We cannot assure you that financing for such expenditures will be available when needed, or at all. In addition, if we sell an investment property during the term of that property's management agreement or tenancy agreement, we may have to pay termination fees to our retail tenants.

Furthermore, the ageing of investment properties, changes in economic and financial conditions or changes in the competitive landscape in the property market may adversely affect the amount of rentals and revenue we generate from, as well as the fair value of, our investment properties. However, hotels and investment properties may not be readily converted to alternative uses, as such conversion requires extensive governmental approvals and involves substantial capital expenditures for the purpose of renovation, reconfiguration and refurbishment. We cannot assure you that we will obtain the necessary approvals and sufficient funds to carry out the required conversion. These factors and any others that would impede our ability to respond to adverse changes in the performance of our hotels and investment properties could affect our ability to compete against our competitors and our results of operations.

The occurrence of any of the above events may materially and adversely impact our business, financial condition, results of operations and growth prospects.

Our success depends on the continued services of our executive Directors, our senior management team and employees.

Our success depends on the continued services provided by our executive Directors, senior management team and other employees. Competition for talented employees is intense in the property sector. If members of our core management team leave the Group and we are unable to find suitable replacements, our business could be adversely affected. In addition, as we continue to expand our business, we will need to employ, train and retain more employees. If we cannot attract, train and retain qualified employees, our business, financial condition, results of operations and growth prospects may be materially and adversely impacted.

We may not be able to integrate the Combined Property Businesses successfully and the integration process may disrupt our business operations.

Immediately following completion of the Property Businesses Combination, the Combined Property Businesses will be held by the Group. Historically, the property businesses of the Cheung Kong Property Group and the Hutchison Property Group have been managed and operated largely independently of each other. The Property Businesses Combination may give rise to certain challenges when integrating the policies, procedures, staffing and other aspects of the daily operations of the two property businesses and those of the joint ventures that will be consolidated and become subsidiaries of the Company. In addition, there are risks involved in integrating industry and intellectual know-how, as well as information and technological systems and other logistical functions. The inability to integrate the Combined Property Businesses may result in disruptions to the business operations of the Group and may materially and adversely impact our business, financial condition, results of operations and growth prospects.

We may be involved in disputes and legal and other proceedings arising out of our operations from time to time and may face significant liabilities as a result.

We may be involved in disputes arising out of the development, sale or leasing of our properties with contractors, suppliers, construction workers, residents, tenants, residents of surrounding areas, joint venture partners, purchasers, vendors or other parties. These disputes may lead to protests, legal or other proceedings and may damage our reputation and divert our resources. Significant costs may have to be incurred in defending ourselves in such proceedings. If we are not successful in defending ourselves in such proceedings, we may be liable for damages, the amount of which may be significant. In addition, we may have disagreements with regulatory bodies in the course of our operations, which may subject us to administrative proceedings or unfavourable decrees that may result in liabilities and cause delays to our property developments. We may also be involved in disputes or legal proceedings in relation to delays in the completion and delivery of our projects.

The occurrence of any of the above may materially and adversely impact our business, financial condition, results of operations and growth prospects.

We may suffer losses from fluctuations in exchange rates.

We record our results in Hong Kong dollars but certain of our subsidiaries, joint ventures and associates record turnover and incur expenses in other currencies. Any currency fluctuations may impact translation of the accounts of these subsidiaries, joint ventures and associates, and the repatriation of earnings, equity investments and loans, and ultimately, our business.

The exchange rates between the Hong Kong dollar and RMB, the U.S. Dollar and other foreign currencies are affected by, among other things, changes in the political and economic conditions of the issuing jurisdictions of the currencies. In July 2005, the PRC government changed its policy of pegging the value of RMB to the U.S. Dollar. This change in policy resulted in RMB appreciating against the Hong Kong dollar, the U.S. Dollar and certain other foreign currencies. The PRC government has been facing pressure from foreign countries to adopt a more flexible currency system, which may lead to further appreciation of RMB. RMB may be revalued further against the Hong Kong dollar, U.S. Dollar or other currencies or may be permitted to enter into a full or limited free float, which may result in appreciation or depreciation in RMB against the Hong Kong dollar, the U.S. Dollar or other currencies.

If the exchange rates of the Hong Kong dollar against RMB and other currencies continues to fluctuate, this may materially and adversely impact our business, financial condition, results of operations and growth prospects. See "*Financial Information – Qualitative and Quantitative Disclosure About Market Risk – Foreign Exchange Risk*" for more information on the potential impact on currency fluctuation on our results of operations.

We may suffer losses arising from uninsured risks.

We have insurance in place in relation to our development properties, investment properties and hotels and serviced suites. Certain of our insurance policies require renewal every year and we are therefore exposed to the volatility of insurance costs. For further information, please see "*Business – Insurance*". Our insurance may not fully indemnify us for all potential losses, damages or liabilities related to our properties. This is because in the jurisdictions in which we operate, there are certain exposures which are excluded under some of our insurance programmes or for which insurance is not available on what we consider to be reasonable commercial terms. Such exposures include potential losses which might arise as a result of war, terrorism, pollution, fraud, professional negligence and acts of God. Our insurers may become impaired and find themselves financially unable to meet claims. As a result of large losses sustained by the international insurance market, insurers may exclude certain risks when we renew our insurance programmes. If we suffer from any losses, damage or liabilities in the course of our operations arising from events for which we do not have any or adequate insurance cover, we may not have sufficient funds to cover any such losses, damages or liabilities or to replace any property that has been destroyed.

The occurrence of any of the above events and the resulting payment we make to cover any losses, damages or liabilities may materially and adversely impact our business, financial condition, results of operations and growth prospects.

We are exposed to various types of taxes in the jurisdictions in which we operate or have a presence.

As our operations are primarily based in Hong Kong and the PRC, the income and gains derived by us are primarily exposed to tax laws in Hong Kong and the PRC. In addition, the current PRC tax system is being reformed such that the Business Tax, which is a tax on turnover without accounting for input tax credits, will be replaced by the Value-Added Tax ("**B2V Pilot Programme**"). The B2V Pilot Programme will be expanded to include all industries currently not under the programme, including the real estate, hospitality, construction and financial industries. The coverage expansion is projected to be completed in 2015. As the relevant PRC authorities have not yet announced the details of how the B2V Programme will apply to these industries, including the tax rates to be imposed, it is difficult to assess its impact on our business. Furthermore, the income and gains derived by us are exposed to various types of taxes in other jurisdictions where members of the Group operate including Singapore, the United Kingdom and The Bahamas. These may include stamp duties, turnover taxes, income taxes as well as withholding taxes and other taxes payable on dividends and other distributions. While we intend to manage our tax situation in each of these jurisdictions efficiently and to ensure compliance with the applicable tax rules and regulations, there can be no assurance that the estimated tax outcome will be achieved. In addition, the level of taxation in each of these jurisdictions is subject to changes in laws and regulations as well as changes in the application of existing laws and regulations by tax authorities, and such changes may lead to an increase in our effective tax rates. We will also be subject to taxes in any new jurisdictions in which we acquire properties, and similar risks will apply in respect of such taxes.

All of these factors may materially and adversely impact our business, financial condition, results of operations and growth prospects.

TUT1 (as trustee of UT1) will have a substantial shareholding in the Company and its interests may not be aligned with the interests of the other Shareholders.

Immediately following completion of the Spin-off, the Trust will directly and/or indirectly hold approximately 26.66% of our total issued share capital. As part of such shareholding, approximately [REDACTED]% of our issued share capital will, immediately following completion of the Spin-off, be held by Li Ka-Shing Unity Trustee Company Limited (being TUT1) as trustee of The Li Ka-Shing Unity Trust (being UT1). Such shareholding may, for the foreseeable future, confer on that Shareholder through its voting rights the ability to exercise influence over our operations and business strategy, such as matters related to the composition of our Board, the amount and timing of dividends and other distributions, the issuance of securities and adjustments to our capital structure, amendments to the Memorandum and Articles of Association, and other corporate actions requiring approval of the Shareholders, including merger, consolidation or sale of our assets, or any other change of control event that may benefit our other Shareholders generally. Such voting power may discourage certain types of transactions, including those involving an actual or potential change of control of the Company.

In the event that there is a divergence of our strategic and other interests from those of TUT1 (as trustee of UT1) in the future, that Shareholder may exercise influence over the Company in ways that conflict with the interests of our other Shareholders.

Our future dividend payments and policy will be subject to the discretion of the Board.

The amount of any dividends that the Company may declare and pay in the future will be subject to the discretion of the Board and will be based upon our earnings, cash flow, financial condition, capital requirements, distributable reserves and any other conditions that the Directors deem relevant. The payment of dividends may also be limited by legal restrictions and by financing agreements that we may enter into from time to time. The amounts of distributions that any company within the Group or Hutchison or Cheung Kong has declared and made in the past are not indicative of the dividends that the Company may pay in the future.

Our brand image may be impacted and our intellectual property rights may be infringed upon.

We use a number of brand names, including "Cheung Kong", "Hutchison", "Harbour Plaza", "Harbour Grand", "Rambler" and "Horizon", in marketing our properties to potential purchasers, tenants, and hotel and serviced suite customers. Brand value is based largely on subjective consumer perception and can be damaged by isolated incidents that diminish consumer trust. Any negative incident or negative publicity concerning us, our business, our tenants or our hotel customers could adversely affect our reputation and business. Our brand value and consumer demand for our properties could decline significantly if we are unable to maintain the quality of our properties or are unable to deliver a consistently positive experience to the purchasers, tenants and hotel customers of our properties, or if we are perceived to have acted in an unethical or socially irresponsible manner. In addition, our efforts to protect our brand names may not be adequate and we may be unable to identify any unauthorised use of our brand names or to take appropriate steps to enforce our rights to protect our brand names on a timely basis. Moreover, our trademarks and other intellectual property are important to our success and we take certain precautions to protect these intellectual property rights.

However, it may be possible for third parties to obtain and use our intellectual property without authorisation, which may impair our brand value, damage our reputation and may materially and adversely impact our business, financial condition, results of operations and growth prospects.

Adverse media reports about us or our projects, whether substantiated or not, may cause harm to our reputation.

The development of, and future trends in, Hong Kong, the PRC, Singapore and the United Kingdom property industries, including business strategies of major property developers, have been the focus of numerous media reports. As a leading property developer in Hong Kong and the PRC, information about us or our projects appears frequently in various media outlets. Some of these media reports contain inaccurate information about the Company and our projects. There can be no assurance that there will not be false, inaccurate or adverse media reports about us or our projects in the future. In particular, we may be required to respond or take defensive and remedial actions with regard to such inaccurate or adverse media reports, which may adversely divert our resources and our management's attention and may materially and adversely impact our business operations.

Moreover, there can be no assurance as to the appropriateness, accuracy, completeness or reliability of any media reports regarding the Company and the Spin-off. To the extent that any media reports contain information that is inconsistent or conflicts with the information contained in this listing document, we disclaim them, and investors should not rely on such information in making a decision as to invest in our Shares, and should rely only on the information included in this listing document.

Failure in our information and technology systems could interrupt our business operations.

We use modern information and technology systems to control and manage our operations. These information and technology systems are intended to enable us to improve efficiency and monitor and control our operations and are fundamental to ensuring that we maintain our competitiveness in our industry. Our information systems are vulnerable to damage or interruption from circumstances beyond our control, including but not limited to, fire, power loss, hardware failure, software program error, telecommunications failure, computer viruses, human error, hacking and break-in and other similar events. Any failure or breakdown in these systems could interrupt our normal business operations and result in a significant decrease in operational and management efficiency during such failure or breakdown. Recovery from such disasters may result in lost data as a result of such malfunction and disruption. In addition, precautionary measures may only be partly, if at all, successful. Any prolonged failure or breakdown could dramatically impact our ability to manage our properties and offer services to our customers, which may materially and adversely impact our business, financial condition, results of operations and growth prospects.

RISKS RELATING TO THE PROPERTY AND HOTEL INDUSTRIES

We face increasing competition in Hong Kong, the PRC and other places where we operate.

There are a large number of property developers in Hong Kong and the PRC. In recent years, a few PRC property developers have begun to undertake property development and investment projects in Hong Kong. In addition, a number of regional and international developers have expanded their operations into the PRC. Many of these developers, both private and State-owned, have significant financial, managerial and marketing resources, as well as experience in property and land development. Local PRC property developers are improving in quality and expanding in terms of scale and product offerings. Competition among property developers in the places where we operate is intense and may result in, among other things, an increase in the costs of land acquisition, an oversupply of properties, a decrease in property prices, a slowdown in the rate at which new property developments receive approval by the relevant government authorities, an increase in construction costs and difficulty in obtaining high quality contractors and qualified employees. In addition, the property market in the PRC is rapidly changing. In particular, certain cities in the PRC have experienced a cooling-down period in recent months as a result of the slowdown in the PRC economy and housing prices in certain cities may continue to decline. If we cannot respond to these changes more swiftly or effectively than our competitors do, our financial condition and results of operations will be adversely affected.

Our property rental, property management and hotel businesses also face significant competition, primarily from properties of a similar grade in their immediate vicinity and properties in their target market. The level of competition is affected by various factors, including changes in local, regional and global economic conditions, changes in populations, the supply of and demand for properties, changes in travel patterns/preferences and the level of business activity.

We compete with other property developers and businesses across a range of factors, including location, capital resources, transportation, infrastructure, government financial and other incentives, design, quality of premises, accommodations and amenities, breadth and quality of services provided, brand recognition, maintenance and supporting services. We also compete on sales prices, rental rates and other terms. As a result, we may (i) lose current and potential tenants or purchasers to our competitors and have difficulty selling, renewing leases on or re-letting properties, (ii) be forced to reduce our sales prices or rental rates or (iii) incur additional costs in order to make our properties more attractive than those of our competitors. If we are unable to compete effectively and consistently, we may not be able to sell or lease our properties on favourable terms, or at all, our occupancy rates may decline and we may not be able to recover our property development costs.

Any of the above may adversely affect our business, financial condition and results of operations.

Our business is subject to government policies and regulations, and in particular, we are susceptible to changes in policies related to the Hong Kong property industry and the hotel industry.

Our business is subject to government policies and regulations, and in particular, we are susceptible to changes in policies related to the Hong Kong property industry and hotel industry. Since 2011, the Hong Kong government has implemented a series of policies and regulations to slow down the residential property market and inflation of property prices, as well as to dampen property speculation. These policies and regulations include increased mortgage down payments, additional stamp duties on property sales, supply of land controls, residential property financing, building regulations, suspension of the Capital Investment Entrant Scheme (an immigration scheme which allows

an individual to gain residency status in Hong Kong through capital investments) and other fiscal policies. For more information, please see "*Appendix IV – Regulatory Overview*". In addition, the Hong Kong government has indicated in the 2015 Hong Kong Government Policy Address that it intends to speed up the development of public housing and public rental housing ("**PRH**") and make available a number of Home Ownership Scheme flats, subsidised sales flats and PRH for sales. The Hong Kong government also intends to continue to maintain the development of the private property market through steady and sustained land supply and implementation of certain management measures. Moreover, the Hong Kong and the PRC governments may change laws and regulations which limit the number of daily mainland Chinese travellers allowed to travel to Hong Kong. These policies, regulations and plans create a lot of uncertainty and could materially and adversely impact the Hong Kong property market, the supply of available land or the occupancy rates or daily room rates of our hotels and serviced suites. We cannot assure you that the Hong Kong government will not adopt additional and more stringent industry policies or regulations in the future, which may materially and adversely impact our business, financial condition, results of operations and growth prospects.

Our business in the PRC is subject to extensive government regulations, and the PRC government may introduce further measures to curtail growth in the property sector.

Our business in the PRC is subject to government regulations. As with other property developers, we must comply with various requirements mandated by PRC laws and regulations, including the policies and procedures established by local authorities designed to implement such laws and regulations. The PRC government exerts considerable direct and indirect influence on the development of the PRC property sector by imposing industry policies and other economic measures, such as control over the supply of land for property development and control of foreign exchange, property financing, zoning laws, taxation and foreign investment. Specifically, the PRC government may restrict or reduce land available for property development, raise benchmark interest rates for commercial banks, place additional limitations on the ability of commercial banks to make loans to property developers and property purchasers, implement changes to current zoning laws, impose additional taxes and levies on property sales and restrict foreign investment in certain PRC property segments. Such property industry policies may materially and adversely affect our operations and/or our future business development. There is no assurance that the PRC government will not adopt additional and more stringent industry policies, regulations and measures in the future. If we are unable to adapt our operations to such new policies, regulations and measures that may come into effect from time to time, or if such policy changes negatively impact our business or cause us to incur additional costs, our business, financial condition, results of operations or prospects may be materially and adversely impacted.

Investments in the PRC property sector have increased significantly in the past decade. In response to concerns over the rapid increase in property investments and property prices, from 2004 to the first half of 2008, the PRC government introduced various policies and measures to curtail property development. In the second half of 2008 and in 2009, in order to combat the impact of the global economic slowdown, the PRC government adopted measures to encourage consumption in the property market and to support real estate development. However, since December 2009, the PRC government has adjusted some of its policies in order to slow down the increase in property prices in certain cities, including:

- abolishing certain preferential treatment relating to business taxes payable upon transfers of residential properties by property owners and imposing more stringent requirements on the payment of land grant premium by property developers;

- requiring higher minimum down payments;

- requiring commercial banks to stop lending to speculative developers;
- imposing a pilot scheme for property tax in Shanghai and Chongqing;
- imposing property purchase restrictions on non-local residents, decreasing the maximum loan to value ratio of mortgage loans offered to borrowers, and increasing mortgage interest rates and construction loan interest rates; and
- increasing the minimum down payment to at least 60% of the total purchase price for second-house purchases with a minimum lending interest rate of at least 110% of the benchmark rate, restricting purchasers in certain targeted cities from acquiring second (or further) residential properties and restricting non-residents in certain targeted cities that cannot provide any proof of local tax or social security payments for more than a specified time period from purchasing any residential properties, launching new property tax schemes in certain cities on a trial basis and levying business taxes on the full amount of the transfer price if an individual owner transfers a residential property within five years of the date of making the purchase as defined in the relevant regulations.

These and other future measures may limit our access to capital, reduce market demand for our products, reduce the prices at which we can sell our products and increase our finance costs. Since June 2014, the PRC government has loosened certain of the previously implemented policies designed to slow down the increase in property prices in the PRC. We cannot assure you that the PRC government will not adopt more policies, regulations and measures that may result in volatile market conditions and subject our business to fluctuations. For example, recent austerity measures that aim at minimising extravagant spending by PRC government officials and reducing bureaucratic visits and meetings have negatively impacted the hotel, travel and tourism industries in the PRC, including our hotel business in the PRC. If we are unable to adapt our operations to new policies, regulations and measures that may come into effect from time to time with respect to the real property industry, or such policy changes may materially and adversely impact our business, financial condition, results of operations and growth prospects.

The property industry in the PRC is still developing, bringing a significant degree of uncertainty.

Demand for commercial and residential properties in the PRC has been increasing rapidly in recent years, which has often been coupled with volatile market conditions and fluctuations in prices. Numerous factors may affect the development of the market and it is therefore difficult to predict when and how much demand there will be. Limited availability of accurate financial and market information and the general low level of transparency in the PRC property industry contribute to the overall market uncertainty. Investors may be discouraged from acquiring new properties due to the lack of a liquid secondary market for commercial and residential properties. In addition, the limited amounts and types of mortgage financing available to purchasers, together with the lack of long-term security of legal title and enforceability of property rights, may also inhibit demand for commercial and residential properties. The risk of over-supply is also increasing in certain regions of the PRC where property investment, trading and speculation have been more active. If as a result of any one or more of these or similar factors, demand for commercial and residential properties or market prices decline, our business, financial condition, results of operations and growth prospects may be materially and adversely impacted.

The PRC government has implemented restrictions on the ability of PRC property developers to obtain offshore financing which could affect our ability to deploy funds raised for our business in the PRC.

In April 2013, SAFE issued the Operation Guidelines for the Administration of Foreign Debt 《外債登記管理操作指引》 (the "**Guidelines**"), which became effective on 13 May 2013. The Guidelines stipulate that, amongst other things, (i) with respect to real estate enterprises with foreign investment who obtained approval certificates from commercial authorities and registered with the MOC on or after 1 June 2007, the branches of SAFE will no longer process the foreign debt registrations for such enterprises, (ii) with respect to real estate enterprises with foreign investment established prior to 1 June 2007, such enterprises may borrow foreign debt in accordance with the relevant provisions in the Guidelines, but the amount of foreign debt shall not exceed the surplus between the enterprise's total investment amount and its registered capital (the "**Surplus**"); in the event that the enterprise increases its registered capital, and the Surplus after the increase of registered capital is less than the Surplus before the increase of registered capital, then the amount of foreign debt of such enterprise shall not exceed the Surplus after the increase of registered capital, and (iii) in the event that the registered capital of a real estate enterprise with foreign investment is not paid in full, or such real estate enterprise with foreign investment does not obtain State-owned land use rights certificate(s), or the capital for real estate projects to be developed is less than 35% of the total investment amount of such projects, such real estate enterprise with foreign investment is prohibited from borrowing foreign debt, and the branches of SAFE will not process the foreign debt registrations for such enterprises. The Guidelines therefore restrict the ability of our PRC subsidiaries that are real estate enterprises with foreign investment to raise funds offshore for the purpose of injecting such funds into the enterprises by way of shareholder loans. We cannot assure you that the PRC government will not introduce new policies that further restrict our ability to deploy our funds in the PRC, which may materially and adversely impact our business, financial condition, results of operations and growth prospects.

Our investment properties in the PRC are located on land that is under long-term land use rights granted by the PRC government. There is uncertainty about the amount of the land grant premium that the Group will have to pay and additional conditions that may be imposed if we decide to seek an extension of the land use rights for our investment properties.

Our investment properties in the PRC are held by us under land use rights granted by the PRC government. Under PRC laws, the maximum term of the land use rights is 40 years for commercial use purposes and 50 years for mixed-use purposes. Upon expiration, the land use rights will revert to the PRC government unless the holder of the land use rights applies for and is granted an extension of the term of the land use rights.

These land use rights do not have automatic rights of renewal and holders of land use rights are required to apply for extensions of the land use rights one year prior to the expiration of their terms. If an application for extension is granted (and such grant would usually be given by the PRC government unless the land in issue is to be taken back for the purpose of public interests), the holder of the land use rights will be required to, among other things, pay a land grant premium. If no application is made, or if such application is not granted, the properties under the land use rights will be disposed of in accordance with the land use right grant contracts.

In certain circumstances, the PRC government may, on the ground of public interest, terminate land use rights before the expiration of the term. In addition, the PRC government has the right to terminate long-term land use rights and expropriate the land in the event the grantee fails to observe or perform certain terms and conditions pursuant to the land use rights grant contracts. If the PRC

government charges a high land grant premium, imposes additional conditions, or does not grant an extension of the term of the land use rights of any of our investment properties, our operations could be disrupted, which may materially and adversely affect our business, financial condition, results of operations or growth prospects.

The property development business is subject to claims under statutory quality warranties and other claims from purchasers of our properties.

In general, property development companies must provide certain quality warranties for the properties they construct or sell. During the Track Record Period, we received claims from purchasers of our properties in relation to the quality of our completed property projects and we expect to continue to receive claims from purchasers of our properties of this nature in the future. Although we receive quality warranties from our third party contractors with respect to our property development projects, if a significant number of claims are brought against us under our warranties and if we are unable to obtain reimbursement for such claims from third party contractors in a timely manner, or at all, or if the money retained by us to cover our payment obligations under the quality warranties is not sufficient, we could incur significant expenses to resolve such claims or face delays in correcting the related defects, which may materially and adversely impact our business, financial condition, results of operations, reputation and growth prospects.

In addition, we may be subject to other types of claims from purchasers of our properties from time to time during our ordinary course of business, such as claims in relation to the delay in delivery of property title documents due to various reasons, including a delay in completing the relevant procedures or in commencing the relevant procedures, including, but not limited to, the examining procedure by the relevant land use right authorities and the registration, approval and certificate production procedures by the relevant property right authorities. We cannot assure you that we will not face any significant claims from purchasers of our properties in the future, which may result in significant expenses to resolve such claims, or if we face delays in remedying the related defects, harm our reputation and impact our business, financial condition, results of operations and growth prospects.

The hotel industry is cyclical and macroeconomic and other factors beyond our control can have a material and adverse impact on demand for our hospitality products and services.

We own and operate hotels in Hong Kong, the PRC and The Bahamas. As a result, the operations of our hotel business depend, to a large extent, on the performance of these economies and their real estate market conditions. Historically, the hotel industry has been cyclical and affected by, amongst other factors, supply of and demand for comparable properties, the rate of economic growth, interest rates, inflation and political and economic developments. During periods of economic decline or uncertainty, our hotel operations could be vulnerable to reduced business travel, decreased consumer spending and reduced disposable income, all of which may result in reduced demand for hotel rooms and downward pressure on our daily room rates. There can be no assurance that the economies of the jurisdictions in which we operate will improve or that hotel property values and rates will not decline or that interest rates will not rise in the future. Our customers' desire, willingness and ability to travel may also be affected by travel disruptions caused by extreme weather conditions, other natural disasters or epidemics. An economic decline generally, or a decline in the hotel industry, could have an adverse effect on our hotel business and therefore may materially and adversely impact our business, financial condition, results of operations and growth prospects.

We are exposed to seasonal volatility in the overall hotel industry.

We derive a portion of our revenue from hotel operations. Hotel guests are short-term occupants of the hotel rooms and do not generally commit to medium- or long-term contractual rental payments. As a result, hotel occupancy rates and room rates are subject to a high degree of variability due to seasonal factors and the nature of the hotel business. In addition, a significant portion of our hotel revenue is generated by our food and beverage services, including banqueting services. Demand for our banqueting services typically increases on holidays, festivals and dates that are believed to be auspicious under the Chinese lunar calendar. While measures have been taken to address the seasonal fluctuations for our hotel business, including our food and beverage business, such measures may be ineffective and therefore comparisons of results of operations between different periods within a single financial year may not be meaningful and should not be relied upon as indicators of our performance.

Accidents, injuries or prohibited activities in our investment properties, development properties and hotels may materially and adversely impact our reputation and subject us to liability.

There are inherent risks of accidents, injuries or prohibited activities taking place in public places, such as hotels. The occurrence of one or more accidents, injuries or prohibited activities at any of our investment properties, construction sites or hotels could adversely affect our reputation among purchasers of our properties and our hotel guests, harm our brand, decrease our overall rents and hotel occupancy rates and increase our costs by requiring us to implement additional safeguard measures. In addition, if accidents, injuries or prohibited activities occur at any of our investment properties, construction sites or hotels, we may be held liable for costs, damages and fines and there is a risk that our operations may be suspended as a result. Our current property and liability insurance policies may not provide adequate or any coverage for such losses and we may be unable to renew our insurance policies or obtain new insurance policies without increases in premiums and deductibles or decreases in coverage levels, or at all.

Any inability to comply with our environmental responsibilities may subject us to liabilities.

We are subject to extensive and increasingly stringent environmental protection laws, regulations and decrees that impose fines for violation of such laws, regulations or decrees and there is a risk of shutdown by governmental authorities of any construction sites not in compliance with governmental orders requiring the cessation or cure of certain activities causing environmental damage. In addition, there is a growing awareness of environmental issues and we may sometimes be expected to meet a standard which is higher than the requirement under the prevailing environmental laws and regulations. The environmental protection measures we have adopted, including conducting environmental assessments on our property construction projects and hiring construction contractors who have good environmental protection and safety track records and requiring them to comply with the relevant laws and regulations on environmental protection and safety, may be ineffective. In addition, there is no assurance that more stringent environmental protection requirements will not be imposed in the future. If we are unable to comply with existing or future environmental laws and regulations or are unable to meet public expectations in relation to environmental matters, our reputation may be damaged or we may be required to pay penalties or fines or take remedial actions and our operations may be suspended, any of which may materially and adversely impact our business, financial condition, results of operations and growth prospects.

RISKS RELATING TO THE PRC AND HONG KONG

Changes in PRC and Hong Kong political and economic policies and conditions could adversely affect our business and prospects.

Hong Kong and the PRC have been, and will continue to be, our primary operating base and markets. While the PRC government has been pursuing economic reforms to transform its economy from a planned economy to a market economy since 1978, a substantial part of the PRC economy is still being operated under various controls by the government. By imposing industrial policies and other economic measures, such as control of foreign exchange, taxation and foreign investment, the PRC government exerts considerable direct and indirect influence on the development of the PRC economy. Many of the economic reforms carried out by the PRC government are unprecedented or experimental and are expected to be refined and improved over time. Other political, economic and social factors may also lead to further adjustments of the reform measures. This refining and adjustment process may materially and adversely impact our business, financial condition, results of operations and growth prospects.

We may in the future rely principally on dividends paid by our subsidiaries, associates and jointly controlled companies to fund our cash and financing requirements.

The Company is a holding company and will rely on dividends paid by its subsidiaries, associates and jointly controlled companies for cash requirements, including the funds necessary to service any debt we may incur. Certain of the debt instruments of our subsidiaries, associates and jointly controlled companies may contain provisions restricting their ability to make dividends or other distributions on its equity interest to us. Furthermore, applicable laws, rules and regulations permit payment of dividends by some of our consolidated entities only out of their retained earnings, if any, determined in accordance with applicable laws and accounting standards. Our PRC subsidiaries are required to set aside a certain percentage of their after-tax profit based on the PRC accounting standards each year for their reserve fund in accordance with the requirements of relevant laws and provisions in their respective articles of association. As a result, all of our PRC entities are restricted in their ability to transfer a portion of their net income to us. Such restricted reserves are not distributable as cash dividends. Any limitation on the ability of our subsidiaries, associates or jointly controlled companies to pay dividends to us could materially and adversely limit our ability to grow, pay dividends or otherwise fund and conduct our business.

There is uncertainty regarding taxation with respect to the indirect transfer of equity interests in PRC resident enterprises.

The State Administration of Taxation (the "**SAT**") issued the Circular on Strengthening Administration of Enterprise Income Tax on Non-Resident Enterprises' Equity Transfer Income 《國家税務總局關於加強非居民企業股權轉讓所得企業所得税管理的通知》 ("**Circular 698**") on 10 December 2009, with retrospective effect from 1 January 2008. Pursuant to Circular 698, when a non-PRC investor indirectly transfers the equity interests of a PRC resident enterprise by disposing of its equity interests in a non-PRC holding company (the "**Indirect Transfer**") under the conditions set out in Circular 698, the non-PRC investor shall report the Indirect Transfer to the relevant PRC tax authority. Based on "substance over form" principle, if the PRC tax authority considers that the Indirect Transfer lacks bona fide commercial purpose, it may disregard the existence of the non-PRC holding company and impose PRC Enterprise Income Tax ("**EIT**") on the attributable capital gain. Circular 698 also provides that

where a non-PRC resident enterprise transfers its equity interests in a PRC resident enterprise to its related parties at a price lower than the fair market value, the relevant tax authority has the power to make a reasonable adjustment to the taxable income of the transaction.

On 3 February 2015, the SAT issued the Circular on Several Issues Relating to Corporate Income Tax on Gains from Indirect Transfer of Assets by Non-resident Enterprises 《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》 ("**Bulletin 7**"), which replaces the relevant provisions on Indirect Transfer in Circular 698. Bulletin 7 sets out a wider scope of Indirect Transfer of PRC assets that might be subject to EIT, and more detailed guidelines on the circumstances when such Indirect Transfer is considered to lack a bona fide commercial purpose and thus regarded as avoiding PRC tax. The conditional reporting obligation of the non-PRC investor under Circular 698 is replaced by a voluntary reporting by the transferor, the transferee or the underlying PRC resident enterprise being transferred. Furthermore, if the Indirect Transfer is subject to EIT, the transferee has an obligation to withhold tax from the sale proceeds, unless the transferor reports the transaction to the PRC tax authority under Bulletin 7. The EIT payable is 10% of the attributable capital gain if the transferor is a non-PRC resident (and may be 25% if the transferor is deemed as PRC tax resident).

Whether Circular 698 and Bulletin 7 would apply to the indirect transfer of equity interests in PRC resident enterprises that may be undertaken by the Group depends on the ultimate determination of the PRC tax authority. If Circular 698 and Bulletin 7 are applicable to such transactions, our business, financial condition, results of operations and growth prospects may be materially and adversely affected. With reference specifically to the Property Businesses Combination outlined in the "*History and Reorganisation*" section and listing of the Company, the CKH Holdings Group has commenced discussions with the PRC tax authorities with regard to the application of Bulletin 7. However, as noted under the deed of tax indemnity summarised in the "*History and Reorganisation*" section and the limits referred to there, the Company is indemnified by the CKH Holdings Group with respect to the relevant tax arising from, including the implementation of, the Property Businesses Combination, the Distribution In Specie and the Spin-off.

There is uncertainty regarding the PRC withholding tax rate that will be applied to distributions from the PRC.

The EIT Law provides that a withholding tax at the rate of 10% is applicable to dividends and other distributions payable by a PRC resident enterprise to investors who are "non-resident enterprises" (that do not have an establishment or place of business in the PRC, or that have such establishment or place of business but the relevant dividend or other distribution is not effectively connected with the establishment or place of business). However, pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "**Arrangement**"), withholding tax at a reduced rate of 5% may be applicable to dividends payable to non-resident beneficial owners of the dividends paid by PRC resident enterprises if certain requirements are met.

There is uncertainty regarding whether the PRC authorities will consider us to be eligible to receive the reduced tax rate. If the Arrangement is deemed not to apply to dividends payable by our PRC entities to their respective Hong Kong holding companies that are ultimately owned by the Company, the withholding tax rate applicable to us will be the statutory rate of 10% instead of 5% which may materially and adversely affect our business, financial condition, results of operations and growth prospects.

Our operations are subject to the uncertainties of the PRC legal system and its laws and regulations.

Our core business and operations are conducted in Hong Kong and the PRC. Our business in the PRC is growing and its contribution to our turnover and profit is expected to grow. Our business in the PRC is subject to PRC laws and regulations applicable to foreign investment in the PRC. The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior cases have limited precedential value in deciding subsequent cases in the civil law legal system. Additionally, PRC written statutes are often principle-oriented and require detailed interpretations by the enforcement bodies for their application and enforcement. The PRC has made significant progress in the promulgation of laws and regulations dealing with business and commercial affairs of various participants of the economy, involving foreign investment, corporate organisation and governance, commercial transactions, taxation and trade. The promulgation of new laws, changes in existing laws and abrogation of local regulations by national laws may have a negative impact on our business and prospects. In addition, given the involvement of different enforcement bodies in regard to the relevant rules and regulations and the non-binding nature of prior court decisions and administrative rulings, the interpretation and enforcement of PRC laws and regulations involve significant uncertainties under the current legal environment, which may materially and adversely impact our business, financial condition, results of operations and growth prospects.

Restrictions on currency exchange may limit our ability to utilise the RMB-denominated portion of our revenue effectively.

The PRC government imposes controls on the convertibility between RMB and foreign currencies and the remittance of foreign exchange out of the PRC. All of our operations in the PRC are conducted in RMB. Our PRC subsidiaries, associates and jointly ventures must convert their RMB into foreign currency before they may pay cash dividends to us or service their foreign currency denominated obligations. Under existing PRC foreign exchange regulations, payments of current account items may be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements.

However, approval from appropriate PRC governmental authorities is required when RMB is converted into foreign currencies and remitted out of the PRC for capital account transactions, such as the repatriation of equity investment in the PRC and the repayment of the principal of loans denominated in foreign currencies. Such restrictions on foreign exchange transactions under capital accounts also affect our ability to finance our PRC business. In addition, our transfer of funds to our PRC subsidiaries, associates and jointly ventures is subject to approval by PRC governmental authorities in the case of an increase in registered capital, and subject to approval by and registration with PRC government authorities in case of shareholder loans to the extent that the existing foreign investment approvals received by our PRC subsidiaries, associates and jointly ventures permit any such shareholder loans at all. These limitations on the flow of funds between us and our PRC subsidiaries, associates and jointly ventures could restrict our ability to act in response to changing market conditions, which may materially and adversely impact our business, financial condition, results of operations and growth prospects.

Our prospects may be adversely affected by a recurrence of SARS or an outbreak of other epidemics, such as influenza A (H1N1 and H3N2) and avian flu (H5N1), and natural disasters.

Any recurrence of Severe Acute Respiratory Syndrome (SARS) or an outbreak of any other epidemic in the places where we operate, such as influenza A (H1N1 and H3N2) and avian flu (H5N1), may result in material disruptions to our and our tenants' businesses. According to the Hong Kong Department of Health, as at January 2015, the overall influenza activity had continued to increase and rapidly reached a high level as compared to the peak levels in previous seasons, including with high activities in Hong Kong.

Natural disasters or other catastrophic events, such as earthquakes, floods or severe weather conditions affecting the regions where we operate could, depending upon their magnitude, significantly disrupt our business operations or cause a material economic downturn in the affected area. For example, the PRC and a number of other countries have experienced severe earthquakes in recent years that caused significant property damage and loss of life. There can be no assurance that future earthquakes or other natural disasters will not occur in the areas where we operate and cause major damage to our property development projects, assets, infrastructure and facilities.

The occurrence of any of the above may materially and adversely impact our business, financial condition, results of operations and growth prospects.

RISKS RELATING TO THE LISTING AND THE SPIN-OFF

The Spin-off is conditional upon, and will only be completed immediately following, completion of the Hutchison Proposal.

The Spin-off is conditional upon, and will only be completed immediately following, completion of the Hutchison Proposal. The Hutchison Proposal is conditional upon, and will be completed immediately following, completion of the Husky Share Exchange. We cannot assure you that the Husky Share Exchange and the Hutchison Proposal will be completed since they are subject to the fulfilment (or, where relevant, waiver) of a number of conditions precedent. If completion of the Husky Share Exchange and the Hutchison Proposal do not occur, the Spin-off will not proceed.

There is no existing public market for the Shares and their liquidity and market price may fluctuate.

Prior to the Listing, there was no public market for, and no established price for, the Shares. The Company has made an application for the listing of, and permission to deal in, the Shares on the Stock Exchange. The Listing, however, does not guarantee that an active trading market for the Shares will develop or, if it does develop, that it will be sustained following the Listing or that the market price of the Shares will not fluctuate following completion of the Listing. In addition, we cannot assure you that the Listing will result in the development of an active and liquid public trading market for the Shares. Furthermore, the price and trading volume of the Shares may be volatile. Factors such as the following may affect the volume and price at which the Shares will trade:

- actual or anticipated fluctuations in our results of operations;
- news regarding recruitment or loss of key personnel by us or our competitors;

- announcements of competitive developments, acquisitions or strategic alliances in our industry;
- changes in earnings estimates or recommendations by financial analysts;
- potential litigation or regulatory investigations;
- general economic, market or regulatory conditions or other developments affecting us or our industry;
- the operating and stock price performance of other companies, other industries and other events or factors beyond our control; and
- release of lock-up or other transfer restrictions on the outstanding Shares or sales or perceived sales of additional Shares by the Company, the Trust or other Shareholders.

You should note that the stock prices of companies in the property industry have experienced wide fluctuations. Such wide market fluctuations may adversely affect the market price of the Shares. In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of the Shares.

Shareholders' interests in the Company's share capital may be diluted in the future.

In order to expand our business, we may consider offering and issuing additional Shares or equity-linked securities in the future, which may result in a dilution in our net tangible book value or earnings per Share. The Board has been granted an unconditional general mandate to issue Shares with an aggregate nominal value of not more than 20% of the aggregate nominal value of the ordinary share capital immediately following completion of the Spin-off, as described in "*Appendix VII – General Information – Further Information About the Company*".

U.S. Holders may be subject to U.S. federal income tax on the receipt of Shares pursuant to the Distribution In Specie.

For U.S. federal income tax purposes, U.S. Holders receiving Shares in the Distribution In Specie pursuant to the Spin-Off will be required to treat the issue of Shares pursuant to the Distribution In Specie as a dividend in a U.S. dollar amount equal to the market value of the Shares on the date of receipt unless the Distribution In Specie qualifies for tax-deferred treatment under Section 355 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"). The Company believes that the issue of Shares pursuant to the Distribution In Specie may qualify as a tax-free distribution under Section 355 of the Code provided that the conditional share offer pursuant to the Hutchison Proposal qualifies as a reorganisation under Section 368(a) of the Code. Therefore, subject to the discussion of passive foreign investment company ("**PFIC**") rules below, a U.S. Holder receiving Shares in the Distribution In Specie (i) should not recognise any income, gain or loss upon the receipt of Shares, (ii) should apportion its tax basis in the CKH Holdings Shares between such CKH Holdings Shares and the Shares received in the Distribution In Specie in proportion to the relative fair market value of the CKH Holdings Shares and the Shares on the date on which the Shares are issued, and (iii) should have a holding period for the Shares that includes the period during which the U.S. Holder held the CKH Holdings Shares.

However, neither the Group nor CKH Holdings has either requested or received an opinion of U.S. federal income tax counsel that the Distribution In Specie qualifies under Section 355 of the Code and no ruling has been sought or obtained from the U.S. Internal Revenue Service ("**IRS**"). There can be no assurance the IRS will not take a position that the Distribution In Specie does not qualify under Section 355 of the Code, or that such position would not be sustained if asserted. If such a position were taken and were sustained, then U.S. Holders would be required to treat the issue of Shares pursuant to the Distribution In Specie as a dividend in a U.S. dollar amount equal to the fair market value of the Shares on the date of receipt, would take tax basis in the Shares equal to U.S. dollar amount included in income as a dividend and would have a holding period in the Shares that begins with the effective date of the Distribution In Specie.

In addition, if CKH Holdings is considered a PFIC with respect to any U.S. Holder in any taxable year in which a U.S. Holder has held CKH Holdings Shares, such U.S. Shareholder may be required to recognise gain with respect to a U.S. Holder's CKH Holdings Shares, which would be taxable as ordinary income and could be subject to additional tax.

We cannot guarantee the accuracy of certain facts and statistics contained in this listing document.

Certain facts and statistics in this listing document, including those relating to Hong Kong, the PRC, Europe and Asia, their respective economies and their respective real estate industries have been derived from various official government and other publications generally believed to be reliable. We believe that the sources of such information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. The information has not been independently verified by us or any of the Relevant Persons and no representation is given as to its accuracy. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, the facts and statistics in this listing document may be inaccurate or may not be comparable to facts and statistics produced with respect to other economies. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy (as the case may be) in other jurisdictions. Therefore, you should not rely unduly upon the facts and statistics contained in this listing document.

You should read this entire listing document carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us and the Spin-off.

Prior to the publication of this listing document, there has been press and media coverage regarding us and the Spin-off. Such press and media coverage included certain operational information, financial information, financial projections, valuations and other information about us that are not contained in this listing document. There may continue to be additional press and media coverage on us and the Spin-off. We do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information appearing in publications other than this listing document is inconsistent or conflicts with the information contained in this listing document, we disclaim it, and accordingly you should not rely on any such information.

The members of the Board are as follows:

Name	Address	Nationality
Executive Directors		
Mr. Li Ka-shing (李嘉誠) *(Chairman)*	79 Deep Water Bay Road, Hong Kong	Chinese
Mr. Li Tzar Kuoi, Victor (李澤鉅) *(Managing Director and Deputy Chairman)*	79 Deep Water Bay Road, Hong Kong	Chinese
Mr. Kam Hing Lam (甘慶林) *(Deputy Managing Director)*	Flat C, 38/F, Block 2, Estoril Court, 55 Garden Road, Hong Kong	Chinese
Mr. Ip Tak Chuen, Edmond (葉德銓) *(Deputy Managing Director)*	Flat B2, 10/F, Park Place, No. 7 Tai Tam Reservoir Road, Hong Kong	Chinese
Mr. Chung Sun Keung, Davy (鍾愼強)	16 Cape Drive, Chung Hom Kok, Hong Kong	Chinese
Mr. Chiu Kwok Hung, Justin (趙國雄)	29B, Tower III, Garden Terrace, 8A Old Peak Road, Hong Kong	Canadian
Mr. Chow Wai Kam (周偉淦)	4th Floor, Yicks Villa, 83 Blue Pool Road, Happy Valley, Hong Kong	Chinese
Ms. Pau Yee Wan, Ezra (鮑綺雲)	16D Butler Towers, No. 1-5 Boyce Road, Hong Kong	Chinese
Ms. Woo Chia Ching, Grace (吳佳慶)	9C Olympian Mansion, 9 Conduit Road, Hong Kong	Chinese
Independent Non-executive Directors		
Mr. Cheong Ying Chew, Henry (張英潮)	Flat C2, 5/F, Park Place, No. 7 Tai Tam Reservoir Road, Hong Kong	British
Mr. Chow Nin Mow, Albert (周年茂)	66A Mount Davis Road, Hong Kong	British
Ms. Hung Siu-lin, Katherine (洪小蓮)	Flat B, 2/F, No. 23 Braemar Hill Mansions, Braemar Hill Road, Hong Kong	Chinese
Mr. Simon Murray (馬世民)	Ground Floor, Block B, 39 Tung Tau Wan Road, Hong Kong	British
Mr. Yeh Yuan Chang, Anthony (葉元章)	22 Oxford Road, Kowloon Tong, Kowloon, Hong Kong	British

For further details of the Directors, see "*Directors and Senior Management*".

Joint Sponsors

Merrill Lynch Far East Limited
55/F, Cheung Kong Center
2 Queen's Road Central
Central
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HSBC Corporate Finance (Hong Kong) Limited
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Hong Kong counsel:
Woo Kwan Lee & Lo
26th Floor, Jardine House
1 Connaught Place
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International and U.S. counsel:
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A12 Jianguomenwai Avenue
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Guantao Law Firm
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28 Finance Street
Xicheng District
Beijing 100033
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Cayman Islands counsel:
Maples and Calder
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99 Queen's Road Central
Hong Kong

Legal Counsel to the Joint Sponsors

Hong Kong and U.S. counsel:
Linklaters
10th Floor, Alexandra House
18 Chater Road
Hong Kong

PRC counsel:
King & Wood Mallesons
20th Floor, East Tower
World Financial Center
1 Dongsanhuan Zhonglu
Chaoyang District
Beijing 100020
PRC

Reporting Accountants and Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F, One Pacific Place
88 Queensway
Hong Kong

Property Valuers

As to all properties valued (other than certain properties in the United Kingdom and properties in The Bahamas):
DTZ Debenham Tie Leung Limited
16/F, Jardine House
1 Connaught Place
Central
Hong Kong

As to certain properties in the United Kingdom:
Gerald Eve LLP
72 Welbeck Street
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United Kingdom

Smiths Gore
17-18 Old Bond Street
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W1S 4PT
United Kingdom

As to certain properties in The Bahamas:
CBRE, Inc.
777 Brickell Ave.
Suite 900
Miami, FL
33131
United States

CORPORATE INFORMATION

Registered Office	PO Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands
Head Office and Principal Place of Business in Hong Kong	7th Floor Cheung Kong Center 2 Queen's Road Central Hong Kong
Company Secretary	Ms. Eirene Yeung *LLB, FCS, FCIS* 7th Floor Cheung Kong Center 2 Queen's Road Central Hong Kong
Authorised Representatives	Mr. Ip Tak Chuen, Edmond 7th Floor Cheung Kong Center 2 Queen's Road Central Hong Kong Ms. Eirene Yeung 7th Floor Cheung Kong Center 2 Queen's Road Central Hong Kong
Audit Committee	Mr. Cheong Ying Chew, Henry *(Chairman)* Mr. Chow Nin Mow, Albert Ms. Hung Siu-lin, Katherine
Remuneration Committee	Ms. Hung Siu-lin, Katherine *(Chairman)* Mr. Li Ka-shing Mr. Cheong Ying Chew, Henry
Compliance Adviser	Haitong International Capital Limited 22/F, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Principal Bankers	Mizuho Corporate Bank, Ltd. 17/F, Two Pacific Place 88 Queensway Hong Kong

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8/F, AIA Central
1 Connaught Road Central
Hong Kong

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road
Central
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

Sumitomo Mitsui Banking Corporation
7/F-8/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Citibank, N.A.
39/F-40/F & 43/F-50/F
Citibank Tower
Citibank Plaza
3 Garden Road
Hong Kong

Overseas-Chinese Banking Corporation Limited
9/F Nine Queen's Road Central
Hong Kong

Bank of America, N.A.
52/F, Cheung Kong Center
2 Queen's Road Central
Central
Hong Kong

China Construction Bank (Asia) Corporation Limited
28/F, CCB Tower
3 Connaught Road Central
Central
Hong Kong

Standard Chartered Bank (Hong Kong) Limited
4-4A Des Voeux Road
Central
Hong Kong

Cayman Principal Share Registrar and Transfer Office	[REDACTED]
Hong Kong Share Registrar	[REDACTED]
Company's Website	**www.ckph.com.hk** *(A copy of this listing document is available on the Company's website. Except for the information contained in this listing document, none of the other information contained on the Company's website forms part of this listing document)*

HISTORY

The Company's predecessor, Cheung Kong, became listed in Hong Kong in 1972, and the Group benefits from a long and successful track record of over 40 years. Through investment in the Cheung Kong Group and the Hutchison Group, Mr. Li Ka-shing, our founder and Chairman, expanded the Group's property development business in Hong Kong. With over 40 years of refinement, we have become one of the largest developers of residential, office, retail, industrial and hotel properties in Hong Kong. Whilst maintaining a strategic focus on property development projects in Hong Kong, the Group expanded its presence to the PRC in the 1980s and to overseas markets in the 1990s. We have also developed a property and project management business to support our development and investment properties. With our expertise and strength in property development and investment, we also developed our business scope to include hotels and serviced suites operations and interests in listed REITs.

Key Milestones

Some of the key milestones of our development over the past 40 years are set out below:

Year	Key Milestone
1972	Listing of the Company's predecessor, Cheung Kong, in Hong Kong
1977	Acquisition of Hong Kong Hilton Hotel and shopping arcade, then a 5-star hotel of the Group, which was subsequently re-developed as Cheung Kong Center
1978	Completion of Braemar Hill Mansions, a major residential property development project in Hong Kong in which the Group had a 50% interest
1978	Completion of the redevelopment of China Building in Central, Hong Kong, where the headquarters of Cheung Kong was situated until the relocation of the headquarters to Cheung Kong Center after its completion in 1999
1980	Completion of Admiralty Centre in Admiralty, Hong Kong, one of the first major commercial joint development property projects, which is close to the Admiralty MTR station
1982	Completion of Aberdeen Centre in Hong Kong, a large scale housing estate of the Group
1985-1991	Completion of Whampoa Garden in Hung Hom, Kowloon, a large scale residential estate comprising both residential towers and shopping complex of the Group, through the redevelopment of the former Hung Hom dockyards
1989	Participation in the development of two former industrial sites at Ap Lei Chau and Kwun Tong in Hong Kong into two residential and commercial developments of the Group known as South Horizons and Laguna City

Year	Key Milestone
1990-1993	Completion of Hutchison Logistics Centre, a multi-storey drive-in freight distribution centre located in Kwai Chung Container Terminals in Hong Kong, one of the busiest container ports in the world
1995.	Completion of The Harbourfront, Grade A twin office towers adjacent to Whampoa Garden residential estate of the Group in Hong Kong
1995.	Opening of Harbour Grand Kowloon, formerly known as the Harbour Plaza Hotel, the first hotel built and managed by the Group in Hong Kong
1998.	Completion of The Center, a Grade A commercial building with a central core design located at a prime location in the business district of Hong Kong, a joint development of the Group
1999.	Completion of Cheung Kong Center, the Group's flagship commercial complex and the Group's first intelligent building utilising innovative design and sophisticated technology, located in the heart of Central, Hong Kong
1999.	Opening of Bahamas Grand Lucayan, the Group's large scale resort in The Bahamas, earmarking the expansion of the Group's development and operation of hotel businesses outside Hong Kong
2000-2004	Completion of Beijing Oriental Plaza, one of the largest commercial complexes in the political and commercial heart of Beijing, the PRC, with a total GFA of 763,482 sq.m., comprising a shopping centre, office buildings, serviced apartment towers, a hotel and car parking spaces
2002-2007	Awarded the tender for the residential and retail development project at Tiu Keng Leng Station along the Tseung Kwan O Line of the MTR, and awarded the tender for the development at Packages One, Two and Three of LOHAS Park Station, Tseung Kwan O Line of the MTR
2003.	Listing of Fortune REIT on Singapore Stock Exchange
2005.	Listing of Prosperity REIT on the Main Board of the Stock Exchange
2009.	Completion of 1881 Heritage, a new heritage revitalisation landmark for cultural tourism, shopping and leisure in Hong Kong, which was revitalised and redeveloped from the former Marine Police Headquarters
2010.	Listing of Fortune REIT on the Main Board of the Stock Exchange
2010-2013	Completion of Phases 1 and 2 of La Grande Ville, a residential complex in Beijing, the PRC
2011.	The Group injected its interest in Beijing Oriental Plaza in Beijing into Hui Xian REIT upon the establishment of the REIT, the first RMB-denominated REIT listed on the Stock Exchange, and the first RMB-denominated equity security listed outside the PRC

PRINCIPAL SUBSIDIARIES

The Group is one of Hong Kong's largest property developers, with a leading market share in Hong Kong, strong penetration in the PRC and an international presence. We develop, own and/or manage residential, office, retail, industrial and hotel property in Hong Kong, the PRC, Singapore, the United Kingdom and The Bahamas. Due to the project-specific nature of our business, the Group established individual project companies for the holding, development and operation of different projects. Upon Listing, the Group will comprise over 1,000 companies.

Details of certain information on the Principal Subsidiaries upon Listing are set out in "*Appendix VII – General Information – Further Information about the Company – Subsidiaries – Principal Subsidiaries*".

THE REORGANISATION

In preparation for the Listing, the following steps are being implemented to establish the Group:

1. Incorporation of various companies

Prior to the Latest Practicable Date, the Company and certain wholly-owned subsidiaries (being Mighty State Limited, Agate Glory Limited, Novel Trend Holdings Limited, CK Property Finance Limited and New Challenge Global Limited) were incorporated.

2. Cheung Kong Reorganisation

On 9 January 2015, Cheung Kong proposed a group reorganisation by way of a scheme of arrangement pursuant to Division 2 of Part 13 of the Companies Ordinance. The Cheung Kong Reorganisation was completed on [18 March] 2015 whereupon (i) the holding company of the Cheung Kong Group was changed from Cheung Kong to CKH Holdings, (ii) the shareholders of Cheung Kong (other than certain non-qualifying overseas shareholders of Cheung Kong) became shareholders of CKH Holdings, with the same shareholding proportion as they held shares in Cheung Kong as at the record time of [4:00] p.m. on [17 March 2015] and (iii) the listing of the shares of Cheung Kong on the Stock Exchange was withdrawn and the CKH Holdings Shares became listed on the Stock Exchange by way of introduction.

3. Merger Proposal

A. Husky Share Exchange

On 9 January 2015, the Husky Sale Shares Purchaser entered into a conditional agreement with the Husky Sale Shares Vendor for the acquisition of 61,357,010 Husky Shares, representing approximately 6.24% of the common shares of Husky in issue as at the date thereof. Pursuant to the Husky Share Exchange Agreement, the consideration for the acquisition will be satisfied by the issue of 84,427,246 new CKH Holdings Shares by CKH Holdings to the Husky Sale Shares Vendor (or as it may direct), representing a share exchange ratio of 1.376 new CKH Holdings Shares for every one Husky Share to be acquired. In the event that the acquisition of the 61,357,010 Husky Shares (whether on its own or together with the completion of the Hutchison Scheme) by the Husky Sale Shares Purchaser and the issue of the 84,427,246 new CKH Holdings Shares to the Husky Sale Shares Vendor (or as it may direct) would, after taking into account any other acquisition of shares by concert parties of the Trust (if any), result in the Trust incurring a

mandatory general offer obligation under the Takeovers Code in respect of CKH Holdings, the 61,357,010 Husky Shares which are the subject of the Husky Share Exchange (and correspondingly the number of CKH Holdings Shares to be issued under the Husky Share Exchange) may be reduced to such number as may be agreed between the parties to the Husky Share Exchange at any time before completion of the Husky Share Exchange to the extent as would result in such mandatory general offer obligation not being incurred.

Completion of the Husky Share Exchange, which will take place immediately before the Hutchison Scheme becomes effective on the Listing Date, is conditional upon the fulfilment (or, where relevant, waiver) of the following conditions precedent:

(a) completion of the Cheung Kong Reorganisation (which [occurred] on [18 March] 2015);

(b) the conditions precedent to the Hutchison Proposal (other than the condition precedent relating to completion of the Husky Share Exchange) having been fulfilled or waived (as the case may be) and the Hutchison Proposal not having been terminated;

(c) the SFC Executive granting consent to the Husky Share Exchange as a special deal under Rule 25 of the Takeovers Code and such consent remaining in full force and effect;

(d) the approval of the issue of the CKH Holdings Shares under the Husky Share Exchange by the CKH Holdings Shareholders who do not have a material interest (which is different from that of all other CKH Holdings Shareholders) in any of the Husky Share Exchange, the Hutchison Proposal and the Spin-off, pursuant to the Listing Rules, at an extraordinary general meeting of CKH Holdings (such approval was obtained at the extraordinary general meeting of CKH Holdings which was held on [REDACTED] 2015);

(e) the approval of (1) the Husky Share Exchange (as a special deal under Rule 25 of the Takeovers Code) by the disinterested shareholders of Hutchison in accordance with the Takeovers Code at a general meeting of Hutchison, and (2) the Hutchison Proposal and the transactions contemplated thereunder by the disinterested shareholders of Hutchison in accordance with the requirements of the Companies Ordinance and the Takeovers Code at a court meeting and a general meeting of Hutchison (such approval was obtained at the Hutchison Court Meeting and the Hutchison General Meeting, both of which were held on [REDACTED] 2015);

(f) all authorisations, registrations, filings, rulings, consents, permissions and approvals (including approval in-principle) which may be required under any existing contractual arrangements or regulatory requirements having been obtained and all regulatory filing obligations having been complied with;

(g) the Listing Committee granting approval for the listing of, and permission to deal in, the CKH Holdings Shares to be issued as consideration for the Husky Share Exchange on the Main Board of the Stock Exchange and such approval not having been revoked prior to completion of the Husky Share Exchange;

(h) the warranties, representations, undertakings and indemnities given by the Husky Sale Shares Vendor in the Husky Share Exchange Agreement remaining true and accurate in all material respects and not misleading in any material respect;

(i) the conditions precedent to the Spin-off (as further described in "*The Distribution In Specie and the Spin-off – Distribution In Specie – Conditions Precedent to the Spin-off*") (other than the conditions precedent relating to completion of the Husky Share Exchange and the Hutchison Proposal) having been fulfilled or waived (as the case may be); and

(j) no mandatory general offer obligation under the Takeovers Code being incurred by the Trust in respect of CKH Holdings as a result of the completion of the Husky Share Exchange (whether on its own or together with the completion of the Hutchison Proposal), or if any such mandatory general offer obligation is incurred, a waiver of such obligation having been granted by the SFC Executive and the fulfilment of any conditions or requirements for the waiver.

Assuming that (i) there is no other change in the shareholding of Husky from the Latest Practicable Date to the date of completion of the Husky Share Exchange and (ii) there is no reduction of the 61,357,010 Husky Shares to be acquired and the corresponding 84,427,246 new CKH Holdings Shares to be issued under the Husky Share Exchange, the aggregate holding of common shares in Husky by the Hutchison Group will increase from approximately 33.96% to approximately 40.20% immediately upon completion of the Husky Share Exchange.

B. Hutchison Proposal

On [REDACTED] 2015, the Hutchison Proposal Offeror made a conditional share exchange offer to the Hutchison Scheme Shareholders for cancellation of all the Hutchison Shares held by them by way of a scheme of arrangement pursuant to Division 2 of Part 13 of the Companies Ordinance, and in consideration, each Hutchison Scheme Shareholders will receive 0.684 of a CKH Holdings Share for each Hutchison Scheme Share held at the Hutchison Scheme Record Time. Pursuant to the Hutchison Proposal, it is proposed that on the date upon which the Hutchison Scheme becomes effective in accordance with the Companies Ordinance:

(a) the share capital of Hutchison will be reduced by cancelling and extinguishing the Hutchison Scheme Shares (being all the Hutchison Shares in issue as at the Hutchison Scheme Record Time, other than those held by the Relevant CKH Holdings Subsidiaries);

(b) subject to and immediately upon such reduction of capital taking effect, the share capital of Hutchison will be increased to its former amount by the creation of such number of new Hutchison Shares as is equal to the number of Hutchison Scheme Shares cancelled;

(c) Hutchison will apply all credit arising in its books of account as a result of such capital reduction in paying up the newly created Hutchison Shares, which will be allotted and issued, credited as fully paid, to the Hutchison Proposal Offeror (which is a wholly-owned subsidiary of CKH Holdings); and

(d) in consideration for the cancellation and extinguishment of the Hutchison Scheme Shares, the Hutchison Scheme Shareholders (other than the Non-Qualifying Hutchison Overseas Shareholders) will receive CKH Holdings Shares (which will rank pari passu with each other), credited as fully paid, in the share exchange ratio of 0.684 of a CKH Holdings Share for each Hutchison Scheme Share held at the Hutchison Scheme Record Time.

Completion of the Hutchison Proposal, which will take place immediately after completion of the Husky Share Exchange and immediately prior to completion of the Property Businesses Combination on the Listing Date, is subject to the fulfillment (or, where relevant, waiver) of the following conditions precedent:

(a) the Hutchison Scheme being approved by the Disinterested Hutchison Shareholders representing at least 75% of the voting rights of the Disinterested Hutchison Shareholders present and voting, in person or by proxy, at the Hutchison Court Meeting, with votes cast against the Hutchison Scheme at the Hutchison Court Meeting not exceeding 10% of the total voting rights attached to all disinterested shares (as respectively defined in Note 6 to Rule 2 of the Takeovers Code and Division 2 of Part 13 of the Companies Ordinance) of Hutchison (such approval [was] obtained at the Hutchison Court Meeting which was held on [REDACTED] 2015);

(b) the passing of a special resolution by the Hutchison Shareholders at the Hutchison General Meeting to approve (1) the Hutchison Scheme and (2) the implementation of the Hutchison Scheme, including, in particular, the reduction of the issued share capital of Hutchison by cancelling and extinguishing the Hutchison Scheme Shares and the issue of the new Hutchison Shares to the Hutchison Proposal Offeror (such special resolution [was] passed at the Hutchison General Meeting which was held on [REDACTED] 2015);

(c) the passing of an ordinary resolution by the CKH Holdings Shareholders who do not have a material interest (which is different from that of all other CKH Holdings Shareholders) in any of the Husky Share Exchange and the Hutchison Proposal, at an extraordinary general meeting of CKH Holdings to approve the Hutchison Proposal and all transactions contemplated thereunder (such ordinary resolution [was] passed at the extraordinary general meeting of CKH Holdings which was held on [REDACTED] 2015);

(d) the Hutchison Scheme, with or without modification, being sanctioned and the proposed reduction of capital provided for in the Hutchison Scheme being confirmed by the Court, and an office copy of the Court order together with the minute and a return that comply with subsections (2) and (3) of section 230 of the Companies Ordinance respectively being registered by the Companies Registrar;

(e) the Listing Committee granting approval for the listing of, and permission to deal in, the CKH Holdings Shares to be issued as consideration under the Hutchison Scheme on the Main Board of the Stock Exchange and such approval not having been revoked prior to the Hutchison Scheme becoming effective;

(f) completion of the Husky Share Exchange having occurred;

(g) the fulfilment (or, where relevant, waiver) of all the conditions precedent to the Spin-off (as further described in "*The Distribution In Specie and the Spin-off – Distribution In Specie – Conditions Precedent to the Spin-off*") (other than the condition precedent relating to the Hutchison Proposal having been completed);

(h) all applicable filings, notices and waivers required in connection with the Hutchison Proposal and its implementation from or with any competent governmental or regulatory body being made, and if applicable, any waiting periods under any applicable antitrust or similar laws and regulations having expired or terminated; and

(i) all other authorisations, registrations, filings, rulings, consents, permissions and approvals (including approval in-principle) which may be required in connection with the Hutchison Proposal under any existing contractual arrangements, including loan and other finance documentation, or regulatory requirements having been obtained and all regulatory filing obligations having been complied with.

Upon completion of the Hutchison Proposal, (i) Hutchison will become a wholly-owned subsidiary of CKH Holdings and (ii) the listing of Hutchison Shares on the Stock Exchange will be withdrawn and the CKH Holdings Shares to be issued as consideration under the Hutchison Scheme will be listed on the Stock Exchange.

4. Property Businesses Combination

In preparation for the Listing and before the commencement of dealings in the Shares on the Stock Exchange, a number of pre-completion and reorganisation steps have been or will be taken, pursuant to which interests in the Combined Property Businesses currently under the CKH Holdings Group and/or the Hutchison Group will be reorganised under the Group. The reorganisation steps include the following:

(a) shares in a number of the CPB Companies will be reorganised to form part of the Group pursuant to the Reorganisation Agreement; and

(b) loans owing by certain CPB Companies to the Cheung Kong Group or the Hutchison Group at Completion (as defined below) will be assigned to the Group pursuant to the Reorganisation Agreement and the Specified Loans Purchase Agreement.

Further details of the reorganisation steps are set out below.

A. The Specified Loans Purchase Agreement

On [●] 2015, the Company entered into the Specified Loans Purchase Agreement with certain members of the Cheung Kong Group and the Hutchison Group and CKH Holdings, pursuant to which the Company conditionally agreed to accept the assignment from a number of members of the Cheung Kong Group and the Hutchison Group of certain interest-bearing loans owing by certain CPB Companies to them as at Completion (the "**Specified Loans**").

(1) Conditions to Completion of the Assignment of the Specified Loans

Completion of the assignment of the Specified Loans is conditional upon the fulfilment (or, where applicable, waiver) of the conditions which are summarised below:

(a) the fulfilment (or, where applicable, waiver) of the conditions to completion of the Reorganisation Agreement Transactions (as referred to in "– *The Reorganisation Agreement*" below), other than the condition relating to the fulfilment (or, where applicable, waiver) of the conditions to completion of the Specified Loans Purchase Agreement; and

(b) the warranties given by relevant members of the Cheung Kong Group and the Hutchison Group and CKH Holdings under the Specified Loans Purchase Agreement remaining true and accurate in all material respects and not misleading in any material respects.

The condition in (a) cannot be waived. The Company has the right to waive the condition in (b) in whole or in part. Subject to the fulfilment (or, where applicable, waiver) of the conditions above, completion of the assignment of the Specified Loans will take place simultaneously with completion of the Reorganisation Agreement Transactions (as defined below) (together referred to in this "*History and Reorganisation*" section as "**Completion**") immediately after the Hutchison Scheme becomes effective and before completion of the Distribution In Specie on the Listing Date (referred to in this "*History and Reorganisation*" section as the "**Completion Date**").

(2) Consideration

The consideration for the assignment of the Specified Loans will be an amount equal to the outstanding principal amounts of the Specified Loans as at the Completion Date plus any unpaid interest accrued thereon up to and excluding the Completion Date, such consideration will in aggregate be HK$55,000,000,000.

(3) Settlement of Consideration

At Completion, the aggregate consideration for the assignment of the Specified Loans will be settled by way of the issue of a promissory note in the principal amount of HK$55 billion by the Company to CKH Holdings (the "**Specified Loans Promissory Note**"). Such promissory note is to be settled by payment of cash on or before the fifth business day following the Completion Date (the "**Payment Date**") and is non-interest bearing (except for any amount which remains unpaid after the Payment Date, after which interest will be payable at the rate of one-month HIBOR plus 1% per annum until the date of payment of all outstanding amount). The Group intends to enter into a HK$55 billion syndicated loan facility with a group of lenders (the "**Loan Facility**"), the proceeds of which will be used to settle the Specified Loans Promissory Note. To cater for the event that the Loan Facility is not available to settle the Specified Loans Promissory Note when it becomes due, The Hongkong and Shanghai Banking Corporation Limited and Bank of America Merrill Lynch have entered into commitment letters with the Group for a bridge facility of HK$55 billion (the "**Bridge Facility**"), such that the proceeds of the Bridge Facility may be used to settle the Specified Loans Promissory Note, with the proceeds of the Loan Facility when and if it becomes available then being used to repay the Bridge Facility.

(4) Guarantee

CKH Holdings will guarantee the performance by the relevant members of the Cheung Kong Group and the Hutchison Group of their respective obligations under or pursuant to the Specified Loans Purchase Agreement.

(5) Representations and Warranties and Related Liability

The Specified Loans Purchase Agreement contains representations and warranties given severally by the relevant members of the Cheung Kong Group and the Hutchison Group and representations and warranties given by CKH Holdings subject to limitations. The aggregate liability of the relevant members of the Cheung Kong Group and the Hutchison Group and CKH Holdings under the Specified Loans Purchase Agreement, the Reorganisation Agreement and the Deed of Tax Indemnity (each as further described in "– *The Reorganisation Agreement*" and "– *Deed of Tax Indemnity*" below) is subject to a maximum amount of US$7 billion.

B. The Reorganisation Agreement

On [●] 2015, the Group entered into the Reorganisation Agreement with certain members of the Cheung Kong Group and the Hutchison Group and CKH Holdings, pursuant to which:

(a) shares and/or other interests in a number of the CPB Companies will be reorganised to form part of the Group (the "**CPB Companies Share Reorganisation**"); and

(b) loans owing by certain CPB Companies to the Cheung Kong Group or the Hutchison Group (other than the Specified Loans) at Completion will be assigned to the Group (the "**Reorganisation Agreement Loans Assignment**").

The transactions in (a) and (b) above are together referred to as the "**Reorganisation Agreement Transactions**".

The principal terms and conditions of the Reorganisation Agreement are summarised below.

(1) Conditions to Completion of the Reorganisation Agreement Transactions

Completion of the Reorganisation Agreement Transactions is conditional upon the fulfilment (or, where applicable, waiver) of a number of conditions which are summarised below:

(a) the Hutchison Scheme having become effective;

(b) all authorisations which may be required in connection with the transactions contemplated under the Reorganisation Agreement under any existing contractual arrangements having been obtained and all regulatory filing obligations having been complied with;

(c) the warranties given by the relevant members of the Cheung Kong Group and the Hutchison Group and CKH Holdings under the Reorganisation Agreement (together, the "**CKH Holdings Warranties**") remaining true and accurate in all material respects and not misleading in any material respect and there being no material adverse change or effect on the CPB Companies as a whole resulting from any of the CKH Holdings Warranties not being true and accurate or being misleading;

(d) there being no material breach of any terms of the Reorganisation Agreement on the part of the relevant members of the Cheung Kong Group and the Hutchison Group resulting in material adverse change or effect on the CPB Companies as a whole; and

(e) the fulfilment (or, where applicable, waiver) of the conditions to completion of the assignment of the Specified Loans, other than the condition relating to the fulfilment (or, where applicable, waiver) of the conditions to completion of the Reorganisation Agreement Transactions.

The conditions in (a) and (e) cannot be waived. The Company has the right to waive any of the conditions in (b) to (d) above in whole or in part and either generally or in respect of any particular matter.

Subject to the fulfilment (or, where relevant, waiver) of the conditions referred to above, completion of the Reorganisation Agreement Transactions will take place simultaneously with completion of the assignment of the Specified Loans immediately after the Hutchison Scheme becomes effective and before completion of the Distribution In Specie on the Listing Date.

(2) Consideration

(i) Consideration for the CPB Companies Share Reorganisation

The consideration for the CPB Companies Share Reorganisation will be an amount equal to the aggregate of the net asset values attributable to ordinary / common shareholders of the CPB Companies as at the Completion Date based on (i) the unaudited consolidated net asset value attributable to ordinary / common shareholders as at [REDACTED] 2015 of the relevant CPB Companies and (ii) the estimated changes in the unaudited consolidated net asset value attributable to ordinary / common shareholders of the relevant CPB Companies during the period from [REDACTED] 2015 to the day immediately preceding the Completion Date, as agreed between CKH Holdings and the Company.

(ii) Consideration for the Reorganisation Agreement Loans Assignment

The consideration for the Reorganisation Agreement Loans Assignment will be an amount equal to the aggregate of the outstanding principal amounts of the relevant loans as at the Completion Date (if applicable, plus any unpaid interest accrued thereon up to and excluding the Completion Date).

(3) Settlement of Consideration

The aggregate consideration for the Reorganisation Agreement Transactions will be settled by way of the issue of a promissory note (the "**Reorganisation Promissory Note**") by the Company to CKH Holdings, and the debt due from the Company to CKH Holdings pursuant to such promissory note will be settled at Completion through the issue of one new Share by the Company to CKH Holdings credited as fully paid at a premium, with the premium equal to the principal amount of that promissory note less HK$1 (being the par value of one Share).

(4) Passing of Economic Interests

The reorganisation of the shares of certain CPB Companies to form part of the Group will require third party consents (the "**Third Party Consents**"). In the event that, in respect of any CPB Companies, the relevant Third Party Consent cannot be obtained to the satisfaction of the Company on or before 10 business days prior to the Completion Date (the "**CPB Specified Companies**"), the

relevant members of the Cheung Kong Group and the Hutchison Group will, pursuant to arrangements entered into, pass the economic interests in and obligations in respect of such CPB Specified Companies to the Group, upon Completion, with the remaining steps of the Reorganisation Agreement Transactions in respect of the CPB Specified Companies to take place within five business days (a) after the Completion Date (in relation to the CPB Specified Companies the Third Party Consents of which are obtained within 10 business days prior to the Completion Date) or (b) after the date when the relevant Third Party Consents are obtained (in relation to the CPB Specified Companies the Third Party Consents of which are obtained on or after the Completion Date).

(5) Representations and Warranties and Related Liability

The Reorganisation Agreement contains representations and warranties given severally by the relevant members of the Cheung Kong Group and the Hutchison Group, and representations and warranties given by CKH Holdings subject to limitations.

No claim shall be brought by the Group under the Reorganisation Agreement unless each claim exceeds US$120 million. The aggregate liability of the relevant members of the Cheung Kong Group and the Hutchison Group and CKH Holdings under the Specified Loans Purchase Agreement, the Reorganisation Agreement and the Deed of Tax Indemnity (as further described in "– *Deed of Tax Indemnity*" below) is subject to a maximum amount of US$7 billion.

(6) Guarantees

Under the Reorganisation Agreement:

(a) CKH Holdings has agreed to guarantee the performance by the Cheung Kong Group and the Hutchison Group of their respective obligations under or pursuant to the Reorganisation Agreement; and

(b) the Company has agreed to guarantee the performance by the relevant members of the Group of their obligations under or pursuant to the Reorganisation Agreement.

(7) Undertakings

The Company will use all reasonable endeavours to procure that, as from Completion (and, in the case of the CPB Specified Companies, the completion of the reorganisation of the relevant CPB Specified Companies to form part of the Group), all members of the CKH Holdings Group are released from all guarantees and indemnities given by any of them in respect of any obligations of any CPB Companies and, pending such release, the Company will indemnify such members of the CKH Holdings Group against all liabilities arising under the above guarantees and indemnities in respect of, or attributable to, the period after Completion.

C. Deed of Tax Indemnity

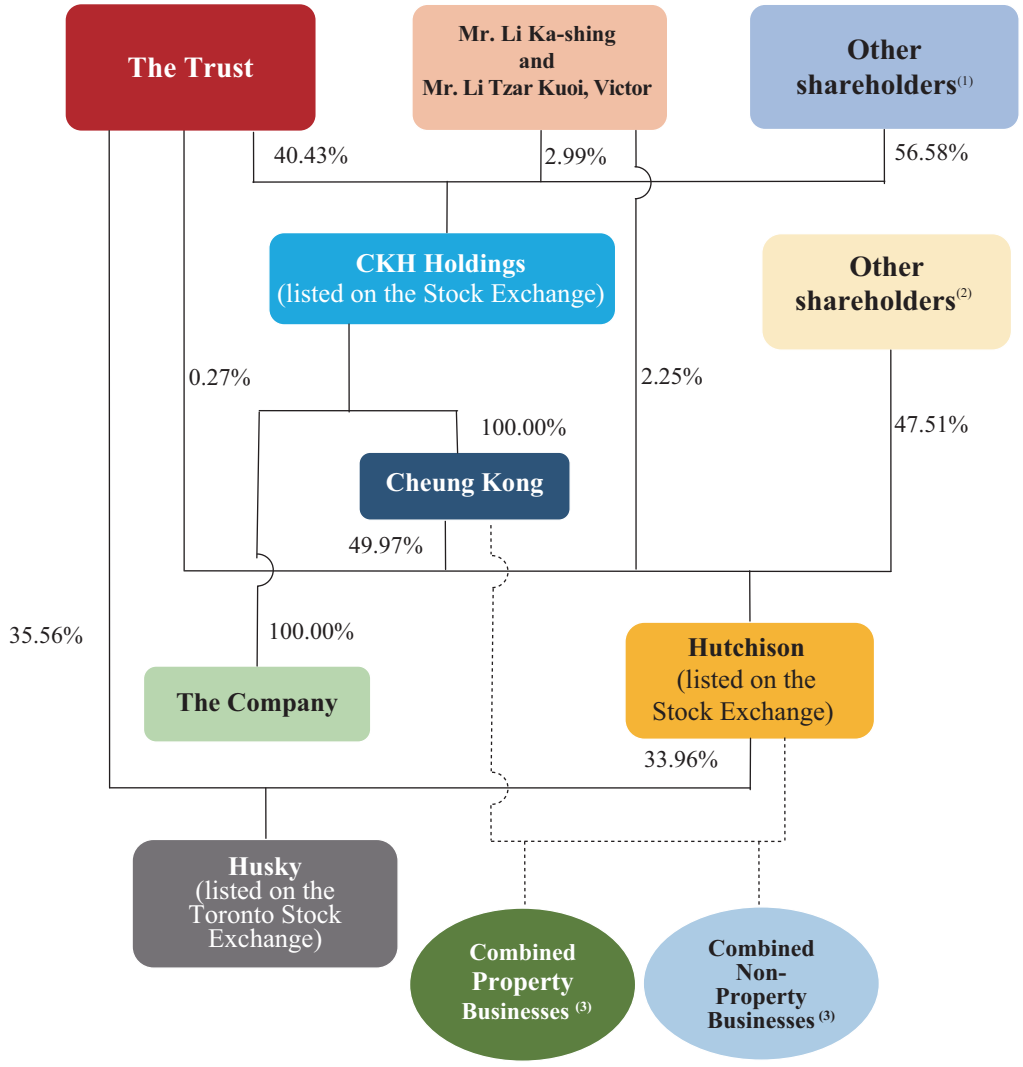
On [●] 2015, the Company entered into a deed of tax indemnity (the "**Deed of Tax Indemnity**") with CKH Holdings, Cheung Kong and HIL, under which Cheung Kong and HIL severally covenanted, conditional upon Completion having taken place and subject to limitations, to indemnify and pay for certain tax liabilities of the CPB Companies owned by Cheung Kong Group and Hutchison Group respectively before the Property Businesses Combination including, among other things, tax liabilities arising from events occurring on or before Completion or in respect of any gains accrued on or before

Completion or any tax liabilities arising as a result of the pre-completion reorganisation, the assignment of the Specified Loans, the Reorganisation Agreement Transactions, the Distribution In Specie or the Spin-off. CKH Holdings has agreed to guarantee the performance by Cheung Kong and HIL of their respective obligations under the Deed of Tax Indemnity.

No claim shall be brought in respect of the covenant and indemnity given by each of Cheung Kong and HIL (the "**indemnifying parties**") under the Deed of Tax Indemnity unless the claim against such indemnifying party exceeds US$120 million. The aggregate liability of the relevant members of the Cheung Kong Group and the Hutchison Group and CKH Holdings under the Specified Loans Purchase Agreement, the Reorganisation Agreement and the Deed of Tax Indemnity is subject to a maximum amount of US$7 billion.

CORPORATE STRUCTURE PRIOR TO THE MERGER PROPOSAL AND THE SPIN-OFF

Below is a simplified corporate structure of CKH Holdings, Cheung Kong, Hutchison, Husky, and the Company as at the Latest Practicable Date:



Notes:

(1) The other shareholders of CKH Holdings include certain core connected persons of CKH Holdings (including, among others, certain directors of CKH Holdings (other than Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor)), who are not regarded as public shareholders of CKH Holdings under the Listing Rules.

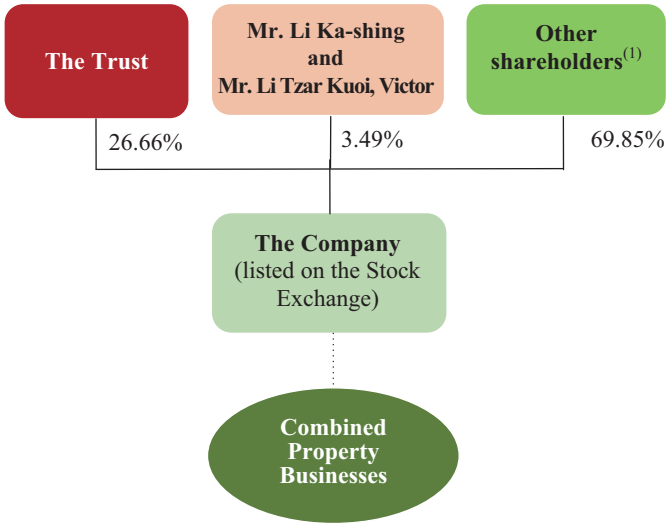
(2) The other shareholders of Hutchison include certain core connected persons of Hutchison (including, among others, certain directors of Hutchison (other than Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor)), who are not regarded as public shareholders of Hutchison under the Listing Rules.

(3) Prior to the Property Businesses Combination, the Combined Property Businesses and the Combined Non-Property Businesses are businesses jointly and/or separately owned by the CKH Holdings Group and the Hutchison Group.

(4) Some percentage figures may not add up due to rounding differences.

CORPORATE STRUCTURE IMMEDIATELY AFTER COMPLETION OF THE PROPOSALS AND THE LISTING

The simplified shareholding and corporate structure of the Group immediately after completion of the Proposals and the Listing is set out below:



Notes:

(1) The other shareholders of the Company include certain core connected persons of the Company (including, among others, certain directors of the Company (other than Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor)), who are not regarded as public shareholders of the Company under the Listing Rules.

(2) Details of certain information on the Group's non-wholly owned subsidiaries as at the Latest Practicable Date (assuming completion of the Proposals) are set out in "*Appendix VII – General Information – Further Information about the Company – Subsidiaries – Non-wholly Owned Subsidiaries*".

This section and other sections of this listing document contain information relating to the Hong Kong economy, the PRC economy and the industries in which we operate. The information that appears in this section has been prepared based on publicly available sources and trade opinion surveys, and is prepared primarily as a market research tool. The Directors believe that the sources of information contained in this section are appropriate sources for such information and have taken reasonable care in reproducing such information. The Directors have no reason to believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading. The information set out in this section has not been independently verified by the Company or any of the Relevant Persons and none of them gives any representations as to its accuracy and the information should not be relied upon in making, or refraining from making, any investment decision.

Source of Information

This listing document cites materials prepared by the Hong Kong Tourism Board, the Meetings and Exhibitions Hong Kong, the Rating and Valuation Department of Hong Kong, the Land Registry of Hong Kong, National Bureau of Statistics of the PRC, China Economic Data Database ("**CEIC**"), China Index Academy, the China National Tourism Administration ("**CNTA**"), HM Revenue & Customs, Nationwide Building Society, United Nations Conference on Trade and Development ("**UNCTAD**"), Bloomberg, Jones Lang LaSalle and other research sources. None of the Company, the Directors or the Joint Sponsors has commissioned any of the materials prepared by these research sources for use as citations in this listing document. The materials we have used are widely available periodic publications and/or data compilations by the respective research sources. The parameters and assumptions used by researchers in compiling the reports are based on their own in-house standards.

The Directors confirm that, after due enquiry, there is no material adverse change in the market information since the issue date of the abovementioned sources which may qualify, contradict or adversely impact on the information contained in this section.

Hong Kong Real Estate Market Overview

Due to its geographic location, well-established legal system and importance as a gateway city to the PRC, Hong Kong is one of the world's leading financial and trading centres. It is one of the world's freest economies and is highly integrated with the global business cycle. It is the second largest recipient of foreign direct investment in Asia with total global foreign direct investment inflows of US$77 billion in 2013 according to the UNCTAD World Investment Report 2014. According to CEIC, during the period 2009 to 2014, Hong Kong's GDP and GDP per capita recorded CAGRs of 6.2% and 5.4%, to reach HK$2,246 billion and HK$310,113, respectively. During the period 2009 to the end of the first nine months of 2014, Hong Kong recorded an average real GDP growth of 2.7%.

During the past few years, the Hong Kong real estate market (including the residential property and commercial property markets) has been influenced by a number of factors. These include, but are not limited to, a relatively limited supply of land, increasing construction costs, relatively low interest rates, rising housing demand from local and mainland Chinese residents, growing consumption power and a stable business environment. The Hong Kong government and the Hong Kong Monetary Authority have also implemented a series of policies and regulations to slow down the residential property market and inflation of property prices and to dampen property speculation. These policies and

regulations include increased mortgage down payments and additional stamp duties on property sales made within a certain period of time or on properties purchased by foreign purchasers or existing property owners.

The Hong Kong government has indicated in the 2015 Hong Kong Government Policy Address that it intends to speed up the development of public housing and public rental housing ("**PRH**") and make available flats under the Home Ownership Scheme ("**HOC**"), subsidised sales flats and PRH for sales in the near future. The Hong Kong government also intends to continue to maintain the development of the private property market through steady and sustained land supply and implementation of certain management measures. The Hong Kong government raised the short-term supply target of private residential units over the next three to four years to 74,000 flats, up from 68,000 units over the next five years as mentioned in the 2014 Hong Kong Government Policy Address, while indicating a housing target of 480,000 public and private flats over the next decade, 40% of which will be accounted for with private housing.

Historical Land Transactions and Price Trend of Construction Materials and Labour Costs in Hong Kong

From 2009 to 2014, the total value of sales and purchase agreements for land transactions in Hong Kong fluctuated from approximately HK$27.6 billion in 2009 to approximately HK$37.2 billion in 2010, and to approximately HK$19.8 billion in 2014. In terms of number of transactions, the number of sales and purchase agreements for land transactions also fluctuated during the period from 2009 to 2014, and increased from 2,256 transactions in 2009 to 2,480 transactions in 2014. The table below sets out the details for the sales and purchase agreements for land transactions in Hong Kong over the periods indicated in terms of total value and number of transactions:

	2009	2010	2011	2012	2013	2014
Sales and purchase agreements of land transactions (HK$ billion)	27.6	37.2	27.9	28.0	29.9	19.8
Sales and purchase agreements of land transactions (no. of transactions)	2,256	2,788	2,756	2,478	2,147	2,480

Source: CEIC 2009 – 2014

Concrete blocks, galvanised mild steel and Portland cement are common materials used in the construction of residential and commercial properties in Hong Kong. According to CEIC, the material cost of concrete blocks, galvanised mild steel and Portland cement showed increasing trends during the period from 2009 to the end of 2013. In terms of labour cost, the median monthly earnings for all industries in Hong Kong also showed an increasing trend during the period from 2009 to the end of 2013.

The table below sets out the Materials Cost Index for concrete blocks, galvanised mild steel and Portland cement as well as the median monthly earnings for all industries in Hong Kong over the periods indicated:

	2009	2010	2011	2012	2013
Materials Cost Index – Concrete Blocks[1]	141	151	170	175	180
Materials Cost Index – Galvanised Mild Steel[1]	240	256	269	259	263
Materials Cost Index – Portland Cement[1]	114	120	135	138	138
Median monthly earnings for all industries in Hong Kong (HK$)	10,500	10,825	11,575	12,000	12,500

Source: CEIC 2009 – 2013

Note:

(1) As at the end of each year

Hong Kong Residential Market Overview

New supply in the Hong Kong residential market recorded a decrease in 2013 with the completion of approximately 8,250 units, representing approximately 81% of the level in 2012 and approximately 85% of the average of 9,684 units per annum during the period from 2009 to the end of 2013. Vacancy at the end of 2013 declined moderately to approximately 4.1% of the total stock, equivalent to approximately 46,570 units.

Completion, take-up and vacancy of small/medium residential units [1]

(No. of Units)	2009	2010	2011	2012	2013
Completion	4,740	11,970	8,320	7,730	7,310
Take-up	10,420	5,790	10,770	6,680	6,390
Vacancy	38,770	43,960	40,000	38,860	38,210
Vacancy rate (%)	3.8	4.3	3.9	3.8	3.7

Source: The Rating and Valuation Department of Hong Kong

Completion, take-up and vacancy of large residential units [2]

(No. of Units)	2009	2010	2011	2012	2013
Completion	2,420	1,440	1,130	2,420	940
Take-up	670	2,240	630	870	1,670
Vacancy	8,580	7,570	7,920	9,140	8,360
Vacancy rate (%)	10.5	9.2	9.5	10.7	9.7

Source: The Rating and Valuation Department of Hong Kong

Notes:

(1) Units with a saleable area of less than 100 sq.m.

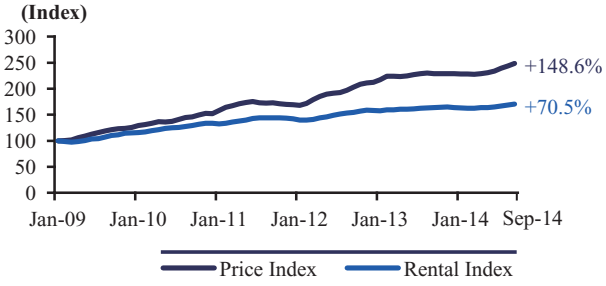
(2) Units with a saleable area of 100 sq.m. or above

According to CEIC, residential prices experienced a strong growth trend during the period between January 2009 and September 2014, with the residential price index and residential rental index increasing by approximately 148.6% and 70.5%, respectively, driven by a strong recovery and growth in residential purchases for end-user purposes and investment after the global financial crisis in 2008. However, starting from 2011, the Hong Kong government and the Hong Kong Monetary Authority introduced a number of policies and regulations to the Hong Kong property market. In 2011, the mortgage payment requirements were increased for properties with different prices. In 2012, a 15% BSD targeting buyers of residential flats who are not Hong Kong permanent residents and a SSD which applies a tax rate of 10% to 20% for resale with a holding period of less than 36 months were introduced, with a goal to curb speculative and investment demand. In 2013, the Hong Kong government introduced further policies and regulations including DSD targeting buyers of all properties, except for those bought by permanent residents who are either first-time buyers or who are selling their only home to buy another one. In addition, in 2013, the Residential Properties (First-hand Sales)

Ordinance came into effect, which sets out detailed requirements for vendors of first-hand residential properties to comply with in relation to sales brochures, price lists, show flats, disclosure of transaction information, advertisements, sales arrangements, and the mandatory provisions for the preliminary agreement for sale and purchase and agreement for sale and purchase for the sales of first-hand residential properties. In February 2015, further tightening measures relating to increased mortgage down payment requirements were announced in Hong Kong.

The charts below set out the rental and price indices for the Hong Kong residential market and the average residential sales prices in Hong Kong for the periods indicated:

Rental and price indices for residential sector



Source: CEIC 2009-2014

Average residential sales prices in Hong Kong as at 30 September 2014

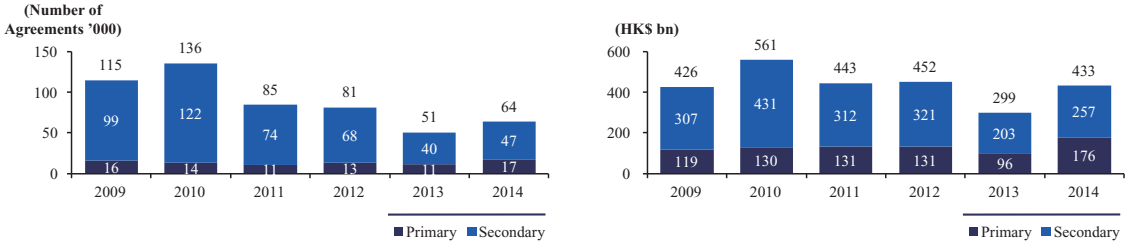
(HK$ per sq.m.)	Class A	Class B	Class C	Class D	Class E
Hong Kong Island	133,532	134,192	155,153	181,330	251,337
Kowloon	106,103	111,560	149,010	161,125	170,755
New Territories .	94,498	82,858	91,694	94,173	64,418

Source: CEIC 2014

Note: Class A – Less than 40 sq.m. saleable area
Class B – 40 – 69.9 sq.m. saleable area
Class C – 70 – 99.9 sq.m. saleable area
Class D – 100 – 159.9 sq.m. saleable area
Class E – 160 sq.m. and above saleable area

The volume and value of sales and purchases in the Hong Kong residential market experienced a decrease in 2013 due to the government's policies and regulations as described above. The market then recovered in 2014 with a total of approximately 64,000 sale and purchase agreements recorded with a value of HK$433 billion, according to the Land Registry of Hong Kong, representing an increase of approximately 25.5% and 44.8%, respectively from 2013. The charts below set out the sales and purchases of residential building units in Hong Kong in terms of number of agreements and value:

Sales and purchases of residential building units in Hong Kong



Source: The Land Registry of Hong Kong

Developers in the Hong Kong residential market primarily comprise of a number of local developers, including both large-scale listed developers and small to medium private companies, who compete in terms of land acquisition, brand recognition, financial resources, price, product quality, service quality and other factors. Some PRC developers have also entered the market in recent years, to take advantage of the increasing demand from Hong Kong's economic growth and to cater to the residential needs of migrants from the PRC. In terms of entry barriers, property development generally requires financial strength and operational expertise. The Group is one of the largest property developers in Hong Kong based on residential units sold during the last five years.

Hong Kong Office Market Overview

As a global financial and trading hub, Hong Kong's office market is highly developed, with strong demand from domestic, the PRC and international enterprises. Hong Kong is also a popular venue for hosting regional headquarters or representative offices for multinational companies to manage their businesses in the Asia Pacific. Based on a Hong Kong government survey, there were 3,784 regional headquarters and regional offices in Hong Kong representing their parent companies located outside Hong Kong as at June 2014. The total stock of private offices at the end of 2013 was approximately 11 million sq.m., approximately 63% of which was attributable to Grade A offices.

Given the limited supply of land in Hong Kong, the supply of Grade A offices has historically been limited. Improving global and local economies have driven increased demand for Hong Kong Grade A office space, with the vacancy rate decreasing from 11.5% in 2009 to 7.2% in 2013. Primarily as a result of strong demand and relatively limited supply, Hong Kong's Grade A office rental rates have grown significantly over the past few years. During the period between January 2009 and September 2014, the Grade A rental index compiled by CEIC increased by approximately 40.3%. During the same period, the price index for office sales also increased by approximately 145.1%, which was primarily driven by a shortage in Grade A offices for sale and low interest rates. According to the Rating and Valuation Department of Hong Kong, the average property market yield for Grade A offices in Hong Kong was 2.9% for 2014, which was largely in line with the average property market yield of 3.2% during the period 2009 to the end of 2014.

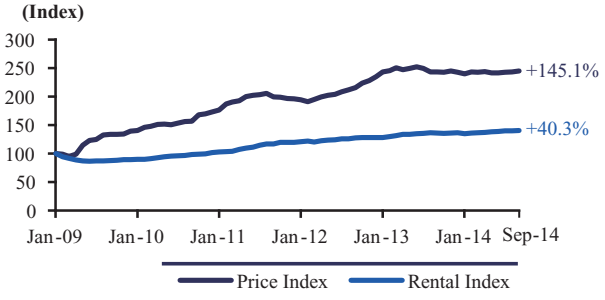
The charts below set out the completion, take-up and vacancy of Grade A offices as well as rental and price indices for Grade A offices for the periods indicated:

Completion, take-up and vacancy of Grade A offices

(sq.m.)	2009	2010	2011	2012	2013
Completion	129	115	125	104	97
Take-up	(71)	292	233	134	12
Vacancy	753	576	448	418	502
Vacancy rate (%)	11.5	8.5	6.6	6.1	7.2

Source: The Rating and Valuation Department of Hong Kong

Rental and price indices for Grade A offices



Source: CEIC 2009-2014

Hong Kong Retail Market Overview

The Hong Kong retail market is one of the most developed markets, with some of the highest rental rates, in the world. High consumer spending by Hong Kong residents and a large number of tourists, in particular visitors from the PRC, and low barriers to entry attract a large number of international retailers to the market. Total stock in this sector at the end of 2013 was approximately 11 million sq.m.. According to the Rating and Valuation Department of Hong Kong, vacancy rates decreased from approximately 8.7% in 2009 to approximately 7.2% in 2013 and are expected to remain stable in next few years.

During the period January 2009 to September 2014, the annual retail rental index and the price index increased by approximately 60.9% and 224.5%, respectively. According to the Rating and Valuation Department of Hong Kong, the average property market yield for retail space in Hong Kong was approximately 2.4% for 2014, which is largely in line with the average property market yield for such space of 2.9% during the period from 2009 to the end of 2014.

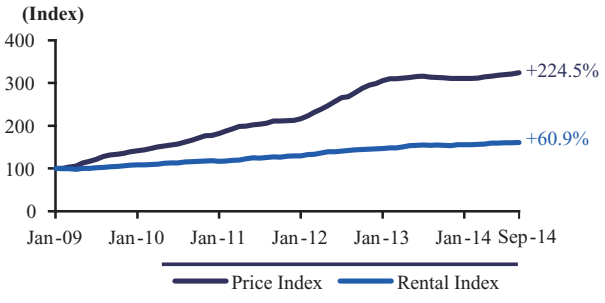
The charts below set out the completion, take-up and vacancy of private commercial retail space as well as rental and price indices for the rental sector for the periods indicated:

Completion, take-up and vacancy of private commercial retail space

(sq.m.)	2009	2010	2011	2012	2013
Completion	84	65	42	90	38
Take-up	42	135	(7)	165	(14)
Vacancy	932	844	859	752	782
Vacancy rate (%)	8.7	7.9	8.0	6.9	7.2

Source: The Rating and Valuation Department of Hong Kong

Rental and price indices for retail sector



Source: CEIC 2009-2014

PRC Real Estate Market Overview

The PRC economy has grown significantly since the PRC government introduced economic reforms in the late 1970's. The PRC's accession to the World Trade Organization in 2001 further accelerated the development of the Chinese economy. During the period 2009 to the end of 2013, the PRC recorded a relatively strong growth in GDP from RMB34,878 billion to RMB58,667 billion, representing a CAGR of approximately 13.9%, driven primarily by expansion of various fundamental industries and the impetus of various macro-economic policy adjustments. According to the National Bureau of Statistics of the PRC, the PRC overtook Japan to become the world's second largest economy in terms of GDP in the second quarter of 2010. In terms of annual disposable income per capita, it increased from RMB17,175 to RMB28,844, representing a CAGR of 10.9% during the period 2009 to the end of 2014.

As a result of the rapid economic growth and increasing urbanisation in the PRC, the real estate market has achieved strong growth. According to the National Bureau of Statistics of the PRC, total real estate investments have increased at a CAGR of approximately 24.1% during the period 2009 to the end of 2013, increasing from RMB3,624 billion to RMB8,601 billion over this period. During the same period, sales of commodity properties increased both in volume and value as a result of stronger demand for self-occupation and investments. According to National Bureau of Statistics of the PRC, the average selling price of commodity properties increased from RMB4,681 per sq.m. in 2009 to RMB6,237 per sq.m. in 2013, while total sales of commodity properties increased from RMB4,436 billion in 2009 to RMB8,143 billion in 2013, representing CAGRs of approximately 7.4% and 16.4%, respectively.

The table below sets out selected information about the PRC property market over the periods indicated:

	2009	2010	2011	2012	2013	09-13 CAGR
Total real estate investment (RMB billion)	3,624	4,826	6,180	7,180	8,601	24.1%
Total GFA completed (million sq.m.)	727	787	926	994	1,014	8.7%
Total GFA under construction (million sq.m.)	3,204	4,054	5,068	5,734	6,656	20.1%
Total GFA sold (million sq.m.)	948	1,048	1,094	1,113	1,306	8.3%

Source: National Bureau of Statistics of the PRC 2009 – 2013

The PRC government exerts considerable direct and indirect influence on the development of the PRC property sector by imposing industry policies and other economic measures, such as control over the supply of land for property development and control of foreign exchange, property financing, taxation and foreign investment. Starting from December 2009, the PRC government has adjusted some of its policies in order to stabilise the prices of properties from rapidly increasing, especially in certain developed cities, including the introduction of home purchase restriction policies which apply various restrictions to qualified purchasers, higher minimum down payments requirement, mortgage and construction loan interest rates increase and the introduction of new property tax scheme in certain cities. Starting from June 2014, local rules have been promulgated by some of the Chinese local governments to implement loosening or cancellation of the home purchase restrictions and credit policy related to residential property market has been relaxed. Please refer to "*Appendix IV – Regulatory Overview*" for details.

Historical Price Trend of Construction Materials, Labour Costs and Land Costs in the PRC

The Purchasing Price Index of Raw Materials, Fuel and Power ("**PPIRM**") is commonly used to predict construction costs for real estate developers. In general, the prices of raw materials fluctuate year-on-year owing to economic, political and social changes. According to the National Bureau of Statistics of the PRC, PPIRM – Construction Materials fluctuated slightly during the period from 2009 to 2013, dropping from 101 in 2009 to 99 in 2013. The steel product price index dropped from 3,910 in 2009 to 3,600 in 2013. The China Producer Price Index – Manufacture of Cement also fluctuated during this period, increasing from 95 in 2009 to 103 in 2013. The average annual wage level for working in urban areas in the property industry increased from RMB32,242 in 2009 to RMB51,048 in

2013. The table below sets out PPIRM – Construction Materials, Steel Product Price Index, the China Producer Price Index – Manufacture of Cement and the average annual wage level for workers in urban areas in the PRC of the real estate industry over the periods indicated:

	2009	2010	2011	2012	2013
PPIRM – Construction Materials[(1)]	101	104	108	100	99
Steel Product Price Index[(1)]	3,910	4,760	4,480	3,800	3,600
The China Producer Price Index – Manufacture of Cement[(1)]	95	112	112	92	103
The average annual wage level for workers in urban areas in the PRC of the property industry (RMB)	32,242	35,870	42,837	46,764	51,048

Source: Bloomberg, CEIC 2009 – 2013 and National Bureau of Statistics of the PRC 2009 – 2013
Note:
(1) As at the end of each year

During the period from 2009 to the end of 2013, the total transaction site area and average site values for both residential and commercial real estate in different tiers of cities in China have experienced growth. The table below sets out the total transaction site area and the average sites values for residential and commercial real estate in different tiers of cities in China over the periods indicated:

	2009	2010	2011	2012	2013
Transaction site area (million sq.m.)	822	1,220	2,640	2,861	2,919
Average site values					
– For residential property development in Tier 1 cities (RMB per sq.m.)	10,018	11,359	8,021	9,457	14,501
– For residential property development in Tier 2 cities (RMB per sq.m.)	3,439	4,186	3,446	3,796	4,625
– For residential property development in Tier 3 and 4 cities (RMB per sq.m.)	1,770	1,972	1,573	1,552	1,916
– For commercial property development in Tier 1 cities (RMB per sq.m.)	8,423	11,623	17,981	16,989	29,214
– For commercial property development in Tier 2 cities (RMB per sq.m.)	2,929	3,274	3,279	2,761	3,231
– For commercial property development in Tier 3 and 4 cities (RMB per sq.m.)	1,141	1,394	1,109	1,076	1,337

Source: China Index Academy

PRC Residential Market Overview

During the period from 2009 to the end of 2013, the total GFA of commodity residential properties sold increased at a CAGR of approximately 7.6%, from 862 million sq.m. to 1,157 million sq.m.. The PRC government has implemented various policies and regulations on property development, real estate financing, sale of commodity properties and leasing of buildings, which has influenced the sentiment of the PRC residential market. Please refer to "*Appendix IV – Regulatory Overview*" for details. The table below sets the key indicators of the PRC residential market for the period indicated:

	2009	2010	2011	2012	2013	09-13 CAGR
Total area of commodity residential properties completed (million sq.m.)	596	634	743	790	787	7.2%
Total GFA of commodity residential properties sold (million sq.m.)	862	934	965	985	1,157	7.6%
Total sales of commodity residential properties (RMB billion)	3,843	4,412	4,820	5,347	6,769	15.2%
Total ASP of commodity residential properties (RMB/sq.m.)	4,459	4,725	4,993	5,430	5,850	7.0%

Source: National Bureau of Statistics of the PRC 2009 – 2013

The PRC residential market is relatively fragmented, with the top 10 developers accounting for approximately 17.2% of the market based on contracted sales in 2014 (which totalled approximately RMB7,508 billion) and approximately 10.5% based on contracted GFA sold in 2014 (which totalled approximately 1,198 million sq.m.). In terms of entry barriers, property development generally requires financial strength and operational expertise. Therefore, early entrants and large-scale participants in the industry which have gained experience and market reputation across the regions in which they operate generally have a competitive advantage over new entrants. Please refer to "*Business – Market and Competition*" for details.

PRC Office Market Overview

During the past few years, demand in the office sector has remained strong, particularly in the high-end property segment driven by services-related industries such as finance and information technology, with interest coming both from domestic and international firms. During the period 2009 to the end of 2014, the annual office floor space completed in the PRC increased at a CAGR of approximately 13.7% from 16.5 million sq.m. to 31.4 million sq.m..

The table below sets out the annual office floor space completed in the PRC over the periods indicated:

	2009	2010	2011	2012	2013	2014	09-14 CAGR
Annual office floor space completed in the PRC (million sq.m.)	16.5	18.2	22.7	23.2	27.9	31.4	13.7%

Source: CEIC 2009 – 2014

Overview of Top 10 Cities in the PRC in which the Group has Operations

The following sets out an overview of the property market in the top 10 cities in the PRC (based on property valuation of the Group's projects as at 28 February 2015) in which the Group has operations.

Shanghai

Shanghai is one of the most developed cities in the PRC and is aiming to become a leading international economic, financial, trading and shipping centre by 2020. GDP and disposable income per capita increased at CAGRs of approximately 9.5%, from RMB1,505 billion in 2009 to RMB2,160 billion in 2013, and 11.0%, from RMB28,838 in 2009 to RMB43,851 in 2013, respectively. Shanghai's GDP has experienced strong growth in recent years, with retail sales also exhibiting robust growth in the city, leading to increased retail development. The Shanghai Housing Security and Housing Administration Bureau announced an adjustment in the city's definition for mass-market housing (which is subject to looser mortgage restrictions for first home purchasers) in November 2014. After the adjustment, the ratio of mass-market housing as percentage of total new housing increased to 21% from 5% (before the adjustment), while the ratio of mass-market housing as percentage of total second-hand housing increased to 89% from 75% (before the adjustment). As a result of the adjustment, more home purchasers are generally able to enjoy loosened mortgage terms. The table below sets out selected data relating to the Shanghai property market:

	2009	2010	2011	2012	2013	09-13 CAGR
Total population (million)	14.0	14.1	14.2	14.3	14.3	0.5%
Total investment in property development projects (RMB billion)	146	198	225	238	282	17.9%
Average selling price of commodity properties (RMB/sq.m.)	12,840	14,464	14,603	14,061	16,420	6.3%
Total GFA completed (million sq.m.)	21	19	24	23	23	2.3%
Total GFA sold (million sq.m.)	34	21	18	19	24	(8.3%)

Source: CEIC 2009 – 2013, National Bureau of Statistics of the PRC 2009 – 2013

Wuhan

Wuhan is one of the key cities in the Central China region and is experiencing an urbanisation drive as a result of active city planning with new roads, road widening and subway improvements. GDP and disposable income per capita increased at CAGRs of approximately 18.3%, from RMB462 billion in 2009 to RMB905 billion in 2013, and 12.9%, from RMB18,385 in 2009 to RMB29,821 in 2013, respectively. With solid demand and strong economic fundamentals, the residential property market has remained resilient. Home purchase restrictions in Wuhan have been fully removed since 24 September 2014 on newly built commodity residential apartments and second-hand apartments. In addition, in November 2014, the government of Hubei Province announced the loosening of restrictions on the use of housing funds by residential purchasers. The table below sets out selected data relating to the Wuhan property market:

	2009	2010	2011	2012	2013	09-13 CAGR
Total population (million)	8.4	8.4	8.3	8.2	8.2	(0.6%)
Total investment in property development projects (RMB billion)	78	102	128	158	191	25.1%
Average selling price of commodity properties (RMB/sq.m.)	5,329	5,746	7,193	7,344	7,717	9.7%
Total GFA completed (million sq.m.)	9	9	12	11	7	(6.1%)
Total GFA sold (million sq.m.). .	11	12	13	16	20	16.1%

Source: CEIC 2009 – 2013, National Bureau of Statistics of the PRC 2009 – 2013

Chengdu

Chengdu is the centre of technology and education, trade and finance in Southwestern China. GDP and disposable income per capita increased at CAGRs of approximately 19.3%, from RMB450 billion in 2009 to RMB911 billion in 2013, and 14.2%, from RMB17,589 in 2009 to RMB29,968 in 2013, respectively. Despite a recent downturn in transaction volume, the city's position as the centre of Southwestern China continues to attract migrants to participate in its growing tertiary industries such as technology and communications, which supports residential property demand and lays a solid foundation for the real estate market. On 20 January 2015, home purchase restrictions as well as price restrictions were officially announced to be removed by end of the year 2015 by the government of Sichuan, on all types of residential apartments across the city. The table below sets out selected data relating to the Chengdu property market:

	2009	2010	2011	2012	2013	09-13 CAGR
Total population (million)	11.4	11.5	11.6	11.7	11.9	1.1%
Total investment in property development projects (RMB billion)	95	128	159	189	211	22.1%
Average selling price of commodity properties (RMB/sq.m.)	4,925	5,937	6,717	7,288	7,197	9.9%
Total GFA completed (million sq.m.)	17	16	16	21	19	2.8%
Total GFA sold (million sq.m.). .	27	26	27	28	30	2.7%

Source: CEIC 2009 – 2013, National Bureau of Statistics of the PRC 2009 – 2013

Chongqing

Chongqing is one of the gateway cities in Southwest China. GDP and disposable income per capita increased at CAGRs of approximately 18.0%, from RMB653 billion in 2009 to RMB1,266 billion in 2013, and 12.5%, from RMB15,749 in 2009 to RMB25,216 in 2013, respectively. In 2014, in response to the government's objective of ensuring its steady growth, and underpinned by strong growth in monetary supply, the real estate market has experienced an increase in transaction volume. The table below sets out selected data relating to the Chongqing property market:

	2009	2010	2011	2012	2013	09-13 CAGR
Total population (million)	32.8	33.0	33.3	33.4	33.6	0.6%
Total investment in property development projects (RMB billion)	124	162	202	251	301	24.8%
Average selling price of commodity properties (RMB/sq.m.)	3,442	4,281	4,734	5,080	5,569	12.8%
Total GFA completed (million sq.m.)	29	26	34	40	38	7.0%
Total GFA sold (million sq.m.). .	40	43	45	45	48	4.7%

Source: CEIC 2009 – 2013, National Bureau of Statistics of the PRC 2009 – 2013

Dongguan

Dongguan is a key industrial and manufacturing hub located in the Pearl River Delta. GDP and disposable income per capita increased at CAGRs of approximately 9.9%, from RMB376 billion in 2009 to RMB549 billion in 2013, and 9.0%, from RMB33,045 in 2009 to RMB46,594 in 2013, respectively. In August 2014, the government of Dongguan announced the removal of the price reporting mechanism to allow for more flexible pricing of residential houses, as well as relaxing public housing reserve fund. The table below sets out selected data relating to the Dongguan property market:

	2009	2010	2011	2012	2013	09-13 CAGR
Total population (million)	7.9	8.2	8.3	8.3	8.3	1.2%
Total investment in property development projects (RMB billion)	28	30	37	38	50	15.6%
Average selling price of commodity properties (RMB/sq.m.)	5,881	7,310	7,717	8,486	9,066	11.4%
Total GFA completed (million sq.m.)	N/A	N/A	N/A	N/A	N/A	N/A
Total GFA sold (million sq.m.)	N/A	N/A	N/A	N/A	N/A	N/A

Source: CEIC 2009 – 2013, National Bureau of Statistics of the PRC 2009 – 2013

Beijing

As the capital of the PRC, Beijing is also a political, cultural, economic and financial decision-making and administrative centre as well as a world-famous ancient capital city and a modern international metropolis. GDP and disposable income per capita increased at CAGRs of approximately 12.6%, from RMB1,215 billion in 2009 to RMB1,950 billion in 2013, and 10.8%, from RMB26,738 in 2009 to RMB40,321 in 2013, respectively. The overall real estate market remains active with developers offering incentives, concessions and discounts. In September 2014, the Beijing Municipal Commission of Housing and Urban-rural Development, the Finance Bureau and the Tax Bureau jointly announced an adjustment to expand the scope of mass residential housing where the purchasers enjoy certain property tax benefits. In December 2014, the Beijing Housing Provident Fund Management Center released an adjusted policy for advancing loans with the maximum loan amount increased to RMB1.2 million for purchasing first self-occupied units with a size of 90 sq.m. or below, effective from 1 January 2015. The table below sets out selected data relating to the Beijing property market:

	2009	2010	2011	2012	2013	09-13 CAGR
Total population (million)	12.5	12.6	12.8	13.0	13.2	1.4%
Total investment in property development projects (RMB billion)	234	290	304	315	348	10.4%
Average selling price of commodity properties (RMB/sq.m.)	13,799	17,782	16,852	17,022	18,553	7.7%
Total GFA completed (million sq.m.)	27	24	22	24	27	0.0%
Total GFA sold (million sq.m.)	24	16	14	19	19	(5.7%)

Source: CEIC 2009 – 2013, National Bureau of Statistics of the PRC 2009 – 2013

Guangzhou

Guangzhou is the political, economic, scientific, educational and cultural centre of Guangdong Province and is located at the northern edge of the Pearl River Delta. GDP and disposable income per capita increased at CAGRs of approximately 14.0%, from RMB914 billion in 2009 to RMB1,542 billion in 2013, and 11.1%, from RMB27,610 in 2009 to RMB42,049 in 2013, respectively. As there has been no relaxation of home purchase restrictions and mortgage policies have remained tight in Guangzhou, transaction volume remained low in 2014 and price reduction was common particularly in outlying districts. The table below sets out selected data relating to the Guangzhou property market:

	2009	2010	2011	2012	2013	09-13 CAGR
Total population (million)	7.9	8.1	8.1	8.2	8.3	1.2%
Total investment in property development projects (RMB billion)	82	98	131	137	157	17.6%
Average selling price of commodity properties (RMB/sq.m.)	9,351	11,921	12,104	13,163	15,330	13.2%
Total GFA completed (million sq.m.)	11	11	13	13	11	0.0%
Total GFA sold (million sq.m.)	14	14	12	13	17	5.0%

Source: CEIC 2009 – 2013, National Bureau of Statistics of the PRC 2009 – 2013

Qingdao

Qingdao is located in the southern part of the Shandong Peninsula and is one of the major port cities in North China. GDP and disposable income per capita increased at CAGRs of approximately 13.4%, from RMB485 billion in 2009 to RMB801 billion in 2013, and 12.0%, from RMB22,368 in 2009 to RMB35,227 in 2013, respectively. The residential market remained active in 2014. Home purchase restrictions have been fully removed in Qingdao since 1 September 2014, in order to support the steady growth and development of the residential property market. Mortgage restrictions were also loosened in September 2014 for residents who are selling their only home to buy another one. The table below sets out selected data relating to the Qingdao property market:

	2009	2010	2011	2012	2013	09-13 CAGR
Total population (million)	7.6	7.6	7.7	7.7	7.7	0.3%
Total investment in property development projects (RMB billion)	46	60	79	93	105	22.9%
Average selling price of commodity properties (RMB/sq.m.)	5,576	6,576	7,495	8,056	8,435	10.9%
Total GFA completed (million sq.m.)	8	10	9	12	10	5.7%
Total GFA sold (million sq.m.)	13	14	10	10	12	(2.0%)

Source: CEIC 2009 – 2013, National Bureau of Statistics of the PRC 2009 – 2013

Nanjing

Nanjing is one of the major cities alongside Yangtze River and a sub-central city in Eastern China. GDP and disposable income per capita increased at CAGRs of approximately 17.3%, from RMB423 billion in 2009 to RMB801 billion in 2013, and 11.8%, from RMB24,678 in 2009 to RMB38,531 in 2013, respectively. In September 2014, the Municipal Government of Nanjing announced a plan to encourage steady development of the property market, including stabilising market supply by focusing on an annual target of providing over 500 hectares of land for residential properties on average over the next five years and strengthening credit support to broaden financing channels for the property sector via financial product innovation and coordinating various commercial financial institutions to speed up disbursement of credit facilities for residential properties. Home purchase restrictions were removed by the government of Nanjing in September 2014 on all types of residential apartments across the city. The table below sets out selected data relating to the Nanjing property market:

	2009	2010	2011	2012	2013	09-13 CAGR
Total population (million)	6.3	6.3	6.4	6.4	6.4	0.4%
Total investment in property development projects (RMB billion)	60	75	87	97	104	14.7%
Average selling price of commodity properties (RMB/sq.m.)	7,185	9,565	9,311	10,106	11,495	12.5%
Total GFA completed (million sq.m.)	15	10	12	17	10	(9.6%)
Total GFA sold (million sq.m.). .	12	8	8	10	12	0.0%

Source: CEIC 2009 – 2013, National Bureau of Statistics of the PRC 2009 – 2013

Dalian

Dalian is one of the most developed cities in Northeast China. GDP and disposable income per capita increased at CAGRs of approximately 15.2%, from RMB435 billion in 2009 to RMB765 billion in 2013, and 12.3%, from RMB19,014 in 2009 to RMB30,238 in 2013, respectively. Home purchase restrictions policies in Dalian have been removed since 3 September 2014, with no home purchase qualification certificate required for the purchase of either new residential properties or second-hand residential properties, representing a complete removal of such restrictions in Dalian. The table below sets out selected data relating to the Dalian property market:

	2009	2010	2011	2012	2013	09-13 CAGR
Total population (million)	5.8	5.9	5.9	5.9	5.9	0.4%
Total investment in property development projects (RMB billion)	58	77	111	140	171	31.0%
Average selling price of commodity properties (RMB/sq.m.)	6,249	7,044	8,052	8,004	8,263	7.2%
Total GFA completed (million sq.m.)	5	6	9	8	10	18.9%
Total GFA sold (million sq.m.). .	12	12	9	11	12	0.0%

Source: CEIC 2009 – 2013, National Bureau of Statistics of the PRC 2009 – 2013

Singapore Real Estate Market Overview

Singapore's real estate market is driven by solid economic fundamentals, political stability and a transparent business environment. Singapore's position as a regional financial and business hub has also promoted growing demand for residential real estate from migrants and investors, especially in the high-end segment. According to CEIC, the total GDP increased at a CAGR of 6.9%, from SGD280 billion in 2009 to SGD390 billion in 2014, while GDP per capita also increased at a CAGR of 4.9%, from SGD56,111 in 2009 to SGD71,318 in 2014. The table below sets out the total number of residential property transactions and residential housing price in the Singapore property market:

	2009	2010	2011	2012	2013	2014	09-14 CAGR
Total number of residential property transactions	33,292	39,683	37,055	39,927	26,918	13,369	(16.7%)
Residential housing price (SGD per sq.m.)[(1)]	9,606	11,049	11,493	12,102	12,190	11,691	4.0%

Source: CEIC 2009 – 2014

Note:

(1) Median prices for the fourth quarter of each year for private residential non-landed apartments

A series of policies and regulations introduced starting from 2009 have helped manage potential speculation in the residential market. When the total debt servicing ratio framework (which assesses the credit quality of potential borrowers) was introduced in June 2013, residential sales volume halved. However, demand and supply are expected to re-gain a balance going forward, as the current project pipeline and accumulated stock for residential housing may decrease to a relatively lower level as developers respond to the adjustment in the market.

The U.K. Real Estate Market Overview

The U.K. economy is currently one of the most stable in the developed world, attracting interest from both U.K. and foreign investors. According to CEIC, total GDP increased at a CAGR of 3.7%, from GBP1,482 billion in 2009 to GBP1,713 billion in 2013, while GDP per capita also increased at a CAGR of 2.9%, from GBP23,806 in 2009 to GBP26,723 in 2013. The table below sets out the total number of residential property transactions and residential housing price in the U.K. and London property markets:

	2009	2010	2011	2012	2013	2014	09-14 CAGR
Total number of residential property transactions in the U.K. ('000) [(1)]	848	879	884	932	1,067	1,226	7.7%
Total number of residential property transactions in London ('000) [(1)]	95	116	115	124	145	N/A	11.2%[(3)]
Residential housing price in the U.K. (GBP '000)[(2)]	162	163	165	163	174	189	3.1%
Residential housing price in London (GBP '000)[(2)]	276	283	298	300	345	407	8.1%

Source: HM Revenue & Customs, Nationwide Building Society

Notes:

(1) With value GBP40,000 or above

(2) Average prices for the fourth quarter of each year for private residential housing

(3) 2009-2013 CAGR

In the United Kingdom, the housing market is a large part of the economy and 1,226,460 residential and 112,650 non-residential transactions with a value of GBP40,000 or above were recorded in 2014. London's total number of residential property transactions in 2013 accounted for approximately 13.6% of the total number of residential property transactions in the overall U.K. market, while the average price for private residential housing in London of GBP406,730 is more than double that of the overall U.K. market of GBP189,002 in 2014. The U.K. government has implemented stable monetary and credit policies as a large portion of the country's wealth is tied to real estate. The outlook for the U.K. real estate market remains robust supported by economic growth, expansion in employment and low inflation expectations. At the same time the new stamp duty regime, which resulted in more people paying a reduced tax rate, is expected to boost transactions in the real estate market.

Hospitality Market Overview

Hong Kong

According to the Hong Kong Tourism Board, there were a total of 72,721 hotel rooms in Hong Kong as at 31 December 2014, which had increased at a CAGR of approximately 4.1% from a total of 59,627 hotel rooms as at 31 December 2009. The Group is one of the largest hotel owner-operators in Hong Kong in terms of number of rooms as at 31 December 2014.

In recent years, there has also been an increasing demand for serviced suites that provide a combination of daily, weekly and monthly rental options. These are attractive accommodation options due to their flexibility, with no substantial initial deposits and more flexible lease renewals. According to Jones Lang LaSalle, the number of serviced suites in Hong Kong has increased at a CAGR of approximately 3.9% during the period 2009 to the end of 2013, with demand largely being driven by expatriate hires and a growing trend of companies favouring using mobile and temporary workers in the region. By the end of 2013, the total number of serviced suites in Hong Kong was approximately 16,800. The table below sets out the key indicators of the Hong Kong hospitality market for the period indicated:

	2009	2010	2011	2012	2013	2014
Total number of hotels	167	175	190	211	225	244
– High Tariff A Hotels	27	29	32	34	34	34
– High Tariff B Hotels	55	58	69	73	83	86
– Medium Tariff Hotels	71	72	78	84	88	95
– Unclassified	14	16	11	20	20	29
Total number of hotel rooms	59,627	60,428	62,830	67,394	70,017	72,721
Total number of visitors in Hong Kong (million)	30	36	42	49	54	61
Percentage of PRC visitors (%)	60.7	63.0	67.0	71.8	75.0	77.7
Average room rate (HK$)[(1)]	1,023	1,165	1,356	1,489	1,447	1,473
Occupancy rate (%)[(1)]	78	87	89	89	89	90

Source: Hong Kong Tourism Board, CEIC 2009 – 2014

Note:

(1) Representing average of all types of hotels

Hong Kong's hospitality industry remained relatively stable in 2014, backed by strong visitor arrivals. In 2014, there were a total of approximately 61 million visitors in Hong Kong, which were dominated by visitors from the PRC constituting approximately 77.7% of the total number of visitors. Visitor arrivals to Hong Kong increased by approximately 13.0% on a year-on-year basis in 2014, after rising by approximately 10.2% in 2013, while those from the PRC saw a stronger growth of approximately 17.0% on a year-on-year basis, after rising by approximately 15.1% in 2013.

Hong Kong has developed into a centre for conventions and exhibitions in Asia, and the market for meetings, incentives, conferencing and exhibitions ("**MICE**") travellers has remained strong, which in turn attracts business travellers to Hong Kong driving hotel demand. According to the Meetings and Exhibitions of Hong Kong, in the first nine months of 2014, MICE overnight visitor arrivals by major markets[(1)] amounted to approximately 1.2 million, representing an approximately 14.4% year-on-year growth.

Note:

(1) Major markets include the Americas, Europe, Africa and the Middle East, Australia, New Zealand and South Pacific, North Asia, South and Southeast Asia, Taiwan, Macau and Mainland China

PRC

The PRC hospitality industry has been driven by rapid economic development in the PRC, increasing numbers of domestic leisure and business travellers, growing numbers of visitors with the strong growth of the PRC's export-oriented economy and its integration into the global economy and policy support as outlined in the Development of Tourism in the PRC during the 12th Five-Year Plan. The following table sets out the number of each category of travellers for the periods indicated:

	2009	2010	2011	2012	2013
Number of domestic travellers (million) . . .	1,902	2,103	2,641	2,957	3,262
Number of inbound travellers (million). . . .	126	134	135	132	129

Source: National Bureau of Statistics of the PRC 2009 – 2013

According to the CNTA, the PRC had 11,687 star-rated hotels at the end of 2013. Of those rated in 2013, approximately 6.3% were rated five-star and approximately 20.2% were rated four-star. The PRC hotel industry recorded a relatively stable trend in occupancy rates and steady growth in average room rates during the period 2009 to the end of 2013. The overall outlook for the sector is expected to be positive. The following table sets out selected data relating to the PRC hospitality market for the period indicated:

	2009	2010	2011	2012	2013
Total number of hotels[(1)]	14,237	13,991	11,676	11,367	11,687
Total number of rooms ('000)	1,674	1,710	1,475	1,497	1,539
Occupancy rates (%)	57.9	60.3	61.0	59.5	56.0
Average room rates (RMB)	N/A	295	313	329	334

Source: China National Tourism Administration 2009 – 2013

Note:

(1) The decrease in 2010 and 2011 was partially due to post Olympic conversions after boom in PRC hospitality industry in 2008

In terms of sector demand, domestic tourism and business travellers are the key drivers of future demand while growing demand from middle-income earners may present new opportunities for higher end hotels. The business traveller segment has grown strongly in recent years as companies grow their geographical footprints and the PRC becomes more connected. Demand from these two segments help mitigate the downside risk from government's policies to curb the consumption of luxury goods and services. On the supply side, the PRC hotel market is faced with competition among local and international hotel brands but international hotels brands have continued to indicate their long-term confidence in the PRC's hospitality market as demonstrated by their expansion plans.

Investors should note that following completion of the Property Businesses Combination and the formation of the Group, the structure of the businesses comprising the Group will differ from the structure in place prior to completion of the Property Businesses Combination and during the Track Record Period. In particular, certain of the joint venture companies in which the Cheung Kong Property Group and the Hutchison Property Group are currently, and have previously been, interested but which are not and were not previously consolidated into the respective financial statements of either the Cheung Kong Property Group or the Hutchison Property Group, will be consolidated into the financial statements of the Group upon completion of the Property Businesses Combination. Accordingly, prior to and up to completion of the Property Businesses Combination, references in this listing document to the Group are to the Cheung Kong Property Group, the Hutchison Property Group and respective joint ventures, whereas after completion of the Property Businesses Combination, references in this listing document to the Group are to the Company and its subsidiaries, comprising the Cheung Kong Property Group, the Hutchison Property Group and their joint ventures which will become subsidiaries of the Company, and interests in their other joint ventures that will remain as joint ventures and will not be consolidated.

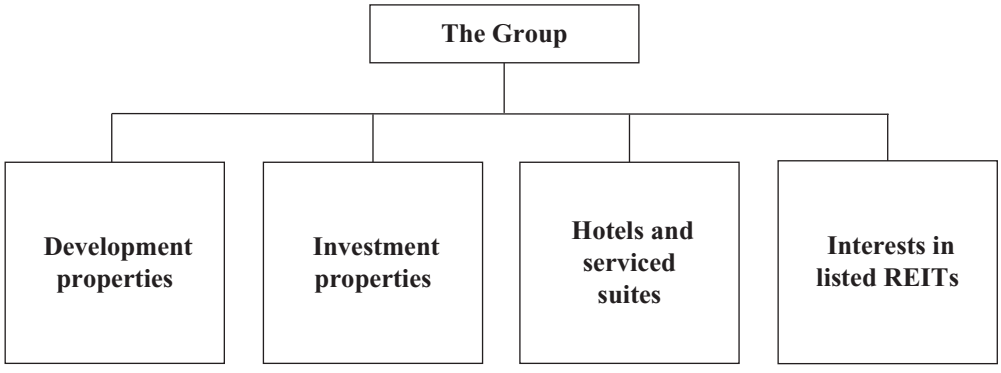
OVERVIEW

The Group is one of Hong Kong's largest property developers with a leading market share in Hong Kong, strong penetration in the PRC and an international presence through its operations in Singapore and the United Kingdom. The Company's predecessor, Cheung Kong, became listed in Hong Kong in 1972 and the Group benefits from a long and successful track record of over 40 years.

The Group's Principal Activities

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

The Group's Property Interests



The Group's property interests comprise the following:

- ***Development properties***, which include properties for and under development (including completed properties held for sale) and properties in which the Group has a development interest;

- ***Investment properties***, which include office, retail and industrial properties and car park spaces;

- ***Hotels and serviced suites***; and

- ***Interests in listed REITs***, which include unitholding interests in Fortune REIT, Prosperity REIT and Hui Xian REIT. The Group also has interests in ARA Asset Management (which is the holding company of the managers of Fortune REIT and Prosperity REIT) and Hui Xian Asset Management Limited (which is the manager of Hui Xian REIT).

COMPETITIVE STRENGTHS

The Directors consider that the Group's key competitive strengths include:

One of Hong Kong's largest property developers, with a proven track record in Hong Kong and the PRC

The Group is one of Hong Kong's largest property developers with a leading market share in Hong Kong, strong penetration in the PRC and an international presence in Singapore and the United Kingdom. Headquartered in Hong Kong, it is also:

- One of Hong Kong's largest owners of investment properties, with a total attributable interest in approximately 1.6 million sq.m. of rental properties in Hong Kong, the PRC, Singapore and the United Kingdom;

- One of the largest owner-operators of hotels within Hong Kong, and with an attributable interest in more than 14,600 hotel rooms in Hong Kong, the PRC and The Bahamas;

- One of Hong Kong's largest property managers, managing approximately 21 million sq.m. of properties in Hong Kong and the PRC; and

- Hong Kong's most active REIT sponsor, having sponsored three listed REITs in Hong Kong (one of which is also listed in Singapore).

The Group has a proven track record of more than 40 years in Hong Kong. In the PRC, the Group has been in the property business since the 1980s where, as at the Latest Practicable Date, it had operations in 21 cities.

As a result of its scale and track record established over its long history, the Group believes it has a competitive advantage in executing large-scale projects in Hong Kong (including projects developed with joint venture partners such as MTR Corporation Limited and Urban Renewal Authority) as well as in cities across the PRC. Key landmark projects developed include Kingswood Villas, Tierra Verde, Cheung Kong Center, The Center and 1881 Heritage in Hong Kong, and Beijing Oriental Plaza in the PRC.

Diversified business mix

The Group has extensive expertise in developing, investing in and managing properties across different asset classes, including residential, office, retail, industrial, car parks and hotel properties, either as standalone developments or large scale mixed-use projects, solely or through joint ventures and other arrangements.

The Group is committed to nurturing new growth through geographic diversification. Historically, the Group has successfully diversified into other geographical regions outside of Hong Kong and the PRC, in particular through its premium commercial and residential developments in Singapore and the United Kingdom. Key landmark projects developed or under development by the Group on a sole basis or as a key joint venture partner include The Marina Bay Financial Centre and One Raffles Quay in Singapore, and Albion Riverside and Chelsea Waterfront in London.

By building on a diversified operating base both in terms of asset type and geographical locations, the Group believes it will be able to further enhance its operational efficiency and effectiveness, and strengthen its risk management capacity to deal with unforeseen market changes.

Strong recurring income from an extensive asset portfolio

The Group benefits from strong recurring income from its extensive asset portfolio including:

- Rental income from investment properties;
- Income from hotels and serviced suites; and
- Distributions from its interests in listed REITs.

Most of the Group's investment properties, hotels and services suites are self-developed.

On a pro forma basis, profit contribution from property rental and hotel and serviced suite operations amounted to approximately HK$8,187 million, representing 43.2% of the Group's pro forma unaudited total profit contribution in 2014.

The Group has demonstrated a strong performance in its investment properties, hotels and serviced suites portfolio where it has provided active asset management through its experienced property and hotel management teams. The Group is able to maintain high occupancy rates and rental income growth for its investment property portfolio, and believes its focus on its self-managed hotel business model has enabled it to adapt dynamically to industry trends and maintain high occupancy rates and room rate growth. The Group has also undertaken renovations and refurbishments periodically to optimise the performance of its investment properties, hotels and serviced suites.

The Group has historically utilised REIT platforms to support its overall business strategy. The three REITs it has sponsored are managed by dedicated and professional asset managers to maximise returns and value for their respective unitholders. On the other hand, the Group continued to manage the properties within the REITs as property and leasing manager. The Group is the largest unitholder in each of these REITs, and benefits from both the recurring distribution income and any long term capital appreciation.

The Group believes that its strong and diversified recurring income base provides it with a solid financial foundation to navigate different business cycles, and enhances its credit profile.

Focus on optimising land bank to balance stability and growth

The Group's long track record and financial strength has allowed it to focus on acquiring land at times and prices that it considered to be favourable. The Group has always striven to manage its land bank actively in step with market conditions and attuned to its needs for medium- and long-term

development. As at 31 December 2014, the Combined Property Businesses maintained a sizeable development land bank of approximately 0.8 million, 14.5 million, 0.1 million and 0.4 million sq.m. in Hong Kong, the PRC, Singapore and the United Kingdom, respectively.

Disciplined investment approach and prudent financial management

The Group is steadfast in maintaining financial prudence in its pursuit of acquisitions and investments. Following completion of the Property Businesses Combination, subject to the confirmation of credit rating agencies, the Group expects to obtain and maintain strong investment grade ratings.

The Group has had access to diversified financing channels including offshore and onshore bank borrowings, and maintains strong relationships with a large number of leading financial institutions. This philosophy and approach has allowed it to achieve attractive financing costs while maintaining sufficient cash resources.

Through adhering to its fundamental financial policy of maintaining a healthy debt ratio, the Group has maintained strong liquidity and sufficient financial resources to capitalise on acquisitions and investment opportunities as they arise.

Highly experienced and professional management with a global vision and strong commitment to robust corporate governance

The global vision and leadership of the Li family has been a core strength of the Group. Such vision is supported by a dedicated professional management team with deep industry experience that has been instrumental to the success of the Group. Following the Spin-off, the Group will continue to benefit from the intelligence, creativity, dedication and loyalty of its core management team. The Group believes that the skills and experience of the management team provide the Group with a competitive advantage by allowing it to identify and capture global business opportunities at the right time in business cycles while prudently managing risk exposure.

The professional management of the Group has been committed to robust corporate governance and risk management, and will continue to apply the same rigorous approach to internal controls and corporate governance within the Group after the Spin-off.

BUSINESS STRATEGIES

The Group will continue to adhere to its core strategic objective of maximising shareholder value by driving the long-term sustainable growth of its business. The Group is focused on pursuing other attractive investment opportunities within its core markets, whilst at the same time seeking to expand its geographic coverage, with a goal of creating steady returns for Shareholders.

Continue to focus on the Group's core markets

As at the Latest Practicable Date, the Group's operations are principally in Hong Kong, the PRC, Singapore and the United Kingdom. The Group will continue to focus on its core markets and seek to further solidify its market positions in Hong Kong by leveraging its extensive operating experience and expertise, taking into account the operating conditions and tailoring the schedules of business development accordingly. The Group will continue its commitment to providing innovative property concepts, enhancing property qualities and service level, and developing diversified, high quality projects to meet market trends and needs. In the PRC, the Group is confident in the growth prospects

of the PRC property market over the longer term and will focus on property developments and investments in major, high growth cities which have solid economic fundamentals. In Singapore and the United Kingdom, the Group will continue to identify suitable development projects.

Maintain an active but prudent land bank strategy

The active acquisition of prime sites with good development potential and at a reasonable cost has been a key pillar of the Combined Property Businesses' development strategy. The Group will continue to seek to respond to land acquisition opportunities by utilising its market strengths and financial resources effectively, across all market segments in Hong Kong, the PRC, Singapore and the United Kingdom as well as in other select geographies where it believes it can achieve an attractive return for its shareholders. The Group will be focused on securing suitable investment opportunities to extend further its footprint in and outside of Hong Kong, leveraging its accumulated expertise and experience in providing diversified property developments to accommodate different market needs and aspirations. The Group will continue to have a disciplined approach to future land acquisition and make acquisitions in a prudent manner.

Continue to grow the Group's recurring income from investment properties

The Group intends to grow its investment property portfolio by evaluating and strategically adjusting its mix of properties for sale and investment from time to time in light of, among other things, the expansion plans of the Group, the related cash flow requirement, the financial position of the Group and prevailing market conditions. The Group will continue to target large scale, mixed use projects with a commercial element which can generate stable, recurring income after completion. The Group will continue to enhance its existing portfolio and optimise its tenant base in order to maximise its rental rates and occupancy. It will also evaluate and execute asset enhancement opportunities, seeking to improve overall asset performance and to maximise value. This should enable the Group to complement its cash flow from sales of properties with stable recurring income and capture long-term capital appreciation potential of its properties.

Enhance the scale and brand positioning of the Group's hotel and serviced suite portfolio

The Group will selectively expand its hotel and serviced suite portfolio mainly through primary land acquisition, including the hotel project on Oil Street in North Point which is currently under construction. It will also continue to actively manage its existing portfolio and enhance its "Harbour Grand", "Rambler", "Harbour Plaza" and "Horizon" brand positioning. The Group will work with its internal hotel managers and the respective third party hotel managers to maximise room rates, occupancy and non-room revenues, while seeking to improve operational efficiency to enhance the value of its hotels and serviced suites.

Maintain a disciplined financial management approach

The Group will continue to seek to maintain financial prudence in its capital commitments and deploy its capital resources efficiently to position itself for future growth. The Group believes that by maintaining a disciplined investment policy and prudent financial management approach, it will be well positioned to quickly capitalise on potential market opportunities. The Group will also seek access to diversified funding sources such as offshore and onshore bank borrowings and international capital markets, and continue to maintain strong relationships with a large number of leading financial institutions. The Group will seek to adhere to the principle of "advancing with stability", and to make various investment and financial decisions based on the long-term interests of shareholders.

OUR PROPERTY PORTFOLIO

The Group has a diversified portfolio of properties globally, which includes properties located in Hong Kong, the PRC, Singapore, the United Kingdom and The Bahamas.

As at 31 December 2014, the Combined Property Businesses (which will be held by the Group pursuant to the Property Businesses Combination) had a total attributable interest in approximately 1.6 million sq.m. of rental properties, a development land bank of approximately 15.8 million sq.m. (of which approximately 14.5 million sq.m. are located in the PRC) and more than 14,600 hotel rooms.

As at 28 February 2015, the Group's diverse portfolio of development properties, investment properties and hotels and serviced suites that were valued by the Property Valuers had a total valuation of approximately HK$420.1 billion.

The table below sets out the aggregate GFA and valuation attributable to the Group's diverse portfolio of development properties, investment properties and hotels and serviced suites that were valued by the Property Valuers as at 28 February 2015, respectively. All valuation figures cited are derived from the property valuation contained in "*Appendix III – Property Valuation*".

	GFA				Valuation			
	Development Properties	**Investment Properties**	**Hotels**	**Total**	**Development Properties**	**Investment Properties**	**Hotels**	**Total**
	(million sq.m.)				**(HK$ million)**			
Hong Kong	0.9	1.3	0.6	2.8	87,299	117,767	63,908	268,974
PRC[(1)]	19.7	0.2	0.1	20.0	131,412	5,260	1,770	138,442
Overseas								
Singapore	0.1	–	–	0.1	4,648	–	–	4,648
UK	0.6	0.0	–	0.6	7,321	304	–	7,625
The Bahamas	–	–	0.1	0.1	16	–	445	461
Total	21.3	1.5	0.8	23.6	230,696	123,331	66,122	420,149

Note:

(1) Excludes Chongqing Metropolitan Plaza of which the sale to Hui Xian REIT was completed on 2 March 2015.

The table below sets out a breakdown of the turnover by operating activity and geography, and a breakdown of the profit contribution by operating activity, for the Cheung Kong Property Group, the Hutchison Property Group, and their respective shares of turnover and profit contribution from joint ventures and associates, and unaudited pro forma information for the Group on a combined basis for the periods indicated:

	Cheung Kong Property Group						Hutchison Property Group						Group pro forma	
	Year ended 31 December						Year ended 31 December						Year ended 31 December 2014	
	2012		2013		2014		2012		2013		2014			
	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)
													(unaudited)	
(i) Turnover Breakdown by Operating Activity														
Subsidiaries														
Property sales	14,614	47.1	12,288	38.0	19,389	62.6	–	–	–	–	–	–	33,679	72.3
Property rental	1,867	6.0	1,961	6.1	1,908	6.2	3,318	18.4	3,682	16.8	3,995	29.1	6,821	14.6
Hotels and serviced suites	2,350	7.6	2,368	7.3	2,213	7.1	2,221	12.3	2,196	10.0	2,230	16.2	5,564	11.9
Property and project management	361	1.1	394	1.2	528	1.7	698	3.9	798	3.7	676	4.9	542	1.2
Total	**19,192**	**61.8**	**17,011**	**52.6**	**24,038**	**77.6**	**6,237**	**34.6**	**6,676**	**30.5**	**6,901**	**50.2**	**46,606**	**100.0**
Share of property sales of joint ventures	11,846	38.2	15,301	47.4	6,959	22.4	11,805	65.4	15,233	69.5	6,845	49.8		
Total	**31,038**	**100.0**	**32,312**	**100.0**	**30,997**	**100.0**	**18,042**	**100.0**	**21,909**	**100.0**	**13,746**	**100.0**		
(ii) Turnover Breakdown by Geography														
Hong Kong	19,119	61.6	14,878	46.0	23,842	76.9	6,012	33.3	6,321	28.9	6,457	47.0	30,837	66.2
PRC	11,919	38.4	16,454	50.9	5,945	19.2	11,806	65.4	14,373	65.6	5,784	42.1	13,107	28.1
Overseas	–	–	980	3.1	1,210	3.9	224	1.3	1,215	5.5	1,505	10.9	2,662	5.7
Total	**31,038**	**100.0**	**32,312**	**100.0**	**30,997**	**100.0**	**18,042**	**100.0**	**21,909**	**100.0**	**13,746**	**100.0**	**46,606**	**100.0**

(iii) **Profit Contribution Breakdown**

	Cheung Kong Property Group						Hutchison Property Group						Group pro forma
	Year ended 31 December						Year ended 31 December						Year ended 31 December 2014
	2012		2013		2014		2012		2013		2014		
	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million) (unaudited) (%)
Subsidiaries													
Property sales	5,261	65.6	4,686	61.6	6,577	69.6	–	–	–	–	–	–	10,602 55.9
Property rental	1,704	21.2	1,795	23.6	1,769	18.7	2,959	80.3	3,343	82.6	3,617	84.5	6,002 31.7
Hotels and serviced suites	931	11.6	991	13.0	952	10.1	681	18.5	692	17.1	705	16.5	2,185 11.5
Property and project management	124	1.6	133	1.8	154	1.6	43	1.2	13	0.3	(42)	(1.0)	175 0.9
Total	**8,020**	**100.0**	**7,605**	**100.0**	**9,452**	**100.0**	**3,683**	**100.0**	**4,048**	**100.0**	**4,280**	**100.0**	**18,964 100.0**
Joint Ventures and Associates													
Property sales	4,655	88.2	5,486	89.4	1,924	75.2	6,219	90.7	6,039	90.6	1,903	75.9	
Property rental	275	5.2	322	5.2	300	11.7	381	5.5	378	5.7	361	14.4	
Hotels and serviced suites	302	5.7	281	4.6	275	10.7	259	3.8	245	3.7	244	9.7	
Property and project management	45	0.9	46	0.8	61	2.4	–	–	–	–	–	–	
Total	**5,277**	**100.0**	**6,135**	**100.0**	**2,560**	**100.0**	**6,859**	**100.0**	**6,662**	**100.0**	**2,508**	**100.0**	
Total													
Property sales	9,916	74.5	10,172	74.0	8,501	70.8	6,219	59.0	6,039	56.4	1,903	28.0	10,602 55.9
Property rental	1,979	14.9	2,117	15.4	2,069	17.2	3,340	31.7	3,721	34.7	3,978	58.6	6,002 31.7
Hotels and serviced suites	1,233	9.3	1,272	9.3	1,227	10.2	940	8.9	937	8.8	949	14.0	2,185 11.5
Property and project management	169	1.3	179	1.3	215	1.8	43	0.4	13	0.1	(42)	(0.6)	175 0.9
Total	**13,297**	**100.0**	**13,740**	**100.0**	**12,012**	**100.0**	**10,542**	**100.0**	**10,710**	**100.0**	**6,788**	**100.0**	**18,964 100.0**

DEVELOPMENT PROPERTIES

The Group's development properties comprise properties for/under development, including properties in which the Group has a development interest.

Properties for/under development refers to completed properties which the Group holds for sale and properties being developed and/or to be developed.

Properties in which the Group has a development interest refers to properties developed, being developed and/or to be developed pursuant to certain joint development agreements entered into by the Group with third parties on land owned by those third parties.

The Group's development property portfolio that was valued by the Property Valuers as at 28 February 2015 comprised an aggregate attributable GFA of approximately 21.3 million sq.m..

Properties For/Under Development

The Group has a proven track record in property sales and is primarily involved in the development of residential property for sale. The Group's portfolio of properties for/under development is located in Hong Kong, the PRC, Singapore, the United Kingdom and The Bahamas and comprises:

- completed properties which are held for sale; and
- properties which are being developed and/or are to be developed.

The table below sets out the GFA (or expected GFA) attributable to the Group of the Group's portfolio of properties for/under development that were valued by the Property Valuers as at 28 February 2015:

	Completed and Held for Sale	Being and/or to be Developed	Total
	GFA (million sq.m.)		
Hong Kong	0.2	0.7	0.9
PRC	1.7	18.0	19.7
Overseas			
Singapore	–	0.1	0.1
UK	–	0.6	0.6
The Bahamas	–	–	–
Total	**1.9**	**19.4**	**21.3**

Properties with a Development Interest

According to the joint development arrangements entered into between the Group and third party land owners, typically the Group is under a contractual obligation to carry out the development and to finance the construction costs and occasionally also the land costs, and is entitled to share the surplus proceeds or development profits of these properties after their completion.

Joint development property projects of the above category in which the Group will be interested, directly or economically, following the completion of the relevant transactions under the Reorganisation Agreement, include projects with the MTR Corporation Limited, Urban Renewal Authority and other land owners, including property projects such as City Point and Hemera at LOHAS Park.

Reorganisation to the Group

In preparation for the Listing, the Group's interest in development properties will be reorganised to form part of the Group.

The reorganisation of the Group's interests held under joint ventures (including but not limited to the shares of certain CKH Holdings Group developer companies that have entered into joint development agreements with third party land owners, or the respective holding companies of such developer companies) to form part of the Group will, in some cases, require consents from third parties (such as the joint venture partners). In the event that the relevant third party consents cannot be obtained to the satisfaction of the Company on or before 10 business days prior to the completion date for the reorganisation (which is expected to be the date of Listing), economic interests in and obligations in respect of those joint ventures (including the relevant developer company, or its respective holding company), will, upon Listing, be passed to the Group pursuant to arrangements entered into between the Cheung Kong Group, the Hutchison Group and the Group.

For further details, see "– *History and Reorganisation – Property Businesses Combination*".

Key Information of the Principal Development Properties

Tables containing certain key information with respect to the Group's principal development properties that were valued by the Property Valuers as at 28 February 2015, which comprise completed properties held for sale and properties for/under development (including properties in which the Group has a development interest), are set out below. The details below on the GFA for sale, number of units held for sale and number of car parking spaces are presented as at 31 December 2014, which correspond to the date of the unaudited pro forma combined statement of assets and liabilities of the Group and the date the last audited financial statements of the Cheung Kong Property Group and of the Hutchison Property Group were made up to. To facilitate reference, the tables also show the valuations of the properties valued by the Property Valuers as at 28 February 2015 (see "*Appendix III – Property Valuation*") together with the Group's attributable interests as at that date.

(i) Principal Completed Properties Held for Sale in Hong Kong

		As at 31 December 2014				As at 28 February 2015			
Project	**Location**	**GFA Held for Sale (including Sold) and Not Recognised**	**Number of Units Held for Sale**	**Number of Car Parking Spaces**	**Actual Completion Date**	**Interest Attributable to the Group**	**Total Value**	**Total Value Attributable to the Group**	**Reference Number in Property Valuation Report**
		(sq.m.)			**(Year)**		**(HK$ million)**	**(HK$ million)**	
Trinity Towers (Development rights)	Cheung Sha Wan	4,766[2]	12	58	2014	100.0%[1]	460	460	VI-1
City Point (Development rights)	Tsuen Wan	41,951[3]	651	468	2014	85.0%[1]	2,623	2,230	VI-2
Hemera (Development rights)	Tseung Kwan O	127,270[3]	1,648	330	2014	85.0%[1]	8,590	7,302	VI-3
Luso Apartments (Various units)	Kowloon Tong	5,937[3]	48	–	1956 & 1965	100.0%	801	801	VI-4 to VI-7
West Kowloon Place	Cheung Sha Wan	2,666	20	13	2013	100.0%	106	106	VI-15
5 Tung Yuen Street, Remaining Portion of Yau Tong Inland Lot No. 4	Yau Tong	N/A	N/A	N/A	N/A	100.0%	340	340	VI-17
Mont Vert, Phase 1 (Various units and car parks)	Tai Po	26,824[3]	427	247	2014	100.0%	2,708	2,708	VI-20
The Rise (Various units and car parks)	Kwai Chung	766[3]	13	74	2014	100.0%	158	158	VI-21
Celestial Heights Mall	Ho Man Tin	8,513	27	512	2009	90.0%	537	483	VI-24
The Laguna Mall (Portions)	Hung Hom	11,725	118	122	2000	100.0%	851	851	VI-26
Banyan Garden (Various commercial units and car parks) (Development rights)	Cheung Sha Wan	6,073	63	191	2005	100.0%[1]	556	556	VI-27
The Beaumount (Various car parks) (Development rights)	Tseung Kwan O	–	–	138	2013	100.0%[1]	126	126	VI-31
Central Park Towers (Various car parks)	Yuen Long	–	–	777	2007	98.47%	361	356	VI-32
Other completed properties held for sale in Hong Kong							571	565	VI-8 to VI-14, VI-16, VI-18, VI-19, VI-22, VI-23, VI-25, VI-28 to VI-30, VI-33 to VI-38

Notes:

(1) For properties in which the Group's interest is in relation to development rights, the percentage interest shown represents the Group's attributable interest in the developer company which entered into the relevant joint development contract with the land owner.

(2) Comprising the saleable area of the residential units and GFA of the commercial units held for sale.

(3) Denotes saleable area.

(ii) Principal Properties Being Developed and/or To Be Developed in Hong Kong

		As at 31 December 2014								As at 28 February 2015			
Project	Location	Total GFA	Number of Units Held for Sale	Number of Car Parking Spaces	Development Commencement Date	Pre-sale Consent Date	Estimated Completion Date	Incurred Development Costs	Estimated Future Development Costs	Interest Attributable to the Group	Total Value	Total Value Attributable to the Group	Reference Number in Property Valuation Report
		(sq.m.)			(Year)	(Year)	(Year)	(HK$ million)	(HK$ million)		(HK$ million)	(HK$ million)	
Mont Vert, Phase 2	Tai Po	16,892	279	66	2007	2014	2015	1,104	46	100.0%	1,540	1,540	IX-1
DIVA	North Point	6,606	122	–	2009	-[2]	2015	723	77	100.0%	1,323	1,323	IX-2
Stars by the Harbour	Hung Hom	33,979	312 units and 9 houses	227	2010	–[3]	2015	4,295	613	100.0%	5,500	5,500	IX-3
The Beaumount II	Tseung Kwan O	51,000	872	247	2010	–	2016	2,162	1,018	100.0%	2,736	2,736	IX-4
90 Repulse Bay Road	Repulse Bay	6,613	11 houses	22	2012	–	2016	1,090	332	100.0%	3,200	3,200	IX-5
41 Heung Yip Road	Aberdeen	30,099	661	195	2011	–	2015	576	679	100.0%	2,405	2,405	IX-6
Lot No.2129 in DD No. 121, Ping Shan	Yuen Long	6,076	41 houses	41	2011	–	2015	409	205	100.0%	460	460	IX-7
La Lumière	Hung Hom	9,740	216	43	2011	2014	2015	996	297	100.0%	1,039	1,039	IX-8
Lot No.2086 in DD No. 105, Ngau Tam Mei	Yuen Long	9,391	67 houses	59	2011	–	2016	707	580	100.0%	750	750	IX-9
77-87 Ma Tau Wai Road	To Kwa Wan	3,577	75	–	2009	–	2016	159	160	100.0%	349	349	IX-10
Yuen Long Town Lot No. 518	Yuen Long	61,700	1,129	145	2011	–	2016	3,064	1,554	100.0%	3,960	3,960	IX-11
STTL No. 574, Choi Sha Street, Lok Wo Sha	Ma On Shan	52,227	452	270	2012	–	2016	3,043	1,672	100.0%	3,140	3,140	IX-12
IL 8920, Oil Street	North Point	70,200	378	199	2011	–	2017	7,114	2,412	100.0%	8,633	8,633	IX-13
IL 8949, Borrett Road	Mid-Levels	40,440	181	334	2011	–	2017	11,966	1,708	100.0%	14,930	14,930	IX-14
Peel Street/Graham Street, Site B (Development right)	Central	17,790	185	–	2012	–	2017	1,632	873	100.0%[1]	1,861	1,861	IX-15
West Rail Tsuen Wan Station TW5 Bayside (Development right)	Tsuen Wan	207,650	2,426	469	2012	–	2018	10,720	7,286	100.0%[1]	11,120	11,120	IX-16
KIL 11125, Argyle Street	Ho Man Tin	36,630	228	294	2010	–	2015	3,756	973	80.0%	6,294	5,035	IX-17
Interest in certain agricultural land in Siu Sau Tsuen	Tuen Mun	N/A	N/A	N/A	N/A	N/A	N/A	28	N/A	100.0%	29	29	X-1
Various lots in Survey District No. 1 Nga Tsin Wai Village	Kowloon	N/A	N/A	N/A	N/A	N/A	N/A	135	N/A	100.0%	400	400	X-2
Lot 1457 RP in DD No. 123, Fung Lok Wai	Yuen Long	N/A	N/A	N/A	N/A	N/A	N/A	340	5,420	60.0%	946	568	X-3
Hai Tan Street/Kweilin Street/Pei Ho Street (Development right)	Shum Shui Po	55,342	877	50	N/A	N/A	N/A	50	2,200	100.0%[1]	1,280	1,280	X-4

Notes:

(1) For properties in which the Group's interest is in relation to development rights, the percentage interest shown represents the Group's attributable interest in the developer company which entered into the relevant joint development contract with the land owner.

(2) DIVA is a non-consent scheme project and no pre-sale consent is required.

(3) Pre-sale consent was obtained for Stars by the Harbour in February 2015.

(iii) Principal Development Properties in the PRC

			As at 31 December 2014												As at 28 February 2015			
			Total GFA for the Project (Excluding Completed Phases Fully Sold and Recognised)	Completed Properties Held for Sale				Properties for/under Development										
Project	Location	Site Area		Total GFA Completed	GFA Sold and Recognised	GFA Held for Sale and Not Recognised	Actual Completion Date[4]	Total GFA Under Development	GFA Pre-sold	Development Commencement Date	Pre-Sale Consent Date	Estimated Completion Date[5]	Incurred Development Costs	Estimated Future Development Costs	Interest Attributable to the Group	Total Value	Total Value Attributable to the Group	Reference Number in Property Valuation Report
		(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(Year)	(sq.m.)	(sq.m.)	(Year)	(Year)	(Year)	(RMB million)	(RMB million)		(RMB million)	(RMB million)	
The Greenwich	Beijing	263,256	475,878	261,619	220,029	38,976	2011	214,259	–	2004	–	2018	2,035	1,791	100.0%	2,161	2,161	I-1, V-1
Beixinjiayuan	Beijing	254,742	96,400	–	–	–	–	96,400	–	2005	–	2020	203	3,128	100.0%	221	221	V-2
Regency Cove	Changchun	158,892	283,044	–	–	–	–	283,044	7,984	2011	2014	2015	1,460	394	100.0%	1,748	1,748	IV-3
Regency Park	Changchun	920,689	394,949	170,883	156,332	14,551	2013	224,066	4,929	2011	2014	2016	1,955	801	100.0%	1,157	1,157	I-3, IV-2
Regency Residence	Changchun	143,441	274,091	274,091	261,011	11,615[6]	2013	–					1,526		100.0%	177	177	I-4
Noble Hills	Changsha	556,708	409,699	116,717	28,093	88,624	2013	292,982		2011	–	2018	868	1,264	100.0%	1,265	1,265	I-9, V-5
Regency Park	Changzhou	80,600	228,650	228,650	107,090	121,560	2014	–	–				2,443	–	100.0%	1,493	1,493	I-23
Le Parc	Chengdu	811,625	3,040,422	1,567,795	1,299,143	268,652	2014	1,472,627	8,802	2010	2014	2018	9,327	6,043	100.0%	7,276	7,276	I-5, IV-4, V-4
Regency Oasis	Chengdu	373,333	566,065	566,065	337,233	228,832	2013	–		–	–	–	2,563	–	100.0%	1,653	1,653	I-6
Cape Coral	Chongqing	128,214	433,130	433,130	343,633	89,497	2013	–		–	–	–	2,506	–	95.0%	917	871	I-8
Noble Hills	Chongqing	447,028	413,108	413,108	370,357	42,751	2014	–		–	–	–	2,322	–	100.0%	602	602	I-7
Regency Hills	Chongqing	1,041,360	4,121,781	–	–	–	–	4,121,781	85,111	2007	2014	2023	2,959	22,091	95.0%	3,841	3,649	IV-5
Regency Lakeview	Chongqing	132,471	357,660	–	–	–	–	357,660		2011	–	2016	2,008	971	100.0%	2,152	2,152	IV-6
Wolong Bay	Dalian	319,359	535,338	–	–	–		535,338	–	2011	–	2018	1,444	2,326	100.0%	1,521	1,521	IV-8, V-7
Laguna Verona	Dongguan	3,236,869	1,744,929	359,052	266,206	92,016	2014	1,385,877	–	2005	–	2027	1,733	7,163	99.823%	7,400	7,387	I-10, IV-7, V-6
Emerald Cove	Foshan	74,857	261,996	–	–	–	–	261,996	–	2012	–	2016	1,325	672	100.0%	1,640	1,640	IV-9
Cape Coral	Guangzhou	491,779	518,185	261,821	245,428	16,393	2013	256,364	15,401	2012	2014	2016	693	555	100.0%	2,128	2,128	I-11, IV-10
Noble Hills[1]	Guangzhou	2,112,672	348,507	109,807	66,858	42,949	2014	238,700	–	2006	–	2017	591	1,068	100.0%	703	703	I-13, V-10, V-11
Maofengshan[2]	Guangzhou	1,327,287	–	–	–	–	–	–	–				156	489	100.0%	371	371	V-9
Aotou	Huizhou	80,052	240,156	–	–	–	–	240,156	–	2014	–	2019	82	1,088	100.0%	129	129	V-14
Silver Cove	Jiangmen	1,333,333	429,430	–	–	–	–	429,430	–	2010	–	2022	451	3,454	90.0%	470	423	V-17
Emerald City	Nanjing	119,502	527,344	–	–	–	–	527,344	48,164	2012	2014	2015	4,374	1,739	100.0%	5,882	5,882	IV-13
The Harbourfront	Qingdao	309,330	1,094,634	421,860	305,399	116,461	2014	672,774	20,600	2013	2014	2017	5,962	2,829	90.0%	6,648	5,983	I-16, IV-14
City Link	Shanghai	14,528	90,661	–	–	–	–	90,661	–	2009	–	2017	651	673	60.0%	1,710	1,026	IV-15
Riviera Palace	Shanghai	144,483	215,981	–	–	–	–	215,981	–	2013	–	2015	1,880	760	100.0%	2,736	2,736	IV-16
Royal Waterfront	Shanghai	74,091	133,142	–	–	–	–	133,142	–	2011	–	2015	2,104	318	100.0%	2,178	2,178	IV-17
Regency Cove	Shanghai	260,561	73,589	73,589	37,745	35,844	2011	–	–	–	–	–	1,268	–	85.0%	891	757	I-20
Maison des Artistes	Shanghai	50,729	213,258	213,258	184,001	29,257	2008	–	–	–	–	–	1,732	–	100.0%	187	187	I-17
Regency Garden	Shanghai	263,417	451,381	272,175	252,795	19,380	2014	179,206	–	2006	–	2016	1,830	778	85.0%	2,760	2,346	I-21, IV-18
Seasons Villas	Shanghai	269,826	71,707	71,707	66,687	5,020	2012	–	–	–	–	–	1,994	–	100.0%	342	342	I-19
Century Place	Shenzhen	16,974	179,420	179,420	122,172	4,485	2012	–	–	–	–	–	2,723	–	80.0%	226	181	I-24
Noble Hills	Shenzhen	85,185	146,588	146,588	137,062	9,526	2013	–	–	–	–	–	2,012	–	100.0%	279	279	I-26
Regency Park	Shenzhen	375,852	117,774	117,774	110,894	6,880	2010	–	–	–	–	–	1,197	–	100.0%	269	269	I-25
The Metropolitan Tianjin[3]	Tianjin	19,618	204,718	204,718	54,959	149,759	2013	–	–	–	–	–	2,116	–	100.0%	3,314	3,314	I-28
Millennium Waterfront	Wuhan	110,618	714,697	23,453	6,045	17,408	2014	691,244	58,942	2011	2013	2016	4,080	1,699	100.0%	8,297	8,297	I-30, IV-21
The Metropolitan	Wuhan	35,271	265,752	–	–	–	–	265,752	–	2012	–	2017	1,131	1,061	100.0%	1,760	1,760	IV-22
Regency Cove	Wuhan	787,945	1,672,655	89,357	–	89,357	2014	1,583,298	–	2014	–	2024	1,426	7,471	100.0%	2,732	2,732	I-29, V-15

			As at 31 December 2014												As at 28 February 2015			
				Completed Properties Held for Sale				Properties for/under Development										
Project	Location	Site Area	Total GFA for the Project (Excluding Completed Phases Fully Sold and Recognised)	Total GFA Completed	GFA Sold and Recognised	GFA Held for Sale and Not Recognised	Actual Completion Date[4]	Total GFA Under Development	GFA Pre-sold	Development Commencement Date	Pre-Sale Consent Date	Estimated Completion Date[5]	Incurred Development Costs	Estimated Future Development Costs	Interest Attributable to the Group	Total Value	Total Value Attributable to the Group	Reference Number in Property Valuation Report
		(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(Year)	(sq.m.)	(sq.m.)	(Year)	(Year)	(Year)	(RMB million)	(RMB million)		(RMB million)	(RMB million)	
The Greenwich	Xi'an	482,173	1,156,022	736,537	644,959	91,578	2012	419,485	40,212	2010	2014	2016	5,349	1,382	100.0%	2,542	2,542	I-31, IV-23
Cuilihu	Zhongshan	109,264	65,558	–	–	–		65,558	–	2013	–	2016	493	449	100.0%	524	524	V-18
Horizon Costa	Zhuhai	200,000	277,995	–	–	–		277,995	–	2006	–	2018	175	1,150	100.0%	711	711	V-16
La Grande Ville	Beijing	741,822	743,409	263,431	229,513	14,313	2013	479,978	133,317	2008	2012	2018	4,114	2,014	100.0%	4,847	4,847	I-2, IV-1, V-3
Heizuizi, Xigang District	Dalian	143,034	725,800	–	–	–		725,800	–	2012	–	2020	2,052	4,683	100.0%	2,150	2,150	V-8
Guangzhou Guoji Wanjucheng	Guangzhou	321,261	531,816	172,255	49,631	120,145	2013	359,561	–	2011	–	2019	1,764	1,777	60.0%	3,066	1,840	I-14, IV-11, V-12
Yuhu Mingdi	Guangzhou	225,547	247,797	46,734	37,811	8,049	2013	201,063	2,336	2011	2014	2016	2,210	720	80.0%	2,694	2,155	I-15, IV-12
Upper West Shanghai	Shanghai	176,853	1,148,900	28,106	–	28,106	2014	1,120,794	102,462	2007	2013	2018	4,781	8,386	60.0%	14,224	8,534	I-22, IV-19, V-13
Hupan Mingdi	Shanghai	211,621	588,115	–	–	–		588,115	68,776	2008	2013	2017	2,589	1,663	100.0%	5,596	5,596	IV-20
Other development properties in the PRC																82	82	I-12, I-18, I-27, I-32

Notes:

(1) For Noble Hills in Guangzhou, a portion with a site area of 1,519,840 sq.m. is held for future development and there is no development plan currently for this portion.

(2) Maofengshan in Guangzhou is held for future development and currently there is no development plan.

(3) The GFA, development cost and valuation data excludes the interest attributable to the joint venture partner of the project. For more details, please refer to "*Business – Description of Selected Development Properties – PRC – The Metropolitan Project in Tianjin*".

(4) The actual completion date of the last phase.

(5) The estimated completion date of the last phase (except the portion without a development plan).

(6) Excluding 1,465 sq.m. completed and held for own use.

(v) Principal Development Properties in Singapore

		As at 31 December 2014								As at 28 February 2015			
Project	Location	Total GFA for the Project	Number of Units Held for Sale	Number of Car Parking Spaces Held for Sale	Development Commencement Date	Pre-sale Consent Date	Estimated Completion Date	Incurred Development Costs	Estimated Future Development Costs	Interest Attributable to the Group	Total Value	Total Value Attributable to the Group	Reference Number in Property Valuation Report
		(sq.m.)			(Year)	(Year)	(Year)	(SGD million)	(SGD million)		(SGD million)	(SGD million)	
Thomson Grand	Singapore	48,159	361	–	2011	2011	2015	425	101	100.0%	549	549	XI-1
Land Parcel at Upper Serangoon Road	Singapore	30,292	N/A	N/A	N/A	N/A	2019	82	378	100.0%	265	265	XII-1

(vi) Principal Development Properties in the United Kingdom

		As at 31 December 2014								As at 28 February 2015			
Project	Location	Total GFA for the Project	Number of Units Held for Sale	Number of Car Parking Spaces Held for Sale	Development Commencement Date	Pre-sale Consent Date	Estimated Completion Date	Incurred Development Costs	Estimated Future Development Costs	Interest Attributable to the Group	Total Value	Total Value Attributable to the Group	Reference Number in Property Valuation Report
		(sq.m.)			(Year)	(Year)	(Year)	(GBP million)	(GBP million)		(GBP million)	(GBP million)	
Chelsea Waterfront	London	119,069	709	618	2012	–	2018	167	482	95.0%	515	489	XIII-1
Convoys Wharf	London	419,000	4,556	1,840	2015	–	2024	108	1,145	100.0%	125	125	XIV-1
Land at Teversham Road, Fulbourn[1]	Fulbourn, Cambridgeshire	68,500	N/A	N/A	N/A	N/A	N/A	1	N/A	100.0%	0.4	0.4	Smiths Gore

Note:

(1) Land at Teversham Road, Fulbourn has a site area of 68,500 sq.m. and a leaseable/saleable area of 68,500 sq.m.. Currently there is no development plan for the project.

(vii) Principal Development Properties in The Bahamas

		As at 31 December 2014								As at 28 February 2015			
Project	Location	Total GFA for the Project	Number of Units Held for Sale	Number of Car Parking Spaces Held for Sale	Development Commencement Date	Pre-sale Consent Date	Estimated Completion Date	Incurred Development Costs	Estimated Future Development Costs	Interest Attributable to the Group	Total Value	Total Value Attributable to the Group	Reference Number in Property Valuation Report
		(sq.m.)			(Year)	(Year)	(Year)	(USD million)	(USD million)		(USD million)	(USD million)	
Silver Point Beach Land (Excluding road easement)[1]	The Bahamas	N/A	N/A	N/A	N/A	N/A	N/A	7	N/A	100.0%	2	2	CBRE

Note:

(1) Silver Point Beach Land (excluding road easement) has a site area of 68,797 sq.m. and currently there is no development plan for the project.

Description of Selected Development Properties

As at 31 December 2014, the following are (i) the development properties in Hong Kong and the PRC (which comprise properties for/under development including properties in which the Group has a development interest) each of which had a carrying amount as at 31 December 2014 of over 1% of the Group's pro forma total assets as set out in Appendix II, and (ii) selected development properties in Singapore and the U.K..

(i) Hong Kong

Borrett Road Project

The Borrett Road Project is a development located in the Mid-Levels on Hong Kong Island. This project is a residential development with a site area of approximately 10,488 sq.m..

We commenced the development of this project in June 2011 and expect to complete this project in June 2017.

Residential

As at 31 December 2014, the five residential buildings comprising 181 units at the Borrett Road Project, with a GFA of approximately 40,440 sq.m., were under development.

Oil Street Project

The Oil Street Project is a development located in North Point on Hong Kong Island, which is near to the Fortress Hill MTR Station on the Island Line and is adjacent to Victoria Harbour. The Oil Street Project is a mixed-use development that is expected to comprise residential units and a 4-star hotel. This project has a site area of approximately 7,887 sq.m. and a GFA of approximately 70,200 sq.m..

We commenced the development of this project in September 2011 and expect to complete this project in December 2017.

Residential

As at 31 December 2014, the six residential buildings comprising 378 units at the Oil Street Project, with a GFA of approximately 40,200 sq.m., were under development.

Hotel

As at 31 December 2014, the hotel at the Oil Street Project, with a GFA of approximately 30,000 sq.m., was under development. The hotel is expected to comprise approximately 840 rooms. We commenced construction of the hotel in September 2011 and the hotel is expected to commence operations in 2018. The hotel is expected to be positioned as a business hotel, offering affordable accommodation at a convenient location for corporate and leisure travellers.

Argyle Street Project

The Argyle Street Project is a development on Argyle Street in Kowloon. This project is a residential development with a site area of approximately 7,326 sq.m..

We commenced the development of this project in August 2010 and expect to complete this project in October 2015.

Residential

As at 31 December 2014, the six residential buildings comprising 228 units at the Argyle Street Project, with a GFA of approximately 36,630 sq.m., were under development.

Stars by the Harbour Project

The Stars by the Harbour Project is a development located at the junction of Oi King Street and Hung Luen Road in Kowloon. This project is a residential development with a site area of approximately 7,551 sq.m..

We commenced the development of this project in August 2010 and expect to complete this project in December 2015.

Residential

As at 31 December 2014, the four residential buildings comprising 312 units and nine houses at the Stars by the Harbour Project, with a GFA of approximately 33,979 sq.m., were under development.

West Rail Tsuen Wan West Station TW5 Bayside Project

The West Rail Tsuen Wan West Station TW5 Bayside Project is a development located in Tsuen Wan, which is near the Tsuen Wan West Station on the West Rail Line. This project is a residential and commercial development with a GFA of approximately 207,650 sq.m.. It comprises residential units and retail space.

We commenced the development of this project in November 2012 and expect to complete this project in 2018.

Residential

As at 31 December 2014, the nine residential buildings comprising 2,426 units at the West Rail Tsuen Wan West Station TW5 Bayside Project, with a GFA of approximately 167,100 sq.m., were under development.

Retail

As at 31 December 2014, the retail space at the West Rail Tsuen Wan West Station TW5 Bayside Project is expected to have a GFA of approximately 40,550 sq.m. upon completion of this project. We expect the retail space will provide us with a recurring rental income.

Hemera

Hemera is a development located in Tseung Kwan O, which is in proximity to the LOHAS Park MTR Station on the Tseung Kwan O Line. This project is a residential development with a site area of approximately 13,587 sq.m. and a saleable area of approximately 127,270 sq.m..

We commenced the development of this project in March 2008 and this project was completed in December 2014.

Residential

As at 31 December 2014, sales of the four residential buildings comprising 1,648 units at Hemera have not yet been launched.

(ii) PRC

Upper West Shanghai Project in Shanghai

The Upper West Shanghai Project is a development located in Putuo District, Shanghai, which is near to the Shanghai West Station and the Hong Qiao transportation hub.

We commenced the development of this project in July 2007 and expect to complete this project in 2018. This project is being developed by the Group and a joint venture partner which is an independent third party of the Group. The land premium for this project is expected to be fully paid in April 2015.

The Upper West Shanghai Project is a mixed-use development that is expected to comprise retail space, residential units, Grade A office buildings, hotels, serviced apartments and 44,000 sq.m. of recreational space. According to the approval document issued by the relevant government authority, the Upper West Shanghai Project is expected to comprise a total GFA of approximately 1,148,900 sq.m. upon completion.

Residential

As at 31 December 2014, the nine residential buildings comprising 1,456 units at the Upper West Shanghai Project were under development.

Office

As at 31 December 2014, the four Grade A office buildings at the Upper West Shanghai Project were under development. The office buildings are expected to be available both for sale and leasing upon completion.

Retail

As at 31 December 2014, the retail space at the Upper West Shanghai Project was under development. We expect the retail space will provide us with a recurring rental income upon completion.

Serviced Apartment

As at 31 December 2014, the serviced apartment at the Upper West Shanghai Project was under development.

Hotels

As at 31 December 2014, the two hotels at the Upper West Shanghai Project were under development. The hotels are expected to comprise approximately 1,444 guest rooms. Construction of the hotels was commenced in January 2009 and the hotels are expected to commence operations in 2018.

Millennium Waterfront Project in Wuhan

The Millennium Waterfront Project is a development located in Jianghan District, Wuhan, which is near to the Yangtze River, the Wuhan Customs House, which is a historical building, and the Jianghanglu Metro Station.

We commenced the development of this project in January 2011 and expect to complete this project in 2016. The land premium for this project has been fully paid.

The Millennium Waterfront Project is a mixed-use development that is expected to comprise (i) retail space at 1861 The Bund; (ii) Waterfront Landmark, which is expected to consist of high-rise buildings of riverside residential units and semi-detached houses, and (iii) Millennium Tower, a commercial office building. According to the latest master layout plan, the Millennium Waterfront Project is expected to comprise a total GFA of approximately 714,697 sq.m. upon completion.

Residential

As at 31 December 2014, Waterfront Landmark, the residential development at the Millennium Waterfront Project was under development. The development is expected to comprise 10 residential buildings ranging from 24 storeys to 57 storeys and 14 semi-detached houses with five storeys each, providing approximately 2,793 units.

Office

As at 31 December 2014, Millennium Tower, the commercial office building at the Millennium Waterfront Project was under development. The office building is expected to be for sale upon completion.

Retail

As at 31 December 2014, the retail space at 1861 The Bund at Millennium Waterfront was under development. The retail space is expected to be for sale upon completion.

Emerald City Project in Nanjing

The Emerald City Project is a development located in Ying Tian Avenue of Jianye District, Nanjing, which faces the Nan River on the east and the Olympic Stadium on the west.

We commenced the development of this project in March 2012 and expect to complete this project in November 2015. The land premium for this project has been fully paid.

The Emerald City Project is a mixed-use development that is expected to comprise retail space, residential buildings, townhouses and one office building. According to the latest master layout plan, the Emerald City Project is expected to comprise a total GFA of approximately 527,344 sq.m. upon completion.

Residential

As at 31 December 2014, the 19 residential buildings comprising 1,168 units and 346 townhouses at the Emerald City Project were under development.

Office

As at 31 December 2014, the office building at the Emerald City Project was under development. The office building is expected to be for sale upon completion.

Retail

As at 31 December 2014, the retail space at the Emerald City Project was under development. The retail space is expected to be for sale upon completion.

The Harbourfront Project in Qingdao

The Harbourfront Project is a development project located in Shi Bei District, Qingdao, along the Jiaozhou Bay coastline.

We commenced the development of this project in December 2006 and expect to complete this project in 2017. This project is being developed by the Group and a joint venture partner which is an independent third party of the Group. The land premium for this project has been fully paid.

The Harbourfront Project is a mixed-use development that is expected to comprise a total GFA of approximately 1,094,634 sq.m. of residential and commercial area, together with various recreational spaces including a 940-metre waterfront and a 463-metre man-made waterway.

Residential

As at 31 December 2014, the 12 residential buildings comprising 2,706 units and 53 town houses at The Harbourfront Project were under development.

Serviced Apartment

As at 31 December 2014, the serviced apartment at The Harbourfront Project was under development. The serviced apartment is expected to be for sale upon completion.

Retail

As at 31 December 2014, the retail space at The Harbourfront Project was under development. The retail space is expected to be for sale upon completion.

Le Parc Project in Chengdu

The Le Parc Project is a development located in Chengdu High-Tech Zone, south of Chengdu, which is near the Hi-Tech Station of the Chengdu metro line.

We commenced the development of this project in December 2005 and expect to complete this project in 2018. The land premium for this project has been fully paid.

The Le Parc Project is a mixed-use development that is expected to comprise residential units and a shopping street, Xin Jie Li. According to the latest master layout plan, the Le Parc Project is expected to comprise a total GFA of approximately 3,040,422 sq.m. upon completion.

Residential

As at 31 December 2014, the 170 residential buildings comprising 8,077 units at the Le Parc Project were under development.

Retail

As at 31 December 2014, the retail space at Xin Jie Li, the shopping street at the Le Parc Project was under development. Xin Jin Li is expected to provide all-in-one facilities for shopping, entertainment, dining and leisure and is also expected to be for sale upon completion.

Regency Hills Project in Chongqing

The Regency Hills Project is a development located in Nanan District, which is near to the Yangtze River.

We commenced the development of this project in December 2007 in phases and expect to complete this project in 2023. The land premium for this project has been fully paid.

The Regency Hills Project is a large scale residential complex, with a range of commercial and community facilities, and is expected to comprise a total GFA of approximately 4,121,781 sq.m..

Residential

As at 31 December 2014, the 98 residential buildings comprising 25,722 units, 117 semi-detached houses, 716 town houses and 3,137 duplex-on-duplex row houses at the Regency Hills Project were under development.

Retail

As at 31 December 2014, the retail space at the Regency Hills Project was under development. The retail space is expected to be for sale upon completion.

Hupan Mingdi Project in Shanghai

The Hupan Mingdi Project is a development located at the east of Ruilin Road and the south of Jiaxiu Dong Road in Jiading District, which is a suburban district approximately 18 kilometres from downtown Shanghai.

We commenced the development of this project in December 2010 in phases and expect to complete this project in 2017. The land premium for this project has been fully paid.

The Jiading District Project is a mixed-use development that is expected to comprise mainly residential units, office buildings and retail space. According to the approval document issued by the relevant government authority, the Hupan Mingdi Project is expected to comprise a total GFA of approximately 588,115 sq.m. upon completion.

Residential

As at 31 December 2014, the 93 residential buildings comprising 2,218 units at the Hupan Mingdi Project were under development.

Office

As at 31 December 2014, the two office buildings at the Hupan Mingdi Project were under development. The office buildings are expected to be for sale upon completion.

Retail

As at 31 December 2014, retail space at the Jiading District Project was under development. We expect the retail space will provide us with a recurring rental income upon completion.

The Metropolitan Tianjin Project in Tianjin

The Metropolitan Tianjin Project is a development atop the Yingkou Road Station, which is located in the centre of the commercial business area of Tianjin, at the junction of Nanjing Road and Yingkou Road in Heping District.

We commenced the development of this project in January 2007 and completed this project in December 2013. This project was developed by the Group and a joint venture partner which is an independent third party of the Group. The land was contributed by the joint venture partner.

The Metropolitan Tianjin Project is a mixed-use integrated complex that comprises (i) Metropolitan Heights, which consists of high-rise residential units and townhouses, (ii) Metropolitan Tower, a 53-storey Grade A office building and (iii) Metropolitan Plaza, a seven-floor retail mall. The Metropolitan Tianjin comprises a total GFA of approximately 272,920 sq.m., of which 204,718 sq.m. belongs to the Group and the remaining 68,202 sq.m. belongs to the joint venture partner.

Residential

Metropolitan Heights, the residential development at The Metropolitan Tianjin Project, has a GFA of approximately 94,933 sq.m., of which 55,266 sq.m. belongs to the Group and the remaining 39,667 sq.m. belongs to the joint venture partner. It comprises three buildings of 933 residential units. As at 31 December 2014, approximately 94,410 sq.m. of GFA had been sold (with the remaining 523 sq.m. unsold).

Office

Metropolitan Tower, the office building at The Metropolitan Tianjin Project, has a GFA of approximately 101,503 sq.m., of which 72,968 sq.m. belongs to the Group and the remaining 28,535 sq.m. belongs to the joint venture partner.

Retail

Metropolitan Plaza, a retail mall at The Metropolitan Tianjin Project, has a GFA of approximately 76,484 sq.m., all of which belongs to the Group. It comprises seven floors, with the basement level directly connected to the Yingkou Road Metro Station, and provides approximately 200 shop premises for retail, dining and entertainment uses, which are intended for sale.

(iii) Singapore

Thomson Grand Project

The Thomson Grand Project is a development located at Upper Thomson Road, Singapore.

We commenced the development of this project in November 2009, which is expected to be completed in November 2015.

Thomson Grand is a residential development that is expected to comprise residential units and two-storey strata houses. Thomson Grand overlooks Singapore Island Country Club, Lower Pierce Reservoir, Bishan Park and the Central Catchment Nature Reserve. Thomson Grand is expected to comprise a total GFA of approximately 48,159 sq.m..

Residential

As at 31 December 2014, the nine residential buildings, comprising 339 units, and 22 two-storey strata houses at the Thomson Grand Project were under development.

(iv) United Kingdom

Chelsea Waterfront Project

The Chelsea Waterfront Project is a development located at Lots Road, Chelsea, London, United Kingdom.

We commenced the development of this project in November 2012 and expect to complete this project in 2018.

The Chelsea Waterfront Project is a mixed-use development that is expected to comprise two residential towers of 37 and 25 storeys on either side of the entrance to Chelsea Creek, four riverside buildings as well as the refurbishment of the historic Lots Road Power Station. The development will also include shops, restaurants and a club house. Chelsea Waterfront is expected to comprise a total net saleable area of approximately 96,628 sq.m..

Residential

As at 31 December 2014, the 709 residential units (including 275 affordable housing units) at the Chelsea Waterfront Project, with a total net saleable area of approximately 89,365 sq.m., were under development, of which approximately 70,410 sq.m. was for luxury apartments and approximately 18,955 sq.m. was for affordable housing required under the planning obligations for this project.

Retail

As at 31 December 2014, the retail space of the Chelsea Waterfront Project was expected to have a net area of approximately 7,263 sq.m. upon completion. The retail space is expected to provide us with a recurring rental income.

INVESTMENT PROPERTIES

The Group's investment properties include office, retail, and industrial properties and car park spaces for leasing and which are held for long-term investment. As at 28 February 2015, the Group's investment property portfolio that was valued by the Property Valuers comprises an aggregate GFA attributable to the Group of approximately 1.5 million sq.m..

The table below breaks down the Group's investment property portfolio that was valued by the Property Valuers by geography and based on GFA and by valuation as at 28 February 2015. All valuations cited are derived from the property valuation contained in "*Appendix III – Property Valuation*".

Investment Properties

	GFA					Valuation				
	Office	Retail	Industrial	Others	Total	Office	Retail	Industrial	Others	Total
	(million sq.m.)					(HK$ million)				
Hong Kong	0.4	0.2	0.6	0.0	1.3	65,439	35,131	13,631	3,566	117,767
PRC[(1)]	0.0	0.2	–	–	0.2	118	5,142	–	–	5,260
Overseas										
Singapore	–	–	–	–	–	–	–	–	–	–
UK	0.0	–	–	–	0.0	304	–	–	–	304
The Bahamas	–	–	–	–	–	–	–	–	–	–
Total	**0.4**	**0.4**	**0.6**	**0.0**	**1.5**	**65,861**	**40,273**	**13,631**	**3,566**	**123,331**

Note:

(1) Excludes Chongqing Metropolitan Plaza of which the sale to Hui Xian REIT was completed on 2 March 2015.

The Group seeks to maintain long-term relationships with tenants and an appropriate balance in its tenant mix. The Group believes that its tenant selection criteria and tenant relationship management have been some of the factors for retaining its core tenants and sustaining satisfactory occupancy rates and rental income base. In assessing new tenancies, the Group takes into consideration factors including the type of trade or business conducted by the tenant, brand attractiveness, rental affordability and the effect on the tenant mix of the particular investment property as a whole.

The Group recognises the importance of asset enhancement programmes to retain tenants and to improve rental income. During the Track Record Period, various asset enhancements or renovation works have been carried out, including the reconfiguration and repartitioning of the retail space at various retail malls, such as Wonderful Worlds of Whampoa in Hong Kong, and the refurbishments at the Group's office buildings including Cheung Kong Center and Hutchison House in Hong Kong in 2014.

Office Properties

As at 28 February 2015, an aggregate GFA of approximately 0.4 million sq.m. of office space that was valued by the Property Valuers was attributable to the Group's investment properties portfolio. Certain of the Group's office buildings for leasing include Cheung Kong Center, Harbourfront Office Towers 1 and 2, Hutchison House, The Center and China Building in Hong Kong, office buildings at the Westgate Tower in Shanghai, the PRC, and office space at Albion Riverside in London, the United Kingdom.

For the three years ended 31 December 2014, turnover from rental of office space for the Cheung Kong Property Group amounted to HK$652 million, HK$712 million and HK$776 million, respectively.

For the three years ended 31 December 2014, turnover from rental of office space for the Hutchison Property Group amounted to HK$1,851 million, HK$2,101 million and HK$2,264 million, respectively.

Retail Properties

As at 28 February 2015, an aggregate GFA of approximately 0.4 million sq.m. of retail space that was valued by the Property Valuers was attributable to the Group's investment property portfolio. Certain of the Group's shopping malls for leasing include 1881 Heritage, Wonderful Worlds of Whampoa, The Laguna Mall, The Pacifica Mall, Banyan Mall, Victoria Mall, Celestial Place and Aberdeen Centre in Hong Kong, Century Place and Westgate Mall in Shanghai, the PRC, and retail space at Albion Riverside in London, the United Kingdom.

For the three years ended 31 December 2014, turnover from rental of retail space for the Cheung Kong Property Group amounted to HK$1,037 million, HK$1,090 million and HK$984 million, respectively.

For the three years ended 31 December 2014, turnover from rental of retail space for the Hutchison Property Group amounted to HK$796 million, HK$859 million and HK$915 million, respectively.

Industrial Properties

As at 28 February 2015, an aggregate GFA of approximately 0.6 million sq.m. of industrial properties that was valued by the Property Valuers was attributable to the Group's investment property portfolio. Major industrial properties for leasing include Hutchison Logistics Centre, Watson Centre and Harbour Centre in Hong Kong.

For the three years ended 31 December 2014, turnover from rental of industrial space for the Cheung Kong Property Group amounted to HK$48 million, HK$50 million and HK$53 million, respectively.

For the three years ended 31 December 2014, turnover from rental of industrial space for the Hutchison Property Group amounted to HK$495 million, HK$538 million and HK$623 million, respectively.

Key Information of the Principal Investment Properties

Tables containing certain key information with respect to the Group's principal completed investment properties are set out below. The details below on the GFA, LFA and number of car parking spaces are presented as at 31 December 2014 and the average monthly effective rent and average occupancy rates are for the year ended 31 December 2014, which correspond to the date of the unaudited pro forma combined income statement of assets and liabilities of the Group and the date the last audited financial statements of the Cheung Kong Property Group and of the Hutchison Property Group were made up to. To facilitate reference, the tables also show the valuations of the properties valued by the Property Valuers as at 28 February 2015 (see "*Appendix III – Property Valuation*") together with the Group's attributable interests as at that date.

(i) Principal Investment Properties in Hong Kong

Project	Location	Type of Property	Total GFA	LFA as at 31 Dec 2014	Number of Car Parking Spaces as at 31 Dec 2014[1]	Average Monthly Effective Rent for 2014	Average Occupancy Rate for 2014	Actual Completion Date	Leasehold Expiry	Interest Attributable to the Group as 28 Feb 2015	Total Value as at 28 Feb 2015	Total Value Attributable to the Group as at 28 Feb 2015	Reference Number in Property Valuation Report
			(sq.m.)	(sq.m.)		(HK$/sq.m.)		(Year)	(Year)		(HK$ million)	(HK$ million)	
The Center (Portions). . . .	Central	Office, Retail, Carpark	113,170	113,431	402	619	97%	1998	2047	100.0%	17,735	17,735	VII-1
United Centre (Various shops)	Central	Retail	3,512	3,512	–	1,258	100%	1981	2128	100.0%	922	922	VII-2
1881 Heritage.	Tsim Sha Tsui	Retail, Hotel	13,023	14,986	–	4,584	100%	2009	2053	100.0%	13,634	13,634	VII-3
Conic Investment Building.	Hung Hom	Industrial, Carpark	30,409	30,409	95	103	98%	1982	2047	100.0%	1,019	1,019	VII-4
8 Tung Yuen Street	Yau Tong	Industrial	7,170	7,170	–	286	24%	1977	2047	100.0%	112	112	VII-5
Victoria Mall	Tsim Sha Tsui	Retail, Carpark	15,634	15,634	79	370	66%	2002	2048	85.0%	1,063	904	VII-11
South Horizons (Kindergartens, various units and car parks) . .	Aberdeen	Kindergarten, Residential, Carpark	4,039[2]	4,039	274	236	100%	1991-1994	2040	80.0%	519	415	VII-12
South Horizons (Portions of retail, residential and car parks)	Aberdeen	Retail, Residential, Carpark	987[3]	987	373[4]	327	100%	1993 & 1995	2040	100.0%	409	409	VII-13
Rambler Crest (Portions) .	Tsing Yi	Retail, Carpark	4,104	3,923	492	284	88%	2003	2047	100.0%	420	420	VII-14, VII-56
Whampoa Garden (Various shops and car parks). .	Hung Hom	Retail, Carpark	159,235	128,451	1,026	398	95%	1985-1991	2134	100.0%	12,847	12,847	VII-17
Aberdeen Centre (Various shops and car parks). .	Aberdeen	Retail, Carpark	32,054	29,603	133	667	97%	1980-1982	2856	100.0%	4,351	4,351	VII-18
Hunghom Bay Centre (Portions).	Hung Hom	Retail, Office, Carpark	7,470	6,892	16	457	81%	1979	2886	100.0%	823	823	VII-19
Chun Fai Centre	Tai Hang	Retail, Carpark	2,998	2,671	103	298	100%	1993	2047	100.0%	224	224	VII-20
41A & 43 Smithfield Rd. .	Kennedy Town	Retail	655	655	–	720	100%	1985	2882	100.0%	132	132	VII-22
Baguio Villa (Portions). . .	Pokfulam	Retail, Carpark	1,201	1,201	40	610	100%	1975	2859	100.0%	130	130	VII-23
Fine Mansion (Portions) . .	Happy Valley	Retail, Carpark	1,273	1,308	2	646	100%	1973	2079	100.0%	193	193	VII-25
Mount Sterling Mall, Mei Foo Sun Chuen (Various shops)	Lai Chi Kok	Retail	474	462	–	921	100%	1982	2047	100.0%	109	109	VII-27
23 Coombe Road	The Peak	Residential	569	569	–	–	0%	Pre-war	2036	100.0%	132	132	VII-35
Provident Villas (Various houses)	Pokfulam	Residential, Carpark	1,797	1,797	12	412	81%	1981	2100	100.0%	423	423	VII-37

Project	Location	Type of Property	Total GFA	LFA as at 31 Dec 2014	Number of Car Parking Spaces as at 31 Dec 2014[1]	Average Monthly Effective Rent for 2014	Average Occupancy Rate for 2014	Actual Completion Date	Leasehold Expiry	Interest Attributable to the Group as 28 Feb 2015	Total Value as at 28 Feb 2015	Total Value Attributable to the Group as at 28 Feb 2015	Reference Number in Property Valuation Report
			(sq.m.)	(sq.m.)		(HK$/sq.m.)		(Year)	(Year)		(HK$ million)	(HK$ million)	
Peak Villas	The Peak	Residential, Carpark	927	927	6	504	54%	1983	2029	100.0%	269	269	VII-38
Hutchison House	Central	Office, Retail, Carpark	46,797	46,878	5	675	87%	1974	2122	100.0%	7,772	7,772	VII-39
China Building	Central	Office, Retail	24,039	19,195	–	1,050	98%	1978	2071	100.0%	5,531	5,531	VII-40
Harbourfront Office Tower 1[5]	Hung Hom	Office, Retail, Carpark	40,119	37,816	107	239	99%	1995	2090	100.0%	3,105	3,105	VII-41
Harbourfront Office Tower 2[6]	Hung Hom	Office, Retail, Carpark	40,055	37,666	107	243	98%	1995	2090	100.0%	3,357	3,357	VII-42
Cheung Kong Center	Central	Office, Retail, Carpark	117,370	103,947	1,038	1,164	98%	1999	2047	100.0%	27,000	27,000	VII-43
99 Cheung Fai Road (Portions)	Tsing Yi	Office, Carpark	27,896	28,143	68	109	100%	2004	2047	100.0%	799	799	VII-45
Hutchison Logistics Centre (Portions)	Kwai Chung	Industrial, Office, Carpark	437,122	375,575	118	110	99%	1993	2047	100.0%	9,738	9,738	VII-46
Cavendish Centre	Aberdeen	Industrial, Carpark	31,854	31,854	50	73	93%	1984	2129	100.0%	950	950	VII-47
Watson Centre	Kwai Chung	Industrial, Carpark	63,843	56,694	95	71	100%	1978	2047	100.0%	921	921	VII-49
Watson House	Fo Tan	Industrial, Carpark	26,096	21,368	28	101	100%	1982	2047	100.0%	477	477	VII-50
Fanling Sheung Shui Town Lot No. 97	Sheung Shui	Industrial, Carpark	13,229	11,829	20	99	100%	1991	2047	100.0%	264	264	VII-51
The Metropolis (Various car parks)	Hung Hom	Carpark	N/A	N/A	155	N/A	N/A	2002	2047	100.0%	101	101	VII-54
28 Barker Road (Various houses and car parks)	The Peak	Residential, Carpark	1,656[7]	1,656	6	N/A	N/A	2013	2056	100.0%	1,622	1,622	VII-57
Other investment properties in Hong Kong											965	927	VII-6 to VII-10, VII-15, VII-16, VII-21, VII-24, VII-26, VII-28 to VII-34, VII-36, VII-44, VII-48, VII-52, VII-53, VII-55

Notes:

(1) Including motorcycle parking space where applicable.

(2) Comprising saleable area of the kindergarten portion and GFA of the residential portions.

(3) Comprising saleable area of the retail portion and GFA of the residential portion.

(4) One car park was sold in January 2015.

(5) Harbourfront Office Tower 1 is currently undergoing an extension of 9,301 sq.m. Total GFA of the project will increase upon completion of the extension, and the valuation has taken into consideration the extension.

(6) Harbourfront Office Tower 2 is currently undergoing an extension of 16,309 sq.m. Total GFA of the project will increase upon completion of the extension, and the valuation has taken into consideration the extension.

(7) Denotes the saleable area.

(ii) Principal Investment Properties in the PRC

Project	Location	Type of Property	Total GFA	LFA as at 31 Dec 2014	Number of Car Parking Spaces as at 31 Dec 2014	Average Monthly Effective Rent for 2014	Average Occupancy Rate for 2014	Actual Completion Date	Leasehold Expiry	Interest Attributable to the Group as at 28 Feb 2015	Total Value as at 28 Feb 2015	Total Value Attributable to the Group as at 28 Feb 2015	Reference Number in Property Valuation Report
			(sq.m.)	(sq.m.)		(RMB/sq.m.)		(Year)	(Year)		(RMB million)	(RMB million)	
Shanghai Westgate Mall . .	Shanghai	Commercial, Office, Carpark	102,133	80,966	317	413	95%	1998	2024	100%	2,780	2,780	II-6
Shenzhen Century Place (Portions of commercial space) . . .	Shenzhen	Commercial	52,762	52,762	–	177	71%	2012	2043	80.0%	1,520	1,216	II-9
Shenzhen Le Parc (Portions)	Shenzhen	Commercial, Clubhouse	10,626	6,024	–	131	100%	2003	2068	100.0%	130	130	II-10
Other investment properties in the PRC .											116	116	II-1 to II-5, II-7, II-8, II-11, II-12

(iii) Principal Investment Properties in the United Kingdom

Project	Location	Type of Property	Total GFA	LFA as at 31 Dec 2014	Number of Car Parking Spaces as at 31 Dec 2014	Average Monthly Effective Rent for 2014	Average Occupancy Rate for 2014	Actual Completion Date	Leasehold Expiry	Interest Attributable to the Group as at 28 Feb 2015	Total Value as at 28 Feb 2015	Total Value Attributable to the Group as at 28 Feb 2015	Reference Number in Property Valuation Report
			(sq.m.)	(sq.m.)		(GBP/sq.m.)		(Year)	(Year)		(GBP million)	(GBP million)	
Albion Riverside.	London	Office, Commercial	7,331	6,379	24	17	100%	2004	3002	90.0%	28	26	Gerald Eve

Description of Selected Investment Properties

The following are the investment properties, each of which had a carrying amount as at 31 December 2014 of over 1% of the Group's pro forma total assets as set out in Appendix II.

(i) Commercial Properties in Hong Kong

Cheung Kong Center

Cheung Kong Center is our flagship commercial complex in Hong Kong. Cheung Kong Center is a 62-storey Grade A commercial building located in Central, the central business district of Hong Kong, with floor-to-ceiling glass windows and column-free floors. Cheung Kong Center comprises a total GFA of 117,370 sq.m. of office and retail space and 1,038 car park spaces. The building was completed in 1999. Cheung Kong Center is located near the Central MTR station, which is the interchange station for a number of MTR lines.

As at 31 December 2014, there were a total of 34 tenants, which included financial institutions and multinational corporations. The five largest tenants (excluding members of the Cheung Kong Group and the Hutchison Group) contributed an aggregate of HK$76.8 million in rental income for the month ended 31 December 2014 and accounted for 64% of the total rental income of Cheung Kong Center for the month ended 31 December 2014 and 64% of the total LFA of Cheung Kong Center as at 31 December 2014.



The weighted average lease term to expiry by LFA for Cheung Kong Center was approximately 3.5 years as at 31 December 2014.

The Center

The Center is a landmark building located on Queen's Road Central, a prime location in the business district of Hong Kong. The Center is an 80-storey Grade A commercial building with a central core design that maximises the options available for office layout and subdivision. As at 31 December 2014, the Group owned various units in The Center, representing a total LFA of 112,160 sq.m. of office space, a total LFA of 1,271 sq.m. of retail space and 402 car park spaces at The Center. The building was completed in 1998. The Center is within a short distance from the Airport Express MTR station, which is one of the stations for the direct MTR line to the Hong Kong International Airport.

As at 31 December 2014, there were a total of 186 tenants occupying the various units in The Center held by the Group, which included major financial institutions and reputable companies. The five largest tenants (excluding members of the Cheung Kong Group and the Hutchison Group) contributed an aggregate of HK$14.4 million in rental income for the month ended 31 December 2014 and accounted for 20.9% of the total rental income derived from The Center by the Group for the month ended 31 December 2014 and 21.8% of the total GFA of the The Center held by the Group as at 31 December 2014.



The weighted average lease term to expiry by LFA for the various units in The Center held by the Company was approximately 2.1 years as at 31 December 2014.

Hutchison House

Hutchison House is a 24-storey Grade A commercial building located in the central business district of Hong Kong with column-free floors and panoramic views of the Victoria Harbour. Hutchison House comprises a total GFA of 46,797 sq.m. of office and retail space. The building was completed in 1974. Hutchison House is located near to the Admiralty MTR station, which is the interchange station for a number of MTR lines.

As at 31 December 2014, there were a total of 111 tenants, which included financial institutions and multinational organisations. The five largest tenants (excluding members of the Cheung Kong Group and the Hutchison Group) contributed an aggregate of HK$10.2 million in rental income for the month ended 31 December 2014 and accounted for 35% of the total rental income of Hutchison House for the month ended 31 December 2014 and 39% of the total LFA of Hutchison House as at 31 December 2014.



The weighted average lease term to expiry by LFA for Hutchison House was approximately 2.6 years as at 31 December 2014.

Hutchison Logistics Centre

Hutchison Logistics Centre is a multi-storey drive-in freight distribution centre strategically located at Terminal 4 in Kwai Tsing Container Terminals, one of the busiest container ports in the world. Hutchison Logistics Centre offers direct road access for container vehicles to each of its warehouse levels. It is a 7-storey building with an adjoining 10-storey office building, and comprises a total GFA of 437,122 sq.m. of warehouse and office space, and 118 parking spaces. Hutchison Logistics Centre was completed in 1993.

As at 31 December 2014, there were a total of 52 tenants, which included freight operators, logistics companies and brand name retailers. The five largest tenants (excluding members of the Cheung Kong Group and the Hutchison Group) contributed an aggregate of HK$14.9 million in total rental income for the month ended 31 December 2014 and accounted for 35% of the total rental income of Hutchison Logistics Centre for the month ended 31 December 2014 and 35% of the total LFA of Hutchison Logistics Centre as at 31 December 2014.



The weighted average lease term to expiry by LFA for Hutchison Logistics Centre was approximately 1.5 years as at 31 December 2014.

The Harbourfront

The Harbourfront is located along the Hung Hom coastline adjacent to the Whampoa Garden residential estate. The Harbourfront comprises two 20-storey Grade A office towers with a total GFA of 80,174 sq.m. of office space and 214 car park spaces, with many of the office units enjoying harbour views. The buildings were completed in 1995.

As at 31 December 2014, there were a total of 57 tenants, which included financial institutions and media/entertainment companies. The five largest tenants (excluding members of the Cheung Kong Group and the Hutchison Group) contributed an aggregate of HK$7.2 million in rental income for the month ended 31 December 2014 and accounted for 40% of the total rental income of The Harbourfront for the month ended 31 December 2014 and 40% of the total LFA of The Harbourfront as at 31 December 2014. The Harbourfront is located in close proximity to the Hung Hom ferry pier and a bus/mini bus terminus. It is expected that the transportation network will be further enhanced upon the scheduled completion of the MTR Kwun Tong line extension in 2016.



The weighted average lease term to expiry by LFA for The Harbourfront was approximately 1.5 years as at 31 December 2014.

(ii) Retail Properties in Hong Kong

1881 Heritage

1881 Heritage is a cultural and shopping complex which was revitalised and transformed from the original site of the Former Marine Police Headquarters. It is located on Canton Road in Tsim Sha Tsui, a prime shopping district of Hong Kong. Following extensive renovation and conservation works, 1881 Heritage now features luxury retail shops, fine dining establishments, a heritage hotel and an exhibition hall which allows visitors to discover the history of the site. 1881 Heritage comprises a total LFA of 14,986 sq.m. of retail space. The building was completed in 2009. 1881 Heritage can be conveniently reached by various modes of transportation, including the MTR, ferry and bus.

As at 31 December 2014, there were a total of 12 tenants, some of which brought in several leading international brands in the complex. The lease term for 1881 Heritage is generally three years.



Wonderful Worlds of Whampoa

Wonderful Worlds of Whampoa is one of the largest shopping, dining and entertainment centres located within the Whampoa Garden residential estate in Kowloon, Hong Kong. With a large ship as its landmark building, Wonderful Worlds of Whampoa comprises a combination of themed areas, namely Whampoa Gourmet Place, Fashion World, Treasure World, Home World, Amazing World and Pebbles World, offering an array of retail shops, restaurants and entertainment facilities. Wonderful Worlds of Whampoa comprises a total GFA of 159,235 sq.m. of retail space and 1,026 car park spaces. Wonderful Worlds of Whampoa was completed in phases between 1985 and 1991. The new Whampoa MTR station, being the terminal station of the Kwun Tong line extension, is under construction.

As at 31 December 2014, there were a total of 298 tenants. The lease term for Wonderful Worlds of Whampoa is generally two years.



HOTELS AND SERVICED SUITES

The Group owns and/or manages hotels and serviced suites in Hong Kong, the PRC and The Bahamas. As at 31 December 2014, the Group owned interests in and managed 15 hotels and serviced suites with 13,530 rooms in aggregate. As at 31 December 2014, the Group owned (but did not manage) four hotels with 2,586 rooms in aggregate.

Hotels and Serviced Suites Owned and Managed by the Group

The table below shows the Group's ownership interests in, and certain other data of, the hotels and serviced suites owned and managed by the Group as at 31 December 2014:

	Ownership Interest	Managed By	Number of Rooms
Hong Kong			
Harbour Grand Hong Kong	100%[(1)]	Harbour Plaza	828
Harbour Grand Kowloon	100%	Harbour Plaza	555
Harbour Plaza 8 Degrees	100%	Harbour Plaza	704
Harbour Plaza Metropolis	100%	Harbour Plaza	821
Harbour Plaza North Point	100%	Harbour Plaza	669
Harbour Plaza Resort City	98.47%	Harbour Plaza	1,102
Harbourfront Horizon All-Suite Hotel	100%	Horizon	1,662
Harbourview Horizon All-Suite Hotel	100%	Horizon	1,980
Horizon Suite Hotel at Tolo Harbour	100%	Horizon	831
Rambler Garden Hotel	100%	Harbour Plaza	800
Rambler Oasis Hotel	100%	Harbour Plaza	822
The Apex Horizon	100%	Horizon	360
The Kowloon Hotel	100%	Harbour Plaza	736
PRC			
Harbour Plaza Chongqing	100%	Harbour Plaza	389
The Bahamas			
Bahamas Grand Lucayan	100%	Harbour Plaza	1,271
Total			13,530

Note:

(1) For properties in which the Group has a development right, the percentage interest shown represents the Group's attributable interest in the developer company which entered into the relevant joint development contract with the land owner.

Harbour Plaza and Horizon are indirect wholly-owned subsidiaries of the Group, which primarily provide management services to the Group's hotels and serviced suites. The "Harbour Grand" brand targets premium visitors. The "Harbour Plaza" brand targets business and leisure travellers while the "Rambler" hotels offer affordable accommodation.

Hotels Owned (but not Managed) by the Group

As at 31 December 2014, the Group also had interests in (but did not manage) the following hotels:

	Effective Ownership Interest	Managed By	Number of Rooms
Hong Kong			
Sheraton Hong Kong Hotel & Towers.	39%(1)	Starwood Hotels & Resorts Worldwide, Inc.	782
PRC			
Sofitel Shenyang Lido Hotel	29%(2)	Accor Group	590
Sheraton Chengdu Lido Hotel	69%(3)	Starwood Hotels & Resorts Worldwide, Inc.	387
The Great Wall Sheraton Hotel Beijing	50%(3)	Starwood Hotels & Resorts Worldwide, Inc.	827
Total			2,586

Notes:

(1) The hotel is held through a joint venture which was established between the Group and independent third parties.

(2) The 29% effective ownership interest represents the percentage of entitlement to distribution of the owner company of Sofitel Shenyang Lido Hotel. The remaining 70% and 1% entitlements to the distributions of the owner company of Sofitel Shenyang Lido Hotel are held by Hui Xian REIT and Beijing Wondergrow Investment and Consulting Co., Ltd. 北京穩得高投資顧問有限公司 ("**Beijing Wondergrow**"), respectively. There is also an agreement between the Group and the Hui Xian REIT group under which the Group will give certain priority to the Hui Xian REIT Group's entitlement of 70% of yearly distributions of the hotel owner company during the period up to 2021. Beijing Wondergrow is directly owned as to 50% by a wholly-owned subsidiary of the Company, as to 40% by Wang Yi（王琦）(a director of Beijing Wondergrow) and as to 10% by Chen Yan（陳燕）(a director of Beijing Wondergrow). As at 31 December 2014, the Group held a 46.23% interest in Hui Xian REIT and the Group had a 30% interest in Hui Xian Asset Management Limited, the asset manager of Hui Xian REIT. In addition, the Group had a 7.84% interest in ARA Asset Management Limited, which in turn held 30% interest in Hui Xian Asset Management Limited as at 31 December 2014.

(3) The hotel is held through a joint venture which was established between the Group and an independent third party.

The hotel managers are internationally renowned and were selected by mutual agreement of the Group and other major shareholders in the hotels. The hotel management agreements for these hotel managers are typically for a period ranging from five to 10 years and renewable with the written consent of the relevant parties. Under the hotel management agreements, the third party hotel managers generally have the right to operate the hotels in accordance with their respective operating policies and standards. The fees paid by the Group to the third party hotel managers generally comprise a basic management fee and an incentive fee, which is based on the financial performance of the hotel. For the year ended 31 December 2014, the total basic management fee and incentive fee paid to third party hotel managers by the Cheung Kong Property Group and the Hutchison Property Group amounted to HK$5 million and HK$31 million, respectively.

Hotels Under Development

We have the following hotels which are under development:

- A hotel as part of the Yin Hu Wan Jiangmen Project in the PRC, which is expected to complete in 2016, with an expected GFA of approximately 21,271 sq.m. and 200 rooms.

- A hotel at Oil Street in Hong Kong. See "– *Development Properties – Description of Selected Development Properties – Hong Kong – Oil Street Project*" for further details.

- A hotel as part of the Regency Cove Wuhan Project in the PRC, which is expected to complete in 2018, with an expected GFA of approximately 30,846 sq.m. and 240 rooms.

- Hotels as part of the Upper West Shanghai Project in the PRC. See "– *Development Properties – Description of Selected Development Properties – PRC – Upper West Shanghai Project in Shanghai*" for further details.

Asset Enhancement Programmes

Maintenance and asset enhancement programmes are carried out for the Group's hotels and serviced suites to maintain their competitiveness in the hospitality market.

During the Track Record Period, certain hotels of the Group have also undergone renovation, which included the following:

- 2012 – Harbour Grand Kowloon renovated its fitness centre and Sheraton Hong Kong Hotel & Towers renovated its Chinese restaurant, Celestial Court.

- 2013 – The Kowloon Hotel's shopping arcade underwent renovation to accommodate a new tenant mix.

- 2013 – Sheraton Hong Kong Hotel & Towers commenced renovation works of all its hotel rooms in phases. During the first phase, in addition to the renovation of 396 hotel rooms, the lobby and Sky Lounge were also upgraded. During the second phase in 2014, renovation works to the remaining 382 hotel rooms (excluding four presidential suites) and the executive lounge were completed in 2014.

- 2013 – Bahamas Grand Lucayan carried out renovation works to its Reef Wing, which contained approximately 450 rooms.

- 2014 – Harbourview Horizon All-Suite Hotel commenced the replacement of the air-conditioning units in all of its suites, which is expected to complete in 2015.

- 2014 – Horizon Suite Hotel commenced renovation works of 831 suites to replace furniture, fixtures and electronic appliances, which are expected to complete in 2016.

- 2014 – Harbour Grand Kowloon commenced extension works to add an additional 360 hotel rooms in an adjacent office building which are expected to complete in 2018. The existing hotel rooms are also expected to undergo a renovation programme which will commence in 2016 and are expected to complete in 2017.

In addition, Harbour Plaza North Point is expected to carry out renovation works in 2015 to increase its room inventory by converting 30 of its one-bedroom suites into 60 hotel rooms.

Key Information of the Hotels and Serviced Suites

Tables containing certain key operating information with respect to the completed hotels and serviced suites (including a property held for operation) owned by the Group are set out below. The details below on the total GFA, number of hotel rooms and serviced suites and number of car parking spaces are presented as at 31 December 2014 and the average room rate, average occupancy rates and average effective RevPAR are for the year ended 31 December 2014, which correspond to the date of the unaudited pro forma combined income statement of the Group and the date the last audited financial statements of the Cheung Kong Property Group and of the Hutchison Property Group were made up to. To facilitate reference, the tables also show the valuations of the properties valued by the Property Valuers as at 28 February 2015 (see "*Appendix III – Property Valuation*") together with the Group's attributable interests as at that date.

(i) Hotels and Serviced Suites in Hong Kong

Project	Location	Total GFA	Number of Hotel Rooms or Serviced Suites as at 31 Dec 2014	Number of Car Parking Spaces as at 31 Dec 2014	Average Room Rate for 2014	Average Occupancy Rate for 2014	Average Effective RevPAR for 2014	Actual Completion Date	Leasehold Expiry	Interest Attributable to the Group as at 28 Feb 2015	Total Value as at 28 Feb 2015	Total Value Attributable to the Group as at 28 Feb 2015	Reference Number in Property Valuation Report
		(sq.m.)			(HK$)		(HK$)	(Year)	(Year)		(HK$ million)	(HK$ million)	
Harbourview Horizon. . . .	Hung Hom	119,280	1,980	400	511	88%	450	2005	2051	100.0%	11,450	11,450	VIII-1
Harbourfront Horizon. . . .	Hung Hom	107,444	1,662	20	649	93%	606	2006	2051	100.0%	11,140	11,140	VIII-2
The Apex Horizon (Excluding retail shops and commercial parking spaces)	Kwai Chung	21,190	360	3	458	95%	436	2007	2052	100.0%	1,053	1,053	VIII-3
Harbour Plaza 8 Degrees .	To Kwa Wan	21,420	704	10	799	91%	726	2009	2088	100.0%	2,394	2,394	VIII-4
Harbour Plaza Resort City.	Tin Shui Wai	61,513	1,102	8	612	96%	588	1998 & 1999	2047	98.47%	2,860	2,816	VIII-5
Harbour Plaza Metropolis .	Hung Hom	42,857	821	6	1,134	96%	1,083	2002	2047	100.0%	5,074	5,074	VIII-6
The Kowloon Hotel	Tsim Sha Tsui	30,610	736	–	1,271	97%	1,229	1985	2039	100.0%	7,778	7,778	VIII-7
Rambler Garden Hotel . . .	Tsing Yi	19,613	800	–	501	98%	490	2003	2047	100.0%	1,817	1,817	VIII-8
Rambler Oasis Hotel	Tsing Yi	19,810	822	–	513	97%	500	2003	2047	100.0%	1,900	1,900	VIII-9
Harbour Plaza North Point	North Point	31,873	669	6	909	95%	859	1999	2047	100.0%	2,757	2,757	VIII-10
Horizon Suite Hotel.	Ma On Shan	56,000	831	42	473	94%	444	2002	2048	100.0%	2,652	2,652	VIII-11
Harbour Grand Hong Kong (Development rights)	North Point	41,341	828	38	1,434	83%	1,194	2008	2104	100.0%[(1)]	4,440	4,440	VIII-12
Harbour Grand Kowloon .	Hung Hom	47,467	555	14	1,673	83%	1,397	1995	2090	100.0%	4,647	4,647	VIII-13
Sheraton Hong Kong	Tsim Sha Tsui	61,950	782	19	2,262	87%	1,964	1974	2119	39.0%	10,230	3,990	VIII-14

Notes:

(1) For properties in which the Group's interest is in relation to development rights, the percentage interest shown represents the Group's attributable interest in the developer company which entered into the relevant joint development contract with the land owner.

(ii) Hotels in the PRC

Project	Location	Total GFA	Number of Hotel Rooms or Serviced Suites as at 31 Dec 2014	Number of Car Parking Spaces as at 31 Dec 2014	Average Room Rate for 2014	Average Occupancy Rate for 2014	Average Effective RevPAR for 2014	Actual Completion Date	Leasehold Expiry	Interest Attributable to the Group as at 28 Feb 2015	Total Value as at 28 Feb 2015	Total Value Attributable to the Group as at 28 Feb 2015	Reference Number in Property Valuation Report
		(sq.m.)			(RMB)		(RMB)	(Year)	(Year)	(%)	(RMB million)	(RMB million)	
The Great Wall Sheraton Hotel	Beijing	81,563	827	133	563	59%	331	1984	2023	49.82%	334	166	III-1
Sheraton Chengdu Lido Hotel	Chengdu	56,350	387	25	730	48%	351	2000	2049	69.0%	691	477	III-2
Harbour Plaza Chongqing	Chongqing	52,238	389	20	512	49%	250	1998	2044	100.0%	504	504	III-3

(iii) Hotel in The Bahamas

Project	Location	Total GFA	Number of Hotel Rooms or Serviced Suites as at 31 Dec 2014	Number of Car Parking Spaces as at 31 Dec 2014	Average Room Rate for 2014	Average Occupancy Rate for 2014	Average Effective RevPAR for 2014	Actual Completion Date	Nature of Interest	Interest Attributable to the Group as at 28 Feb 2015	Total Value as at 28 Feb 2015	Total Value Attributable to the Group as at 28 Feb 2015	Reference Number in Property Valuation Report
		(sq.m.)			(US$)		(US$)	(Year)	(Year)	(%)	(US$ million)	(US$ million)	
Bahamas Grand Lucayan	The Bahamas	95,457	1,271	500	112	57%	64	2000	Freehold	100.0%	57	57	CBRE

(iv) Property held for operation in the PRC

Project	Location	Type of Property	Actual Completion Date	Leasehold Expiry	Interest Attributable to the Group as at 28 Feb 2015	Total Value as at 28 Feb 2015	Total Value Attributable to the Group as at 28 Feb 2015	Reference Number in Property Valuation Report
						(RMB million)	(RMB million)	
Harbour Plaza Golf Club	Dongguan	Golf Course	1998	2044	99.9965%	280	280	III-4

PROPERTY AND PROJECT MANAGEMENT

The Group has developed a property and project management business to support its development and investment properties.

As at 31 December 2014, the total floor area of properties managed by the Cheung Kong Property Group and the Hutchison Property Group was approximately 9 million sq.m. and approximately 12 million sq.m., respectively. During the Track Record Period, the turnover from the Cheung Kong Property Group's property and project management businesses amounted to HK$361 million, HK$394 million and HK$528 million, respectively. During the Track Record Period, the turnover from the Hutchison Property Group's property and project management businesses amounted to HK$698 million, HK$798 million and HK$676 million, respectively.

Property Management

The Group provides property management services for a diverse portfolio of properties, including large-scale residential properties, commercial buildings, office buildings, luxury villas, industrial premises, shopping malls, car park spaces, clubhouses and education facilities. Such property management services include deploying on-site security guards and caretakers, managing the maintenance and renovation of properties and liaising with government departments and incorporated owners associations. In addition to their own respective portfolio of properties, each of the Cheung Kong Property Group and the Hutchison Property Group provides property management services to properties located in Hong Kong and developed by third parties.

The Group generally charges a monthly manager's remuneration for the provision of property management services based on a certain percentage of property management expenditures or income in accordance with the contract terms for the relevant property. During the Track Record Period, neither the Cheung Kong Property Group nor the Hutchison Property Group had any material delays in the collection of the manager's remuneration.

Project Management

The Cheung Kong Property Group's project management business in Hong Kong is conducted through Cheung Kong Property Development Limited, a wholly-owned subsidiary of the Cheung Kong Group. It primarily provides project management related services, including assisting in the making of any necessary planning applications under the Buildings Ordinance and monitoring and supervising construction progress, especially in respect of quality assurance and adherence to budget and schedule. During the Track Record Period, major development projects managed by Cheung Kong Property Development in Hong Kong included the City Point Project, the Hemera Project and The Beaumount Project.

The Hutchison Property Group also provides project management and agency services, through its wholly-owned subsidiaries, primarily to its property development joint ventures in the PRC and the United Kingdom as well as to certain redevelopment and renovation projects in Hong Kong. During the Track Record Period, major development projects managed by the Hutchison Property Group in the PRC included the Le Parc Project in Chengdu, The Harbourfront Project in Qingdao and The Greenwich Project in Xian.

OTHER PROPERTY INTERESTS

The Group holds unitholding interests in a number of REITs, namely Fortune REIT, Prosperity REIT and Hui Xian REIT, as well as interests in ARA Asset Management (which is the holding company of the managers of Fortune REIT and Prosperity REIT) and Hui Xian Asset Management Limited (which is the manager of Hui Xian REIT).

During the Track Record Period, the Cheung Kong Property Group and the Hutchison Property Group held direct equity interests in Hui Xian REIT, which were accounted for as investments available for sale. In addition to their direct interest in Hui Xian REIT, the Cheung Kong Property Group, the Hutchison Property Group and others also held certain equity interests in Hui Xian REIT through a joint venture, which was accounted for as a joint venture in the respective combined financial statements of the Cheung Kong Property Group and the Hutchison Property Group using the equity method of accounting. After completion of the Property Businesses Combination and consolidation of the joint venture, Hui Xian REIT will become an associate of the Company and be accounted for under the equity method of accounting.

The table below sets out certain information on the Group's interests in the abovementioned REITs and asset management companies as at 31 December 2014:

	Fortune REIT	Prosperity REIT	Hui Xian REIT	ARA Asset Management	Hui Xian Asset Management Limited
Group's Ownership Interest (%)	28.0	19.3	46.23	7.84	30.0 [(1)]
Class of Assets Held/ Business Description	Retail properties	Office, retail and industrial properties	Office and retail properties and hotels and serviced suites	(i) Manager of Fortune REIT and Prosperity REIT and (ii) holding a 30% interest in Hui Xian Asset Management Limited as at 31 December 2014	Manager of Hui Xian REIT
Net Asset Value as at 31 December 2014	HK$22,376 million	HK$6,672 million	RMB28,564 million (approximately HK$ 35,419.4 million)	S$341.2 million (approximately HK$1,948.3 million)	HK$97 million
Number of Properties in Portfolio	18	8	2	–	–
Geographical Location of Assets	Hong Kong	Hong Kong	PRC	Manages assets located in Hong Kong, the PRC, Singapore, Malaysia, Korea and Australia	–
Manager	ARA Asset Management (Fortune) Limited [(2)]	ARA Asset Management (Prosperity) Limited [(2)]	Hui Xian Asset Management Limited	–	–
Listing Status	Listed on the Singapore Stock Exchange in August 2003 and the Main Board in April 2010	Listed on the Main Board in December 2005	Listed on the Main Board in April 2011	Listed on the Singapore Stock Exchange in November 2007	Unlisted

Notes:

(1) This does not take into account any interest in Hui Xian Asset Management Limited held by ARA Asset Management, a company in which the Group had a 7.84% interest as at 31 December 2014.

(2) These manager companies are subsidiaries of ARA Asset Management.

SITE ACQUISITION AND DEVELOPMENT

The Group places great emphasis on and devotes significant management resources to site acquisition and development. The decisions relating to site acquisition and development are made at the Group's headquarters.

Site Acquisition

In Hong Kong, the Cheung Kong Property Group's sites were obtained through a variety of sources, including government auctions or tenders, purchasing from existing land owners or joint ventures with existing land owners. The Cheung Kong Property Group has also acquired development rights in property projects with the MTR Corporation Limited and the Urban Renewal Authority. In the PRC, most of the Cheung Kong Property Group's sites were obtained through public auctions conducted by the PRC local government or through joint ventures formed with local developers.

During the Track Record Period, most of the Hutchison Property Group's sites were obtained through public auctions or through joint ventures formed with local developers in the PRC.

The Group believes that its competitive advantages for land acquisition are built on the experience and expertise of the Cheung Kong Property Group and the Hutchison Property Group, including their capital resources, high financing flexibility, global and local market experiences, brand recognition and good reputation.

As at 31 December 2014, the property investment and valuation departments of the Cheung Kong Property Group and the Hutchison Property Group comprised professionally qualified surveyors, and are responsible for pre-acquisition evaluation such as conducting site inspections, drawing up financial models and carrying out quantitative and qualitative analyses to determine the development feasibility and potential profitability. Based on the findings in macroeconomic and site-specific analyses in respect of each site, a preliminary building design and construction plan will be prepared by the project team to derive the estimated costs for the proposed new development. A budget for each proposed new development will be prepared and a maximum bid price for a particular site will then be determined based on the estimated construction costs and the target profit margin. Where appropriate, assistance will be sought from the development department on issues relating to technical, engineering, design and material costs. External consultants (for example, architects, engineers, land consultants and surveyors) to handle land and valuation issues may also be appointed as and where necessary.

The key factors considered when carrying out site acquisition are the site's location, site specific supply and demand conditions, planning policies, the neighbourhood in which the site is located in, accessibility of the site by key modes of transportation, the availability of infrastructure facilities and certain other features which may enhance or detract from the value of the site. Occasionally, sites may be chosen for strategic reasons, such as to enhance the value between two adjacent sites. When entering into a new city, the Group considers numerous factors, including general local economic conditions, income levels and purchasing power of the local residents, potential market growth, completion of the city's development plans and the relevant government policies that may affect the city.

Development

The development process for each proposed new development is managed by a project management team. Each project management team is made up of representatives from the development and valuations, project management, finance, residential and portfolio management departments. Issues such as the feasibility, potential profitability, design, material costs, project management, market demand and property management for each proposed new development are evaluated by the team for the development of the project.

Our professionally qualified surveyors carry out project valuations and are also responsible for all valuations with respect to feasibility studies, acquisitions and land premiums. Other responsibilities include semi-annual valuations of our investment property portfolio in parallel with the independent valuations carried out by a third party professional valuer.

The development process begins when a potential site has been identified. The project management team then formulates an initial investment plan taking into account the expected return on investment and coordinates with the various departments (such as the marketing department, the projects department and the cost control department) to carry out a more in-depth study before a final development plan and feasibility report are sent to the management team for their review and approval.

When drawing up development plans and feasibility reports, the project management team will consider factors including (i) the local construction methods used, (ii) certain site specific characteristics, such as views from the site, accessibility to the site, noise level around the site and the neighbourhood of the site, (iii) the findings from macro market research (involving studies on the local economy, policies, planning and development and property demand and supply in the region), (iv) the master layout plan design for the development and (v) the financial modelling based on specific development parameters.

The Group has regional offices in different cities in the PRC and overseas, which follow the same approach to development. The regional offices report regularly to the head office in Hong Kong.

EXPANSION OF PROPERTY PORTFOLIO, PIPELINE AND LAND BANK REPLENISHMENT

As at the Latest Practicable Date, the land bank of the Cheung Kong Property Group and the Hutchison Property Group was mostly located in tier one and tier two cities in the PRC. Depending on the market conditions, the Group plans to develop the land bank in the PRC in phases over several years. The Group will continue to replenish its land bank, with a focus on development projects at prime locations in tier one and tier two cities in the PRC.

In addition, as at the Latest Practicable Date, the Cheung Kong Property Group and the Hutchison Property Group also had land bank in the United Kingdom, by value predominantly in London. The Group has been monitoring the overseas property markets and has been pursuing opportunities to further expand its land bank in London.

PROPERTY VALUATION

A full list of the properties and a summary of the values of such properties issued by the Property Valuers are included in "*Appendix III – Property Valuation*". The full property valuation reports issued by the Property Valuers are available for inspection as described in "*Appendix VIII – Documents Available for Inspection*".

The properties that were valued by the Property Valuers as at 28 February 2015 (a) included properties for which the Group has a development interest only (see "– *Development Properties*" for details) and (b) excluded properties (i) each with a carrying amount below 1% of the unaudited pro forma total assets of the Group as at 31 December 2014 but which in aggregate do not exceed 10% of the unaudited pro forma total assets of the Group as at 31 December 2014 as permitted under the Listing Rules and (ii) in respect of which the Group has recognised all or substantially all of the economic benefits through sale transactions but where it may remain as the legal owner of some part pending formal transfer of the legal title at or after completion of the sale.

A reconciliation of the net book value of the properties as at 31 December 2014 as set out in "*Appendix IA – Accountants' Report on the Cheung Kong Property Group*" and "*Appendix IB – Accountants' Report on the Hutchison Property Group*" to their fair value as at 28 February 2015 as stated in "*Appendix III – Property Valuation*" is set out below:

	HK$ million
Cheung Kong Property Group	
Net book value as at 31 December 2014	
Hotels and serviced suites	
– in Hong Kong	9,256
– outside Hong Kong	529
Investment properties	33,285
Stock of properties	73,259
	116,329
Hutchison Property Group	
Net book value as at 31 December 2014	
Leasehold land classified as finance leases	763
Hotels and other properties	3,384
Investment properties	72,905
Stock of properties	1,388
	78,440
Joint Ventures	
Net book value of property interests as at 31 December 2014	103,974
Total combined net book value as at 31 December 2014	298,743
Property interests excluded from valuation (1)	(4,404)
Net changes during the period from 1 January 2015 to 28 February 2015 (2)	4,255
Total	298,594
Add: Valuation surplus	144,737
Gross valuation as at 28 February 2015 as set out in "*Appendix III – Property Valuation*"	443,331
Gross valuation attributable to the Group	420,149

Notes:

(1) Excludes Chongqing Metropolitan Plaza of which the sale to Hui Xian REIT was completed on 2 March 2015.

(2) Includes additions, disposals, depreciation and amortisation during the period from 1 January 2015 to 28 February 2015.

SUPPLIERS

The Group contracts out construction and construction-related work to independent construction companies through a competitive tender process. The Group's project team maintains a list of qualified contractors for different types of work. The Group selects construction contractors by taking into account various factors including their qualifications, financial strength, experience with similar projects, reputation for reliability, quality and safety, price quotations and the technical and contractual proposals put forward.

The quality and timeliness of the construction is warranted by contract. Generally, the contractors are responsible for any quality issues and complaints in relation to construction and construction-related work and liable for defects during the defects liability period. A defects liability period is typically a fixed period of time after a construction project has been completed during which a contractor has the responsibility to rectify any defects identified within a reasonable time. The procurement of raw materials is also included as part of the scope of the construction contracts. Cost control and construction progress are monitored during the construction period with close on-site supervision and quality control procedures. Details on the quality control measures adopted are further set out in "– *Quality Control*" below.

During the Track Record Period, the Cheung Kong Property Group's and the Hutchison Property Group's purchases were settled mainly by bank transfers and cheques. The credit and payment terms granted by the Cheung Kong Property Group's suppliers and the Hutchison Property Group's suppliers were generally up to 28 days and up to 60 days, respectively.

We retain multiple suppliers for our purchases in an effort to avoid reliance on any single supplier and to avoid unexpected disruptions to the development of our properties. To the extent possible and subject to prevailing market conditions, any increase in the prices of goods and services supplied will have to be reflected in the property prices. For example, an increase in construction supplies may result in an increase in property prices. In the event that any of our existing suppliers is no longer able to supply goods and services to us or suddenly increases the prices of goods and services supplied, we believe we will be able to identify suitable replacement suppliers with comparable quality and prices in a timely manner. During the Track Record Period, the Cheung Kong Property Group and the Hutchison Property Group did not experience any material interruptions to, or material decline in, the amount or quality of our purchases.

The Cheung Kong Property Group

The Cheung Kong Property Group's major suppliers are based in Hong Kong. The major suppliers of the Cheung Kong Property Group consisted mainly of contractors handling construction, foundation and fitting-out works. For the three years ended 31 December 2014, purchases from the five largest suppliers accounted for approximately 82.7%, 50.1% and 48.5% of the total purchases of the Cheung Kong Property Group, respectively.

For the year ended 31 December 2012, the total purchases attributable to the Cheung Kong Property Group's largest supplier, which supplied the Cheung Kong Property Group with land, accounted for approximately 51.5% of the total purchases of the Cheung Kong Property Group. As at 31 December 2012, an executive Director held an interest of approximately 0.00007% in the largest supplier for the year ended 31 December 2012. For the year ended 31 December 2013, the total

purchases attributable to the Cheung Kong Property Group's largest supplier, who is an independent third party which provided construction services including superstructure, carcass, foundation and fitting out, accounted for approximately 15.6% of the total purchases of the Cheung Kong Property Group. For the year ended 31 December 2014, the total purchases attributable to the Cheung Kong Property Group's largest supplier, who is an independent third party which provided construction services, accounted for approximately 15.5% of the total purchases of the Cheung Kong Property Group.

Save as disclosed above, the five largest suppliers are independent third parties and to the best knowledge and belief of the Directors, none of the Directors or their close associates or any Shareholders (which to the knowledge of the Directors beneficially own more than 5% of the Shares) had any interest in any of the five largest suppliers of the Cheung Kong Property Group during the Track Record Period.

The major suppliers have generally been suppliers of the Cheung Kong Property Group for more than 5 years.

The Hutchison Property Group

The Hutchison Property Group's major suppliers are based in Hong Kong. The major suppliers of the Hutchison Property Group consisted mainly of a government department, utility providers and property management service providers. For the three years ended 31 December 2014, purchases from the five largest suppliers accounted for approximately 19%, 20% and 21% of the total purchases of the Hutchison Property Group, respectively.

For the year ended 31 December 2012, the total purchases attributable to the largest supplier of the Hutchison Property Group, which is a government department, accounted for approximately 9% of the total purchases of the Hutchison Property Group. For the year ended 31 December 2013, the total purchases attributable to the largest supplier of the Hutchison Property Group, which is a government department, accounted for approximately 10% of the total purchases of the Hutchison Property Group. For the year ended 31 December 2014, the total purchases attributable to the largest supplier of the Hutchison Property Group, which is a government department, accounted for approximately 10% of the total purchases of the Hutchison Property Group.

The five largest suppliers are independent third parties and to the best knowledge and belief of the Directors, none of the Directors or their close associates or any Shareholders (which to the knowledge of the Directors beneficially own more than 5% of the Shares) had any interest in any of the five largest suppliers of the Hutchison Property Group during the Track Record Period.

The major suppliers have generally been suppliers of the Hutchison Property Group for more than 10 years.

Joint Ventures

The major suppliers of the Cheung Kong Property Group's and the Hutchison Property Group's joint ventures during the Track Record Period are based in the PRC and consisted mainly of construction companies. For the three years ended 31 December 2014, purchases from the five largest suppliers accounted for approximately 11%, 10% and 7% of the total purchases of the joint ventures, respectively.

For the year ended 31 December 2012, the total purchases attributable to the largest supplier of the joint ventures, which is a construction company, accounted for approximately 2% of the total purchases of the joint ventures. For the year ended 31 December 2013, the total purchases attributable to the largest supplier of the joint ventures, which is a construction company, accounted for approximately 2% of the total purchases of the joint ventures. For the year ended 31 December 2014, the total purchases attributable to the largest supplier of the joint ventures, which is a construction company, accounted for approximately 3% of the total purchases of the joint ventures.

The five largest suppliers are independent third parties and to the best knowledge and belief of the Directors, none of the Directors or their close associates or any Shareholders (which to the knowledge of the Directors beneficially own more than 5% of the Shares) had any interest in any of the five largest suppliers of the joint ventures during the Track Record Period.

The major suppliers have generally been suppliers of the joint ventures for an average of 3 years.

QUALITY CONTROL

As at 31 December 2014, the Cheung Kong Property Group and the Hutchison Property Group had approximately 500 and 110 members, respectively, in their respective quality assurance teams. The quality assurance personnel are experienced in quality control, and are trained to carry out construction audit and monitor quality assurance. The quality assurance personnel are generally project-related professional staff whose areas of expertise include mechanical and electrical engineering, building technology and construction management. The quality assurance personnel include degree holders and some hold master's degrees in construction and real estate, construction management, civil/electrical and mechanical/building services engineering. Some of the quality assurance personnel also hold professional memberships in The Hong Kong Institute of Engineers, The Hong Kong Institute of Construction Managers, The Chartered Institute of Building and The Institute of Quality Assurance, U.K. In addition, the Cheung Kong Property Group and the Hutchison Property Group encourage their quality assurance teams to have regular training regarding quality control standards and procedures.

We place great emphasis on the quality control and inspection of the construction of our properties to ensure compliance with our quality standard. We believe in maintaining the quality of the properties and the quality of our service. Our quality control is carried out starting from the pre-development phase of our properties through to the post-development phase.

Pre-Development Phase

As described in "– *Suppliers*" above, the Group selects its third party contractors through a competitive tendering process. The quality assurance teams conduct pre-qualification checks on all contractors who are invited to submit their tenders. Contractors are selected based on various factors including their qualifications, financial strength, experience with similar projects, reputation for reliability, quality and safety, price quotations and the technical and contractual proposals put forward. Results from the background checks of the contractors are kept by the quality assurance teams.

Development Phase

The development departments of the Cheung Kong Property Group and/or the Hutchison Property Group monitor the property development and design of the construction projects. The development departments and the construction management departments of the Cheung Kong Property Group and/or the Hutchison Property Group are responsible for monitoring the progress of construction projects and implementing quality control measures for construction works on site.

The quality assurance teams implement in-house construction audits during the construction period, inspect during the handover period, and monitor rectification works for any liable defects during the maintenance/defects liability period of the construction projects.

The quality assurance teams perform regular construction audits on our properties under construction. Areas of material non-compliance relating to construction details, procedures, activities and practices are identified and alerted to the relevant contractors, electrical and mechanical engineer or construction consultants with responsibility for addressing these areas. Monitoring for such non-compliant practices is carried out so as to minimise possible compliance cost and ensure optimum quality. We implement a pro-active approach and preventative measures. Regular review of the construction progress and details in project meetings on a cross-project basis would also be made. When there are incidents of non-compliance requiring remedial work, the professional project teams are required to address the corrective and preventive actions on a case-by-case basis.

Post-Development Phase

For residential estates developed by the Group in Hong Kong, the PRC and overseas, the quality assurance teams and customer service teams of the Cheung Kong Property Group and/or the Hutchison Property Group are responsible for the execution of the cross-departmental guidelines in carrying out re-examination and re-inspection of properties during the handover of properties to purchasers.

The dedicated customer service teams work with quality assurance teams to handle queries from customers or tenants in a timely and efficient manner in order to ensure good customer and after-sales service.

Properties Managed by the Group

The Cheung Kong Property Group and/or the Hutchison Property Group have qualified and registered property managers, engineers and surveyors to provide building management services in managing the building conditions and assisting its owners to obtain professional advice and methods to upkeep and/or improve the properties. The estate management operations run by the Cheung Kong Property Group and the Hutchison Property Group are also accredited with ISO 9001:2008 and are governed by a well-structured management system to seek to sustain the high quality of service.

In addition, trained personnel and security staff are appointed to conduct daily patrols to monitor the conditions of the managed areas. If there are any defects or problems identified, in-house fitters or outsourced contractors will be assigned to follow up (for example repair or replace the necessary items or components). Routine maintenance for all facilities is carried out by in-house fitters or outsourced contractors.

Hotels and Serviced Suites

Each hotel and serviced suite has a maintenance program that is monitored by the hotel general manager. In addition, managers from the hospitality group corporate office pay periodic visits each year to each of the hotels or serviced suites to audit the various operating procedures as well as to review the condition of the properties.

Employee Training

We also focus on the training and development of our employees and believe that possessing the necessary skills and providing good quality service are important. Please see "– *Employees – Training and Development*" below for further details.

SALES AND MARKETING

Development Properties

The sale of our residential properties are organised by the in-house sales departments of the Cheung Kong Property Group and/or the Hutchison Property Group. The sales departments are primarily responsible for organising promotional campaigns and events to publicise and raise awareness of the properties and liaising with customers in the sale and purchase process.

In Hong Kong, the sale of development properties typically takes place before their completion. After the necessary government approval for pre-sales has been obtained, the sales department is involved in the setting up of show flats and a pre-sales office for the public to obtain more information about the property project. In the PRC, government approval for pre-sales is also required and the sale process is similar to that in Hong Kong.

We also engage external sales agents from reputable agencies for the marketing of our properties. In each geographical region, the Group closely follows the prevailing local market conditions in formulating its pricing and marketing strategies. Our pricing strategies are based on various factors, including the orientation of the property, view from the property, noise level and popularity of the layout of the units within the property. We adjust the weight of these factors based on customer preferences in the regions in which we operate.

Our marketing strategies include the following elements:

- **Product:** We will design and build the products that are in line with the preferences of our customers in different geographical regions.

- **Pricing:** We set our pricing in accordance with the prevailing market conditions as well as the potential customers' affordability.

- **Promotion:** We design and implement a wide range of promotional activities to reach out to potential customers' in different cities and geographical locations including advertising (such as television, print and online advertising), promotional events, roadshows and direct marketing.

- **Sales Channels:** We aim to expand and optimise the coverage of the potential customer segments by using our internal sales team and external sales agents.

The Group recognises good customer and after-sales service are keys to the success and sustainability of a corporation. Following this belief, we deploy a dedicated customer service team to handle queries from customers in a timely and efficient manner for residential estates developed by the Group in Hong Kong, in the PRC and overseas.

With the assistance of the customer service teams, the handover teams of the quality assurance teams are responsible to execute the cross-departmental guidelines in carrying out re-examination and re-inspection of properties prior to the handover of properties to purchasers. Further details of the customer service teams and quality assurance teams are described in "– *Quality Control*" above.

Investment Properties

The leasing of our investment properties is organised by the in-house leasing departments of the Cheung Kong Property Group and/or the Hutchison Property Group. The leasing departments are involved in tenancy negotiations and oversees the investment property portfolio of the Group. Third party real estate agents also from time to time introduce new tenants to the Group's investment properties. The agents' fees vary across different properties and different time, depending primarily on the occupancy level of our property in question and the prevailing agency fee offered by our major competitors at the time. Assessments of market rent are conducted from time to time, having regard to market demand, existing competition and economic factors.

Customer service hotlines and counters are set up to seek comments or handle queries from the tenants. In addition, regular meetings with tenants' representatives and annual customer satisfaction surveys are conducted to review the level of satisfaction of tenants.

Hotels

Turnover from hotel and serviced suite operations are generated from reservations made through various sales distribution channels, including travel agents and online booking agents. Room rates are reviewed and adjusted by the management periodically, taking into account factors including seasonality of the hospitality industry, planned renovation works and prevailing market conditions.

CUSTOMERS

The Cheung Kong Property Group

For the three years ended 31 December 2014, turnover from the five largest customers accounted for approximately 2.1%, 8.6% and 3.8% of the total turnover of the Cheung Kong Property Group, respectively.

For the year ended 31 December 2012, the total turnover attributable to the largest customer, who is an independent third party and a tenant of 1881 Heritage, accounted for approximately 1.4% of the total turnover of the Cheung Kong Property Group. For the year ended 31 December 2013, the total turnover attributable to the largest customer, who is an independent third party and a purchaser of property, accounted for approximately 4.6% of total turnover of the Cheung Kong Property Group. For the year ended 31 December 2014, the total turnover attributable to the largest customer, who is also the largest customer for the year ended 31 December 2012, accounted for approximately 1.5% of the total turnover of the Cheung Kong Property Group.

The five largest customers are independent third parties and to the best knowledge and belief of the Directors, none of the Directors or their close associates or any Shareholders (which to the knowledge of the Directors beneficially own more than 5% of the Shares) had any interest in any of the five largest customers of Cheung Kong Property Group during the Track Record Period.

During the Track Record Period, Cheung Kong Property Group's major customers consisted mainly of tenants of investment properties and purchasers of residential properties.

The Hutchison Property Group

For the three years ended 31 December 2014, turnover from the five largest customers accounted for approximately 13%, 15% and 14% of the total turnover of the Hutchison Property Group, respectively.

For the year ended 31 December 2012, the total turnover attributable to the largest customer, who is an independent third party and a tenant of Cheung Kong Center, accounted for approximately 5% of the total turnover of the Hutchison Property Group. For the year ended 31 December 2013, the total turnover attributable to the largest customer, who is an independent third party and a tenant of Cheung Kong Center, accounted for approximately 5% of the total turnover of the Hutchison Property Group. For the year ended 31 December 2014, the total turnover attributable to the largest customer, who is an independent third party and a tenant of Cheung Kong Center, accounted for approximately 5% of the total turnover of the Hutchison Property Group.

The five largest customers are independent third parties and to the best knowledge and belief of the Directors, none of the Directors or their close associates or any Shareholders (which to the knowledge of the Directors beneficially own more than 5% of the Shares) had any interest in any of the five largest customers of the Hutchison Property Group during the Track Record Period.

During the Track Record Period, the Hutchison Property Group's major customers consisted mainly of tenants of investment properties.

Joint Ventures

For the three years ended 31 December 2014, turnover from the five largest customers of all of the Cheung Kong Property Group's and the Hutchison Property Group's joint ventures accounted for approximately 5%, 15% and 2% of the total turnover of the joint ventures, respectively.

For the year ended 31 December 2012, the total turnover attributable to the largest customer, who is an independent third party, accounted for approximately 0.4% of the total turnover of the joint ventures. For the year ended 31 December 2013, the total turnover attributable to the largest customer, who is an independent third party, accounted for approximately 11.5% of the total turnover of the joint ventures. For the year ended 31 December 2014, the total turnover attributable to the largest customer, who is an independent third party, accounted for approximately 1.5% of the total turnover of the joint ventures.

The five largest customers are independent third parties and to the best knowledge and belief of the Directors, none of the Directors or their close associates or any Shareholders (which to the knowledge of the Directors beneficially own more than 5% of the Shares) had any interest in any of the five largest customers of the joint ventures during the Track Record Period.

During the Track Record Period, the joint ventures' major customers consisted mainly of purchasers of the development projects and tenants of investment properties.

MARKET AND COMPETITION

The property development and property rental business in the areas where we operate is highly competitive.

For more information on the competitive landscape of the various business segments of the Group, see "*Industry Overview*".

Hong Kong

The Group competes with other property developers in bidding for development sites at government auctions and in public and private tenders as well as in private sales of prospective development properties. Once it has developed a property, the Group competes with other major property developers for buyers or to attract and retain tenants.

The Group competes for office tenants primarily based on the quality and location of the development, our reputation as a building owner and quality of the support service. With respect to retail tenants, the Group competes primarily based on the location of the commercial centres, the ability to attract customers using a balanced mix of tenants and the quality of management services. In addition, the hotels and serviced suites industry in Hong Kong is highly competitive and the Group competes primarily based on the location, reputation, brand recognition, room rates and range of services and facilities offered by the Group's hotels and serviced suites.

Despite the competitive environment, the Group has been able to achieve satisfactory sales and maintain high average occupancy rates for its investment properties. The Directors believe this is partly due to our brand, the strategic locations of our properties and the quality of our investment properties.

PRC

Our existing and potential competitors in the PRC include major developers in the PRC and, to a lesser extent, foreign developers from elsewhere in Asia. Some of our competitors target different segments of the PRC property market. Some of them engage in other activities in addition to property development and some are focused regionally or nationally.

The Group focuses on mid to high-end residential properties in the PRC. The Directors believe that it is in a very competitive position against the other major developers in the mid to high-end residential property market.

In addition, the Group's hotels in the PRC face competition from other hotel operators located nearby, particularly those that offer rooms and banqueting and meeting facilities of a similar quality at similar prices. The Group's hotels in the PRC compete primarily based on location, brand, room rates, banqueting and meeting facility rates and range and quality of services and facilities.

Singapore

The principal competitive factors faced by the Group in Singapore include the quality and location of the property developments. Despite the competitive environment of the property development market in Singapore, the Group has been able to achieve satisfactory sales and the Directors believe that this is partly due to the Group's brand, reputation and quality and location of the Group's properties in Singapore.

United Kingdom

The Group focuses on high-end residential properties in the United Kingdom. The Directors believe that the Group is in a competitive position against the other major developers in the high-end residential property market due to our reputation and the local market experience acquired since the expansion of the Group into the property industry in the United Kingdom. The Group is a relatively small player in the commercial rental market in the United Kingdom.

OTHER BUSINESS

Upon Listing, the Group will own a 50% interest in Metro Broadcast, a radio broadcast company which went on air in July 1991 and currently operates six radio channels in Hong Kong, namely Metro Finance, Metro Info, Metro Plus, Metro Finance Digital, Metro Music Digital and Metro Life Digital.

For the three years ended 31 December 2014, the Group's share of the aggregate turnover derived from the radio broadcasting business was HK$98 million, HK$101 million and HK$106 million, respectively.

AWARDS

The Group benefits from the property industry expertise and experience of the Cheung Kong Property Group and the Hutchison Property Group. During the Track Record Period, the following key awards were awarded:

- "Asia Top 10 Developers – Hong Kong" was awarded to the Cheung Kong Group at the BCI Asia Awards 2013; and

- "Outstanding Listed Company Award 2013" was awarded to the Cheung Kong Group by The Hong Kong Institute of Financial Analysts and Professional Commentators Limited.

CORPORATE SOCIAL RESPONSIBILITY

The Group is committed to a high standard of corporate social responsibility and aspires to create a harmonious society through cultivating responsible corporate citizenship. Over the years, the Cheung Kong Group and the Hutchison Group have proactively implemented various community involvement initiatives to foster the well-being of the community, its employees and the environment:

- The Cheung Kong Group was named one of The Community Chest's Top Three Donors in 2014 for the 15th consecutive year. Hutchison also received the President's Award in 2014 as a recognition of its contribution to The Community Chest.

- In May 2014, a donation hotline was launched by the Cheung Kong Group to raise money for The Community Chest Rainbow Fund, which was first launched in 2004 to provide immediate interim relief to victims in financial crisis. All contributions made through the hotline by the public were matched dollar-for-dollar by the Cheung Kong Group. Over HK$2.5 million was raised from the public for this programme.

- The Cheung Kong Group has participated in The Hong Kong Council of Social Service's Caring Company Scheme since its inception in 2003. In 2014, 119 member companies of the Cheung Kong Group were named "Caring Companies", representing the highest number of awards received by a group.

- In 2014, the Cheung Kong Property Group continued to organise summer internship programmes for university students to work in the sales and leasing department and the hotels and hospitality division of the Cheung Kong Property Group. The programmes offered practical training to university graduates. The Cheung Kong Property Group was granted "Nurture Young Talents" award by the Hong Kong Labour Department for its participation in the Youth Employment and Training Programme. Under the programme, the Cheung Kong Property Group offers 12 months' training to trainees who will be issued a certificate specifying their acquired skills upon completion of their training. The trainees with satisfactory performance may be offered long term employment with the Cheung Kong Property Group.

- The Hutchison Group's volunteer team regularly arranges activities for the community in conjunction with various social organisations such as the Education Bureau and the Hong Kong Family Welfare Society in 2012, the Tung Wah Group of Hospitals in 2013 and Yan Oi Tong in 2014.

- The Shanghai Volunteer Team of the Hutchison Property Group participated in the Shanghai Library volunteer campaign in 2014.

- The Qingdao Volunteer Team of the Hutchison Property Group helped raise public awareness and support for children with autism through working with local schools and foundations.

EMPLOYEES

Following completion of the Property Businesses Combination, the Group will have approximately 19,400 employees.

The following table sets out a breakdown of the employees by function and region as at 31 December 2014:

	Hong Kong		PRC		Other Regions[3]	
Function	Cheung Kong Property Group[1]	Hutchison Property Group[2]	Cheung Kong Property Group[1]	Hutchison Property Group[2]	Cheung Kong Property Group[1]	Hutchison Property Group[2]
Executive Director(s)	7	1	–	–	–	–
Property Investment and Development	400	349	478	1,609	12	18
Sales, Leasing, Building Management and Hotel Operation	6,145	3,672	719	3,491	5	473
Business Development and Investment	47	24	–	65	–	–
Professional Support	554	246	251	849	7	10
Total	7,153	4,292	1,448	6,014	24	501

Notes:

(1) Includes employees of joint venture entities managed by the Cheung Kong Property Group.
(2) Includes employees of joint venture entities managed by the Hutchison Property Group.
(3) Other regions include Singapore, the United Kingdom and The Bahamas.

Training and Development

The Group places great emphasis on the training and development of its employees. Employees are encouraged to take part in internal and external training courses. Vocational training such as job-related seminars and workshops are held by the Group from time to time for its employees for skills enhancement. Tailor-made training programmes are also implemented for employees in specific work units.

The Group supports employees who attend vocational training courses or professional seminars through sponsoring and/or granting them special leave.

Employee Benefits

Competitive remuneration is offered to employees and reviewed individually on an annual basis reflecting each employee's work performance, contributions and market developments. Other employee benefits include comprehensive medical, life and disability insurance coverage, free annual health check-ups, retirement schemes and long service gifts.

ENVIRONMENTAL MATTERS

We are committed to sustainable development and continuously reinforce our commitment to the environment by reducing carbon emissions and adopting high environmental standards in our development projects and hotel operation.

During the Track Record Period, the Cheung Kong Property Group participated in the Carbon Audit programme in support of the Hong Kong Government's Carbon Reduction Charter. In order to promote a green living environment, the Cheung Kong Property Group has introduced eco-friendly measures, including energy conservation measures, to the residential and commercial developments of the Cheung Kong Property Group during the design, construction and maintenance of the properties. In planning and design, curtain walls are installed (where applicable) to capture daylight and enhance natural ventilation. In material sourcing and construction, timber used in construction is sourced from sustainable forests in support of environmental conservation. Various green initiatives have been implemented in the residential estates and commercial properties managed by the Cheung Kong Property Group, including using energy-saving lighting, reducing water consumption and organising waste rebate and recycling programmes. In 2013, Citybase and Goodwell received Certificates of Merit in the Hong Kong Award for Environmental Excellence, an award in recognition of their efforts in promoting green practices. During the Track Record Period, the Hutchison Property Group has also organised recycling and promoted green projects in the residential estates managed by the Hutchison Property Group to support a green living lifestyle for its residents.

Many of the eco-friendly measures mentioned above were also implemented during the design and construction of the Group's hotels. In addition, the Group's hotels regularly participate in recycling programmes, such as the Wood Recycling and Tree Conservation Scheme organised by the Environmental Bureau and Environmental Protection Department since 2013, recycling of paper and recycling of cooking oil into biodiesel.

The operations of our properties are subject to various environmental laws and regulations, including those relating to waste disposal, water pollution control, air pollution control and noise control.

For the years ended 31 December 2012, 2013 and 2014, the total costs of compliance with applicable environmental laws and regulations incurred by the Cheung Kong Property Group (including its interests in its joint ventures) were approximately HK$245 million, HK$510 million and HK$1,384 million, respectively. Such increase in compliance costs in 2014 was primarily due to the completion of six projects, three of which were large-scale developments. In 2013, two projects were completed, one of which was a large-scale development while in 2012, three relatively smaller projects were completed. In addition, the government has also implemented new and tightened existing environmental measures and standards over the years.

For the years ended 31 December 2012, 2013 and 2014, the total costs of compliance with applicable environmental laws and regulations incurred by the Hutchison Property Group (including its interests in its joint ventures) were approximately HK$561 million, HK$387 million and HK$409 million, respectively.

The annual costs of compliance going forward are expected to be similar. During the Track Record Period, none of our properties received any material fines or penalties associated with the breach of any environmental laws or regulations.

INTELLECTUAL PROPERTY

We use a number of brand names including "Cheung Kong", "Hutchison", "Harbour Plaza", "Harbour Grand", "Rambler" and "Horizon", in marketing our properties to potential purchasers, tenants and hotel customers.

As at the Latest Practicable Date, we had registered 36 trademarks and six domain names, had applied for the registration of five trademarks and had been licensed to use 18 trademarks, which are material to our business. Further details of our intellectual property are set out in "*Appendix VII – General Information – Further Information about the Business – Intellectual Property*".

We have also entered into new licensing arrangements with member(s) of the CKH Holdings Group, which grant us the right to use certain intellectual property rights containing or consisting of the brand names "Cheung Kong", "Hutchison", "和記", "和黃", or "和記黃埔" that are owned by members of the Cheung Kong Group or the Hutchison Group from the Listing Date and on a royalty free and perpetual basis. Other intellectual property rights owned by members of the Cheung Kong Group or the Hutchison Group that had been licensed to use by the Group will be assigned to member(s) of the Group with effect from the Listing Date.

As at the Latest Practicable Date, we had not been engaged in any material dispute, litigation or legal proceedings relating to the violation of intellectual property rights.

INSURANCE

Our properties, completed and under development, are in general insured to standards in line with industry practice in Hong Kong. In addition to statutory required insurances, the Group purchases other insurances, where considered necessary, to cover the major risks identified by the Group. The principal insurances in place for completed properties are property all risks insurance, business interruption insurance and third party liability insurance. The principal insurances in place for our properties under development are contractors all risks insurance.

There are no national mandatory provisions under the relevant PRC laws and regulations requiring property developers to maintain insurance coverage with respect to their property development operations. We maintain insurance policies including property all risk insurance, work-related accidents and third party liability insurance.

The Group's insurance policies are reviewed from time to time by an insurance task force consisting of senior management of the Group. During the Track Record Period, there were no significant or unusual excess or deductible amounts under these policies and the Directors are of the view that the insurance coverage under these policies is adequate and customary for our industry.

However, there may be certain risks for which the Group is not insured and may not have sufficient insurance coverage for damages and liabilities that may arise in the course of the Group's business operations. See "*Risk Factors – Risks Relating to Our Business – We may suffer losses arising from uninsured risks*" for further details.

Upon Listing, the Company intends to purchase and maintain insurance for the Directors and certain officers against liabilities to third parties that may be incurred in the performance of their respective duties.

HEALTH AND SAFETY

We are subject to the health and safety requirements in the jurisdictions we operate in. We have internal policies and systems in place designed with a view to implementing and ensuring compliance with such requirements. We believe that we were in material compliance with such requirements during the Track Record Period up to the Latest Practicable Date. Our liability to our employees is covered by insurance, which we are required by law to have. We do not have an insurable interest in relation to the employees of our contractors. Our contractors are required by applicable laws to have insurance which covers their liabilities to their employees.

To provide a safe working environment for employees, risk assessments, upgrades and maintenance of workstations, equipment and tools for all users are performed. To ensure hygienic working conditions, regular cleaning of air-conditioning systems and disinfection treatment of carpets are carried out at regular intervals.

For employees who are assigned to work on construction sites, they are required to observe additional safety guidelines. This is to ensure a high standard of occupational safety, protecting employees from occupational hazards. Special safety equipment such as safety helmets, goggles, shoes, ear-plugs and dust masks are provided and well-maintained.

LEGAL AND REGULATORY PROCEEDINGS AND COMPLIANCE MATTERS

Litigation, Claims and Arbitration

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance nor, to the best of our knowledge, is any litigation, claim or arbitration of material importance pending or threatened against any member of the Group.

Compliance with Laws and Regulations

In February 2013, contracts were entered into for the sale of hotel units in The Apex Horizon owned by Pearl Wisdom Limited ("**PWL**"), a wholly-owned subsidiary of Cheung Kong. Subsequently, PWL was notified by the SFC that the arrangements relating to the sale and purchase of hotel units in The Apex Horizon appeared to constitute a Collective Investment Scheme as defined under the SFO. Although this view was not agreed by PWL, arrangements for cancellation of the transactions were made.

A summary of the key laws and regulations which are applicable to the Group's operations is set out in "*Appendix IV – Regulatory Overview*".

During the Track Record Period and up to the Latest Practicable Date, we complied with the relevant laws and regulations in relation to our business in all material respects and there were no material breaches or violations of the laws or regulations applicable to the Group that would have a material adverse effect on our business or financial condition taken as a whole.

Licences and Permits

During the Track Record Period and up to the Latest Practicable Date, we had obtained all material licences and permits necessary for the operation of our business in the jurisdictions in which we operate and such licences and permits are still valid and in force. We have not experienced any

refusal of the renewal application of any material licences or permits necessary for the operation of our business. Further information on the material licences and permits necessary for the operation of our business is set out in "*Appendix IV – Regulatory Overview*".

PRC Property-Related Matters

Registration of Property Lease Contracts

Pursuant to the applicable PRC laws and regulations, lease contracts are required to be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. The registration of lease contracts requires the cooperation between tenants and landlords in signing the registration forms and providing the supporting documents. During the Track Record Period, we did not strictly follow the requirements of the relevant laws and regulations in relation to the registration of lease contracts. As at the Latest Practicable Date, we were unable to register certain lease contracts, primarily due to the lack of cooperation of our tenants or lessors. We have taken all practicable and reasonable steps, including seeking the cooperation of the relevant tenants and lessors to ensure that such lease contracts are registered. As advised by our PRC counsels, non-registration of these lease contracts does not affect their validity under the relevant PRC laws and regulations. Our PRC counsels have advised us that a maximum penalty of RMB10,000 may be imposed on the non-registration of each lease contract and the estimated total maximum penalty which may be imposed on us for such non-registration is less than RMB1 million.

In addition to our current internal controls system, we have strengthened our internal controls measures to prevent the recurrence of such non-compliance with the relevant PRC laws and regulations relating to registration of lease contracts. Our standard lease contracts incorporate specific provisions in connection with the respective responsibilities of the landlord and the tenants with regard to lease registration and our right to make a claim against our tenants for any penalties arising from the inability to register the lease contracts caused by our tenants. Our leasing department has set up mechanisms to monitor the status of lease registration and send reminders to, and make claims against, any tenant who fails to fulfil its obligations. Our legal and finance departments will conduct regular checks to confirm that our lease contracts have been or are in the process of being registered. Periodic reminders will also be sent to the leasing department to remind them of the need to comply with the relevant policies and procedures as well as on-going regulatory requirements. We have engaged an independent consulting firm (the "**Internal Controls Consultant**"), under a non-assurance engagement, as the Company's internal controls consultant to review the remedial measures taken by the Company to address these non-compliance incidents and the additional measures put in place to prevent recurrence of non-compliance incidents mentioned above. The Internal Controls Consultant raised no further recommendation.

Having considered the facts and causes of the issue described above and the stronger internal controls measures taken by us to prevent the recurrence of the identified issue, our Directors are satisfied that our internal controls system is adequate and effective for its current operations and consider, and the Joint Sponsors concur, that the non-compliance incidents do not have any material impact on the suitability of our Directors under Rules 3.08 and 3.09 of the Listing Rules and our suitability for listing under Rule 8.04 of the Listing Rules.

Delays in Commencement of Construction under the Land Grant Contract

As at the Latest Practicable Date, five of our development sites had yet to commence development on or before the respective development commencement dates as stated in the relevant land grant contracts or other relevant permits due to government reasons (including but not limited to changes to site planning and land delivery schedules). These development sites had a total site area of approximately 1.6 million sq.m. as at 28 February 2015.

Our PRC counsels are of the view that under PRC law, a fine of 20% of the land premium and forfeiture of land use rights with respect to the relevant land under the PRC Measures on Disposing Idle Land, are not applicable since the delays were caused by government reasons.

Separately, as a matter of contract, while the land grant contracts for two of these development sites contain provisions on fines and/or forfeiture of land use rights, our PRC counsels are of the view that the risks of such fine or forfeiture are remote based on (a) the delays were caused by government reasons; (b) each of the relevant project companies confirmed that it had not received any investigation notice, warning, penalty or order to forfeit the relevant development site as at the Latest Practicable Date; and (c) with respect to certain development sites, the relevant government authorities have issued written documents confirming that the delays were caused by government reasons. Pursuant to the land grant contracts, the aggregate maximum penalties which may be imposed in connection with these delays are up to approximately RMB295.4 million in addition to the forfeiture of the land use rights in respect of one parcel of land.

Based on the foregoing, we do not believe these delays would have a material and adverse effect on our business, financial condition and results of operations. We will continue to discuss with the relevant government authorities in relation to the signing of supplementary agreements pursuant to which new development commencement dates will be determined.

Delays in Completion of Development under the Land Grant Contract

As at the Latest Practicable Date, three of our development sites had yet to complete the development by the time stipulated under the terms of the relevant land grant contracts or other relevant permits without further approval or confirmation from the relevant government authorities. For the first development site, the delay was due to government reasons (including site planning). For the second development site, the delay was due to change in flood control design, relocation works involving military fibre cables and change in the design of underground car park spaces imposed by the relevant government authorities. For the third development site, the delay was partially due to government reasons and partially due to uncontrollable traffic congestion arising from the construction of a nearby development site. These development sites had a total site area of approximately 1.2 million sq.m. as at 28 February 2015.

While the land grant contracts for these three development sites contain provisions on fines and/or forfeiture of land use rights, our PRC counsels are of the view that the risks of a fine (as applicable) being imposed and/or the relevant development site being forfeited under such land grant contracts are remote based on the following: (a) the delays were caused by government reasons and uncontrollable impact from third parties; (b) each of the relevant project companies confirmed that it had not received any investigation notice, warning, penalty or order to forfeit the relevant development site as at the Latest Practicable Date; (c) with respect to one of the development sites, the property project has been substantially completed and the uncompleted portion has entered into the development stage; (d) with respect to another of the development sites, the relevant government authorities have issued a

construction planning permit and a construction permit. For the completed portion of one of the projects, the relevant government authorities have also issued pre-sales permits. Pursuant to the land grant contracts, the aggregate maximum penalties which may be imposed in connection with these delays are up to approximately RMB1.2 billion in addition to the forfeiture of the land use rights in respect of two parcels of land.

Based on the foregoing, we do not believe these delays would have a material and adverse effect on our business, financial condition and results of operations. We intend to complete these development projects and we will continue to discuss with the relevant government authorities in relation to the signing of supplementary agreements pursuant to which new development completion dates will be determined.

Civil Air Defence Properties

As of the Latest Practicable Date, certain portions of the premises at 38 of our properties in the PRC were considered to be civil air defence properties. Such civil air defence properties had an aggregate GFA of approximately 773,183 sq.m. with a carrying amount of RMB372.5 million as at 31 December 2014:

- Premises at 23 properties with (i) an aggregate GFA of 467,675 sq.m. were car park spaces and were accounted for as investment properties, (ii) an aggregate GFA of 75,516 sq.m. were car park spaces held for sales and were accounted for as stock of properties and (iii) GFA of 3,400 sq.m. was a commercial property and was accounted for as stock of properties.

- Premises at 13 properties with an aggregate GFA of 224,799 sq.m. were largely car park spaces to be developed or under development and were accounted for as property under development.

- Premises at 2 properties with an aggregate GFA of 1,793 sq.m. were a fitness centre and a staff changing room and were accounted for as property, plant and equipment.

In light of the fact that these civil air defence properties were largely car park spaces, we do not believe they are significant to the Group's overall property portfolio as they did not generate a significant amount of turnover for the Group during the Track Record Period. Our PRC counsels are of the opinion that, as at the Latest Practicable Date, our civil air defence properties complied with Civil Air Defence Law in all material aspects.

To ensure compliance with the Civil Air Defence Law, we schedule regular inspections of all our civil air defence properties to ensure that the design, construction and quality of the construction and quality of the properties conform to the protection and quality standards established by the PRC government. In addition, we also seek legal and/or technical advice from external professional consultants when necessary. We also consult legal advisers to advise us on an ongoing basis regarding the continuing legal developments in respect of the interpretation and enforcement by PRC governmental authorities in respect of civil air defence properties.

We believe that our business operations have complied with the Civil Air Defence Law in all material respects. During the Track Record Period and up to the Latest Practicable Date, we had not received any warning notice, rectification order or been subject to any fines or penalties in connection with the Civil Air Defence Law.

The following discussion and analysis should be read in conjunction with the Accountants' Reports (together with the accompanying notes) set out in "Appendix IA – Accountants' Report on the Cheung Kong Property Group" and "Appendix IB – Accountants' Report on the Hutchison Property Group" and the unaudited pro forma financial information set out in "Appendix II – Unaudited Pro Forma Financial Information."

The historical financial information for each of the Cheung Kong Property Group and the Hutchison Property Group set out below as at and for the years ended 31 December 2012, 2013 and 2014 was derived from their respective audited combined financial statements for such periods. Such historical financial information does not necessarily reflect the results of operations, financial position and cash flows of the Company, which will hold the Combined Property Businesses and the joint ventures that will become subsidiaries of the Company immediately following completion of the Property Businesses Combination. As such, the historical financial information is not directly comparable to the future financial statements of the Company immediately following completion of the Property Businesses Combination, which will contain the results of operations, financial position and cash flows of the Combined Property Businesses and the joint ventures that will become subsidiaries of the Company as prepared and presented on a consolidated basis and thus should not be relied upon as an indication or guarantee of the Company's future operating performance.

The underlying combined financial statements of the Cheung Kong Property Group and the Hutchison Property Group have been prepared in accordance with HKFRS. Pursuant to HKFRS, the underlying financial statements of the Cheung Kong Property Group and the Hutchison Property Group have been prepared under the historical cost convention, except for investments in securities, investment properties and derivative financial instruments, which have been measured at fair value. The Cheung Kong Property Group's financial information and the Hutchison Property Group's financial information as set out in the Accountants' Reports in Appendices IA and IB are reported in HKD and have been prepared in accordance with accounting policies that conform with IFRS.

Investors should note that following completion of the Property Businesses Combination and the formation of the Group, the structure of the businesses comprising the Group will differ from the structure in place prior to completion of the Property Businesses Combination and during the Track Record Period. In particular, a substantial portion of the joint venture companies in which the Cheung Kong Property Group and the Hutchison Property Group are interested but which are not and were not previously consolidated into the respective financial statements of either the Cheung Kong Property Group or the Hutchison Property Group will become subsidiaries of the Company and accordingly will be consolidated into the financial statements of the Group upon completion of the Property Businesses Combination. Therefore, prior to and up to completion of the Property Businesses Combination, references in this listing document to the Group are referring to the Cheung Kong Property Group, the Hutchison Property Group and their interests in their respective joint ventures, whereas after completion of the Property Businesses Combination, references in this listing document to the Group are to the Company and its subsidiaries, comprising the Cheung Kong Property Group, the Hutchison Property Group and their former joint ventures which will become subsidiaries of the Company, and interests in their other joint ventures that will remain as joint ventures and will not be consolidated.

We have prepared and included the unaudited pro forma financial information as at and for the year ended 31 December 2014 as set out in Appendix II for the purpose of illustrating the effect of the completion of the Hutchison Proposal, the Property Businesses Combination (including consolidation of joint ventures that will become subsidiaries of the Company) and the Spin-off as if the Listing had taken place on 1 January 2014 for the pro forma combined income statement and statement of cash flows and 31 December 2014 for the pro forma combined statement of assets and liabilities. The unaudited pro forma statement has been prepared for illustrative purposes only.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. You should not place undue reliance on any such statements. Our actual future results could differ materially from those discussed in the forward-looking statements as a result of various factors, including those set out in "Risk Factors" and "Forward-Looking Statements."

CERTAIN KEY TERMS

As the following key terms are used frequently throughout this section, definitions for such key terms are set out below to assist the reader in understanding the Cheung Kong Property Group's and the Hutchison Property Group's financial information during the Track Record Period. The terms and their meanings may not correspond to the standard usage of the terms.

"**Cheung Kong Property Group Turnover**" or "**Hutchison Property Group Turnover**", as the case may be, does not include property sales of its joint ventures, including those that will become subsidiaries of the Company upon completion of the Property Businesses Combination.

"**Attributable interests in joint ventures**" means the equity interests in those joint ventures held by the companies within the Cheung Kong Property Group or the Hutchison Property Group, as the case may be.

"**Profit contribution**" primarily represents earnings before interest, taxes, changes in fair value of investment properties, investment and finance income and profit on disposal of investments and others. See Note 3 in *"Appendix IA – Accountants' Report on the Cheung Kong Property Group"* and Note 5 in *"Appendix IB – Accountants' Report on the Hutchison Property Group"* for a reconciliation of profit contribution results with the combined income statements for the Cheung Kong Property Group and the Hutchison Property Group, respectively. This non-IFRS measure is used by the respective management of the Cheung Kong Property Group and the Hutchison Property Group to evaluate their respective financial performance, and it is considered by them to be an important performance measure which is used in the Cheung Kong Property Group's and the Hutchison Property Group's internal financial and management reporting to manage their respective business performance. This measure is not identified as an accounting measure under IFRS and should not be considered as an alternative to the Cheung Kong Property Group's and the Hutchison Property Group's results of operations, which are determined in accordance with IFRS. Further, it may not be comparable to other similarly titled measures of other companies.

OVERVIEW

The Group is one of Hong Kong's largest property developers with a leading market share in Hong Kong, strong penetration in the PRC and an international presence through its operations in Singapore and the United Kingdom. The Company's predecessor Cheung Kong became listed in Hong Kong in 1972 and the Group benefits from a long and successful track record of over 40 years.

As at 31 December 2014, the Group held a total attributable interest in approximately 1.6 million sq.m. of rental properties, approximately 15.8 million sq.m. (of which approximately 14.5 million sq.m. are located in the PRC) of development land bank and more than 14,600 hotel rooms. As at 28 February 2015, the Group's properties that were valued by the Property Valuers had a total value of approximately HK$420.1 billion.

For the years ended 31 December 2012, 2013 and 2014, the Cheung Kong Property Group's turnover amounted to HK$19,192 million, HK$17,011 million and HK$24,038 million, respectively, while its profit for the year amounted to HK$17,063 million, HK$14,424 million and HK$17,316 million, respectively. For the same period, the Hutchison Property Group's turnover amounted to HK$6,237 million, HK$6,676 million and HK$6,901 million, respectively, while its profit for the year amounted to HK$8,478 million, HK$9,392 million and HK$35,959 million, respectively. During the Track Record Period, both the Cheung Kong Property Group and the Hutchison Property Group also conducted property sales and other property businesses through joint ventures. Assuming completion of the Hutchison Proposal, the Property Businesses Combination (including the consolidation of joint ventures) and the Spin-off as if the Listing had taken place on 1 January 2014, pro forma turnover of the Group would have amounted to HK$46,606 million and pro forma profit for the year of the Group would have amounted to HK$54,052 million for the period ended 31 December 2014.

SIGNIFICANT FACTORS AFFECTING COMPARABILITY OF OUR RESULTS OF OPERATIONS

Proposed Combination and Consolidation of Joint Ventures

Immediately following completion of the Property Businesses Combination, the Group will hold the property businesses of the Cheung Kong Property Group and the Hutchison Property Group. Historically, the Cheung Kong Property Group and the Hutchison Property Group have been managed and operated largely independently of each other. Many of their development projects in the PRC were conducted through joint ventures that were not consolidated in either company's financial statements. In particular, the Cheung Kong Property Group and the Hutchison Property Group historically did not consolidate their joint ventures' turnover under the relevant IFRS accounting rules, and profits contributed by their joint ventures were historically recorded as share of their respective profits from joint ventures. Immediately following completion of the Property Businesses Combination, a substantial portion of the joint ventures between the Cheung Kong Property Group and the Hutchison Property Group will become subsidiaries of the Company and be consolidated into the financial statements of the Group. The financial information of the remaining non-consolidated joint ventures will continue to be recorded as share of net profits from joint ventures under the equity method of accounting. As a result, the historical financial statements of the Cheung Kong Property Group and the Hutchison Property Group are not directly comparable to the future financial statements of the Group immediately following completion of the Property Businesses Combination, which will contain the results of operations, financial position and cash flows of the Combined Property Businesses and the joint ventures that will become subsidiaries of the Company as prepared and presented on a consolidated basis. The historical results of the Cheung Kong Property Group and the Hutchison Property Group

presented below and in the Accountants' Reports in Appendices IA and IB therefore will not be comparable to, or be reflective of the Group's results after the combination of the property businesses. We have prepared and included unaudited pro forma financial information in Appendix II in order to illustrate the financial results of the Group had the Listing been completed as at 1 January 2014. However, this information is hypothetical in nature.

Loan Facility, Loan Consolidation and Finance Costs

The Group intends to enter into a HK$55 billion syndicated loan facility with a group of lenders (being the Loan Facility). The proceeds of the Loan Facility will be used to settle a promissory note that will be issued by the Company to CKH Holdings in the principal amount of HK$55 billion (the "**Specified Loans Promissory Note**"). The Specified Loans Promissory Note is to be settled on or before the fifth business day following the date of completion of the assignment of the Specified Loans (which comprise interest-bearing loans due to the Cheung Kong Group or the Hutchison Group), which will be the Listing Date. To cater for the event that the Loan Facility is not available to settle the Specified Loans Promissory Note when it becomes due, The Hongkong and Shanghai Banking Corporation Limited and Bank of America Merrill Lynch have entered into commitment letters with the Group for a bridge facility of HK$55 billion (the "**Bridge Facility**"), such that the proceeds of the Bridge Facility may then be used to settle the Specified Loans Promissory Note, with the proceeds of the Loan Facility to be used to repay the Bridge Facility when and if the Loan Facility becomes available.

In addition to paying CKH Holdings the proceeds of the Loan Facility to settle the Specified Loans Promissory Note, the Company will also issue to CKH Holdings an additional promissory note with a principal amount equal to the aggregate consideration for the Reorganisation Agreement Transactions in connection with the Property Businesses Combination (referred to in "*History and Reorganisation – The Reorganisation*"). That promissory note will be settled by the Company issuing one Share to CKH Holdings, which will be cancelled on the date of completion of such transactions (which will be the Listing Date). As a result, the amounts due to the Combined Non-Property Businesses that are of a non-trade nature will be settled immediately following completion of the Property Businesses Combination.

Immediately following completion of the Property Businesses Combination, the Group will also consolidate a substantial portion of the joint ventures' loans into its balance sheet. The net effect is the Group's overall indebtedness level and its finance costs and interest payments are expected to be lower immediately following the Listing than they were prior to completion of the Property Businesses Combination primarily because of the settlements of the amounts due to the Non-Property Businesses.

Cost Structure

The Company's cost structure following the Listing will be different from the historical cost structure for the Cheung Kong Property Group and the Hutchison Property Group. For example, during the Track Record Period, salaries and related expenses reported on the Cheung Kong Property Group's combined income statement covered mainly remuneration paid to employees of hotels and serviced suites and the property and project management business. The remuneration for most employees of the property sales and property rental businesses, and the remuneration for directors of Cheung Kong as regards their performance of services for the Cheung Kong Property Group, were paid by other members of the Cheung Kong Group. Service fees were paid by the Cheung Kong Property Group to other members of the Cheung Kong Group to cover these amounts paid and for other support provided by other members of the Cheung Kong Group to the Cheung Kong Property Group. Conversely, salaries

and related expenses reported on the Hutchison Property Group's combined income statement included salaries and other benefits paid to all employees of the Hutchison Property Group (including directors of the Hutchison Property Group). As a result, the pro forma amounts referred to as salaries and related expenses will not necessarily provide an accurate illustration of the amount of salaries and related expenses to be incurred following the Listing.

In addition, the amounts paid by the Cheung Kong Group to the directors of the Cheung Kong Property Group as regards their performance of services for the Cheung Kong Group (including the Cheung Kong Property Group) were not specifically allocated between the Cheung Kong Property Group and the other members of the Cheung Kong Group, and there was no arrangement to recharge the Cheung Kong Property Group for such expenses. As a result, the remuneration arrangements of the directors of Cheung Kong Property Group during the Track Record Period will not be representative of the remuneration that will be paid to the Directors by the Group following the Listing, which will be costs borne directly by the Group. See "*– Description of Selected Components of Combined Income Statements – Operating Costs*" for more details.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations and financial condition have been, and will continue to be, directly and indirectly affected by a number of factors, including those set forth below.

General Economic Conditions and Market Cyclicality

Our business is heavily dependent on global financial and economic conditions, and the continued economic growth and resulting demand for properties in places where we operate, particularly in Hong Kong and the PRC. For the years ended 31 December 2012, 2013 and 2014, approximately 61.6%, 46.0% and 76.9%, respectively, of the Cheung Kong Property Group's turnover and its share of property sales of joint ventures was derived from Hong Kong, and 38.4%, 50.9% and 19.2%, respectively, of the Cheung Kong Property Group's turnover and its share of property sales of joint ventures was derived from the PRC. For the same period, approximately 33.3%, 28.9% and 47.0% of the Hutchison Property Group's turnover and its share of property sales of joint ventures was derived from Hong Kong, and 65.4%, 65.6% and 42.1%, respectively, of the Hutchison Property Group's turnover and its share of property sales of joint ventures was derived from the PRC.

The key macroeconomic factors that we consider to be important to our operations include general economic development, continued growth of the private sector and government policies, including monetary policies. Economic growth boosts the general level of disposable income and the number of middle to upper-middle income households in Hong Kong and the PRC. Economic growth and the urbanisation of the PRC in particular have had a significant impact on the PRC property markets, including the cities and regions where we operate, and have affected the supply of and demand for properties as well as property pricing trends. Consumer spending power and confidence and the level of business activities have also affected rental income from our investment properties and income from our hotels and serviced suites. We expect the demand for our properties and our operating results to continue to be affected by macroeconomic conditions, the growth of the economies in the regions where we operate and global economic uncertainties.

Moreover, the Hong Kong, PRC and international property markets have historically been cyclical. Typically, periods of high economic growth are accompanied by higher selling prices or higher rental rates when compared to the prior selling prices or rental rates for a particular property. The opposite typically occurs during periods of slower economic growth or significant market disruptions. With

respect to our development properties, although we aim to limit our market risk exposure by pre-selling a portion of our properties before they are completed, we are still subject to a certain level of risk based on fluctuations in the economy that affect the selling prices and timing of sales of our properties. With respect to our rental properties, as lease terms and the periods between rental reviews typically are several years or more, rental rates on individual premises are locked in for several years at a level which may diverge from the prevailing market rate for similar premises during the period until the lease expires or until the next rental review.

Regulatory Environment and Measures Affecting the Property and Hotel Industries

Our business has been, and will continue to be, affected by the regulatory environment in places where we operate, including, specifically, policies and measures taken by the Hong Kong and PRC governments with respect to the property and hotel industries.

Hong Kong

The Hong Kong government has recently implemented a series of policies and regulations to slow down the residential property market and inflation of property prices, as well as to dampen property speculation. These policies and regulations include, but are not limited to, increased mortgage down payments, additional stamp duties on property sales, supply of land controls, restrictions on property financing, building regulations, suspension of the Capital Investment Entrant Scheme (an immigration scheme which allows an individual to gain residency status in Hong Kong through capital investments) and other fiscal policies. In addition, it has recently stated that it intends to speed up the development of public housing and public rental housing ("**PRH**") and make available a number of Home Ownership scheme flats, subsidised sales flats and PRH for sale. Measures have also been implemented by other regulatory bodies in Hong Kong including the Hong Kong Monetary Authority. Moreover, the Hong Kong and PRC governments may change laws and regulations which limit the number of daily PRC travellers allowed to travel to Hong Kong. Doing so may also materially and adversely affect the occupancy rates or daily room rates of our hotels and serviced suites. Any of the foregoing events could in turn affect our results of operations and financial condition. For example, the Cheung Kong Property Group experienced a slowdown in its property sales in 2013 as the result of new government regulations and measures. See *"Industry Overview", "Appendix IV – Regulatory Overview" and "Risk Factors – Risks Relating to the Property and Hotel Industries – Our business is subject to government policies and regulations, and in particular, we are susceptible to changes in policies related to the Hong Kong property industry and the hotel industry"* for more details.

PRC

In recent years, the PRC government has also implemented a series of measures to constrain the perceived over-heating in the real estate market by taking various restrictive measures to discourage speculation, including regulating, among other things, land grants, pre-sales of properties, bank financing, mortgages and taxation. For example, policies implemented by the PRC government increasing the minimum down payment for residential properties and tightening liquidity in the market have impacted our sales activities in the PRC. Starting from December 2009, the PRC government has adjusted some of its policies in order to stabilise the prices of properties from rapidly increasing, especially in certain developed cities, including the introduction of home purchase restriction policies which apply various restrictions to purchasers, higher minimum down payments requirements, mortgage and construction loan interest rates adjustments and the introduction of new property tax schemes in certain cities. Measures taken by the PRC government to control the money supply, credit availability, interest rate and fixed asset investment also have an impact on our business. Furthermore, recent

austerity measures that aim at minimising extravagant spending by PRC government officials and reducing bureaucratic visits and meetings have negatively impacted the hotel, travel and tourism industries in the PRC, including our hotel business in the PRC. See *"Industry Overview", "Appendix IV – Regulatory Overview" and "Risk Factors – Risks Relating to the Property and Hotel Industries – Our business in the PRC is subject to extensive government regulations, and the PRC government may introduce further measures to curtail growth in the property sector"* for more details.

The policies of the governments in the regions where we operate have led, and may continue to lead to, changes in market conditions, including changes in property prices, costs of ownership, costs of development and the balance of supply and demand with respect to our properties, hotels and serviced suites. Furthermore, the adoption of more restrictive policies in the future may also lead to downturns in the real estate and hotel industries in the regions where we operate and have a significant impact on our business and results of operations.

Business Mix

We derive a significant portion of our turnover from sales of properties. We also retain a number of properties as investment properties to generate rental income and to enjoy the benefit of any appreciation in property value. In addition, we generate turnover from our hotels and serviced suites and property and project management businesses. See *"– Description of Selected Components of Combined Income Statements – Turnover"*.

The following table sets out a breakdown by operating activity of (i) the Cheung Kong Property Group's turnover and its share of property sales attributable to its interests in joint ventures, (ii) the Hutchison Property Group's turnover and its share of property sales attributable to its interests in joint ventures and (iii) unaudited pro forma turnover information of the Group on a combined basis, in each case for the periods indicated.

	Cheung Kong Property Group						Hutchison Property Group						Group pro forma	
	Year ended 31 December						Year ended 31 December						Year ended 31 December	
	2012		2013		2014		2012		2013		2014		2014	
	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)
													(unaudited)	
Property sales	14,614	47.1	12,288	38.0	19,389	62.6	–	–	–	–	–	–	33,679	72.3
Property rental	1,867	6.0	1,961	6.1	1,908	6.2	3,318	18.4	3,682	16.8	3,995	29.1	6,821	14.6
Hotels and serviced suites	2,350	7.6	2,368	7.3	2,213	7.1	2,221	12.3	2,196	10.0	2,230	16.2	5,564	11.9
Property and project management	361	1.1	394	1.2	528	1.7	698	3.9	798	3.7	676	4.9	542	1.2
Cheung Kong Property Group Turnover/ Hutchison Property Group Turnover/ Group pro forma	**19,192**	**61.8**	**17,011**	**52.6**	**24,038**	**77.6**	**6,237**	**34.6**	**6,676**	**30.5**	**6,901**	**50.2**	**46,606**	**100.0**
Share of property sales of joint ventures	11,846	38.2	15,301	47.4	6,959	22.4	11,805	65.4	15,233	69.5	6,845	49.8	–	–
Total[(1)]	**31,038**	**100.0**	**32,312**	**100.0**	**30,997**	**100.0**	**18,042**	**100.0**	**21,909**	**100.0**	**13,746**	**100.0**	**46,606**	**100.0**

Notes:

(1) Total represents the sum of the turnover of (i) the Cheung Kong Property Group or the Hutchison Property Group (as the case may be) and (ii) their respective share of property sales of joint ventures. This non-IFRS measure is used by the respective management of the Cheung Kong Property Group and the Hutchison Property Group to evaluate their respective financial performance, and it is considered by them to be an important performance measure which is used in the Cheung Kong Property Group's and the Hutchison Property Group's internal financial and management reporting to manage their respective business performance. This measure is not identified as an accounting measure under IFRS and should not be considered as an alternative to the Cheung Kong Property Group's and the Hutchison Property Group's respective group turnover, which is determined in accordance with IFRS.

The following table sets out a breakdown by operating activity of (i) the Cheung Kong Property Group's profit contribution, (ii) the Hutchison Property Group's profit contribution and (iii) unaudited pro forma profit contribution information of the Group on a combined basis, in each case for the periods indicated.

	Cheung Kong Property Group						Hutchison Property Group						Group pro forma	
	Year ended 31 December						Year ended 31 December						Year ended 31 December	
	2012		2013		2014		2012		2013		2014		2014	
	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)
													(unaudited)	
Property sales	9,916	74.6	10,172	74.0	8,501	70.8	6,219	59.0	6,039	56.4	1,903	28.0	10,602	55.9
Property rental	1,979	14.9	2,117	15.4	2,069	17.2	3,340	31.7	3,721	34.7	3,978	58.6	6,002	31.7
Hotels and serviced suites	1,233	9.3	1,272	9.3	1,227	10.2	940	8.9	937	8.8	949	14.0	2,185	11.5
Property and project management	169	1.2	179	1.3	215	1.8	43	0.4	13	0.1	(42)	(0.6)	175	0.9
Total	**13,297**	**100.0**	**13,740**	**100.0**	**12,012**	**100.0**	**10,542**	**100.0**	**10,710**	**100.0**	**6,788**	**100.0**	**18,964**	**100.0**

Note:

(1) Profit contribution represents earnings before interest, taxes, changes in fair value of investment properties, investment and finance income and profit on disposal of investments and others. This non-IFRS measure is used by the respective management of the Cheung Kong Property Group and the Hutchison Property Group to evaluate their respective financial performance, and it is considered by them to be an important performance measure which is used in the Cheung Kong Property Group's and the Hutchison Property Group's internal financial and management reporting to manage their respective business performance. This measure is not identified as an accounting measure under IFRS and should not be considered as an alternative to the Cheung Kong Property Group's and the Hutchison Property Group's results of operations, which are determined in accordance with IFRS. Further, it may not be comparable to other similarly titled measures of other companies.

As a result, our results of operations, including our operating profit margin in particular, and the sources of and amount of cash generated from operations, have varied and may continue to vary significantly from period to period depending on the mix of our turnover from property sales, property rental, hotels and serviced suites and property and project management. In general, sales of properties produce relatively larger amounts of, or fluctuations in, turnover, while property rentals generate relatively steady recurring income. Our property sales are affected by many factors, including the general performance of the real estate markets in the areas where we operate, measures by the relevant governments to restrict or encourage the growth of the property market, supply of and demand for properties and general consumer sentiment. We seek to proactively plan and manage the relative growth of our property sales, property rentals, hotels and serviced suites and property and project management in order to achieve and maintain a desirable turnover mix from our business segments. Accordingly, our turnover and results of operations may vary from period to period depending on the type of properties we sell or lease out and the source of our income.

Project Development Schedules

The number of property development projects that a developer can undertake during any particular period is limited due to substantial capital requirements for land acquisition and construction costs, as well as limited land supply. The development of a property project will take a certain period of time before the commencement of pre-sales. Although the pre-sales of a property generate positive cash flows for us in the period in which they are made, no turnover is recognised in respect of the pre-sale of a property until its development has been completed, the relevant occupation permit or completion permit has been issued by the relevant authorities, the economic benefit has accrued to us and the significant risks and rewards of the properties have passed to the purchasers. As a result, our cash flows and results of operations may vary from period to period depending on the properties pre-sold/sold and delivered, as well as the average selling price, in the relevant period. In addition, delays in construction, regulatory approvals and other processes may adversely affect the timetables of our projects, which may in turn delay our pre-selling and delivery schedule and ultimately impact the timing of our turnover recognition. As a result of our property development schedules, our turnover, cash flow and results of operations have fluctuated in the past and are likely to continue to fluctuate in the future.

During the Track Record Period, the Cheung Kong Property Group and its joint ventures primarily generated turnover from property sales, and the Hutchison Property Group primarily conducted sales of properties through its joint ventures. The following table sets out a breakdown of the Cheung Kong Property Group's turnover from recognised sales of properties during the Track Record Period:

	Cheung Kong Property Group		
	Year ended 31 December		
	2012	2013	2014
Subsidiaries			
Hong Kong			
Residential			
Turnover (HK$ million)	**13,044**	**9,271**	**19,112**
Recognised saleable area (sq.m.)	158,401	133,153	166,098
Average selling price (HK$/sq.m.)	82,348	69,627	115,065
Commercial			
Turnover (HK$ million)	**–**	**420**	**–**
Recognised saleable area (sq.m.)	–	11,827	–
Average selling price (HK$/sq.m.)	–	35,512	–
Others			
Turnover (HK$ million)	**1,570**	**632**	**277**
PRC and others			
Turnover (HK$ million)	**–**	**1,965**	**–**
Recognised saleable area (sq.m.)	–	73,288	–
Average selling price (HK$/sq.m.)	–	26,812	–
Total turnover	**14,614**	**12,288**	**19,389**

The following table sets out a breakdown of the Cheung Kong Property Group's share of property sales of joint ventures and a breakdown of the Hutchison Property Group's share of property sales of joint ventures based on recognised sales of properties for the Track Record Period:

	Cheung Kong Property Group			Hutchison Property Group		
	Year ended 31 December			Year ended 31 December		
	2012	2013	2014	2012	2013	2014
Attributable Interests in Joint Ventures	**(HK$ million)**	**(HK$ million)**	**(HK$ million)**	**(HK$ million)**	**(HK$ million)**	**(HK$ million)**
Hong Kong						
Turnover (HK$ million)	**229**	**75**	**18**	**221**	**75**	**–**
PRC						
Residential						
Turnover (HK$ million)	**10,066**	**10,866**	**5,093**	**10,038**	**10,830**	**4,991**
Recognised saleable area (sq.m.)	576,401	654,132	286,807	576,091	654,115	286,637
Average selling price (HK$/sq.m.)	17,464	16,611	17,758	17,423	16,556	17,413
Commercial						
Turnover (HK$ million)	**1,439**	**3,140**	**507**	**1,414**	**3,102**	**480**
Recognised saleable area (sq.m.)	51,645	66,953	13,993	50,937	65,715	13,246
Average selling price (HK$/sq.m.)	27,863	46,899	36,232	27,760	47,211	36,223
Others						
Turnover (HK$ million)	**112**	**240**	**131**	**116**	**246**	**135**
Others						
Turnover (HK$ million)	**–**	**980**	**1,210**	**16**	**980**	**1,239**
Total share of property sales of joint ventures	**11,846**	**15,301**	**6,959**	**11,805**	**15,233**	**6,845**

The following table sets out a breakdown of the Cheung Kong Property Group's contracted sales of properties during the Track Record Period:

	Cheung Kong Property Group		
	Year ended 31 December		
	2012	2013	2014
	(HK$ million)	**(HK$ million)**	**(HK$ million)**
Subsidiaries			
Hong Kong			
Residential	18,653	3,946	16,631
Commercial	–	420	149
Others	1,393	630	184
PRC and others			
Residential	3,269	1,585	973
Total	**23,315**	**6,581**	**17,937**

The following table sets out a breakdown of the Cheung Kong Property Group's share of contracted property sales of joint ventures and a breakdown of the Hutchison Property Group's share of contracted property sales of joint ventures for the Track Record Period:

	Cheung Kong Property Group			Hutchison Property Group		
	Year ended 31 December			Year ended 31 December		
	2012	2013	2014	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)	(HK$ million)	(HK$ million)	(HK$ million)
Attributable Interests in Joint Ventures						
Hong Kong						
Residential	80	76	–	184	75	–
Others	47	–	18	36	–	–
PRC						
Residential	11,123	11,122	5,980	11,120	11,122	5,980
Commercial	1,547	2,827	902	1,530	2,788	878
Others	112	240	135	111	239	131
Others						
Residential	206	88	22	–	57	22
Total	**13,115**	**14,353**	**7,057**	**12,981**	**14,281**	**7,011**

Access to and Cost of Financing

Advances from their former parent groups and cash generated from operations have historically been the main sources of funding for the property businesses of the Cheung Kong Property Group and the Hutchison Property Group. The Hutchison Property Group has also used bank borrowings as a source of funding. Prior to the Listing, the Cheung Kong Property Group and the Hutchison Property Group centralised their cash management at their respective former parent groups (namely, the Cheung Kong Group and the Hutchison Group). This centralised cash management included advances from their respective former parent groups and transfers of income from operations from the Cheung Kong Property Group and the Hutchison Property Group to their respective former parent groups.

As at 31 December 2012, 2013 and 2014, amounts due to the Cheung Kong Group amounted to HK$91,903 million, HK$79,891 million and HK$70,707 million, respectively (after taking into account amounts due from the Cheung Kong Group, net amounts due to the Cheung Kong Group amounted to HK$89,997 million, HK$78,916 million and HK$69,497 million, respectively). As at the same dates, amounts due to the Cheung Kong Group of HK$53,238 million, HK$46,803 million and HK$43,620 million, respectively, bore interest at an average rate of 2.2%, 2.5% and 2.5%, respectively. The remaining portions of amounts due to the Cheung Kong Group were unsecured, interest-free and had no fixed terms of repayment. For the years ended 31 December 2012, 2013 and 2014, the Cheung Kong Property Group's total interest expense on borrowings and net amounts due to the Cheung Kong Group were HK$650 million, HK$776 million and HK$815 million, respectively.

As at 31 December 2012, 2013 and 2014, amounts due to the Hutchison Group amounted to HK$55,850 million, HK$51,332 million and HK$57,100 million, respectively (after taking into account amounts due from the Hutchison Group, net amounts due to the Hutchison Group amounted to HK$23,249 million, HK$10,741 million and HK$9,233 million, respectively). As at the same dates, amounts due to the Hutchison Group of HK$27,407 million, HK$27,404 million and HK$26,609 million, respectively, bore interest at an average rate of 4.0%, 4.1% and 4.6%, respectively. The

remaining portions of amounts due to the Hutchison Group were unsecured, interest-free and had no fixed terms of repayment. For the years ended 31 December 2012, 2013 and 2014, the Hutchison Property Group's total interest expense on bank and other borrowings and net amounts due to the Hutchison Group were HK$1,094 million, HK$1,099 million and HK$1,222 million, respectively.

Going forward, we will fund our operations primarily from cash generated from operations, bank borrowings and funding raised from the capital markets. Taking into account the Loan Facility and the consolidation of the joint ventures' loans into the Company's balance sheet upon completion of the Property Businesses Combination, the net effect is that the Group's overall indebtedness level and its finance costs and interest payments are expected to be lower immediately following the Listing than they were prior to completion of the Property Businesses Combination.

In addition, our access to capital and cost of financing may be affected by restrictions imposed on bank lending for property developments by the relevant governments in the jurisdictions where our property projects are located. For example, the PRC government from time to time has imposed restrictions on bank lending for property development. To the extent the PRC government or other governments in the jurisdictions where we operate slow down the development of the private property sector, either by restricting loans to the sector or by increasing lending rates to the sector, our access to capital and cost of financing may be adversely affected. As such, any increase in interest rates offered to us, together with the general availability of credit, may significantly impact our property development business.

Land Acquisition Costs, Construction Costs and Related Costs

Land acquisition costs, construction costs and related costs such as labour costs constitute a substantial portion of our costs and have had, and will continue to have, a significant impact on our business and results of operations. Land acquisition costs have generally been increasing over the years and are expected to continue to rise, particularly in Hong Kong and the PRC, as competition in the property market continues to intensify for the limited amount of undeveloped land. In certain areas where we operate, particularly in fast-developing cities, the relevant government policies relating to urban and rural planning and development, land supply policies and implementation measures may further intensify competition for undeveloped land and increase our land acquisition costs. Moreover, other policies relating to land, housing, conveyance and property taxes implemented by the relevant local governments in the areas where we operate, as well as the general market sentiment, may also affect land acquisition prices.

The construction and related costs of our properties vary according to the GFA and the height of the buildings, the geology of the construction sites, as well as the use and price of certain key construction materials, such as steel and cement. In recent years, construction material costs and labour costs have generally been on the rise in Hong Kong and the PRC due to inflation, government policies and increased competition for labour from Macau. Costs for construction materials and construction labour for a property development project are generally specified and included in the contractor fees agreed between us and our general contractors. While we aim to manage our costs efficiently through our cost control measures and procurement and bidding procedures, we are subject to fee quotes from contractors and increases in construction and labour costs, which will likely prompt our contractors to increase their fee quotes for new property development projects in the future. We expect our property development costs to continue to be influenced by fluctuations in the cost of land and construction materials and the rise in labour costs for our property developments.

Fair Value of Our Investment Properties

Property values are affected by, among other factors, supply of and demand for comparable properties, the rate of economic growth, interest rates, inflation, political and economic developments, construction costs and the timing of the development of properties. We report our investment properties at fair value on our statements of financial position as non-current assets as at each financial statement date based on the valuations prepared by independent property valuers, and record changes in fair value in our combined income statement. See *"– Description of Selected Components of Combined Income Statements – Increase in Fair Value of Investment Properties."* Property valuation involves the exercise of professional judgment and requires the use of certain bases and assumptions. The fair value of our investment properties may be higher or lower if the valuers use a different set of bases and assumptions or if the valuation is conducted by another qualified independent professional valuer using the same or a different set of bases and assumptions. Furthermore, property values are also affected by market fluctuations. For example, the increase in fair value of the Hutchison Property Group's investment properties, which increased significantly by HK$28,071 million to HK$28,088 million in 2014 from HK$17 million in 2013, was due to an improvement in market conditions in 2014 as the result of high global liquidity and easing of investor concerns over a potential increase in interest rates, which boosted the overall investor confidence and sentiment. As a result of the change in market conditions, the independent property valuers changed certain assumptions used to value the investment properties, including reducing the weighted average capitalisation rate used from 8.7% as at 31 December 2013 to 6.1% as at 31 December 2014.

As at 31 December 2012, 2013 and 2014, the fair value of the Cheung Kong Property Group's investment properties amounted to HK$29,656 million, HK$28,777 million and HK$33,285 million, respectively, and the fair value of the Hutchison Property Group's investment properties amounted to HK$45,983 million, HK$44,717 million and HK$72,905 million, respectively. For the years ended 31 December 2012, 2013 and 2014, the Cheung Kong Property Group recorded increases in fair value of investment properties of HK$4,470 million, HK$1,782 million and HK$4,542 million, respectively, and the Hutchison Property Group recorded increases in fair value of investment properties of HK$859 million, HK$17 million and HK$28,088 million, respectively. The fair value of each of the investment properties has fluctuated, and is likely to continue to fluctuate, in accordance with the prevailing property market conditions.

Gains or losses arising from changes in the fair value of our investment properties may have a substantial effect on our profits. Any decrease in the fair value of our investment properties will adversely affect our profitability. In addition, increases in the fair value of investment properties are unrealised and do not generate any cash inflow to us until such investment properties are disposed of. We may therefore experience higher profitability through increases in the fair value of investment properties without a corresponding improvement to our cash position. We cannot assure you that levels of increases in the fair value of investment properties similar to those recognised during the Track Record Period can be sustained in the future, or that any disposals of investment properties will occur at prices similar to the valuations.

Rental Rates, Room Rates and Occupancy Trends

Our rental income depends principally on our rental rates and occupancy rates. Factors affecting our rental rates include the supply of comparable properties, the overall demand in the market, the floor area occupied by individual tenants, the trade sectors in which our tenants operate, general macroeconomic conditions (including inflation rates) and occupancy rates. In addition, occupancy rates largely depend on rental rates at competing properties, the supply and demand for comparable

properties and the ability to minimise the intervals between lease expiries (or terminations) and the entry into new leases. In addition, occupancy rates of a new property tend to be lower during the initial ramp-up stage and subsequent renovation period.

Lease terms for our investment properties vary based on the type of properties and the geographical location. In Hong Kong and the PRC, lease terms for our office and commercial properties are generally for two to three years. The lease terms for material tenancies generally vary from six to twelve years for office properties and between three to ten years for commercial properties. The rental rates are generally reviewed and adjusted every three years based on relevant market rates.

As at 31 December 2014, the Cheung Kong Property Group's investment property portfolio primarily comprised office, retail and industrial properties and car park spaces in Hong Kong, and also included interests in a number of joint venture commercial developments in Hong Kong, the PRC and the United Kingdom. As at the same date, the Hutchison Property Group's investment property portfolio primarily comprised office, commercial, industrial and residential properties and car park spaces in Hong Kong, and also included interests in a number of joint venture developments in Hong Kong, the PRC and the United Kingdom.

The following table sets out the GFA, LFA, average rental rate and occupancy rate of the Cheung Kong Property Group's and the Hutchison Property Group's investment properties for the Track Record Period:

	Cheung Kong Property Group[4][5]			**Hutchison Property Group[4]**		
	Year ended 31 December			**Year ended 31 December**		
	2012	**2013**	**2014**	**2012**	**2013**	**2014**
GFA (sq.m.)[1]	170,252	170,252	170,252	1,108,238	1,094,933	1,094,500
LFA (sq.m.)[1]	172,423	172,475	172,476	981,316	967,337	964,021
Average rental rate (HK$/sq.m.)[2]	767.9	852.0	897.4	282.0	312.5	342.4
Occupancy rate (%)[3]	94	93	95	97	97	97

Notes:

(1) The data indicates the GFA and LFA as at the end of each period.

(2) Calculated by dividing the average monthly rental income by the average monthly area leased.

(3) Calculated by dividing the average monthly area leased by the average monthly LFA.

(4) The above data excludes data relating to car park spaces.

(5) The LFA is higher than the GFA primarily due to the common area and the curtain wall area which are included in the LFA but not in the GFA.

The daily room rates of our hotels and rental rates of our serviced suites are influenced by a variety of factors, including the rates charged by our competitors and the supply of hotels and serviced suites in the market, the attractiveness of our hotels and serviced suites' locations, the breadth and quality of services provided, hotel and serviced apartment industry trends, the development of tourism and business activities in the places that we operate, seasonality and general economic conditions. A shortage of rooms in the market will often have the effect of increasing daily room rates and rental rates as hotels and serviced suites increase their rates in response to demand, whereas an oversupply of

rooms will often have the opposite effect. The occupancy rates of our hotels and serviced suites will be in part determined by the level of our daily room rates and rental rates and our ability to minimise the period of time between customers during which rooms are unoccupied.

The following table sets out the number of rooms, average room rate, occupancy rate and RevPAR of the Cheung Kong Property Group's hotels and serviced suites and the Hutchison Property Group's hotels and serviced suites for the Track Record Period:

	Cheung Kong Property Group			Hutchison Property Group		
	Year ended 31 December			Year ended 31 December		
	2012	2013	2014	2012	2013	2014
Number of rooms[(1)]	8,432	8,397	8,406	5,057	5,057	5,057
Average room rate (HK$)[(2)]	670	687	703	1,038	1,073	1,059
Occupancy rate (%)[(3)]	90.0	89.2	89.8	83.8	80.4	81.3
RevPAR (HK$)[(4)]	603	613	631	870	863	861

Note:

(1) Represents the number of available rooms as individual units at the end of each period.

(2) Calculated by dividing total room revenue by the total number of room nights occupied during each period.

(3) Calculated by dividing the total number of room nights occupied by the total number of available room nights during each period.

(4) Calculated by dividing total hotel room revenue by the total number of available room nights during each period.

Competition in the Property and Hotel Industries

The property and hotel industries in the regions where we operate are highly competitive. We compete primarily with other property developers, landlords and hotel operators in Hong Kong and the PRC, as well as a number of regional and international developers and hotel operators who have expanded their operations into Hong Kong and the PRC. Our property rental business also faces competition primarily from properties of a similar grade in their immediate vicinity and also with other properties in their geographical market. We compete with our competitors across a range of factors, including location, capital resources, transportation, infrastructure, financial and other incentives, design, quality of premises, quality of accommodations and amenities, breadth and quality of services provided, brand recognition, and maintenance and supporting services. We also compete on sales prices, rental rates, room rates and other terms.

Going forward, competition in the property and hotel industries may intensify as a result of changing governmental policies, the increasingly limited amount of undeveloped land, the increased number of hotels in the regions where we operate, changes in local, regional and global market conditions and changes in the supply and demand for properties and rental rates. Increased competition may result in increased costs of acquiring land for development, an oversupply of properties in certain areas in the places where we operate, a decrease in property prices, a slowdown in the rate at which new property developments will be approved and/or reviewed by the relevant governmental authorities, an increase in construction costs and difficulties in obtaining high quality contractors and qualified employees, all of which may adversely affect our business and results of operations. See "*Business – Market and Competition*" for further details.

BASIS OF PRESENTATION

As the Cheung Kong Property Group and the Hutchison Property Group have historically been managed and operated largely independently of each other, the financial statements for the Cheung Kong Property Group and the Hutchison Property Group have been prepared separately for the Track Record Period and are set out in Appendix IA and Appendix IB, respectively. The historical financial information for the Cheung Kong Property Group and the Hutchison Property Group represents the results of operations of the property businesses of the Cheung Kong Property Group and the Hutchison Property Group and does not reflect the consolidation adjustments the Company will make when it consolidates the results of the Cheung Kong Property Group and the Hutchison Property Group. We have prepared and included the unaudited pro forma financial information as at and for the year ended 31 December 2014 as set out in Appendix II for the purpose of illustrating the effect of the completion of the Hutchison Proposal and the Property Businesses Combination (including consolidation of the joint ventures that will become subsidiaries of the Company) as if the Listing had taken place on 1 January 2014 for the pro forma combined income statement and statement of cash flows; and 31 December 2014 for the pro forma combined statement of assets and liabilities. The unaudited pro forma financial information has been prepared in accordance with paragraph 4.29 of the Listing Rules, incorporating the combined results and cash flows of the Cheung Kong Property Group, the Hutchison Property Group and the joint ventures that will become subsidiaries of the Company for the year ended 31 December 2014; and the combined assets and liabilities of the Cheung Kong Property Group, the Hutchison Property Group and the joint ventures that will become subsidiaries of the Company as at 31 December 2014.

For the purposes of the Accountants' Reports in Appendices IA and IB, the underlying combined financial statements of the Cheung Kong Property Group and the Hutchison Property Group have been prepared in accordance with HKFRS. Pursuant to HKFRS, the underlying financial statements of the Cheung Kong Property Group and the Hutchison Property Group have been prepared under the historical cost convention, except for investments in securities, investment properties and derivative financial instruments, which have been measured at fair value. The Cheung Kong Property Group's financial information and the Hutchison Property Group's financial information as set out in the Accountants' Reports in Appendices IA and IB, which comprise their respective combined income statements, combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows during the Track Record Period, and their combined statements of financial position on the respective reporting dates, have been prepared in accordance with accounting policies that conform with IFRS.

The Cheung Kong Property Group: The Cheung Kong Property Group's financial information has been prepared as if the companies comprising the Cheung Kong Property Group have been a single reporting entity throughout the Track Record Period or since the respective dates of incorporation or establishment of the relevant entities, or up to the respective dates of disposal or dissolution, where this is a shorter period.

The Hutchison Property Group: The Hutchison Property Group's financial information has been prepared as if the intended group structure had been in existence on the respective reporting dates and throughout the Track Record Period, or since the respective dates of incorporation or establishment of the relevant entities, or up to the respective dates of disposal or dissolution, where this is a shorter period.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified below certain accounting policies that are significant to the preparation of the financial statements of the Cheung Kong Property Group and the Hutchison Property Group, and which are important for an understanding of the financial condition and results of operations of the Cheung Kong Property Group and the Hutchison Property Group.

Some of the accounting policies involve making judgments and estimates that affect items reported in these financial statements. The making of these judgments and estimates is fundamental to our results of operations and financial condition and requires management to make subjective and complex judgments about matters that are inherently uncertain based on information and data that may change in future periods. As a result, determinations regarding these items necessarily involve the use of assumptions and subjective judgments as to future events and are subject to change, and the use of different assumptions or data could produce materially different results. In addition, actual results could differ from estimates and may have a material adverse effect on our business, financial condition, results of operations or cash flows. We also have other policies that we consider to be key accounting policies, which are set forth in "*Appendix IA – Accountants' Report on the Cheung Kong Property Group*" and "*Appendix IB – Accountants' Report on the Hutchison Property Group*".

The accounting policies, judgments and estimates made in preparing the financial statements have not changed during the Track Record Period. Furthermore, the estimates of our financial performance based on the accounting policies and certain subjective judgments and assumptions made by management have not produced materially different results when compared to our actual results of operations. Going forward, we will continue to use similar accounting policies, assumptions and subjective judgements to report our future results of operations and financial condition.

Turnover Recognition

Turnover comprises income from property sales, property rental, hotels and serviced suites and property and project management.

Turnover from property sales is recognised either on the date of sale or on the date of issue of the relevant occupation or completion permit, whichever is later, and the economic benefit accrues to the Cheung Kong Property Group or the Hutchison Property Group and the significant risks and rewards of the properties accrue to the purchasers.

Rental income is recognised on a straight-line basis over the term of the lease. Income from property and project management and sales agency service is recognised when services are rendered. Turnover from hotels and serviced suites is recognised upon provision of services.

Interest income is recognised on a time proportion basis using the effective interest method. Dividend income is recognised when the right to receive payment is certain.

Investment Properties Valuation

Investment properties are properties held for rental. Investment properties are stated at fair value as determined by professional valuations conducted by independent property valuers. In determining the fair value of the investment properties, the property valuers use various assumptions and estimates that reflect, among other things, comparable market transactions, rental income from current leases and assumptions about rental income from future leases in light of current market conditions.

Investment properties under development are stated at fair value when their fair values become reliably determinable or upon completion of their construction, whichever is earlier. Otherwise, they are stated at cost less provision for impairment.

Changes in fair value are included in the combined income statement for the Cheung Kong Property Group and the Hutchison Property Group.

Impairment of Fixed Assets

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

Buildings are generally depreciated on the basis of an expected life of 50 years, or the remainder thereof, or over the remaining period of the lease of the underlying leasehold land, whichever is shorter. The period of the lease includes the period for which a right of renewal is attached, to the extent applicable.

Leasehold land with respect to hotel and serviced suite properties is amortised over the remaining term of the lease on a straight-line basis. Other fixed assets are depreciated on a straight-line basis at annual rates of 5% to 33⅓% based on their respective estimated useful lives.

Taxation

Taxation comprises current tax and deferred tax. The Cheung Kong Property Group and the Hutchison Property Group are subject to income taxes in the jurisdictions where they operate. Taxation also includes provisions for income tax, LAT through interests in joint ventures and other tax provisions.

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

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

Borrowing Costs

Borrowing costs are charged to the combined income statements 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.

DESCRIPTION OF SELECTED COMPONENTS OF COMBINED INCOME STATEMENTS

Turnover

The Cheung Kong Property Group derives turnover from property sales. In addition, the Cheung Kong Property Group and the Hutchison Property Group derive turnover from (i) property rental, (ii) hotels and serviced suites and (iii) property and project management. The Cheung Kong Property Group and the Hutchison Property Group also conducted property sales and other property businesses through joint ventures.

The operating segment results set out below are reported in a manner consistent with the internal reporting provided to the board of directors of the Cheung Kong Property Group and the board of directors of the Hutchison Property Group, who are responsible for allocating resources and assessing performance of the operating segments.

Property Sales

During the Track Record Period, the Cheung Kong Property Group derived most of its turnover from sales of properties. During the same period, the Cheung Kong Property Group and the Hutchison Property Group also conducted sales of properties through joint ventures and generated their respective shares of property sales attributable to their interests in joint ventures. The shares of property sales of joint ventures were not consolidated in the Cheung Kong Property Group's combined income statement or the Hutchison Property Group's combined income statement according to the relevant IFRS rules.

Property Rental

Turnover from property rental primarily comprises rental income generated from retail shopping malls, commercial office properties, residential properties, industrial properties and car park spaces.

Hotels and Serviced Suites

Turnover from hotels and serviced suites is primarily generated from hotel rooms and serviced suites, food and beverage business, rental from the hotels' leased spaces and ancillary services. Turnover from ancillary services primarily includes turnover from business centers, laundry, telephone and internet charges, spa services, foreign exchange services, recreational services and transportation services. During the Track Record Period, the Cheung Kong Property Group and the Hutchison Property Group have entered into hotel management agreements with internationally renowned hotel managers for some of their hotels and a portion of their turnover was derived from the hotels operated by third-party hotel managers.

Property and Project Management

Turnover from property and project management comprises income generated from property management and project management related services provided to a diverse portfolio of properties, including large-scale residential properties, commercial properties, office buildings, luxury villas, industrial properties, shopping malls, car park spaces and clubhouses in Hong Kong, the PRC and the United Kingdom.

Investment and Other Income

Investment and other income comprises dividends from investment in securities of listed companies and unlisted companies including Fortune REIT, Prosperity REIT and Hui Xian REIT, which are all listed on the Main Board and the Singapore Stock Exchange, and interests in ARA Asset Management and Hui Xian Asset Management Limited.

During the Track Record Period, the Cheung Kong Property Group and the Hutchison Property Group held direct equity interests in Hui Xian REIT, which were accounted for as investments available for sale and stated at fair value in their respective combined financial statements.

Operating Costs

Our operating costs comprise (i) property and related costs, (ii) service fees, (iii) salaries and related expenses, (iv) interest and other finance costs, (v) depreciation and amortisation and (vii) other expenses. Property and related costs generally represent costs of properties sold, selling and marketing costs and outgoings associated with investment properties. During the Track Record Period, salaries and related expenses reported on the Cheung Kong Property Group's combined income statement covered mainly remuneration paid to employees of hotels and serviced suites and the property and project management businesses. The remuneration for most employees of the property sales and property rental businesses, and the remuneration for directors of Cheung Kong as regards their performance of services for the Cheung Kong Property Group, were paid by other members of the Cheung Kong Group. Service fees were paid by the Cheung Kong Property Group to other members of the Cheung Kong Group to cover these amounts paid and for other support provided by other members of the Cheung Kong Group to the Cheung Kong Property Group. Conversely, salaries and related expenses reported on the Hutchison Property Group's combined income statement included salaries and other benefits paid to all employees of the Hutchison Property Group (including directors of the Hutchison Property Group). As a result, the pro forma salaries and related expenses will not necessarily provide an accurate illustration of the amount of salaries and related expenses to be incurred following the Listing.

All the directors of Cheung Kong Property Group received remuneration from the Cheung Kong Group during the Track Record Period in respect of their services to the Cheung Kong Group (including the Cheung Kong Property Group). The amounts paid by the Cheung Kong Group were not specifically allocated between the Cheung Kong Property Group and other members of the Cheung Kong Group, and there was no arrangement to recharge the Cheung Kong Property Group for such expenses. As a result, the remuneration arrangements of the directors of Cheung Kong Property Group during the Track Record Period will not be representative of the remuneration that will be paid to the Directors by the Group following the Listing, which will be costs borne directly by the Group.

Other expenses generally include rent, property insurance, repair and maintenance costs and other administrative costs.

The Cheung Kong Property Group and the Hutchison Property Group

The following table sets out a breakdown of the Cheung Kong Property Group's operating costs and the Hutchison Property Group's operating costs for the Track Record Period:

	Cheung Kong Property Group						Hutchison Property Group					
	Year ended 31 December						Year ended 31 December					
	2012		2013		2014		2012		2013		2014	
	(HK$ million)	%	(HK$ million)	%	(HK$ million)	%	(HK$ million)	%	(HK$ million)	%	(HK$ million)	%
Property and related costs												
Costs of property sold	8,424	67.7	6,919	65.2	11,708	75.0	–	–	–	–	–	–
Property selling and other costs	731	5.9	368	3.5	638	4.1	–	–	–	–	–	–
Rental expenses	52	0.4	67	0.6	34	0.2	464	12.7	516	13.9	510	13.3
Hotel operating costs	641	5.1	657	6.2	605	3.9	440	12.1	444	11.9	464	12.1
Subtotal	**9,848**	**79.1**	**8,011**	**75.5**	**12,985**	**83.2**	**904**	**24.8**	**960**	**25.8**	**974**	**25.4**
Service fees	971	7.8	836	7.9	892	5.7	–	–	–	–	–	–
Salaries and related expenses	542	4.4	556	5.2	525	3.4	1,202	33.0	1,289	34.6	1,318	34.3
Interest and other finance costs	650	5.2	776	7.3	815	5.2	1,094	30.0	1,099	29.5	1,222	31.8
Depreciation and amortisation	313	2.5	301	2.8	286	1.8	200	5.5	177	4.7	178	4.6
Other expenses	127	1.0	132	1.3	106	0.7	246	6.7	202	5.4	149	3.9
Total	**12,451**	**100.0**	**10,612**	**100.0**	**15,609**	**100.0**	**3,646**	**100.0**	**3,727**	**100.0**	**3,841**	**100.0**

Share of Net Profit of Joint Ventures

Joint ventures are entities in which either or both of the Cheung Kong Property Group and the Hutchison Property Group have a long term equity interest and over which it or they are in a position to exercise joint control with other parties when decisions of the entity require unanimous consent of the parties sharing control. Investments in joint ventures and the share of post-acquisition profits or losses are recognised in the combined income statements and are accounted for under the equity method of accounting.

The Cheung Kong Property Group's share of net profit of joint ventures for the years ended 31 December 2012, 2013 and 2014 amounted to HK$5,480 million, HK$4,031 million and HK$2,835 million, respectively. The Hutchison Property Group's share of net profit of joint ventures for the years ended 31 December 2012, 2013 and 2014 amounted to HK$4,959 million, HK$3,763 million and HK$2,342 million, respectively. Immediately following completion of the Property Businesses Combination, a substantial portion of the joint ventures will become subsidiaries of the Company and be consolidated in the financial statements of the Group. As a result, the Group will be able to recognise turnover generated from these joint ventures as part of the Group's turnover. Profits contributed by the remaining joint ventures, which will not be consolidated, will continue to be recorded as share of net profit from joint ventures under the equity method of accounting.

In addition to their direct interests in Hui Xian REIT, the Cheung Kong Property Group, the Hutchison Property Group and others also held certain equity interests in Hui Xian REIT through a joint venture, which was accounted for as a joint venture in the respective combined financial statements of the Cheung Kong Property Group and the Hutchison Property Group using the equity method of accounting. After completion of the Property Businesses Combination, Hui Xian REIT will become an associate of the Company and be accounted for under the equity method of accounting.

For a list of the Cheung Kong Property Group's principal joint ventures, please refer to Note 10 in *"Appendix IA – Accountants' Report on the Cheung Kong Property Group"*. For a list of the Hutchison Property Group's principal joint ventures, please refer to Note 12 in *"Appendix IB – Accountants' Report on the Hutchison Property Group"*.

Share of Net Profit of Associates

Associates are entities other than subsidiaries or joint ventures in which either or both of the Cheung Kong Property Group and the Hutchison Property Group have a long term equity interest and exercise significant influence over the management of such entities.

The Cheung Kong Property Group's share of net profit of associates for the years ended 31 December 2012, 2013 and 2014 amounted to HK$1 million, HK$1 million and HK$1 million, respectively. The Hutchison Property Group's share of net profit of associates for the years ended 31 December 2012, 2013 and 2014 amounted to HK$199 million, HK$120 million and HK$399 million, respectively.

For a full list of the Hutchison Property Group's associates, please refer to Note 11 in *"Appendix IB – Accountants' Report on the Hutchison Property Group"*.

Increase in Fair Value of Investment Properties

The Cheung Kong Property Group and the Hutchison Property Group's investment properties primarily comprise retail shopping malls, office properties, residential properties and car park spaces in Hong Kong, the PRC and the United Kingdom, which are held for rental. Investment properties are stated at fair value on the statements of financial position as non-current assets as at each financial statement date based on the valuations prepared by the independent property valuers. Investment properties under development are stated at fair value when their fair values become reliably determinable or upon completion of their construction, whichever is earlier. Otherwise, they are stated at cost less provision for impairment. Changes in fair value are included in the combined income statement for the Cheung Kong Property Group or the Hutchison Property Group, as applicable.

Profit on Disposal of Investment Properties

The Cheung Kong Property Group recognised a profit of HK$2,760 million in the year ended 31 December 2013 resulting from the disposal of Kingswood Ginza, a retail shopping mall in Hong Kong, which had been one of the Cheung Kong Property Group's investment properties. The Cheung Kong Property Group did not recognise any profit or loss on disposal of investment properties in 2012 or 2014.

Surplus on Loss of Control of Interest in Subsidiaries

Surplus on loss of control of interest in subsidiaries represents the Cheung Kong Property Group's surplus from the disposal of its controlling interest in Sheraton Shenyang Lido Hotel in the PRC in 2012.

Profit on Disposal of Joint Ventures

Profit on disposal of joint ventures represents profits recognised as a result of the Cheung Kong Property Group's disposal of interests in a joint venture which held Oriental Financial Center, a commercial property in Shanghai in 2014, the disposal of interests in a joint venture which held The Metropolitan Plaza, a commercial property in Guangzhou in 2013, and the disposal of interests in a joint venture which held the Metropark Lido Hotel in Beijing in 2012.

Profits on Disposal of Investments and Others

Profit on disposal of investments and others primarily represents the gain recognised upon the Hutchison Property Group's disposal of interests in certain investment properties. Major disposals during the Track Record Period include the Hutchison Property Group's interests in a joint venture which held The Metropolitan Plaza and its interests in Trust Tower (an office building in Hong Kong), both in 2013, and its interests in a joint venture which held Oriental Financial Center, in 2014.

Taxation

Taxation primarily comprises current and deferred tax. Current tax comprises Hong Kong profits tax, which was provided at the rate of 16.5% on the estimated assessable profits for each of the years during the Track Record Period. Tax paid outside of Hong Kong has been provided for at the applicable rates on estimated assessable profits less available tax losses. For the years ended 31 December 2012, 2013 and 2014, the Cheung Kong Property Group's effective income tax rate (calculated by dividing taxation by the resulting value of profit before taxation less shares of the net profit of joint ventures

and associates) was 9.7%, 12.2% and 10.1%, respectively, and the Hutchison Property Group's effective income tax rate was 11.3%, 10.7% and 2.6%, respectively. Hutchison Property Group's significantly lower effective income tax in 2014 was the result of a substantial portion of fair value gains recognised from investment properties in Hong Kong, and there is no tax on such gains in Hong Kong.

The Directors confirm that the Cheung Kong Property Group and the Hutchison Property Group duly paid all taxes during the Track Record Period and up to the Latest Practicable Date and there are no matters in dispute or unresolved with the relevant tax authorities.

DISCUSSION OF RESULTS OF OPERATIONS

You should read the selected historical financial information set forth below in conjunction with the financial statements, together with the accompanying notes, included in the Accountants' Reports set forth in *"Appendix IA – Accountants' Report on the Cheung Kong Property Group"* and *"Appendix IB – Accountants' Report on the Hutchison Property Group"*.

The Cheung Kong Property Group

The following table sets forth the Cheung Kong Property Group's results of operations for the periods indicated:

	Year ended 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Turnover	**19,192**	**17,011**	**24,038**
Investment and other income	94	95	784
Operating costs			
Property and related costs	(9,848)	(8,011)	(12,985)
Service fees	(971)	(836)	(892)
Salaries and related expenses	(542)	(556)	(525)
Interest and other finance costs	(650)	(776)	(815)
Depreciation	(313)	(301)	(286)
Other expenses	(127)	(132)	(106)
	(12,451)	(10,612)	(15,609)
Share of net profit of joint ventures	5,480	4,031	2,835
Increase in fair value of investment properties	4,470	1,782	4,542
Profit on disposal of investment properties	–	2,760	–
Surplus on loss of control of interest in subsidiaries	1,077	–	–
Profit on disposal of joint ventures	450	798	2,349
Operating profit	18,312	15,865	18,939
Share of net profit of associates	1	1	1
Profit before taxation	**18,313**	**15,866**	**18,940**
Taxation	(1,250)	(1,442)	(1,624)
Profit for the year	**17,063**	**14,424**	**17,316**
Attributable to:			
Shareholders of the Cheung Kong Property Group	16,930	14,152	17,068
Non-controlling interests	133	272	248
Profit for the year	**17,063**	**14,424**	**17,316**

The following table sets forth the Cheung Kong Property Group's turnover and its share of property sales attributable to its interests in joint ventures for the Track Record Period:

	Year ended 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Property sales	14,614	12,288	19,389
Property rental	1,867	1,961	1,908
Hotels and serviced suites	2,350	2,368	2,213
Property and project management	361	394	528
Turnover	**19,192**	**17,011**	**24,038**
Share of property sales of joint ventures	11,846	15,301	6,959
Total	**31,038**	**32,312**	**30,997**

The following table sets out a breakdown of profit contribution from the Cheung Kong Property Group's subsidiaries and a breakdown of profit contribution from the Cheung Kong Property Group's attributable interests in joint ventures by operating activity for the Track Record Period:

	Subsidiaries						Joint Ventures						Total					
	Year ended 31 December						Year ended 31 December						Year ended 31 December					
	2012		2013		2014		2012		2013		2014		2012		2013		2014	
	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)
Property sales	5,261	65.6	4,686	61.6	6,577	69.6	4,655	88.2	5,486	89.4	1,924	75.2	9,916	74.6	10,172	74.0	8,501	70.8
Property rental	1,704	21.2	1,795	23.6	1,769	18.7	275	5.2	322	5.2	300	11.7	1,979	14.9	2,117	15.4	2,069	17.2
Hotels and serviced suites	931	11.6	991	13.0	952	10.1	302	5.7	281	4.6	275	10.7	1,233	9.3	1,272	9.3	1,227	10.2
Property and project management	124	1.6	133	1.8	154	1.6	45	0.9	46	0.8	61	2.4	169	1.2	179	1.3	215	1.8
Total	**8,020**	**100.0**	**7,605**	**100.0**	**9,452**	**100.0**	**5,277**	**100.0**	**6,135**	**100.0**	**2,560**	**100.0**	**13,297**	**100.0**	**13,740**	**100.0**	**12,012**	**100.0**

2014 Compared to 2013

Turnover and Profit Contribution

Turnover from the Cheung Kong Property Group increased by HK$7,027 million, or 41.3%, to HK$24,038 million in 2014 from HK$17,011 million in 2013, primarily due to the increase in turnover from property sales in Hong Kong.

Profit contribution from the Cheung Kong Property Group's subsidiaries increased by HK$1,847 million, or 24.3%, to HK$9,452 million in 2014 from HK$7,605 million in 2013, primarily due to an increase in profit contribution from property sales in Hong Kong. Profit contribution from joint ventures decreased by HK$3,575 million, or 58.3%, to HK$2,560 million in 2014 from HK$6,135 million in 2013, primarily due to a decrease in the share of profit contribution from property sales in the PRC.

Turnover and profit contribution from property sales

Turnover from the Cheung Kong Property Group's property sales increased by HK$7,101 million, or 57.8%, to HK$19,389 million in 2014 from HK$12,288 million in 2013, primarily due to increased property sales in Hong Kong as more property sales were recognised in 2014. Property sales recognised included eight completed property projects in Hong Kong. The total saleable area of properties recognised was 218,268 sq.m. and 166,098 sq.m. in 2013 and 2014, respectively, and the average selling price was HK$53,402 per sq.m. and HK$115,065 per sq.m., respectively, for the same periods.

Profit contribution from property sales of the Cheung Kong Property Group's subsidiaries increased by HK$1,891 million, or 40.4%, to HK$6,577 million in 2014 from HK$4,686 million in 2013, primarily due to the reasons discussed above.

Profit contribution from property sales of joint ventures decreased by HK$3,562 million, or 64.9%, to HK$1,924 million in 2014 from HK$5,486 million in 2013, primarily due to lower sales volume with lower selling prices in certain cities in the PRC. Property sales recognised included two completed property projects in Singapore and 25 completed property projects in the PRC. The total saleable area of properties recognised was 728,173 sq.m. and 320,019 sq.m. in 2013 and 2014, respectively, and the average selling price was HK$20,683 per sq.m. and HK$21,280 per sq.m., respectively, for the same periods. In addition, the Cheung Kong Property Group disposed of its interests in a joint venture which held Oriental Financial Center in 2014, the profit for which is recorded in "– *Profit on Disposal of Joint Ventures*".

Turnover and profit contribution from property rental

Turnover from property rental decreased by HK$53 million, or 2.7% to HK$1,908 million in 2014 from HK$1,961 million in 2013, primarily due to the disposal of Kingswood Ginza, a retail shopping mall in Hong Kong, in October 2013. The turnover in 2013 included the rental income derived from Kingswood Ginza prior to its disposal in October 2013. The decrease in turnover from property rental was partially offset by the increase in the average rental rate, which was set with reference to the prevailing market conditions upon the renewal of tenancies. The total LFA was 172,475 sq.m. and 172,476 sq.m. as at 31 December 2013 and 2014, respectively, and the average rental price was HK$852 per sq.m. and HK$897 per sq.m. for 2013 and 2014, respectively.

Profit contribution from property rental of the Cheung Kong Property Group's subsidiaries decreased by HK$26 million, or 1.4%, to HK$1,769 million in 2014 from HK$1,795 million in 2013, primarily due to the reasons discussed above.

Profit contribution from property rental attributable to joint ventures decreased by HK$22 million, or 6.8%, to HK$300 million in 2014 from HK$322 million in 2013, primarily due to the disposal of interests in a joint venture which held The Metropolitan Plaza in 2013.

Turnover and profit contribution from hotels and serviced suites

Turnover from hotels and serviced suites decreased by HK$155 million, or 6.5% to HK$2,213 million in 2014 from HK$2,368 million in 2013, primarily due to (i) more competitive operating conditions for hotels and serviced suites in Hong Kong and the PRC, (ii) renovations being carried out at Horizon Suite Hotel, Harbourfront Horizon All-Suite Hotel and Harbourview Horizon All-Suite Hotel in 2014 and (iii) leasing out the food and beverage outlets in certain hotels for rental income instead of self operating. The total number of available rooms was 8,397 and 8,406 as at 31 December 2013 and 2014, respectively. For the years ended 31 December 2013 and 2014, the average occupancy rate was 89.2% and 89.8%, respectively, and the average room rate was HK$687 and HK$703, respectively.

Profit contribution from hotels and serviced suites of the Cheung Kong Property Group's subsidiaries decreased by HK$39 million, or 3.9%, to HK$952 million in 2014 from HK$991 million in 2013, primarily due to the reasons discussed above.

Profit contribution from hotels and serviced suites attributable to joint ventures and associates decreased by HK$6 million, or 2.1%, to HK$275 million in 2014 from HK$281 million in 2013, primarily due to more competitive operating conditions for hotels and serviced suites in Hong Kong in 2014.

In February 2013, contracts were entered into for the sale of hotel units in The Apex Horizon, which is owned by one of Cheung Kong's wholly-owned subsidiaries. The wholly-owned subsidiary was subsequently notified by the SFC that the arrangements relating to the sale and purchase of hotel units in The Apex Horizon appeared to constitute a Collective Investment Scheme (as defined by the SFO). Arrangements for cancellation of the transactions were made, and the cancellation had no material impact on the Cheung Kong Property Group's results of operations.

Turnover and profit contribution from property and project management

Turnover from property and project management increased by HK$134 million, or 34.0%, to HK$528 million in 2014 from HK$394 million in 2013, primarily due to the growth in the property management business in the PRC and an increase in the total floor area of properties under the Cheung Kong Property Group's management following the completion of certain property development projects. The total floor area of properties under the Cheung Kong Property Group's management was approximately 8.3 million sq.m. and 8.5 million sq.m. as at 31 December 2013 and 2014, respectively.

Profit contribution from property and project management of the Cheung Kong Property Group's subsidiaries increased by HK$21 million, or 15.8%, to HK$154 million in 2014 from HK$133 million in 2013, primarily due to the reasons discussed above.

Profit contribution from property and project management attributable to joint ventures increased by HK$15 million, or 32.6%, to HK$61 million in 2014 from HK$46 million in 2013, primarily due to an increase in the number of properties under the joint ventures' management.

Investment and Other Income

Investment and other income increased by HK$689 million, or 725.3%, to HK$784 million in 2014 from HK$95 million in 2013, primarily due to (i) a decrease in exchange losses, (ii) a gain on the disposal of certain unlisted equity investments available for sale and (iii) an increase in the amount of dividend income received from REITs.

Operating Costs

Operating costs increased by HK$4,997 million, or 47.1%, to HK$15,609 million in 2014 from HK$10,612 million in 2013, primarily due to an increase in property and related costs.

Property and related costs increased by HK$4,974 million, or 62.1%, to HK$12,985 million in 2014 from HK$8,011 million in 2013, primarily due to an increase in cost of properties sold resulting from increased property sales in Hong Kong in 2014.

Service fees increased by HK$56 million, or 6.7%, to HK$892 million in 2014 from HK$836 million in 2013, primarily due to an increase in the amount of property sales-related service fee resulting from increased property sales in Hong Kong in 2014.

Salaries and related costs decreased by HK$31 million, or 5.6%, to HK$525 million in 2014 from HK$556 million in 2013, primarily due to a decrease in staff costs in connection with hotels and serviced suites as a result of leasing out the food and beverage outlets at certain hotels for rental income instead of self-operating.

Interest and other finance costs increased by HK$39 million, or 5.0%, to HK$815 million in 2014 from HK$776 million in 2013, primarily due to less interest capitalised in property projects being developed and more interest being expensed in 2014.

Depreciation decreased by HK$15 million, or 5.0%, to HK$286 million in 2014 from HK$301 million in 2013, primarily due to lower depreciation as a result of certain fixed assets at hotels and serviced suites being fully depreciated in 2014.

Other expenses decreased by HK$26 million, or 19.7%, to HK$106 million in 2014 from HK$132 million in 2013, primarily due to a decrease in certain administrative costs, including donations.

Share of Net Profit of Joint Ventures

Share of net profit of joint ventures decreased by HK$1,196 million, or 29.7%, to HK$2,835 million in 2014 from HK$4,031 million in 2013, primarily due to lower sales volume with lower selling prices in certain cities in the PRC. On the other hand, as mentioned under "– *Profit on Disposal of Joint Ventures*" below, the Cheung Kong Property Group made a profit on the disposal of its interests in a joint venture which held Oriental Financial Center in 2014.

Increase in Fair Value of Investment Properties

Increase in fair value of investment properties increased by HK$2,760 million, or 154.9%, to HK$4,542 million in 2014 from HK$1,782 million in 2013. The increase in 2014 was due to increases in average rental rates and also reflected an improvement in property market conditions.

Profit on Disposal of Investment Properties

The Cheung Kong Property Group recorded profit on disposal of investment properties of HK$2,760 million in 2013 due to the disposal of Kingswood Ginza in 2013. There was no such profit on disposal of investment properties in 2014.

Surplus on Loss of Control of Interest in Subsidiaries

The Cheung Kong Property Group did not record a surplus on loss of control of interest in subsidiaries in 2013 or 2014.

Profit on Disposal of Joint Ventures

Profit on disposal of joint ventures increased by HK$1,551 million, or 194.4%, to HK$2,349 million in 2014 from HK$798 million in 2013, primarily reflecting a higher amount of profit made on the disposal of interests in a joint venture which held Oriental Financial Center in 2014 as compared to the disposal of interests in a joint venture which held The Metropolitan Plaza in 2013.

Operating Profit

As a result of the foregoing, operating profit increased by HK$3,074 million, or 19.4%, to HK$18,939 million in 2014 from HK$15,865 million in 2013.

Share of Net Profit of Associates

Share of net profit of associates remained at HK$1 million for 2013 and 2014.

Profit before Taxation

As a result of the foregoing, the Cheung Kong Property Group's profit before taxation increased by HK$3,074 million, or 19.4%, to HK18,940 million in 2014 from HK$15,866 million in 2013.

Taxation

Taxation expenses increased by HK$182 million, or 12.6%, to HK$1,624 million in 2014 from HK$1,442 million in 2013, primarily due to an increase in the amount of taxable income in Hong Kong as a result of an increase in sales of properties in Hong Kong.

Profit for the Year

As a result of the foregoing, profit for the year increased by HK$2,892 million, or 20.0%, to HK$17,316 million in 2014 from HK$14,424 million in 2013.

Profit for the Year Attributable to Shareholders of the Cheung Kong Property Group

As a result of the foregoing, profit for the year attributable to shareholders increased by HK$2,916 million, or 20.6%, to HK$17,068 million in 2014 from HK$14,152 million in 2013.

Profit for the Year Attributable to Non-Controlling Interests

Profit for the year attributable to non-controlling interests decreased by HK$24 million, or 8.8%, to HK$248 million in 2014 from HK$272 million in 2013, primarily due to a decrease in profit generated from a non-wholly owned subsidiary as the result of the disposal of Kingswood Ginza in 2013.

2013 Compared to 2012

Turnover and Profit Contribution

Turnover from the Cheung Kong Property Group decreased by HK$2,181 million, or 11.4%, to HK$17,011 million in 2013 from HK$19,192 million in 2012, primarily due to a decrease in turnover from property sales in Hong Kong, which was partially offset by an increase in turnover from property sales outside of Hong Kong, including the PRC.

Profit contribution from the Cheung Kong Property Group's subsidiaries decreased by HK$415 million, or 5.2%, to HK$7,605 million in 2013 from HK$8,020 million in 2012, primarily due to a decrease in profit contribution from property sales in Hong Kong, which was partially offset by an increase in profit contribution from property sales in the PRC. Profit contribution from joint ventures increased by HK$858 million, or 16.3%, to HK$6,135 million in 2013 from HK$5,277 million in 2012, primarily due to an increase in the share of profit contribution from joint ventures' property sales in the PRC.

Turnover and profit contribution from property sales

Turnover from the Cheung Kong Property Group's property sales decreased by HK$2,326 million, or 15.9%, to HK$12,288 million in 2013 from HK$14,614 million in 2012, primarily due to a decrease in property sales in Hong Kong as a result of the new government regulations and measures, which was partially offset by increased property sales outside of Hong Kong, including the PRC. Property sales recognised included five completed property projects in Hong Kong and one completed property project in the PRC. The total saleable area of properties recognised was 158,401 sq.m. and 218,268 sq.m. in 2012 and 2013, respectively, and the average selling price was HK$82,348 per sq.m. and HK$53,402 per sq.m., respectively, for the same periods.

Profit contribution from property sales of the Cheung Kong Property Group's subsidiaries decreased by HK$575 million, or 10.9%, to HK$4,686 million in 2013 from HK$5,261 million in 2012, primarily due to the reasons discussed above.

Profit contribution from property sales of joint ventures increased by HK$831 million, or 17.9%, to HK$5,486 million in 2013 from HK$4,655 million in 2012, primarily due to an increase in sales volume and more property developments being completed in 2013. Property sales recognised included 28 completed property projects in the PRC. The total saleable area of properties recognised was 631,292 sq.m. and 728,173 sq.m. in 2012 and 2013, respectively, and the average selling price was HK$18,516 per sq.m. and HK$20,683 per sq.m., respectively, for the same periods.

Turnover and profit contribution from property rental

Turnover from property rental increased by HK$94 million, or 5.0%, to HK$1,961 million in 2013 from HK$1,867 million in 2012, due to increased rental income for retail properties in Hong Kong, which has benefited from the growing number of tourists from the PRC. The total LFA was 172,423 sq.m. and 172,475 sq.m. as at 31 December 2012 and 2013, respectively, and the average rental rate was HK$768 per sq.m. and HK$852 per sq.m. for the years ended 31 December 2012 and 2013, respectively.

Profit contribution from property rental of the Cheung Kong Property Group's subsidiaries increased by HK$91 million, or 5.3%, to HK$1,795 million in 2013 from HK$1,704 million in 2012, primarily due to the reasons discussed above.

Profit contribution from property rental attributable to joint ventures increased by HK$47 million, or 17.1%, to HK$322 million in 2013 from HK$275 million in 2012, due to increased rental for retail properties in the PRC as the result of an improvement in property market conditions.

Turnover and profit contribution from hotels and serviced suites

Turnover from hotels and serviced suites operations increased slightly by HK$18 million, or 0.8% to HK$2,368 million in 2013 from HK$2,350 million in 2012, primarily due to the steady demand for hotels and serviced suites in Hong Kong resulting from active inbound tourism and business travelers. The total number of available rooms was 8,432 and 8,397 in 2012 and 2013, respectively. During the same periods, the average occupancy rate was 90.0% and 89.2%, respectively, and the average room rate was HK$603 and HK$613, respectively.

Profit contribution from hotels and serviced suite operations of the Cheung Kong Property Group's subsidiaries increased by HK$60 million, or 6.4%, to HK$991 million in 2013 from HK$931 million in 2012, primarily due to the reasons discussed above.

Profit contribution from hotels and serviced suite operations attributable to joint ventures decreased by HK$21 million, or 7.0%, to HK$281 million in 2013 from HK$302 million in 2012, primarily due to the disposal of interests in a joint venture which held Metropark Lido Hotel in 2012.

Turnover and profit contribution from property and project management

Turnover from property and project management increased by HK$33 million, or 9.1% to HK$394 million in 2013 from HK$361 million in 2012, due to the growth in the number of properties and/or total floor area of properties under the Cheung Kong Property Group's management. The total floor area of properties under the Cheung Kong Property Group's management was 8.1 million sq.m. and 8.3 million sq.m. in 2012 and 2013, respectively.

Profit contribution from property and project management of the Cheung Kong Property Group's subsidiaries increased by HK$9 million, or 7.3%, to HK$133 million in 2013 from HK$124 million in 2012, primarily due to the reasons discussed above.

Profit contribution from property and project management attributable to joint ventures remained relatively stable at HK$45 million and HK$46 million in 2012 and 2013, respectively.

Investment and Other Income

Investment and other income remained relatively stable at HK$94 million and HK$95 million in 2012 and 2013, respectively.

Operating Costs

Operating costs decreased by HK$1,839 million, or 14.8%, to HK$10,612 million in 2013 from HK$12,451 million in 2012, primarily due to a decrease in property and related costs as a result of a decrease in property sales during this period.

Property and related costs decreased by HK$1,837 million, or 18.7%, to HK$8,011 million in 2013 from HK$9,848 million in 2012, primarily due to a decrease in cost of properties sold resulting from a decrease in property sales in Hong Kong in 2013.

Service fees decreased by HK$135 million, or 13.9%, to HK$836 million in 2013 from HK$971 million in 2012, primarily due to a decrease in the amount of property sales-related service fee resulting from decreased property sales in Hong Kong in 2013.

Salaries and related costs increased by HK$14 million, or 2.6%, to HK$556 million in 2013 from HK$542 million in 2012, primarily due to an increase in staff costs in connection with the property and project management operations as a result of the increase in the number of properties under their management.

Interest and other finance costs increased by HK$126 million, or 19.4%, to HK$776 million in 2013 from HK$650 million in 2012, primarily due to an increase in average interest rate in relation to amounts due to the Cheung Kong Group.

Depreciation decreased by HK$12 million, or 3.8%, to HK$301 million in 2013 from HK$313 million in 2012, primarily due to lower depreciation as a result of certain fixed assets at the hotels and serviced suites being fully depreciated in 2013.

Other expenses increased by HK$5 million, or 3.9%, to HK$132 million in 2013 from HK$127 million in 2012, primarily due to an increase in the amount of donations made.

Share of Net Profit of Joint Ventures

Share of net profit of joint ventures decreased by HK$1,449 million, or 26.4%, to HK$4,031 million in 2013 from HK$5,480 million in 2012, primarily due to the gain resulting from a joint venture disposing of its interest in an entity which held Marina Bay Financial Centre, a commercial property in Singapore, in 2012. There was no such gain in 2013.

Increase in Fair Value of Investment Properties

Increase in fair value of investment properties decreased by HK$2,688 million, or 60.1%, to HK$1,782 million in 2013 from HK$4,470 million in 2012, primarily due to the reduced rate at which property valuation grew in 2013.

Profit on Disposal of Investment Properties

The Cheung Kong Property Group recorded profit on disposal of investment properties of HK$2,760 million in 2013 due to the disposal of Kingswood Ginza in 2013. There was no such profit on disposal of investment properties in 2012.

Surplus on Loss of Control of Interest in Subsidiaries

The Cheung Kong Property Group recorded a surplus on loss of control of interest in subsidiaries of HK$1,077 million in 2012 due to the disposal of its controlling interest in Sheraton Shenyang Lido Hotel in 2012. There was no such surplus in 2013.

Profit on Disposal of Joint Ventures

Profit on disposal of joint ventures increased by HK$348 million, or 77.3%, to HK$798 million in 2013 from HK$450 million in 2012, as a result of higher amount of profit made on the disposal of interests in a joint venture which held The Metropolitan Plaza in 2013 as compared to the disposal of interests in a joint venture which held the Metropark Lido Hotel in 2012.

Operating Profit

As a result of the foregoing, operating profit decreased by HK$2,447 million, or 13.4%, to HK$15,865 million in 2013 from HK$18,312 million in 2012.

Share of Net Profit of Associates

Share of net profit of associates remained at HK$1 million for 2012 and 2013.

Profit before Taxation

As a result of the foregoing, the Cheung Kong Property Group's profit before taxation decreased by HK$2,447 million, or 13.4%, to HK$15,866 million in 2013 from HK$18,313 million in 2012.

Taxation

Taxation expenses increased by HK$192 million, or 15.4%, to HK$1,442 million in 2013 from HK$1,250 million in 2012, primarily due to an increase in taxable income resulting from higher property sales volume in the PRC in 2013.

Profit for the Year

As a result of the foregoing, profit for the year decreased by HK$2,639 million, or 15.5%, to HK$14,424 million in 2013 from HK$17,063 million in 2012.

Profit for the Year Attributable to Shareholders of the Cheung Kong Property Group

As a result of the foregoing, profit for the year attributable to shareholders decreased by HK$2,778 million, or 16.4%, to HK$14,152 million in 2013 from HK$16,930 million in 2012.

Profit for the Year Attributable to Non-Controlling Interests

Profit for the year attributable to non-controlling interests increased by HK$139 million, or 104.5%, to HK$272 million in 2013 from HK$133 million in 2012, primarily due to increased property sales in Hong Kong in 2013 generated by non wholly-owned subsidiaries.

The Hutchison Property Group

The following table sets forth the Hutchison Property Group's results of operations for the periods indicated:

	Year ended 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Turnover	**6,237**	**6,676**	**6,901**
Investment and other income	128	139	148
Operating costs			
Property and related costs	(904)	(960)	(974)
Salaries and related expenses	(1,202)	(1,289)	(1,318)
Interest and other finance costs	(1,094)	(1,099)	(1,222)
Depreciation and amortisation	(200)	(177)	(178)
Other expenses	(246)	(202)	(149)
	(3,646)	(3,727)	(3,841)
Share of net profit of joint ventures	4,959	3,763	2,342
Increase in fair value of investment properties	859	17	28,088
Profit on disposal of investments and others	167	3,067	2,807
Operating profit	8,704	9,935	36,445
Share of net profit of associates	199	120	399
Profits before taxation	**8,903**	**10,055**	**36,844**
Taxation	(425)	(663)	(885)
Profit for the year	**8,478**	**9,392**	**35,959**
Attributable to:			
Shareholders of the Hutchison Property Group	8,179	9,110	35,569
Non-controlling interests	299	282	390
Profit for the year	**8,478**	**9,392**	**35,959**

The following table sets forth the Hutchison Property Group's turnover and its share of property sales attributable to its interests in joint ventures for the Track Record Period:

	Year ended 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Property rental	3,318	3,682	3,995
Hotels and serviced suites	2,221	2,196	2,230
Property and project management	698	798	676
Hutchison Property Group turnover	**6,237**	**6,676**	**6,901**
Share of property sales of joint ventures	11,805	15,233	6,845
Total	**18,042**	**21,909**	**13,746**

The following table sets out a breakdown of profit contribution from the Hutchison Property Group's subsidiaries and profit contribution from the Hutchison Property Group's attributable interests in joint ventures and associates by operating activity for the Track Record Period:

	Hutchison Property Group						Joint Ventures and Associates						Total					
	Year ended 31 December						Year ended 31 December						Year ended 31 December					
	2012		2013		2014		2012		2013		2014		2012		2013		2014	
	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)	(HK$ million)	(%)
Property sales	–	–	–	–	–	–	6,219	90.7	6,039	90.6	1,903	75.9	6,219	59.0	6,039	56.4	1,903	28.0
Property rental	2,959	80.3	3,343	82.6	3,617	84.5	381	5.5	378	5.7	361	14.4	3,340	31.7	3,721	34.7	3,978	58.6
Hotels and serviced suites	681	18.5	692	17.1	705	16.5	259	3.8	245	3.7	244	9.7	940	8.9	937	8.8	949	14.0
Property and project management	43	1.2	13	0.3	(42)	(1.0)	–	–	–	–	–	–	43	0.4	13	0.1	(42)	(0.6)
Total	**3,683**	**100.0**	**4,048**	**100.0**	**4,280**	**100.0**	**6,859**	**100.0**	**6,662**	**100.0**	**2,508**	**100.0**	**10,542**	**100.0**	**10,710**	**100.0**	**6,788**	**100.0**

2014 Compared to 2013

Turnover and Profit Contribution

Turnover increased by HK$225 million, or 3.4%, to HK$6,901 million in 2014 from HK$6,676 million in 2013, primarily due to an increase in turnover from property rental.

Profit contribution from the Hutchison Property Group's subsidiaries increased by HK$232 million, or 5.7%, to HK$4,280 million in 2014 from HK$4,048 million in 2013, primarily due to an increase in profit contribution from property rental.

Profit contribution from joint ventures and associates decreased by HK$4,154 million, or 62.4% to HK$2,508 million in 2014 from HK$6,662 million in 2013, primarily due to a decrease in profit contribution from property sales of joint ventures in the PRC.

Turnover and profit contribution from property sales

During the Track Record Period, the Hutchison Property Group conducted sales of properties through joint ventures and generated its share of property sales attributable to its interests in joint ventures. The share of property sales of joint ventures was not consolidated in the Hutchison Property Group's combined income statement due to the relevant IFRS rules. The Hutchison Property Group's share of property sales attributable to its interests in joint ventures decreased by HK$8,388 million, or 55.1%, to HK$6,845 million in 2014 from HK$15,233 million in 2013, primarily due to lower sales volume in the PRC along with lower selling prices in certain cities in the PRC. Property sales recognised through joint ventures included 25 completed property projects in the PRC, two completed property projects in Singapore and one completed property project in The Bahamas. The total saleable area of properties recognised was 726,842 sq.m. and 316,856 sq.m. in 2013 and 2014, respectively, and the average selling price was HK$20,958 per sq.m. and HK$21,603 per sq.m., respectively, for the same periods.

Profit contribution from share of property sales of joint ventures decreased by HK$4,136 million, or 68.5%, to HK$1,903 million in 2014 from HK$6,039 million in 2013, primarily due to the reasons discussed above.

Turnover and profit contribution from property rental

Turnover from property rental increased by HK$313 million, or 8.5%, to HK$3,995 million in 2014 from HK$3,682 million in 2013, primarily due to higher rental renewal rates in Hong Kong as the result of strong demand for the relatively limited supply of Grade A office buildings and the increase in rental rates for retail properties driven by higher levels of consumer spending. The total LFA was 967,337 sq.m. and 964,021 sq.m. as at 31 December 2013 and 2014, respectively, and the average rental price was HK$313 per sq.m. and HK$342 per sq.m. for the years ended 31 December 2013 and 2014, respectively.

Profit contribution from property rental of the Hutchison Property Group's subsidiaries increased by HK$274 million, or 8.2%, to HK$3,617 million in 2014 from HK$3,343 million in 2013, primarily due to the reasons discussed above.

Profit contribution from property rental attributable to joint ventures and associates decreased by HK$17 million, or 4.5%, to HK$361 million in 2014 from HK$378 million in 2013, primarily due to the disposal of interests in a joint venture which held The Metropolitan Plaza in 2013.

Turnover and profit contribution from hotels and serviced suites

Turnover from hotels and serviced suites increased by HK$34 million, or 1.5%, to HK$2,230 million in 2014 from HK$2,196 million in 2013, primarily due to improved results from hotel operations in The Bahamas during the year as the result of higher occupancy rates and the leasing of a hotel complex to a third party hotel operator, which was partially offset by lower average occupancy and room rates in the hotel operations in the PRC and certain hotels in Hong Kong as the result of more subdued market conditions in the PRC and certain hotels facing keen market competition. The total number of available rooms was 5,057 in both 2013 and 2014. During the same periods, the average occupancy rate was 80.4% and 81.3%, respectively, and the average room rate was HK$1,073 and HK$1,059, respectively.

Profit contribution from hotels and serviced suites of the Hutchison Property Group's subsidiaries increased by HK$13 million, or 1.9%, to HK$705 million in 2014 from HK$692 million in 2013, primarily due to the reasons discussed above.

Profit contribution from hotels and serviced suites attributable to joint ventures and associates remained stable at HK$245 million and HK$244 million in 2013 and 2014, respectively.

Turnover and profit contribution from property and project management

Turnover from property and project management decreased by HK$122 million, or 15.3%, to HK$676 million in 2014 from HK$798 million in 2013, primarily due to lower sales volume and the deferred completion of certain development projects in the PRC. The total floor area of properties under the Hutchison Property Group's management was 10 million sq.m. and 12 million sq.m. as at 31 December 2013 and 2014, respectively.

Profit contribution from property and project management of the Hutchison Property Group's subsidiaries amounted to HK$13 million in 2013, and amounted to a loss of HK$42 million in 2014. The loss incurred in 2014 was primarily due to lower sales volume and delayed completion of certain development projects in the PRC, as well as an increase in project management costs.

The Hutchison Property Group did not generate profit contribution from property and project management from joint ventures and associates during the Track Record Period.

Investment and Other Income

Investment and other income increased by HK$9 million, or 6.5%, to HK$148 million in 2014 from HK$139 million in 2013, primarily due to the increase in dividend income from Hui Xian REIT.

Operating Costs

Operating costs increased by HK$114 million, or 3.1%, to HK$3,841 million in 2014 from HK$3,727 million in 2013, due to an overall increase in costs.

Property and related costs increased slightly by HK$14 million, or 1.5%, to HK$974 million in 2014 from HK$960 million in 2013, primarily due to an overall increase in various hotel operating costs, including food and beverage costs, utilities costs and repair and maintenance costs in 2014.

Salaries and related expenses increased slightly by HK$29 million, or 2.2%, to HK$1,318 million in 2014 from HK$1,289 million in 2013, primarily due to an increase in wages, salaries, allowances and bonuses as the result of general inflation, despite a decrease in total head count.

Interest and other finance costs increased by HK$123 million, or 11.2%, to HK$1,222 million in 2014 from HK$1,099 million in 2013, primarily due to higher interest rates on our borrowings.

Depreciation and amortisation remained stable at HK$177 million and HK$178 million in 2013 and 2014, respectively.

Other expenses decreased by HK$53 million, or 26.2%, to HK$149 million in 2014 from HK$202 million in 2013, primarily due to compensation income recorded in 2014 relating to the repossession of land in relation to a joint development project.

Share of Net Profit of Joint Ventures

Share of net profit of joint ventures decreased by HK$1,421 million, or 37.8%, to HK$2,342 million in 2014 from HK$3,763 million in 2013, primarily due to lower sales volume in the PRC along with lower selling prices in certain cities in the PRC.

Increase in Fair Value of Investment Properties

The increase in fair value of investment properties increased significantly by HK$28,071 million to HK$28,088 million in 2014 from HK$17 million in 2013, due to the improvement in market conditions in 2014 as the result of high global liquidity and easing of investor concerns over a potential increase in interest rates, which boosted the overall investor confidence and sentiment. As a result of the changes in market conditions, the independent property valuers changed certain assumptions used to value the investment properties, including reducing the weighted average capitalisation rate used from 8.7% as at 31 December 2013 to 6.1% as at 31 December 2014.

Profits on Disposal of Investments and Others

Profits on disposal of investments and others decreased by HK$260 million, or 8.5%, to HK$2,807 million in 2014 from HK$3,067 million in 2013, primarily due to the disposal of fewer properties in Hong Kong in 2014, which was partially offset by the gain from the disposal of the Hutchison Property Group's interests in a joint venture which held the Oriental Financial Center in 2014.

Share of Net Profit of Associates

Share of net profit of associates increased by HK$279 million, or 232.5%, to HK$399 million in 2014 from HK$120 million in 2013, primarily due to an increase in the fair value of investment properties held by associates.

Profit before Taxation

As a result of the foregoing, the Hutchison Property Group's profit before taxation increased by HK$26,789 million, or 266.4%, to HK$36,844 million in 2014 from HK$10,055 million in 2013.

Taxation

Taxation expenses increased by HK$222 million, or 33.5%, to HK$885 million in 2014 from HK$663 million in 2013, primarily due to the provision of withholding tax upon the disposal of the Hutchison Property Group's interests in a joint venture which held the Oriental Financial Center in 2014.

Profit for the Year

As a result of the foregoing, profit for the year increased by HK$26,567 million, or 282.9%, to HK$35,959 million in 2014 from HK$9,392 million in 2013.

Profit for the Year Attributable to Shareholders of the Hutchison Property Group

As a result of the foregoing, profit for the year attributable to shareholders of the Hutchison Property Group increased by HK$26,459 million, or 290.4%, to HK$35,569 million in 2014 from HK$9,110 million in 2013.

Profit for the Year Attributable to Non-Controlling Interests

Profit for the year attributable to non-controlling interests increased by HK$108 million, or 38.3%, to HK$390 million in 2014 from HK$282 million in 2013, primarily due to the share of compensation income recorded in 2014 attributable to non-controlling interests and an increase in the fair value of investment properties attributable to non-controlling interests.

2013 Compared to 2012

Turnover and Profit Contribution

Turnover increased by HK$439 million, or 7.0%, to HK$6,676 million in 2013 from HK$6,237 million in 2012, primarily due to an increase in turnover from property rental.

Profit contribution from the Hutchison Property Group's subsidiaries increased by HK$365 million, or 9.9%, to HK$4,048 million in 2013 from HK$3,683 million in 2012, primarily due to an increase in profit contribution from property rental. Profit contribution from joint ventures and associates decreased by HK$197 million, or 2.9%, to HK$6,662 million in 2013 from HK$6,859 million in 2012, primarily due to the disposal of the Hutchison Property Group's interests in Marina Bay Financial Centre, a commercial property in Singapore, in 2012.

Turnover and profit contribution from property sales

During the Track Record Period, the Hutchison Property Group conducted sales of properties through joint ventures and generated its share of property sales attributable to its interests in joint ventures. The share of property sales of joint ventures was not consolidated in the Hutchison Property Group's combined income statement due to the relevant IFRS rules. The Hutchison Property Group's

share of property sales attributable to its interests in joint ventures increased by HK$3,428 million, or 29.0%, to HK$15,233 million in 2013 from HK$11,805 million in 2012, primarily due to increased sales volume and more development projects being completed in 2013. Property sales recognised through joint ventures included one completed property project in Hong Kong, twenty-six completed property projects in the PRC, one completed property project in Singapore and one completed property project in The Bahamas. The total saleable area of properties recognised was 629,457 sq.m. and 726,842 sq.m. in 2012 and 2013, respectively, and the average selling price was HK$18,754 per sq.m. and HK$20,958 per sq.m., respectively, for the same periods.

Profit contribution from property sales of joint ventures decreased by HK$180 million, or 2.9%, to HK$6,039 million in 2013 from HK$6,219 million in 2012, primarily due to the disposal of the Hutchison Property Group's interests in Marina Bay Financial Centre in 2012.

Turnover and profit contribution from property rental

Turnover from property rental increased by HK$364 million, or 11.0%, to HK$3,682 million in 2013 from HK$3,318 million in 2012, primarily due to higher rental rates and occupancy levels in Hong Kong as a result of strong demand for the relatively limited supply of Grade A office buildings and the increase in rental rates for retail properties driven by higher levels of consumer spending. The total LFA was 981,316 sq.m. and 967,337 sq.m. as at 31 December 2012 and 2013, respectively, and the average rental price was HK$282 per sq.m. and HK$313 per sq.m. for the years ended 31 December 2012 and 2013, respectively.

Profit contribution from property rental of the Hutchison Property Group's subsidiaries increased by HK$384 million, or 13.0%, to HK$3,343 million in 2013 from HK$2,959 million in 2012, primarily due to the reasons discussed above.

Profit contribution from property rental attributable to joint ventures and associates remained relatively stable at HK$381 million and HK$378 million in 2012 and 2013, respectively.

Turnover and profit contribution from hotels and serviced suites

Turnover from hotels and serviced suites decreased by HK$25 million, or 1.1%, to HK$2,196 million in 2013 from HK$2,221 million in 2012, primarily due to lower average occupancy and room rates in the hotels operations in the PRC and certain hotels in Hong Kong facing keen market competition, as well as certain austerity measures imposed by the PRC government which negatively impacted hotel operations in the PRC. The total number of available rooms was 5,057 in both 2012 and 2013. During the same periods, the average occupancy rate was 83.8% and 80.4%, respectively, and the average room rate was HK$1,038 and HK$1,073, respectively.

Profit contribution from hotels and serviced suites of the Hutchison Property Group's subsidiaries increased by HK$11 million, or 1.6%, to HK$692 million in 2013 from HK$681 million in 2012, primarily due to the better performance of Bahamas Grand Lucayan during 2013.

Profit contribution from hotels and serviced suites attributable to joint ventures and associates decreased by HK$14 million, or 5.4%, to HK$245 million in 2013 from HK$259 million in 2012, primarily due to lower average occupancy rates and room rates in certain hotels in Hong Kong and the PRC for the same reasons as discussed above.

Turnover and profit contribution from property and project management

Turnover from property and project management increased by HK$100 million, or 14.3%, to HK$798 million in 2013 from HK$698 million in 2012, primarily due to higher sales volume and more projects being completed in 2013. The total floor area of properties under our management was 9 million sq.m. and 10 million sq.m. as at 31 December 2012 and 2013, respectively.

Profit contribution from property and project management of the Hutchison Property Group's subsidiaries decreased by HK$30 million, or 69.8%, to HK$13 million in 2013 from HK$43 million in 2012, primarily due to the increase in project management costs.

The Hutchison Property Group did not generate profit contribution from property and project management from joint ventures and associates during the Track Record Period.

Investment and Other Income

Investment and other income increased by HK$11 million, or 8.6%, to HK$139 million in 2013 from HK$128 million in 2012, primarily due to an increase in dividend income from Hui Xian REIT.

Operating Costs

Operating costs increased by HK$81 million, or 2.2%, to HK$3,727 million in 2013 from HK$3,646 million in 2012, primarily due to an increase in staff costs and property and related costs as a result of a general increase in wages and salaries.

Property and related costs increased by HK$56 million, or 6.2%, to HK$960 million in 2013 from HK$904 million in 2012, primarily due to an increase in management and agency expenses, which are accounted for as rental expenses.

Salaries and related expenses increased by HK$87 million, or 7.2%, to HK$1,289 million in 2013 from HK$1,202 million in 2012, primarily due to an increase in wages, salaries, allowances and bonuses as the result of general inflation.

Interest and other finance costs remained relatively stable at HK$1,094 million and HK$1,099 million in 2012 and 2013, respectively.

Depreciation and amortisation decreased by HK$23 million, or 11.5%, to HK$177 million in 2013 from HK$200 million in 2012, primarily due to lower depreciation on certain hotel properties as the result of certain assets at the hotels being fully depreciated.

Other expenses decreased by HK$44 million, or 17.9%, to HK$202 million in 2013 from HK$246 million in 2012, primarily due to an increase in the exchange gain recognised by a subsidiary.

Share of Net Profit of Joint Ventures

Share of net profit of joint ventures decreased by HK$1,196 million, or 24.1%, to HK$3,763 million in 2013 from HK$4,959 million in 2012, primarily due to the share of profit recognised from the disposal of the Hutchison Property Group's interests in Marina Bay Financial Centre in 2012.

Increase in Fair Value of Investment Properties

Increase in fair value of investment properties decreased by HK$842 million, or 98.0%, to HK$17 million in 2013 from HK$859 million in 2012, which was primarily due to a relatively stable property market in 2013.

Profits on Disposal of Investments and Others

Profits on disposal of investments and others increased significantly by HK$2,900 million to HK$3,067 million in 2013 from HK$167 million in 2012, primarily due to the disposal in 2013 of the Hutchison Property Group's interests in certain office and residential properties in Hong Kong, including Trust Tower, and in a joint venture which held The Metropolitan Plaza.

Share of Net Profit of Associates

Share of net profit of associates decreased by HK$79 million, or 39.7%, to HK$120 million in 2013 from HK$199 million in 2012, primarily due to the reclassification of an associate as a joint venture in 2013.

Profit before Taxation

As a result of the foregoing, the Hutchison Property Group's profit before taxation increased by HK$1,152 million, or 12.9%, to HK$10,055 million in 2013 from HK$8,903 million in 2012.

Taxation

Taxation expenses increased by HK$238 million, or 56.0%, to HK$663 million in 2013 from HK$425 million in 2012, primarily due to an increase in taxable income in 2013, along with the provision of withholding tax on the disposal of the Hutchison Property Group's interests in a joint venture which held The Metropolitan Plaza in 2013.

Profit for the Year

As a result of the foregoing, profit for the year increased by HK$914 million, or 10.8%, to HK$9,392 million in 2013 from HK$8,478 million in 2012.

Profit for the Year attributable to Shareholders of the Hutchison Property Group

As a result of the foregoing, profit for the year attributable to shareholders of the Hutchison Property Group increased by HK$931 million, or 11.4%, to HK$9,110 million in 2013 from HK$8,179 million in 2012.

Profit for the Year attributable to Non-Controlling Interests

Profit for the year attributable to non-controlling interests decreased by HK$17 million, or 5.7%, to HK$282 million in 2013 from HK$299 million in 2012, primarily due to the share of certain tax provisions written back in 2012 attributable to the non-controlling interests.

CERTAIN ITEMS OF STATEMENTS OF FINANCIAL POSITION

Investment Properties

The Cheung Kong Property Group and the Hutchison Property Group hold certain properties for long-term investment purposes and for recurring rental income and/or capital appreciation.

The Cheung Kong Property Group

During the Track Record Period, the investment properties held by the Cheung Kong Property Group primarily comprised retail shopping malls and commercial office properties in Hong Kong. As at 31 December 2012, 2013 and 2014, independent property valuers valued the Cheung Kong Property Group's investment properties at HK$29,656 million, HK$28,777 million and HK$33,285 million, respectively. The increase from 31 December 2013 to 31 December 2014 was primarily due to the increase in fair value recorded from retail shopping malls and commercial office properties in Hong Kong as a result of an increase in the rental rates at these properties due to the prevailing market conditions. The decrease from 31 December 2012 to 31 December 2013 was primarily attributable to the disposal of Kingswood Ginza which resulted in a lesser amount of increase in fair value recorded.

During the same periods, the Cheung Kong Property Group recorded increases in fair value of investment properties of HK$4,470 million, HK$1,782 million and HK$4,542 million, respectively. The increases in the fair value of the Cheung Kong Property Group's investment properties during the Track Record Period were primarily due to increases in the market value of the properties, resulting from higher rental rates, as well as an improvement in property market conditions during the Track Record Period. However, the increase in fair value grew slower in 2013 due to the reduced rate at which property valuation grew during this period as the result of the property market remaining relatively stable in 2012 and 2013.

The following table sets out the changes in the total fair value of the Cheung Kong Property Group's investment properties as at the dates indicated:

	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Investment properties in Hong Kong			
At 1 January	25,180	29,656	28,777
Additions/Cost adjustments	6	2	(34)
Disposals	–	(2,663)	–
Increase in fair value	4,470	1,782	4,542
At 31 December	**29,656**	**28,777**	**33,285**

The Hutchison Property Group

The Hutchison Property Group's investment properties comprised commercial properties, office properties, residential properties and industrial properties in Hong Kong and the PRC and leased space in hotels in Hong Kong and The Bahamas. As at 31 December 2012, 2013 and 2014, independent property valuers valued the Hutchison Property Group's investment properties at HK$45,983 million, HK$44,717 million and HK$72,905 million, respectively. The increase from 31 December 2013 to 31

December 2014 was primarily due to the increase in fair value of investment properties in 2014 as discussed below. The decrease from 31 December 2012 to 31 December 2013 was primarily attributable to (i) the disposal of subsidiaries of HK$573 million and (ii) the transfer of a residential investment property which was previously leased out to property, plant and equipment after converting it for the Hutchison Property Group's own use in 2013. The residential investment property was subsequently partially disposed of in 2014.

During the same period, the Hutchison Property Group recorded increases in fair value of investment properties of HK$859 million, HK$17 million and HK$28,088 million, respectively. The increase from 31 December 2013 to 31 December 2014 was due to an improvement in market conditions in 2014 as a result of the high global liquidity and easing of investor concerns over a potential increase in interest rates, which boosted the overall investor confidence and sentiment. As a result of the changes in market conditions, the independent property valuers changed certain assumptions used to value the investment properties, including reducing the weighted average capitalisation rate used from 8.7% as at 31 December 2013 to 6.1% as at 31 December 2014. The decrease in the fair value of the Hutchison Property Group's investment properties from 31 December 2012 to 31 December 2013 was primarily due to the smaller valuation gain in 2013 as a result of the property market remaining relatively stable in 2012 and 2013.

The following table sets out the changes in the fair value of the Hutchison Property Group's investment properties as at the dates indicated:

	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
At 1 January	45,020	45,983	44,717
Additions	228	427	122
Disposals	(34)	(98)	(21)
Disposal of subsidiaries	(90)	(573)	–
Changes in fair value	859	17	28,088
Transfer to fixed assets	–	(1,040)	–
Exchange differences	–	1	(1)
At 31 December	**45,983**	**44,717**	**72,905**

Fixed Assets

Fixed assets primarily comprise land and buildings, including hotels and serviced suites properties held for operation, plant, machinery and equipment and motor vehicles. Fixed assets are generally stated at cost less depreciation and provision for impairment.

The Cheung Kong Property Group

The Cheung Kong Property Group's fixed assets amounted to HK$10,093 million, HK$9,942 million and HK$9,928 million as at 31 December 2012, 2013 and 2014, respectively. The decrease over the Track Record Period was primarily due to the depreciation of the hotels and serviced suites properties in Hong Kong, which exceeded the value of new additions to the properties during the respective periods.

The Hutchison Property Group

The Hutchison Property Group's fixed assets amounted to HK$4,620 million, HK$4,971 million and HK$4,627 million as at 31 December 2012, 2013 and 2014, respectively. The decrease from 31 December 2013 to 31 December 2014 was primarily due to the disposal of certain fixed assets in 2014, namely a residential investment property that was transferred to property, plant and equipment after converting it for the Hutchison Property Group's own use in 2013. The increase from 31 December 2012 to 31 December 2013 was primarily due to certain investment properties being transferred and reclassified as fixed assets.

Associates

Investments in associates are accounted for by incorporating the results of associates in the financial statements and making adjustments as necessary to ensure consistency with the accounting policies of the Cheung Kong Property Group and the Hutchison Property Group.

The Cheung Kong Property Group

As at 31 December 2012, 2013 and 2014, the Cheung Kong Property Group's investments in associates amounted to HK$3 million, HK$3 million and HK$2 million, respectively, and primarily reflected its interest in a property management company in Hong Kong.

The Hutchison Property Group

As at 31 December 2012, 2013 and 2014, the Hutchison Property Group's interests in associates amounted to HK$1,762 million, HK$2,122 million and HK$2,346 million, respectively. The increase from 31 December 2013 to 31 December 2014 was primarily attributable to the increase in share of undistributed post acquisition reserves as a result of an increase in the fair value of investment properties held by associates. The increase from 31 December 2012 to 31 December 2013 was primarily attributable to the increase in amounts due from associates.

The following table sets out a breakdown of the results of the Hutchison Property Group's interests in associates as at the dates indicated:

	As at 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Unlisted shares	832	832	832
Share of undistributed post acquisition reserves	913	952	1,074
Amounts due from associates	158	498	479
	1,903	2,282	2,385
Amounts due to associates	(141)	(160)	(39)
Total	**1,762**	**2,122**	**2,346**

Joint Ventures

Joint ventures represent investments in joint ventures, the share of results less dividends and amounts due from joint ventures. Immediately following completion of the Property Businesses Combination, a substantial portion of the joint ventures between the Cheung Kong Property Group and the Hutchison Property Group will become subsidiaries of the Company and be consolidated into the financial statements of the Group. The financial information of the remaining non-consolidated joint ventures will continue to be recorded as share of net profits from joint ventures under the equity method of accounting.

The Cheung Kong Property Group

During the Track Record Period, the Cheung Kong Property Group held interests in a number of joint ventures. See Note 10 to "*Appendix IA – Accountants' Report on the Cheung Kong Property Group*" for more details.

As at 31 December 2012, 2013 and 2014, the Cheung Kong Property Group's interests in joint ventures amounted to HK$46,069 million, HK$45,306 million and HK$45,895 million, respectively. The increase from 31 December 2013 to 31 December 2014 was primarily attributable to the net increase in amounts due from joint ventures, which was partially offset by the disposal of interests in a joint venture which held Oriental Financial Center in 2014. The decrease from 31 December 2012 to 31 December 2013 was primarily due to a portion of share premiums of certain joint ventures in the PRC being distributed to shareholders and the disposal of interests in a joint venture which held The Metropolitan Plaza in 2013.

The following table sets out the investment results of the Cheung Kong Property Group's joint ventures as at the dates indicated:

	As at 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Investments in unlisted joint ventures	17,803	13,275	13,006
Share of results less dividends	22,071	25,263	23,613
	39,874	38,538	36,619
Amounts due from joint ventures	6,195	6,768	9,276
Total	**46,069**	**45,306**	**45,895**

The Hutchison Property Group

During the Track Record Period, the Hutchison Property Group held interests in a number of joint ventures. See Note 12 to "*Appendix IB – Accountants' Report on the Hutchison Property Group*" for more details.

As at 31 December 2012, 2013 and 2014, the Hutchison Property Group's interests in joint ventures amounted to HK$38,319 million, HK$40,683 million and HK$42,767 million, respectively. The increase from 31 December 2013 to 31 December 2014 was primarily attributable to the increase in the net amounts due from joint ventures. The increase from 31 December 2012 to 31 December 2013 was primarily attributable to the increase in the net amounts due from joint ventures, partially offset by the decrease in the interests in unlisted shares as a result of a portion of share premium being returned to shareholders by joint ventures.

The following table sets out the investment results of the Hutchison Property Group's joint ventures as at the dates indicated:

	As at 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Unlisted shares	17,546	12,992	12,649
Share of undistributed post acquisition reserves	20,141	21,629	20,673
Amounts due from joint ventures	8,573	9,005	11,365
	46,260	43,626	44,687
Amounts due to joint ventures	(7,941)	(2,943)	(1,920)
Total	**38,319**	**40,683**	**42,767**

Stock of Properties

Our property portfolio comprises properties for/under development, joint development projects and properties for sale. Joint development projects refer to property projects that the Cheung Kong Property Group jointly develops with third parties.

The Cheung Kong Property Group

The following table sets out a breakdown of the Cheung Kong Property Group's stock of properties as at the dates indicated:

	As at 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Properties for/under development	48,923	50,638	47,292
Joint development projects	29,746	27,420	21,903
Properties for sale	1,447	1,757	4,064
Total	**80,116**	**79,815**	**73,259**

Properties for/under development

The Cheung Kong Property Group's properties for/under development decreased from HK$50,638 million as at 31 December 2013 to HK$47,292 million as at 31 December 2014, primarily due to the completion of several property projects in Hong Kong, including Kennedy Park at Central, The Rise and Mont Vert Phase I during this period.

The Cheung Kong Property Group's properties for/under development increased from HK$48,923 million as at 31 December 2012 to HK$50,638 million as at 31 December 2013, primarily due to the increase in development costs paid for various property projects in Hong Kong in 2013.

Joint development projects

The Cheung Kong Property Group's joint development projects decreased from HK$27,420 million as at 31 December 2013 to HK$21,903 million as at 31 December 2014, primarily due to the completion of certain joint development projects, including Trinity Towers, City Point and Hemera in Hong Kong in 2014.

The Cheung Kong Property Group's joint development projects decreased from HK$29,746 million as at 31 December 2012 to HK$27,420 million as at 31 December 2013, primarily due to the completion of The Beaumount in Hong Kong in 2013.

Properties for sale

The Cheung Kong Property Group's properties for sale increased from HK$1,757 million as at 31 December 2013 to HK$4,064 million as at 31 December 2014, primarily due to the completion of several property projects, including Mont Vert Phase I and The Rise, in Hong Kong during this period.

The Cheung Kong Property Group's properties for sale increased from HK$1,447 million as at 31 December 2012 to HK$1,757 million as at 31 December 2013, primarily due to the completion of One West Kowloon in Hong Kong in 2013.

The Hutchison Property Group

During the Track Record Period, the Hutchison Property Group's stock of properties comprised properties under development, which represent property development projects in the United Kingdom. As at 31 December 2012, 2013 and 2014, properties under development amounted to HK$1,362 million, HK$1,410 million and HK$1,388 million, respectively.

Debtors, Deposits and Prepayments

The Cheung Kong Property Group

Debtors, deposits and prepayments comprise trade debtors, loan receivables, and deposits and prepayments from purchasers and tenants of the Cheung Kong Property Group's properties. The following table sets out a breakdown of the Cheung Kong Property Group's debtors, deposits and prepayments as at the dates indicated:

	As at 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Trade debtors	1,194	1,512	1,549
Loan receivables	21	13	13
Deposits, prepayments and others	342	306	248
Total	**1,557**	**1,831**	**1,810**
Trade debtors' turnover days [(1)]	**23**	**32**	**24**

Note:

(1) Trade debtors' turnover days is calculated by dividing trade debtors at the end of the period by turnover and multiplying the resulting value by 365 days.

Trade debtors

Trade debtors primarily comprise receivables for sales of properties and property management. The sales terms vary for each property project and are determined by reference to the prevailing market conditions. The increase from 31 December 2013 to 31 December 2014 was primarily due to the increase in turnover from the provision of property management services. The increase in trade debtors from 31 December 2012 to 31 December 2013 was primarily due to the increase in sales of properties in the PRC.

Trade debtors' turnover days decreased from 2013 to 2014, primarily due to more receivables from the increased sale of car park spaces sold in Hong Kong in the latter half of 2013 being settled in 2014. Trade debtors' turnover days increased from 2012 to 2013, primarily due to the increase in debtors from sales of properties in the PRC.

The following table sets forth an ageing analysis of the Cheung Kong Property Group's trade debtors as at the dates indicated:

	As at 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Current to one month	1,154	1,455	1,487
Two to three months	33	40	43
Over three months	7	17	19
Total	**1,194**	**1,512**	**1,549**

The following table sets forth an ageing analysis of the Cheung Kong Property Group's trade debtors past due but not impaired as at the dates indicated:

	As at 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Overdue within one month	47	111	47
Overdue for two to three months	26	34	39
Overdue over three months	7	17	18
Total	**80**	**162**	**104**

Loan receivables

Loan receivables primarily comprise mortgage loan receivables from property purchasers and carry interest at rates with reference to market lending rates. The loans are secured by collateral and other credit enhancements such as charge on assets and guarantees. Loan receivables remained stable at HK$13 million as at 31 December 2013 and 31 December 2014. The decrease in loan receivables from 31 December 2012 to 31 December 2013 was primarily due to payments received from property purchasers.

Deposits, prepayments and others

Deposits, prepayments and others primarily comprise interest receivables and deposits and prepayments for the Cheung Kong Property Group's property development business. The decrease in deposits, prepayments and others from 31 December 2013 to 31 December 2014 was primarily due to the settlement of receivables arising from the disposal of interests in a joint venture which held The

Metropolitan Plaza in 2013. The decrease in deposits, prepayments and others from 31 December 2012 to 31 December 2013 was primarily due to the settlement of receivables due to the disposal of interests in a joint venture which held the Metropark Lido Hotel in 2012.

The Cheung Kong Property Group carries out regular reviews of overdue amounts and implements follow-up actions to minimise credit risk exposures. As at 31 December 2014, overdue trade debtors accounted for 0.6% of the Cheung Kong Property Group's profit for the year and credit risk on trade debtors was determined to be negligible after assessment by the Cheung Kong Property Group. As at 31 January 2015, HK$348 million of the Cheung Kong Property Group's trade debtors as at 31 December 2014 was settled.

The Hutchison Property Group

The following table sets out a breakdown of the Hutchison Property Group's debtors, deposits and prepayments as at the dates indicated:

	As at 31 December		
	2012	**2013**	**2014**
	(HK$ million)	**(HK$ million)**	**(HK$ million)**
Debtors	1,310	1,257	1,408
Other receivables, deposits and prepayments	1,113	3,518	1,765
Total	**2,423**	**4,775**	**3,173**
Debtors' turnover days [(1)]	**77**	**69**	**74**

Note:

(1) Debtors' turnover days is calculated by dividing trade debtors at the end of the period by turnover and multiplying the resulting value by 365 days.

Debtors

Debtors comprise receivables for rentals and for property and project management services. The increase in debtors from 31 December 2013 to 31 December 2014 was primarily due to the increase in turnover. The decrease in debtors from 31 December 2012 to 31 December 2013 was primarily due to higher rates of settlement of rent from tenants.

The increase in debtors' turnover days from 2013 to 2014 was primarily due to the delayed payment of certain receivables for project management services from joint ventures. The decrease in debtors' turnover days from 2012 to 2013 was primarily due to a higher rate of settlement as a result of increased payment collection efforts.

The following table sets out an ageing analysis of the Hutchison Property Group's debtors (presented based on the invoice date) as at the dates indicated:

	As at 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Less than 31 days	279	235	178
Within 31 to 60 days	13	9	14
Within 61 to 90 days	156	133	135
Over 90 days	862	880	1,081
Total	**1,310**	**1,257**	**1,408**

The following table sets out an ageing analysis of the Hutchison Property Group's debtors past due but not impaired as at the dates indicated:

	As at 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Past due less than 31 days	231	192	150
Past due within 31 to 60 days	2	1	12
Past due within 61 to 90 days	153	130	135
Past due over 90 days	851	872	1,081
Total	**1,237**	**1,195**	**1,378**

Debtors past due over 90 days primarily comprise receivables for project management from joint ventures in the PRC. The settlement of such debtors was delayed as the result of remittances from the PRC to Hong Kong being subject to foreign exchange procedures and withholding tax clearance.

Other receivables, deposits and prepayments

Other receivables, deposits and prepayments comprise deposits and prepayments for rental of our properties. The decrease in other receivables, deposits and prepayments from 31 December 2013 to 31 December 2014 was primarily due to the settlement of the receivables that accrued in 2013. The significant increase in other receivables, deposits and prepayments from 31 December 2012 to 31 December 2013 was primarily due to receivables due from the disposal of a property in Hong Kong and certain subsidiaries.

The Hutchison Property Group carries out regular reviews of overdue amounts and implements follow-up actions to minimise credit risk exposures. It also regularly reviews the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts. As at 31 December 2014, overdue debtors and other receivables accounted for 3.8% of the Hutchison Property Group's profit for the year and credit risk on debtors and other receivables after mitigation by utilising collateral and other credit enhancements was determined to be negligible after assessment by the Hutchison Property Group. As at 31 January 2015, HK$112 million of the Hutchison Property Group's debtors as at 31 December 2014 was settled.

Creditors and Accruals

The Cheung Kong Property Group

Creditors and accruals primarily comprise trade creditors, accruals and other creditors and customers' deposits received. The following table sets out a breakdown of the Cheung Kong Property Group's creditors and accruals as at the dates indicated:

	As at 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Trade creditors	2,575	1,082	1,618
Accruals and other creditors	2,526	2,684	2,884
Customers' deposits received	6,998	7,207	5,991
Total	**12,099**	**10,973**	**10,493**
Trade creditors' turnover days [(1)]	**49**	**23**	**25**

Note:

(1) Trade creditors' turnover days is calculated by dividing trade creditors at the end of the period by turnover and multiplying the resulting value by 365 days.

Trade creditors

Trade creditors primarily comprise land and construction cost payables. The increase in trade creditors from 31 December 2013 to 31 December 2014 was primarily due to the increase in construction cost payables as the result of more property completions in 2014. The decrease in trade creditors from 31 December 2012 to 31 December 2013 was primarily due to the settlement of certain land and construction cost payables.

Trade creditors' turnover days remained relatively stable in 2013 and 2014. Trade creditors' turnover days decreased from 2012 to 2013, primarily due to the settlement of outstanding land consideration for a joint development project in Hong Kong for which the Cheung Kong Property Group successfully bid in 2012.

The following table sets out an ageing analysis of the Cheung Kong Property Group's trade creditors as at the dates indicated:

	As at 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Current to one month	2,513	1,071	1,563
Two to three months	38	7	24
Over three months	24	4	31
Total	**2,575**	**1,082**	**1,618**

Accruals and other creditors

Accruals and other creditors primarily comprise accrued construction costs and deposits received from tenants. The increase in accruals and other creditors from 31 December 2012 to 31 December 2013 and further to 31 December 2014 was primarily due to an increase in accrued construction costs and interest expense as a result of more property developments being constructed and completed over time.

Customers' deposits received

Customers' deposits received primarily comprise deposits received for sales of properties. The decrease in customers' deposits received from 31 December 2013 to 31 December 2014 was primarily due to an increase in the portion of deposits recognised as turnover as a result of more property projects being completed in 2014. The increase in customers' deposits received from 31 December 2012 to 31 December 2013 was primarily due to an increase in the number of pre-sold properties in 2013.

Creditors and accrual amounts do not bear interest and are usually settled with reference to the terms offered by the creditors. As at 31 January 2015, HK$295 million of the Cheung Kong Property Group's trade creditors as at 31 December 2014 was settled.

The Hutchison Property Group

Creditors and accruals comprise creditors, other payables and accruals and customers' deposits received. The following table sets out a breakdown of the Hutchison Property Group's creditors and accruals as at the dates indicated:

	As at 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Creditors	79	69	78
Other payables and accruals	2,448	4,254	3,088
Customers' deposits received	576	632	692
Total	**3,103**	**4,955**	**3,858**
Creditors' turnover days (1)	**5**	**4**	**4**

Note:

(1) Creditors' turnover days is calculated by dividing trade creditors at the end of the period by turnover and multiplying the resulting value by 365 days.

Creditors

Creditors comprise rental payments and operating expenditures associated with property and project management. The amount of Hutchison Property Group's creditors remained relatively stable during the Track Record Period.

Creditors' turnover days remained stable during the Track Record Period.

The following table sets out an ageing analysis of the Hutchison Property Group's creditors as at the dates indicated:

	As at 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Less than 31 days	47	54	43
Within 31 to 60 days	13	12	28
Within 61 to 90 days	3	2	3
Over 90 days	16	1	4
Total	**79**	**69**	**78**

Other payables and accruals

Other payables and accruals comprise amounts due to property management funds, deposits from sales and accrued expenses. The decrease in other payables and accruals from 31 December 2013 to 31 December 2014 was primarily due to deposits from sales being written off to our profit and loss account. The significant increase in other payables and accruals from 31 December 2012 to 31 December 2013 was primarily due to deposits received from the sale of a joint venture.

Customers' deposits received

Customers' deposits received comprise deposits received for rental. The increase in customers' deposits received during the Track Record Period was primarily due to the increase in our property rental during this period.

Creditors and accruals do not bear interest and are usually settled within 60 days. As at 31 January 2015, HK$46 million of the Hutchison Property Group's creditors as at 31 December 2014 was settled.

NET CURRENT ASSETS/LIABILITIES

The Cheung Kong Property Group

The following table sets forth the Cheung Kong Property Group's current assets and current liabilities as at the dates indicated:

	As at 31 December			As at 31 January
	2012	2013	2014	2015
	(HK$ million)	(HK$ million)	(HK$ million)	(HK$ million)
Current Assets				
Stock of properties	80,116	79,815	73,259	74,787
Debtors, deposits and prepayments	1,557	1,831	1,810	1,664
Amounts due from the Cheung Kong Group	1,906	975	1,210	1,210
Bank balances and deposits	12,896	10,069	10,354	8,590
Total current assets	**96,475**	**92,690**	**86,633**	**86,251**
Current Liabilities				
Creditors and accruals	(12,099)	(10,973)	(10,493)	(10,606)
Amounts due to the Cheung Kong Group	(91,903)	(79,891)	(70,707)	(69,773)
Borrowings	(300)	–	(250)	(250)
Derivative financial instruments	(518)	–	–	–
Provision for taxation	(275)	(730)	(1,346)	(1,139)
Total current liabilities	**(105,095)**	**(91,594)**	**(82,796)**	**(81,768)**
Net current (liabilities) assets	**(8,620)**	**1,096**	**3,837**	**4,483**

Stock of properties and bank balances and deposits constituted the largest components of the Cheung Kong Property Group's current assets during the Track Record Period. Creditors and accruals and amounts due to the Cheung Kong Group constituted the largest components of the Cheung Kong Property Group's current liabilities during the Track Record Period.

The Cheung Kong Property Group recorded net current liabilities of HK$8,620 million as at 31 December 2012 and net current assets of HK$1,096 million, HK$3,837 million and HK$4,483 million as at 31 December 2013 and 2014 and 31 January 2015, respectively.

The increase in net current assets from HK$1,096 million in 2013 to HK$3,837 million in 2014 primarily reflected a decrease in amounts due to the Cheung Kong Group from HK$79,891 million as at 31 December 2013 to HK$70,707 million as at 31 December 2014 as the Cheung Kong Property Group repaid a portion of the amounts due to the Cheung Kong Group, partially offset by a decrease in stock of properties from HK$79,815 million as at 31 December 2013 to HK$73,259 million as at 31 December 2014 resulting from an increase in property sales.

The change from net current liabilities of HK$8,620 million in 2012 to net current assets of HK$1,096 million in 2013 primarily reflected (i) a decrease in amounts due to the Cheung Kong Group from HK$91,903 million as at 31 December 2012 to HK$79,891 million as at 31 December 2013 as the Cheung Kong Property Group repaid a portion of the amounts due to the Cheung Kong Group and (ii) a decrease in creditors and accruals from HK$12,099 million in 2012 to HK$10,973 million in 2013 due to the settlement of certain trade creditors, partially offset by a decrease in bank balances and deposits from HK$12,896 million in 2012 to HK$10,069 million in 2013.

The Cheung Kong Property Group's net current liabilities position as at 31 December 2012 was primarily due to the Cheung Kong Property Group using advances from the Cheung Kong Group to fund investments in joint ventures, which are accounted for as non-current assets on the balance sheet.

As at 31 January 2015, being the latest practicable date for the purposes of this statement, the Cheung Kong Property Group's net current assets were HK$4,483 million, consisting of HK$86,251 million in current assets and HK$81,768 million in current liabilities.

The Hutchison Property Group

The following table sets forth the Hutchison Property Group's current assets and current liabilities as at the dates indicated:

	As at 31 December			As at 31 January
	2012	2013	2014	2015
	(HK$ million)	(HK$ million)	(HK$ million)	(HK$ million)
Current Assets				
Stock of properties	1,362	1,410	1,388	1,333
Debtors, deposits and prepayments	2,423	4,775	3,173	3,281
Amounts due from the Hutchison Group	32,601	40,591	47,867	44,896
Bank balances and deposits	8,995	4,231	3,361	1,550
Total current assets	**45,381**	**51,007**	**55,789**	**51,060**
Current Liabilities				
Creditors and accruals	3,103	4,955	3,858	4,163
Amounts due to the Hutchison Group	25,442	21,217	27,790	27,717
Borrowings	739	150	756	728
Provision for taxation	126	361	615	488
Total current liabilities	**29,410**	**26,683**	**33,019**	**33,096**
Net current assets	**15,971**	**24,324**	**22,770**	**17,964**

Amounts due from the Hutchison Group constituted the largest component of the Hutchison Property Group's current assets during the Track Record Period. Amounts due to the Hutchison Group and creditors and accruals constituted the largest components of the Hutchison Property Group's current liabilities during the Track Record Period.

The Hutchison Property Group recorded net current assets of HK$15,971 million, HK$24,324 million, HK$22,770 million and HK$17,964 million in 2012, 2013 and 2014 and as at 31 January 2015, respectively.

The decrease in net current assets from HK$24,324 million as at 31 December 2013 to HK$22,770 million as at 31 December 2014 was primarily due to (i) a decrease in debtors, deposits and prepayments from HK$4,775 million as at 31 December 2013 to HK$3,173 million as at 31 December 2014 due to the settlement of certain receivables due from the disposal of a property in Hong Kong and the disposal of certain subsidiaries and (ii) a decrease in bank balances and deposits due to less cash repatriated from joint ventures in 2014.

The increase in net current assets from HK$15,971 million as at 31 December 2012 to HK$24,324 million as at 31 December 2013 was primarily due to (i) the increase in net amounts due from the Hutchison Group from HK$7,159 million as at 31 December 2012 to HK$19,374 million as at 31 December 2013 due to an increase in the amount of surplus cash deposited with the Hutchison Group as part of its centralised cash management and (ii) the increase in debtors, deposits and prepayments from HK$2,423 million as at 31 December 2012 to HK$4,775 million as at 31 December 2013 due to receivables from the disposal of a property in Hong Kong and the disposal of certain subsidiaries, partially offset by (i) a decrease in bank balances and deposits from HK$8,995 million as at 31 December 2012 to HK$4,231 million as at 31 December 2013 and (ii) an increase in creditors and accruals from HK$3,103 million as at 31 December 2012 to HK$4,955 million as at 31 December 2013 due to deposits received from the disposal of a joint venture.

As at 31 January 2015, being the latest practicable date for the purposes of this statement, the Hutchison Property Group's net current assets were HK$17,964 million, consisting of HK$51,060 million in current assets and HK$33,096 million in current liabilities.

INDEBTEDNESS

During the Track Record Period, the Cheung Kong Property Group and the Hutchison Property Group funded their capital requirements primarily through borrowings from the non-property business, cash generated from operations and loans from joint ventures. The Hutchison Property Group also used bank borrowings as a source of funding. In the future, the Group will use funding from cash generated from operations, bank borrowings and funding raised from the capital markets to finance working capital, debt service requirements and capital expenditure. As part of the Reorganisation, the Group intends to enter into the Loan Facility.

Amounts due to the Combined Non-Property Businesses

Prior to the Listing, the Cheung Kong Property Group and the Hutchison Property Group centralised their cash management at their respective former parent groups (namely, the Cheung Kong Group and the Hutchison Group). This centralised cash management included advances from their respective former parent groups and transfers of income from operations from the Cheung Kong Property Group and the Hutchison Property Group to their respective former parent groups.

Upon completion of the Property Businesses Combination, two promissory notes will be issued by the Company to CKH Holdings and the amounts due to the Combined Non-Property Businesses that are of a non-trade nature will be settled as described in "*History and Reorganisation – The Reorganisation*".

The Cheung Kong Property Group

As at 31 December 2012, 2013 and 2014, amounts due to the Cheung Kong Group amounted to HK$91,903 million, HK$79,891 million and HK$70,707 million, respectively (after taking into account the amounts due from the Cheung Kong Group, net amounts due to the Cheung Kong Group amounted to HK$89,997 million, HK$78,916 million and HK$69,497 million, respectively). The decrease in net amounts due to the Cheung Kong Group over the Track Record Period was primarily due to repayments made each year. As at the same dates, amounts due to the Cheung Kong Group of HK$53,238 million, HK$46,803 million and HK$43,620 million, respectively, bore interest at an average rate of 2.2%, 2.5%

and 2.5%, respectively. The remaining portions of amounts due to the Cheung Kong Group were unsecured, interest-free and had no fixed terms of repayment. The amounts approximate their fair values as at the same dates.

As at 31 January 2015, amounts due to the Cheung Kong Group were HK$26,848 million.

As at 31 January 2015, loans from the Cheung Kong Group were HK$42,925 million.

During the Track Record Period, the Cheung Kong Property Group did not breach any of the material covenants of its borrowings from the non-property business of the Cheung Kong Group.

The Hutchison Property Group

As at 31 December 2012, 2013 and 2014, amounts due to the Hutchison Group amounted to HK$55,850 million, HK$51,332 million and HK$57,100 million, respectively (after taking into account the amounts due from the Hutchison Group, net amounts due to the Hutchison Group amounted to HK$23,249 million, HK$10,741 million and HK$9,233 million, respectively). The decrease in net amounts due to the Hutchison Group over the Track Record Period was primarily due to repayments made each year. As at the same dates, amounts due to the Hutchison Group of HK$27,407 million, HK$27,404 million and HK$26,609 million, respectively, bore interest at an average rate of 4.0%, 4.1% and 4.6%, respectively. The remaining portions of amounts due to the Hutchison Group were unsecured, interest-free and had no fixed terms of repayment. The amounts approximate their fair values as at the same dates.

As at 31 January 2015, amounts due to the Hutchison Group were HK$27,717 million.

As at 31 January 2015, loans from the Hutchison Group were HK$26,425 million.

During the Track Record Period, the Hutchison Property Group did not breach any of the material covenants of its borrowings from the non-property business of the Hutchison Group.

Loans from Joint Ventures and Interest-bearing Bank Loans

The Cheung Kong Property Group

The Cheung Kong Property Group's interest-bearing loans from joint ventures amounted to HK$615 million, HK$610 million and HK$600 million as at 31 December 2012, 2013 and 2014, respectively. The loans represent amounts due to a joint venture in which the Cheung Kong Property Group and the Hutchison Property Group are co-invested, and are used to fund the operations of certain hotels in Hong Kong. These loans are unsecured, and bore interest at prime rate during the Track Record Period. The decrease over the Track Record Period was primarily due to partial repayments of the outstanding amounts during each respective period. As at 31 January 2015, the Cheung Kong Property Group's interest-bearing loans from the joint venture amounted to HK$600 million. As at the same date, the effective interest rates on such loans did not materially change as compared to 31 December 2014.

As at 31 January 2015, the Cheung Kong Property Group had no outstanding bank loans.

All of the Cheung Kong Property Group's loans from joint ventures during the Track Record Period were denominated in Hong Kong dollars and originated in Hong Kong. The following table sets out the maturity of the Cheung Kong Property Group's loans from joint ventures as at the dates indicated:

	As at 31 December			As at 31 January
	2012	2013	2014	2015
	(HK$ million)	(HK$ million)	(HK$ million)	(HK$ million)
Loans repayable				
Within one year	300	–	250	250
After one year but not exceeding two years	–	250	50	50
After two years but not exceeding five years	315	360	300	300
Total	**615**	**610**	**600**	**600**

The Hutchison Property Group

The Hutchison Property Group had interest-bearing bank and other loans of HK$839 million, HK$794 million and HK$806 million as at 31 December 2012, 2013 and 2014, respectively. The increase from 31 December 2013 to 31 December 2014 was primarily due to an increase in loan drawdowns used for construction repayment for property development and to fund working capital for hotels. The decrease from 31 December 2012 to 31 December 2013 was primarily due to the repayment of certain current bank loans.

As at 31 January 2015, the Hutchison Property Group had total bank loan facilities of HK$1,080 million, of which HK$302 million was unutilised. These loan amounts are committed and restricted to construction and hotel renovation purposes. As at the same date, HK$628 million of the Hutchison Property Group's bank loans were guaranteed by Cheung Kong Investment Company Limited and Hutchison Whampoa Properties Limited. The Group intends to replace the existing guarantors for the loans.

As at 31 January 2015, the Hutchison Property Group had no overdraft facilities.

During 2012, 2013 and 2014, the effective interest rate on interest-bearing bank loans was 1.9%, 2.2% and 1.9%, respectively. As at 31 January 2015, the effective interest rates on interest-bearing bank loans did not materially change as compared to 31 December 2014.

The following table sets out the maturity of the Hutchison Property Group's interest-bearing bank and other debts as at the dates indicated:

	As at 31 December			As at 31 January
	2012	2013	2014	2015
	(HK$ million)	(HK$ million)	(HK$ million)	(HK$ million)
Bank loans repayable				
Within one year	739	150	756	728
Between two and five years	100	644	50	50
Total	**839**	**794**	**806**	**778**

The following table sets out the Hutchison Property Group's interest-bearing bank and other debts by currency denominations as at the dates indicated:

	As at 31 December			As at 31 January
	2012	2013	2014	2015
Hong Kong dollars	200	150	150	150
British Pounds	639	644	656	628
Total	**839**	**794**	**806**	**778**

Loan Facilities

The Cheung Kong Property Group

During the Track Record Period, the Cheung Kong Property Group did not enter into any bank loan facilities.

The Hutchison Property Group

During the Track Record Period, the Hutchison Property Group entered into the following loan facilities:

1. GBP 80,000,000 credit facility dated 19 June 2009

On 19 June 2009, Convoys Investment S.à r.l., a then wholly-owned subsidiary of Hutchison, as borrower, entered into a loan facility in the total amount of up to GBP 80,000,000 with Sumitomo Mitsui Banking Corporation Europe Limited as lender (as amended and restated on 23 June 2010, 21 June 2011 and 21 June 2013, whereby Convoys Properties Limited, a wholly-owned subsidiary of Hutchison, was substituted as the borrower under the facility).

- Purpose: to finance the acquisition and development of the property known as Convoys Wharf, Deptford in the United Kingdom
- Interest rate: LIBOR plus 1% to 1.55% depending on the loan period
- Maturity Date: 24 June 2015

- Guarantee: guaranteed by Hutchison Whampoa Properties Limited and Cheung Kong Investment Company Limited

2. HK$50,000,000 term loan facility dated 19 June 2014

On 19 June 2014, Consolidated Hotels Limited, a subsidiary of Hutchison, as borrower, entered into a loan facility in the total amount of up to HK$50,000,000 with Crédit Agricole Corporate and Investment Bank acting through its Hong Kong Branch as lender.

- Purpose: to refinance the borrower's outstanding indebtedness under the HK$100,000,000 term loan facility made available to the borrower under a facility letter dated 18 June 2012
- Interest rate: 1.3% per annum above (i) the cost of funding the facility for the lender or (ii) the applicable 3-month or 6-month HIBOR depending on the interest period
- Maturity Date: 24 months from date of drawdown
- Guarantee: none

3. HK$100,000,000 revolving loan facility dated 30 May 2014

On 30 May 2014, Consolidated Hotels Limited, a subsidiary of Hutchison, as borrower, extended the term of a loan facility in the total amount of up to HK$100,000,000 with Crédit Agricole Corporate and Investment Bank acting through its Hong Kong Branch as lender, originally extended pursuant to a facility letter dated 5 July 2012.

- Purpose: to finance the working capital requirements of the Borrower
- Interest rate: 0.7% per annum above (i) the cost of funding the facility for the lender or (ii) the applicable 3-month HIBOR depending on the interest period
- Maturity Date: 26 June 2015 or 364 days from date of acceptance of the loan facility
- Guarantee: none

Summary of material covenants and events of default

The above loan facilities contain certain customary covenants which restrict the ability of the borrower and, where relevant, the guarantors to, among other things: (i) enter into any merger, consolidation, dissolution, liquidation or winding-up (other than for the purposes of a solvent reorganisation); (ii) reduce its registered capital or make a distribution; (iii) materially change the nature of its current business operations; (iv) dispose of a material part of the relevant property or its business or its assets or revenues; (v) grant any loan or guarantee, except in the ordinary course of its business; or (vi) without prior consent from the lender, create any security, mortgage, charge, lien or other encumbrance over its property, assets or revenues, except for any security granted over project development-related indebtedness.

In addition to the customary covenants above, the loans of Consolidated Hotels Limited also require the borrower to, among other things: (i) procure that the Sheraton Hong Kong Hotel & Towers are and will continue to be managed by Starwood Asia Pacific Hotels & Resorts Pte. Ltd. or by Starwood Hotels or by Hutchison International Hotels Limited; (ii) not at any time, borrow or incur any other financial obligations (excluding intra-group debts) in excess of HK$580 million in aggregate; (iii) ensure the interest coverage (defined as earnings before interest, taxes, depreciation and amortisation divided by gross interest expense) will not, at any time, be less than 1.25; and (iv) ensure that the total principal outstanding under this loan facility made available to the borrower by the lender will not at any time exceed 50% of the market value of the Sheraton Hong Kong Hotel & Towers.

The above loan facilities also contain certain customary events of default including, but not limited to: (i) breach of any obligations by the borrower under the loan agreement or breach of any obligations by any of the guarantors under the relevant guarantees; (ii) failure of any representation or warranty to be true in all material respects; (iii) cross default and cross acceleration in relation to any indebtedness of the borrower, Hutchison or any principal subsidiary of Hutchison which is greater than HK$250 million (or its equivalent in other currencies); (iv) insolvency, dissolution, liquidation, cessation of business or expropriation; and (v) any material adverse change in the business or financial condition of the borrower or any of the guarantors. Upon the occurrence of an event of default, subject to the applicable grace periods, the lender may accelerate the loan outstanding under the facility and/or declare the facility terminated. During the Track Record Period and up to the Latest Practicable Date, the Hutchison Property Group did not breach any of the material covenants of its loan facilities.

As stated above, the Group intends to enter into the Loan Facility. The proceeds of the Loan Facility will be used to settle a promissory note that will be issued by the Company to CKH Holdings in the principal amount of HK$55 billion (being the Specified Loans Promissory Note). The terms of the Loan Facility are currently under negotiation. The Specified Loans Promissory Note is to be settled on or before the fifth business day following the date of completion of the assignment of the Specified Loans (which comprise interest-bearing loans due to the Cheung Kong Group or the Hutchison Group), which is expected to be the Listing Date. To cater for the event that the Loan Facility is not available to settle the Specified Loans Promissory Note when it becomes due, The Hongkong and Shanghai Banking Corporation Limited and Bank of America Merrill Lynch have entered into commitment letters with the Group for a bridge facility of HK$55 billion (the "**Bridge Facility**"), such that the proceeds of the Bridge Facility may then be used to settle the Specified Loans Promissory Note, with the proceeds of the Loan Facility to be used to repay the Bridge Facility when and if the Loan Facility becomes available.

Joint Ventures

As at 31 January 2015, the joint ventures that will become subsidiaries of the Company had total bank loan facilities of HK$23,242 million, of which HK$7,327 million was unutilised. These loans are committed. Of these amounts, HK$22,893 million are restricted to construction purposes. As at the same date, HK$12,850 million of the bank loans are secured by land and properties, HK$186 million of the bank loans are secured by investment properties and HK$1,907 million of the bank loans are guaranteed by the Cheung Kong Group and the Hutchison Group. The Group intends to replace the Cheung Kong Group and the Hutchison Group as guarantor for the loans. There were no bank overdrafts or other similar indebtedness as at the same date.

During the Track Record Period and up to the Latest Practicable Date, the joint ventures that will become subsidiaries of the Company did not breach any of the material covenants of their loan facilities.

INDEBTEDNESS STATEMENT

Borrowings

As at the close of business on 31 January 2015, being the latest practicable date for the purpose of this indebtedness statement, the Group had total loan facilities of HK$150,553 million, comprising bank loan facilities of HK$24,322 million and amounts due to the Combined Non-Property Businesses of HK$126,231 million. As at the same date, the Group had indebtedness amounting to approximately HK$142,925 million, comprising bank loans of HK$16,694 million of which HK$13,037 million were secured and HK$2,535 million were guaranteed, and amounts due to the Combined Non-Property Businesses of HK$126,231 million which were unsecured and unguaranteed.

Upon completion of the Property Businesses Combination, two promissory notes will be issued and the amounts due to the Combined Non-Property Businesses will be settled as described in "*History and Reorganisation – The Reorganisation*."

Pledge of assets

At 31 January 2015, the Group pledged stock of properties and investment properties with aggregate carrying values of approximately HK$23,800 million and HK$316 million, respectively, as collateral for the bank loans.

Guarantees

As at 31 January 2015, the Group provided mortgage guarantees to PRC banks amounting to approximately HK$497 million in respect of the mortgage loans provided by the PRC banks to purchasers of the properties developed and sold.

As at 31 January 2015, except as disclosed in this listing document, and apart from intra-group borrowings or guarantees, the Group did not have any other debt securities, term-loan borrowings, indebtedness, acceptance credits, hire purchase commitments, mortgages, charges, contingent liabilities or guarantees outstanding.

There had not been any material adverse change in the Group's indebtedness and contingent liabilities since 31 January 2015 and up to the date of this listing document.

RELATED PARTY TRANSACTIONS

During the Track Record Period, each of the Cheung Kong Property Group and the Hutchison Property Group entered into various transactions with related parties.

The Directors confirm that all related party transactions have been conducted on normal commercial terms and that their terms are fair and reasonable.

The Cheung Kong Property Group

The Cheung Kong Property Group regularly conducts transactions in the normal course of business with the Cheung Kong Group and related companies. The following table sets out the details of the material related party transactions during the Track Record Period:

	Year ended 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Interest expense paid to the Cheung Kong Group	1,035	1,206	1,142
Service fees paid to Cheung Kong (Holdings) Limited	971	836	892

The Hutchison Property Group

The following table sets out a breakdown of the Hutchison Property Group's material transactions with related parties for the periods indicated:

	Year ended 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Rental and other related income from holding company and fellow subsidiary companies	437	481	524
Project management and sales consultancy fee received from joint ventures	480	535	381
Interest paid to holding company and fellow subsidiary companies	(1,085)	(1,089)	(1,219)
Management fee and other costs paid to holding company, fellow subsidiary companies and joint ventures	(190)	(184)	(188)

Other than rental and other related income from holding company and fellow subsidiary companies, all other material transactions with related parties as represented in the line items above will be eliminated upon Listing.

LIQUIDITY, CAPITAL RESOURCES AND CAPITAL MANAGEMENT

During the Track Record Period, the Cheung Kong Property Group and the Hutchison Property Group funded their capital requirements primarily through borrowings from the Combined Non-Property Businesses, bank borrowings and cash generated from operations. A centralised cash fund was utilised where cash was typically transferred to the then holding company for management. Upon Listing, the Group will handle its cash management independently. In the future, the Group will use funding from cash generated from operations, bank borrowings and funding raised from the capital markets to finance working capital, debt service requirements and capital expenditure. The Cheung Kong Property Group and the Hutchison Property Group did not experience any liquidity shortage during the Track Record Period.

Capital Management

The Cheung Kong Property Group and the Hutchison Property Group manage their respective capital to ensure that they will be able to continue their operations while maximising returns to shareholders and to support the future development of their business. They aim to achieve this through optimising their debt and equity balance. The Cheung Kong Property Group and the Hutchison Property Group monitor their indebtedness levels by reviewing their respective gearing ratios and debt-to-asset ratios. See "– *Key Financial Ratios*". The Cheung Kong Property Group and the Hutchison Property Group also monitor their indebtedness levels generally through periodic reviews of their management accounts to assess their financial condition and maintain indebtedness at reasonable levels. In addition, the Cheung Kong Property Group and the Hutchison Property Group also monitor their compliance with the terms of bank loans and other borrowings to ensure timely repayment using available cash resources.

The Cheung Kong Property Group

The capital structure of the Cheung Kong Property Group consists of borrowings, amounts due to the Cheung Kong Group, bank balances and deposits, shareholders' funds and non-controlling interests. The Cheung Kong Property Group reviews and manages its capital structure on a regular basis and maintains an appropriate net debt to net total capital ratio to reduce the cost of capital. See Note 24 to "*Appendix IA – Accountants' Report on the Cheung Kong Property Group*" for more details.

The Hutchison Property Group

The capital structure of the Hutchison Property Group consists of borrowings, including amounts due to the Hutchison Group, loans from non-controlling shareholders (as defined under the Listing Rules) of subsidiary companies and long term bank loans, as well as shareholders' funds. The Hutchison Property Group reviews its capital structure periodically and manages its capital structure through the payment of dividends, new share issues and drawdowns of new borrowings or repayments of existing borrowings. See Note 27.2 to "*Appendix IB – Accountants' Report on the Hutchison Property Group*" for more details.

To further enhance its working capital management going forward, the Group will seek to continue to monitor its cash inflow associated with property sales and pre-sales by strengthening marketing efforts and payment collection from its customers with respect to property sales and pre-sales. It will also seek to manage the level of its liquid assets to ensure the availability of sufficient cash flows to meet any unexpected cash requirements arising from its business. In addition, the Group will continue to assess available resources to finance its business needs on an ongoing basis and plan and proactively adjust its property development schedule or implement cost control measures as needed. Furthermore, the Group intends to continue to access existing capital as well as to seek new sources of funding to maintain and grow its business on a sustainable and cost-effective basis.

Immediately following completion of the Property Businesses Combination, subject to the confirmation of credit rating agencies, the Group expects to obtain strong investment grade ratings consistent with the Hutchison Group's historical investment grade ratings.

Working Capital Sufficiency

After taking into consideration the financial resources available to us, including our internally generated cash and our available credit and financing facilities and in the absence of unforeseeable circumstances, the Directors confirm that we have sufficient working capital for our present requirements for at least the next 12 months from the date of this listing document.

Thereafter, we expect to finance our operations and our debt service requirements with net cash flows generated from our operations and, if required, additional debt or equity financing including from the debt and equity capital markets. Our ability to obtain additional funding required for increased capital expenditure in the future beyond our anticipated cash needs for the next 12 months following the date of this listing document, however, is subject to a variety of uncertainties, including the future results of our operations, financial condition and cash flows and economic, political and other conditions in Hong Kong, China and elsewhere. The issue of additional equity or equity-linked securities may result in additional dilution to our Shareholders.

The Directors confirm that the Cheung Kong Property Group and the Hutchison Property Group did not have any material default in payment of creditors and accruals, bank borrowings and other debt financing obligations and/or breaches of finance covenants during the Track Record Period.

CASH FLOW

Overview

The Cheung Kong Property Group

The following table sets out a summary of the Cheung Kong Property Group's net cash flow for the periods indicated:

	Year ended 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Net cash flows (used in)/generated from operating activities	(3,402)	3,769	7,972
Net cash flows generated from investing activities	3,021	6,903	2,917
Net cash flows generated from/(used in) financing activities	3,921	(13,499)	(10,604)
Net increase/(decrease) in cash and cash equivalents	3,540	(2,827)	285
Cash and cash equivalents at the beginning of the year	9,356	12,896	10,069
Cash and cash equivalents at the end of the year	**12,896**	**10,069**	**10,354**

Net Cash Flows Used in/Generated From Operating Activities

Cash generated from operating activities primarily comprises net cash generated from property sales, property rental and hotels and serviced suites. Cash used in operating activities primarily comprises dividends paid to shareholders of the Cheung Kong Property Group and investment in/loan advances to joint ventures.

For the year ended 31 December 2014, the Cheung Kong Property Group's net cash generated from operating activities was HK$7,972 million, which was primarily the result of (i) cash generated from operations of HK$16,500 million, partially offset by (i) dividends paid to shareholders of the Cheung Kong Property Group of HK$5,567 million and (ii) investment in and loan advances to joint ventures of HK$3,124 million. Cash generated from operations primarily comprised profit before taxation of HK$18,940 million, adjusted by (i) increase in fair value of investment properties of HK$4,542 million, (ii) share of net profit of joint ventures of HK$2,835 million, (iii) profit on disposal of joint ventures of HK$2,349 million and (iv) decrease in stock of properties of HK$6,976 million.

For the year ended 31 December 2013, the Cheung Kong Property Group's net cash generated from operating activities was HK$3,769 million, which was primarily the result of (i) cash generated from operations of HK$7,041 million and (ii) dividends and repayments from joint ventures of HK$5,428 million, partially offset by dividends paid to shareholders of the Cheung Kong Property Group of HK$7,447 million. Cash generated from operations primarily comprised profit before taxation of HK$15,866 million, adjusted by (i) share of net profit of joint ventures of HK$4,031 million, (ii) profit from disposal of investment properties of HK$2,760 million and (iii) increase in fair value of investment properties of HK$1,782 million.

For the year ended 31 December 2012, the Cheung Kong Property Group's net cash used in operating activities was HK$3,402 million, which was primarily the result of (i) profits tax paid of HK$2,076 million and (ii) investment in and loan advances to joint ventures of HK$1,867 million, partially offset by dividends and repayments from joint ventures of HK$878 million. Cash used in operations primarily comprised profit before taxation of HK$18,313 million, adjusted by (i) the increase in stock of properties of HK$10,715 million, (ii) share of net profit of joint ventures of HK$5,480 million and (iii) the increase in fair value of investment properties of HK$4,470 million.

Net Cash Flows Generated From Investing Activities

Cash generated from investing activities primarily reflects proceeds from disposal of investment properties and disposal of interests in subsidiaries or joint ventures.

For the year ended 31 December 2014, the Cheung Kong Property Group's net cash generated from investing activities was HK$2,917 million, which was primarily the result of (i) disposal of interests in joint ventures of HK$3,298 million, partially offset by cash outflow for the addition of fixed assets of HK$278 million.

For the year ended 31 December 2013, the Cheung Kong Property Group's net cash generated from investing activities was HK$6,903 million, which was primarily the result of (i) disposal of investment properties of HK$5,427 million and (ii) disposal of interests in joint ventures of HK$1,560 million, partially offset by cash outflow for the addition of fixed assets of HK$155 million.

For the year ended 31 December 2012, the Cheung Kong Property Group's net cash generated from investing activities was HK$3,021 million, which was primarily the result of (i) dividends and repayment from joint ventures of HK$1,862 million, (ii) loss of control of interest in subsidiaries of HK$1,065 million and (iii) disposals of joint ventures of HK$503 million, partially offset by investments in and loan advances to joint ventures of HK$233 million.

Net Cash Flows Generated From/Used in Financing Activities

Cash generated from financing activities primarily reflects advances from the Cheung Kong Group. Cash used in financing activities primarily reflects repayments to the Cheung Kong Group.

For the year ended 31 December 2014, the Cheung Kong Property Group's net cash used in financing activities was HK$10,604 million, which was primarily the result of (i) repayments to the Cheung Kong Group of HK$9,184 million and (ii) interest and other finance costs paid of HK$1,215 million.

For the year ended 31 December 2013, the Cheung Kong Property Group's net cash used in financing activities was HK$13,499 million, which was primarily the result of repayment to the Cheung Kong Group of HK$12,012 million.

For the year ended 31 December 2012, the Cheung Kong Property Group's net cash generated from financing activities was HK$3,921 million, which was primarily the result of advances from the Cheung Kong Group of HK$5,475 million, partially offset by interest paid of HK$1,110 million.

The Hutchison Property Group

The following table sets out a summary of the Hutchison Property Group's net cash flow for the periods indicated:

	Year ended 31 December		
	2012	**2013**	**2014**
	(HK$ million)	**(HK$ million)**	**(HK$ million)**
Net cash flows (used in)/generated from operating activities	(158)	221	1,551
Net cash flows generated from investing activities	2,574	1,046	269
Net cash flows generated from/(used in) financing activities	138	(6,031)	(2,690)
Net increase/(decrease) in cash and cash equivalents	2,554	(4,764)	(870)
Cash and cash equivalents at the beginning of the year	6,441	8,995	4,231
Cash and cash equivalents at the end of the year	**8,995**	**4,231**	**3,361**

Net Cash Flows Used in/Generated From Operating Activities

Cash generated from operating activities primarily comprises net cash generated from property rental and hotels and serviced suites. Cash used in operating activities primarily comprises interest expense and other finance costs paid.

For the year ended 31 December 2014, the Hutchison Property Group's net cash generated from operating activities was HK$1,551 million, which was primarily the result of dividends received from associates and joint ventures of HK$1,101 million and cash generated from operating activities after changes in working capital of HK$2,035 million, offset in part by interest expense and other finance costs paid of HK$1,166 million. Cash generated from operating activities primarily comprised profit

before taxation of HK$36,844 million, adjusted by (i) an increase in fair value of investment properties of HK$28,088 million, (ii) profit on disposal of interests in a joint venture of HK$2,286 million and (iii) share of net profit of joint ventures and associates of HK$2,741 million.

For the year ended 31 December 2013, the Hutchison Property Group's net cash generated from operating activities was HK$221 million, which was primarily the result of dividends received from associates and joint ventures of HK$2,454 million, offset in part by (i) cash used in operating activities after changes in working capital of HK$839 million and (ii) interest expense and other finance costs paid of HK$1,097 million. Cash generated from operating activities primarily comprised profit before taxation of HK$10,055 million, adjusted by (i) share of net profit of joint ventures and associates of HK$3,883 million and (ii) profit on disposal of subsidiary companies of HK$1,714 million.

For the year ended 31 December 2012, Hutchison Property Group's net cash used in operating activities was HK$158 million, which was primarily the result of interest expense and other finance costs paid of HK$1,154 million, partially offset by cash generated from operating activities after changes in working capital of HK$924 million. Cash generated from operating activities primarily comprised profit before taxation of HK$8,903 million, adjusted by (i) share of net profit of joint ventures and associates of HK$5,158 million and (ii) an increase in fair value of investment properties of HK$859 million.

Net Cash Flows Generated From Investing Activities

Cash generated from investing activities primarily reflects proceeds from disposal of interests in joint ventures and subsidiary companies, and repayments from associates and joint ventures.

For the year ended 31 December 2014, Hutchison Property Group's net cash generated from investing activities was HK$269 million, which was primarily the result of proceeds from (i) disposal of interests in a joint venture which held the Oriental Financial Center of HK$3,904 million and (ii) disposal of fixed assets and investment properties (primarily certain residential properties in Hong Kong) of HK$718 million, partially offset by advances to associates and joint ventures of HK$3,715 million.

For the year ended 31 December 2013, Hutchison Property Group's net cash generated from investing activities was HK$1,046 million, which was primarily the result of proceeds from (i) disposal of subsidiary companies (primarily the interest in certain residential properties in Hong Kong and interests in a joint venture which held The Metropolitan Plaza) of HK$2,058 million and (ii) disposal of fixed assets and investment properties (primarily certain residential and commercial properties in Hong Kong) of HK$681 million, partially offset by (i) purchases of fixed assets and investment properties (primarily the costs associated with the development of a residential property and leasehold improvements of certain hotel properties) of HK$534 million and (ii) advances to associates and joint ventures of HK$1,159 million.

For the year ended 31 December 2012, Hutchison Property Group's net cash generated from investing activities was HK$2,574 million, which was primarily the result of (i) repayments from associates and joint ventures of HK$2,583 million and (ii) proceeds from disposal of subsidiary companies (primarily the interest in a residential property in Macau) of HK$194 million, partially offset by purchases of fixed assets and investment properties (primarily leasehold improvements of certain investment properties and hotels) of HK$267 million.

Net Cash Flows Generated From/Used in Financing Activities

Cash generated from financing activities primarily reflects increases in intercompany loans and new borrowings. Cash used in financing activities primarily reflects decreases in intercompany loans and dividends paid to non-controlling interests and the Hutchison Group.

For the year ended 31 December 2014, Hutchison Property Group's net cash used in financing activities was HK$2,690 million, which was primarily the result of dividends paid to the Hutchison Group of HK$3,944 million and dividends paid to non-controlling interests of HK$264 million, partially offset by an increase in intercompany loans of HK$1,478 million.

For the year ended 31 December 2013, Hutchison Property Group's net cash used in financing activities was HK$6,031 million, which was primarily the result of a decrease in intercompany loans of HK$5,565 million.

For the year ended 31 December 2012, Hutchison Property Group's net cash generated from financing activities was HK$138 million, which was primarily the result of an increase in intercompany loans of HK$506 million, partially offset by (i) dividends paid to non-controlling interests of HK$241 million and (ii) dividends paid to the Hutchison Group of HK$139 million.

CAPITAL EXPENDITURE

The Cheung Kong Property Group

For the years ended 31 December 2012, 2013 and 2014, the Cheung Kong Property Group incurred capital expenditures in the amount of HK$101 million, HK$161 million and HK$296 million, respectively, primarily due to expenditures in connection with development costs and leasehold improvements of investment properties and hotels. The increase in capital expenditure during the Track Record Period was primarily due to additional leasehold improvements to certain hotels. The estimated capital expenditures for the year ended 31 December 2015 are approximately HK$408 million, and they are expected to be used towards development costs and leasehold improvements to hotels.

The Hutchison Property Group

For the years ended 31 December 2012, 2013 and 2014, the Hutchison Property Group incurred capital expenditures in the amount of HK$267 million, HK$534 million and HK$260 million, respectively, primarily due to expenditures in connection with development costs and leasehold improvements of investment properties and hotels. The decrease from 2013 to 2014 was primarily due to the lower development costs associated with a residential development and leasehold improvements to certain hotels. The increase from 2012 to 2013 was primarily due to leasehold improvements to certain hotels. The estimated capital expenditures for the year ended 31 December 2015 are approximately HK$899 million, and they are expected to be used for development costs and leasehold improvements of our investment properties and hotels.

COMMITMENTS

Capital Commitments

The Cheung Kong Property Group

The following table sets out the Cheung Kong Property Group's capital commitments as at the dates indicated:

	As at 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Contracted but not provided for:			
Acquisition of fixed assets	210	499	408
Authorised but not contracted for:			
Acquisition of fixed assets	5	5	–
Loan advances to joint ventures	–	398	3,925
Investment in joint ventures	–	–	380
Total	**215**	**902**	**4,713**

The increase in capital commitments from 2013 to 2014 was primarily due to the provision of shareholders' loans for a new project in Singapore, along with additional capital injection for certain projects in the PRC. The increase in capital commitments from 31 December 2012 to 31 December 2013 was primarily due to an increase in amounts of loans provided to joint venture projects in the PRC.

As at 31 December 2012, 2013 and 2014, the minimum share of turnover undertaken by the Cheung Kong Property Group to be received by the partner of a joint development project over the remaining duration of the project amounted to HK$612 million, HK$600 million and HK$588 million, respectively. The decrease in commitments over the Track Record Period was primarily due to payments made each year.

The Hutchison Property Group

The following table sets out the Hutchison Property Group's capital commitments as at the dates indicated:

	As at 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Contracted but not provided for:			
Investment properties and fixed assets	106	81	49
Authorised but not contracted for:			
Investment properties and fixed assets	980	1,066	1,084
Interests in joint ventures	1,186	401	3,530
Total	**2,272**	**1,548**	**4,663**

The increase in capital commitments from 31 December 2013 to 31 December 2014 was primarily due to the provision of shareholders' loans for a new project in Singapore, along with additional capital injection for certain projects in the PRC. The decrease in capital commitments from 31 December 2012 to 31 December 2013 was primarily due to a decrease in the amount of loans provided to joint venture projects in the PRC as the result of additional self-financing projects in 2013.

Operating Lease Commitments

The Cheung Kong Property Group leased certain office premises under operating lease arrangements during the Track Record Period. The Hutchison Property Group leased certain office premises under operating lease arrangements during the Track Record Period.

The Cheung Kong Property Group

The following table sets out the Cheung Kong Property Group's future minimum rental payments under non-cancellable operating lease commitments as at the dates indicated:

	As at 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Within one year	37	39	52
After one year, but within five years	27	29	30
Total	**64**	**68**	**82**

The increase in operating lease commitments from 2012 to 2014 was primarily due to the increase in office rental area.

The Hutchison Property Group

The following table sets out the Hutchison Property Group's future minimum rental payments under non-cancellable operating lease commitments as at the dates indicated:

	As at 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Within one year	27	42	42
After one year, but within five years	26	57	41
After five years	2	1	–
Total	**55**	**100**	**83**

The decrease in operating lease commitments from 2013 to 2014 was primarily due to the decrease in office rental area. The increase in operating lease commitments from 2012 to 2013 was primarily due to the increase in office rental area.

CONTINGENT LIABILITIES

Contingent liabilities primarily comprise share of turnover payable to the partner of a joint development project and guarantees provided to banks for loans of joint ventures.

The Cheung Kong Property Group

During the Track Record Period, the Cheung Kong Property Group did not have any contingent liabilities.

The Hutchison Property Group

The following table sets out the Hutchison Property Group's total contingent liabilities as at the dates indicated:

	As at 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Guarantees provided for:			
Bank loans of joint ventures	965	546	911
Utility deposits	2	–	–
Total	**967**	**546**	**911**

The increase in contingent liabilities from 2013 to 2014 was primarily due to the drawdown of certain guaranteed bank loans. The decrease in contingent liabilities from 2012 to 2013 was primarily due to the decrease in investments in joint ventures which resulted in lower amounts being guaranteed for bank loans of joint ventures.

As at 31 January 2015, being the latest practicable date for determining such information, and except as disclosed above, the Cheung Kong Property Group and the Hutchison Property Group had no material contingent liabilities or guarantees. We are not currently involved in any significant litigation and we are not aware of any outstanding or threatened significant litigation. If we are involved in any such significant litigation that we may incur loss in an amount that can be reasonably estimated according to available information at that time, we will record the loss or contingent liabilities accordingly.

KEY FINANCIAL RATIOS

The Cheung Kong Property Group

The following table sets out the key financial ratios for the Cheung Kong Property Group as at and for the periods indicated:

	As at and for the year ended 31 December		
	2012	2013	2014
Liquidity ratios			
Current ratio[(1)]	0.9x	1.0x	1.0x
Quick ratio[(2)]	0.2x	0.1x	0.2x
Capital adequacy ratios			
Gearing ratio[(3)]	50.1%	41.9%	34.2%
Debt-to-asset ratio[(4)]	28.7%	26.0%	24.1%
Profitability ratios			
Return on total assets[(5)]	9.1%	7.9%	9.5%
Return on equity[(6)]	21.7%	16.8%	18.0%

Notes:

(1) Current ratio is calculated by dividing total current assets by total current liabilities.

(2) Quick ratio is calculated by dividing total current assets less stock of properties by total current liabilities.

(3) Gearing ratio is calculated by dividing interest-bearing borrowings and interest-bearing amounts due to the Cheung Kong Group less cash and cash equivalents by total equity and multiplying the resulting value by 100%.

(4) Debt-to-asset ratio is calculated by dividing interest-bearing borrowings and interest-bearing amounts due to the Cheung Kong Group by total assets and multiplying the resulting value by 100%.

(5) Return on total assets is calculated by dividing profit for the year by total assets at the end of the year and multiplying the resulting value by 100%.

(6) Return on equity is calculated by dividing profit for the year by shareholders' funds at the end of the year and multiplying the resulting value by 100%.

Current Ratio

As at 31 December 2012, 2013 and 2014, the Cheung Kong Property Group's current ratio was 0.9x, 1.0x and 1.0x, respectively. The current ratio remained at 1.0x as at 31 December 2013 and 2014. The current ratio increased from 31 December 2012 to 31 December 2014 primarily due to a decrease in amounts due to the Cheung Kong Group during this time, partially offset by a smaller decrease in stock of properties and bank balances and deposits. The adjusted current ratio (excluding amounts due from the Cheung Kong Group and amounts due to the Cheung Kong Group) was 7.2x, 7.8x and 7.1x, respectively.

Quick Ratio

As at 31 December 2012, 2013 and 2014, the Cheung Kong Property Group's quick ratio was 0.2x, 0.1x and 0.2x, respectively. The increase in quick ratio from 0.1x as at 31 December 2013 to 0.2x as at 31 December 2014 was primarily due to the decrease in amounts due to the Cheung Kong Group in 2014. The decrease in quick ratio from 0.2x as at 31 December 2012 to 0.1x as at 31 December

2013 was primarily due to the decrease in bank balances and deposits. The adjusted quick ratio (excluding amounts due from the Cheung Kong Group and amounts due to the Cheung Kong Group) was 1.1x, 1.0x and 1.0x, respectively.

Gearing Ratio

As at 31 December 2012, 2013 and 2014, the Cheung Kong Property Group's gearing ratio was 50.1%, 41.9% and 34.2%, respectively. The decrease in gearing ratio during the Track Record Period was primarily due to the decrease in interest-bearing amounts due to the Cheung Kong Group while our total equity increased in the Track Record Period.

Debt-to-Asset Ratio

As at 31 December 2012, 2013 and 2014, the Cheung Kong Property Group's debt-to-asset ratio was 28.7%, 26.0% and 24.1%, respectively. The decrease in gearing ratio during the Track Record Period was also primarily due to the decrease in amounts due to the Cheung Kong Group while total assets remained relatively stable.

Return on Total Assets

For the years ended 31 December 2012, 2013 and 2014, return on total assets of the Cheung Kong Property Group was 9.1%, 7.9% and 9.5%, respectively. The increase in return on total assets from 7.9% for the year ended 31 December 2013 to 9.5% for the year ended 31 December 2014 was primarily due to an increase in profit for the year ended 31 December 2014. The decrease in return on total assets from 9.1% for the year ended 31 December 2012 to 7.9% for the year ended 31 December 2013 was primarily due to a decrease in profit for the year. Total assets remained relatively stable throughout the Track Record Period.

Return on Equity

For the years ended 31 December 2012, 2013 and 2014, return on equity of the Cheung Kong Property Group was 21.7%, 16.8% and 18.0%, respectively. The increase in return on equity from 16.8% for the year ended 31 December 2013 to 18.0% for the year ended 31 December 2014 was primarily due to an increase in profit for the year ended 31 December 2014. The decrease in return on equity from 21.7% for the ended 31 December 2012 to 16.8% for the year ended 31 December 2013 was primarily due to the decrease in profit for the year ended 31 December 2013.

The Hutchison Property Group

The following table sets out the key financial ratios for the Hutchison Property Group as at and for the periods indicated:

	As at and for the year ended 31 December		
	2012	2013	2014
Liquidity ratios			
Current ratio[(1)]	1.5x	1.9x	1.7x
Quick ratio[(2)]	1.5x	1.9x	1.6x
Capital adequacy ratios			
Gearing ratio[(3)]	25.1%	27.7%	20.5%
Debt-to-asset ratio[(4)]	20.5%	19.4%	15.2%
Profitability ratios			
Return on total assets[(5)]	6.2%	6.5%	19.9%
Return on equity[(6)]	11.2%	10.9%	30.9%

Notes:

(1) Current ratio is calculated by dividing total current assets by total current liabilities.

(2) Quick ratio is calculated by dividing total current assets less stock of properties by total current liabilities.

(3) Gearing ratio is calculated by dividing interest-bearing borrowings and interest-bearing amounts due to the Hutchison Group less cash and cash equivalents by total equity and multiplying the resulting value by 100%.

(4) Debt-to-asset ratio is calculated by dividing interest-bearing borrowings and interest-bearing amounts due to the Hutchison Group by total assets and multiplying the resulting value by 100%.

(5) Return on total assets is calculated by dividing profit for the year by total assets at the end of the year and multiplying the resulting value by 100%.

(6) Return on equity is calculated by dividing profit for the year by shareholders' funds at the end of the year and multiplying the resulting value by 100%.

Current Ratio

As at 31 December 2012, 2013 and 2014, the Hutchison Property Group's current ratio was 1.5x, 1.9x and 1.7x, respectively. The decrease in the current ratio from 1.9x as at 31 December 2013 to 1.7x as at 31 December 2014 was mainly due to an increase in amounts due to the Hutchison Group, which was partially offset by an increase in amounts due from the Hutchison Group. The increase in the current ratio from 1.5x as at 31 December 2012 to 1.9x as at 31 December 2013 was mainly due to an increase in debtors, deposits and prepayments and an increase in amounts due from the Hutchison Group. The adjusted current ratio (excluding amounts due from the Hutchison Group and amounts due to the Hutchison Group) was 3.2x, 1.9x and 1.5x, respectively, as bank balances and deposits decreased over the Track Record Period.

Quick Ratio

As at 31 December 2012, 2013 and 2014, the Hutchison Property Group's quick ratio was 1.5x, 1.9x and 1.6x, respectively. The ratios are close to the current ratios, since stock of properties only accounted for a relatively small portion of current assets during the Track Record Period. The adjusted quick ratio (excluding amounts due from the Hutchison Group and amounts due to the Hutchison Group) was 2.9x, 1.6x and 1.2x, respectively.

Gearing Ratio

As at 31 December 2012, 2013 and 2014, the Hutchison Property Group's gearing ratio was 25.1%, 27.7% and 20.5%, respectively. The decrease in gearing ratio from 27.7% as at 31 December 2013 to 20.5% as at 31 December 2014 was primarily due to an increase in total equity. The increase in gearing ratio from 25.1% as at 31 December 2012 to 27.7% as at 31 December 2013 was primarily due to a decrease in bank balances and deposits.

Debt-to-Asset Ratio

As at 31 December 2012, 2013 and 2014, the Hutchison Property Group's debt-to-asset ratio was 20.5%, 19.4% and 15.2%, respectively. The decrease in debt-to-asset ratio over the Track Record Period was primarily due to an increase in total assets and a slight decrease in interest-bearing borrowings.

Return on Total Assets

For the years ended 31 December 2012, 2013 and 2014, the return on total assets of the Hutchison Property Group was 6.2%, 6.5% and 19.9%, respectively. The increase in return on total assets over the Track Record Period was primarily due to the increase in profit for the year over the Track Record Period.

Return on Equity

For the years ended 31 December 2012, 2013 and 2014, the return on equity of the Hutchison Property Group was 11.2%, 10.9% and 30.9%, respectively. The increase in return on equity from 10.9% for the year ended 31 December 2013 to 30.9% for the year ended 31 December 2014 was primarily due to the increase in profit for the year ended 31 December 2014. The slight decrease in return on equity from 11.2% for the year ended 31 December 2012 to 10.9% for the year ended 31 December 2013 was primarily due to the increase in shareholders' funds, which was partially offset by the increase in profit for the year.

PROPERTIES AND VALUATION

The particulars of the investment properties are set out in "*Business*" and in "*Appendix III – Property Valuation*". The Property Valuers have valued the properties as at 28 February 2015. A full list of properties and a summary of the values issued by the Property Valuers is included in "*Appendix III – Property Valuation.*"

A reconciliation of the net book value of the properties as at 31 December 2014 as set out in "*Appendix IA – Accountants' Report on the Cheung Kong Property Group*" and "*Appendix IB – Accountants' Report on the Hutchison Property Group*" to their fair value as at 28 February 2015 as stated in the property valuation reports set out in "*Appendix III – Property Valuation*" is set out in "*Business – Property Valuation*".

QUALITATIVE AND QUANTITATIVE DISCLOSURE ABOUT MARKET RISK

The main market risks arising from our operations during the Track Record Period were credit risk, interest rate risk, liquidity risk, foreign currency risk and foreign exchange risk.

Credit Risk

The Cheung Kong Property Group

The Cheung Kong Property Group is exposed to credit risk in relation to loan receivables and trade debtors. It has legal rights to claim repossession of the properties in the event of default by purchasers or tenants. To minimise its credit risk exposures, the Cheung Kong Property Group also conducts regular reviews of and takes follow-up action on overdue amounts. As at 31 December 2012, 2013 and 2014, overdue loan receivables and trade debtors were less than 2% of the Cheung Kong Property Group's profit for the respective years and credit risk on loan receivables and trade debtors after mitigation by collateral and other credit enhancements was negligible.

The Cheung Kong Property Group manages its exposure to investments in securities and derivative financial instruments to price changes by closely monitoring changes in market conditions that may have an impact on market prices or factors affecting their fair value. If the fair value of the investments in securities and derivative financial instruments had been 5% higher or lower as at 31 December 2012, 2013 and 2014, the Cheung Kong Property Group's investment revaluation reserve would increase or decrease by approximately HK$267 million, HK$273 million and HK$359 million, and the Cheung Kong Property Group's profit for the years ended 31 December 2012, 2013 and 2014 would increase or decrease by approximately HK$26 million, nil and nil, respectively.

The Hutchison Property Group

The Hutchison Property Group is exposed to credit risk in relation to debtors, deposits and prepayments, cash held by stakeholders, cash deposits with banks and amounts due from the Hutchison Group, joint ventures and associates. The Hutchison Property Group also has policies in place to ensure that rental deposits are required from tenants prior to the commencement of leases. Monthly rentals in respect of investment properties are payable in advance by tenants in accordance with the lease agreements. Other monitoring procedures include follow-up action to recover overdue debts. In addition, the Hutchison Property Group regularly reviews the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for any irrecoverable amounts.

With respect to advances made to related parties, joint ventures and associates, and guarantees provided to banks for loans of joint ventures, the central treasury department assesses the recoverability of the advances and the creditworthiness of the companies by reference to the budgeted profitability of the relevant property projects before committing to making the advances and guarantees. The Hutchison Property Group therefore has no significant concentration of credit risk, and its exposure is spread over a number of counterparties.

Interest Rate Risk

The Cheung Kong Property Group's and the Hutchison Property Group's exposure to the risk of changes in market interest rates relates primarily to certain amounts due from and to joint ventures, the Cheung Kong Group, the Hutchison Group, loan receivables and bank balances and deposits. In addition, certain amounts due to the Cheung Kong Group, the Hutchison Group, and bank loans at market interest rates also expose the Cheung Kong Group and the Hutchison Group to cash flow interest rate risk.

The Cheung Kong Property Group

The Cheung Kong Property Group's borrowings and those amounts due to the Cheung Kong Group carrying interest on a floating rate basis are exposed to interest rate fluctuation. It is estimated that an increase/a decrease of 1 % in interest rates would increase/decrease the Cheung Kong Property Group's finance costs for the years ended 31 December 2012, 2013 and 2014 by approximately HK$405 million, HK$401 million and HK$375 million, respectively, assuming the change in interest rates had been applied to the Cheung Kong Property Group's relevant amounts due to the Cheung Kong Group and borrowings at the year end dates which were kept constant throughout the relevant year, and the amount of finance costs capitalised would increase/decrease by approximately HK$174 million, HK$163 million and HK$130 million based on the proportion of finance cost capitalised during the year.

The Hutchison Property Group

The following table shows the sensitivity analysis of an increase of 100 basis points in interest rates at the end of the reporting period to profit or loss:

	Year ended 31 December		
	2012	2013	2014
	(HK$ million)	(HK$ million)	(HK$ million)
Increase (decrease) of profit before taxation			
Bank balances and deposits	80	31	22
Net amounts due to joint ventures	(42)	(15)	(5)
Net amounts due to the Hutchison Group	(268)	(264)	(256)
Borrowings	(9)	(8)	(8)
Total	**(239)**	**(256)**	**(247)**

Liquidity Risk

The Cheung Kong Property Group and the Hutchison Property Group aim to maintain sufficient cash and cash equivalents or otherwise have available funding through an adequate amount of borrowings. See Note 22(c) to the "*Appendix IA – Accountants' Report on the Cheung Kong Property Group*" and Note 27.1(iv) to the "*Appendix IB – Accountants' Report on the Hutchison Property Group*" for more details.

Foreign exchange risk

The Cheung Kong Property Group and the Hutchison Property Group operate mainly in Hong Kong and the PRC, but also have operations in other jurisdictions. The Cheung Kong Property Group and the Hutchison Property Group maintain a conservative approach on foreign exchange exposure management and ensure that their exposure to fluctuations in foreign exchange rates is minimised by closely monitoring the movement of the foreign currency rates.

HEDGING POLICY

The Cheung Kong Property Group

The Cheung Kong Property Group's principal foreign currency exposure arises from income in foreign currencies, including RMB and SGD, generated from its investments in property projects outside of Hong Kong, as well as cash in these foreign currencies kept for business requirements. The Cheung Kong Property Group maintains a conservative approach on foreign exchange exposure management and ensures that its exposure to fluctuations in foreign exchange rates is minimised. During the Track Record Period, the Cheung Kong Property Group did not enter into any hedging instruments.

The Hutchison Property Group

The Hutchison Property Group is exposed to foreign currency risk arising from future commercial transactions and from recognising assets and liabilities that are not denominated in Hong Kong dollars. It generates income and has expenditures denominated in the respective local currencies of the various regions where it operates, including the PRC, the United Kingdom, Singapore and The Bahamas. The Hutchison Property Group manages its foreign currency risk by closely monitoring the movement of foreign currency rates and by ensuring that to the extent possible, its borrowings are denominated in the respective local currencies of those regions. During the Track Record Period, the Hutchison Property Group did not enter into any hedging instruments.

DIVIDEND POLICY

Prior to completion of the Merger Proposal, each of the Hutchison Group and the Cheung Kong Group declared a second interim dividend in lieu of a final dividend in respect of the financial year of 2014 based on their respective full results for the financial year of 2014[, which was paid on 15 April 2015].

For the financial year of 2015, if the Merger Proposal and the Spin-off have become effective, an interim dividend will be declared by each of CKH Holdings and the Company at the time of the announcement of their respective interim results which will take into account the results of the respective businesses of the CKH Holdings Group and the Group from 1 January 2015. Subject to the business results for the financial year of 2015, assuming an existing CKH Holdings Shareholder or Hutchison Shareholder continues to hold both the CKH Holdings Shares and the Shares received after completion of the Proposals, it is expected that the combined per share dividend CKH Holdings and the Company will pay in respect of the financial year of 2015 on those shares will be more than the total dividend per Cheung Kong share or Hutchison Share, as the case may be, paid in respect of the financial year of 2014, excluding any special dividends paid in that year.

Going forward, from and including the financial year of 2016, the Company will adopt a dividend policy that is consistent with its business profile. Subject to business conditions and the maintenance of a strong credit profile, the Company expects the dividend policy will result in a higher dividend payout ratio than that in the financial year of 2015.

The Company was incorporated on 2 January 2015 and is an investment holding company carrying on no business activities. Accordingly, there was no reserve available for distribution to shareholders as at 31 December 2012, 2013 and 2014.

OFF-BALANCE SHEET ARRANGEMENTS

During the Track Record Period and as at the Latest Practicable Date, aside from the capital commitments and contingent liabilities discussed above, the Cheung Kong Property Group and the Hutchison Property Group had no material off-balance sheet arrangements.

NO ADDITIONAL DISCLOSURE REQUIRED UNDER THE LISTING RULES

Except as disclosed in this listing document, the Company confirms that, as at the Latest Practicable Date, the Company was not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

DIRECTORS' CONFIRMATION OF NO MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Group were made and up to the Latest Practicable Date.

LISTING EXPENSES

In relation to the Listing, the Company expects to incur listing expenses of approximately HK$140.1 million prior to completion of the Hutchison Proposal and the Property Businesses Combination, the entirety of which will be borne by the CKH Holdings Group. The Company did not incur listing expenses during the Track Record Period.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma financial information has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Listing been completed as at 31 December 2014 or any future date. We have prepared and included the unaudited pro forma financial information as at and for the year ended 31 December 2014 as set out in Appendix II for the purpose of illustrating the effect of the completion of the Hutchison Proposal and the Property Businesses Combination (including consolidation of the joint ventures that will become subsidiaries of the Company) as if the Listing had taken place on 1 January 2014 for the pro forma combined income statement and statement of cash flows; and 31 December 2014 for the pro forma combined statement of assets and liabilities. The unaudited pro forma financial information has been prepared in accordance with paragraph 4.29 of the Listing Rules, incorporating the combined results and cash flows of the Cheung Kong Property Group, the Hutchison Property Group and the joint ventures that will become subsidiaries of the Company for the year ended 31 December 2014; and the combined assets and liabilities of the Cheung Kong Property Group, the Hutchison Property Group and the joint ventures that will become subsidiaries of the Company as at 31 December 2014. The unaudited pro forma information does not form part of the Accountants' Reports set out in Appendices IA and IB to this listing document.

See "*Appendix II – Unaudited Pro Forma Financial Information*" for details.

RECENT DEVELOPMENTS

On 9 January 2015, Cheung Kong and Hutchison announced the Cheung Kong Reorganisation, the Merger Proposal and the Spin-off. CKH Holdings became the holding company of the Cheung Kong Group upon completion of the Cheung Kong Reorganisation on [18] March 2015.

As far as the Directors are aware, there have been no material changes in the general economic and market conditions, or legal and regulatory regimes, in the jurisdictions or the industries in which the Cheung Kong Property Group and the Hutchison Property Group operate that have materially and adversely affected the Group's business, operations or financial position since 31 December 2014 and up to the Latest Practicable Date.

SHARE CAPITAL OF THE COMPANY

The following is a description of the authorised and issued share capital of the Company as at the date of this Listing Document and immediately following the Listing.

		Nominal Value (HK$)
Authorised share capital		
[380,000]	Shares as at the date of this listing document	[380,000.00]
[8,000,000,000]	Shares as at the Listing Date	[8,000,000,000.00]
Issued and to be issued, fully paid or credited as fully paid		
[1]	Share in issue as at the date of this listing document	[1.00]
[1]	Share to be issued for settlement of the Reorganisation Promissory Note	[1.00]
[3,859,678,500]	Shares to be issued pursuant to the Distribution In Specie	[3,859,678,500.00]
To be surrendered for cancellation		
[2]	Shares to be surrendered for cancellation	[2.00]

ASSUMPTIONS

The above table assumes that the Listing becomes unconditional and does not take into account any Shares which may be issued or repurchased by the Company pursuant to the general mandates granted to the Directors to issue or repurchase Shares as described below.

RANKING

The Shares are ordinary shares in the share capital of the Company and will rank equally in all respects with each other, and will qualify for all dividends and other distributions declared, made or paid by the Company following completion of the Listing.

GENERAL MANDATES GRANTED TO THE DIRECTORS

Subject to the Listing becoming unconditional, general mandates have been granted to the Directors to allot and issue Shares and to repurchase Shares. For details of such general mandates, see "*Appendix VII – General Information – Further Information About the Company*".

So far as is known to any Director or chief executive of the Company as at the Latest Practicable Date, immediately following completion of the Spin-off, the following persons (other than a Director or chief executive of the Company) will have an interest and/or short position (as applicable) in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, once the Shares are listed on the Stock Exchange:

(i) Long Positions of Substantial Shareholders in Shares

Name of Shareholder	Capacity	Number of Shares held or interested	Approximate % of interest
Li Ka-Shing Unity Trustee Company Limited (being TUT1) as trustee of The Li Ka-Shing Unity Trust (being UT1)	Trustee	[REDACTED][(1)]	[REDACTED]%
Li Ka-Shing Unity Trustee Corporation Limited (being TDT1) as trustee of The Li Ka-Shing Unity Discretionary Trust (being DT1)	Trustee, and in such capacity a beneficiary of a trust	[REDACTED][(1)]	[REDACTED]%
Li Ka-Shing Unity Trustcorp Limited (being TDT2) as trustee of DT2	Trustee, and in such capacity a beneficiary of a trust	[REDACTED][(1)]	[REDACTED]%

Note:

(1) [REDACTED]

(ii) Substantial Shareholders of Other Members of the Group

Name of Subsidiary of the Company	Name of Shareholder	Approximate % of Interest
(1) Braintech Limited	Billion Merit Limited	10%
(2) Blissjoy International Limited	Best Shield Limited	20%
(3) Cavendish Hotels (Holdings) Limited 嘉雲酒店(集團)有限公司	Beijing Tourism Group (HK) Holdings Company Limited 首都旅游集團(香港)控股有限公司	49%
(4) Chengdu Changtian Co. Ltd. 成都長天有限公司	成都工投資產經營有限公司	30%
(5) Cheung Wo DaSheng Properties (Shanghai) Limited 長和達盛地產(上海)有限公司	上海國盛集團地產有限公司	15%
	上海達安房產開發有限公司	25%
(6) Consolidated Hotels Limited	Starwood Hong Kong Holdings	24.5%
	Tai Cheung Properties Limited 大昌地產有限公司	23%
(7) Dongguan Asia Commercial Hwang Gang Lake Development Co., Ltd.* 東莞冠亞環崗湖商住區建造有限公司	東莞市厚街房地產公司	25%
(8) Dongguan Hujing Holiday Country Co., Ltd. 東莞湖景渡假村有限公司	東莞市厚街鎮對外經濟發展總公司	15%
(9) Estoril Court Management Company Limited 愛都大廈管理有限公司	Golden Link Establishments Limited 金聯拓展有限公司	20%
(10) Granlai Company Limited 添麗有限公司	Hopewell Holdings Limited	45.95%
(11) Great Wall Hotel Joint Venture of Beijing* 北京市長城飯店公司	北京首都旅游集團有限責任公司	10%
(12) Guangzhou Bruckner City Properties Co. Ltd. 廣州和記城市房產有限公司[a]	廣州市城市建設開發集團有限公司	35%
(13) Guangzhou International Toys And Gifts Center Co., Ltd.* 廣州國際玩具禮品城有限公司	廣州國際玩具中心有限公司	40%
(14) Hui Xian Holdings Limited 滙賢控股有限公司	Lucky Star International Holdings Inc.	20%
	Po Lian Enterprises Limited	20%
(15) Hutchison Whampoa Properties (Tianjin) Limited 和記黃埔地產(天津)有限公司	天津市地下鐵道集團有限公司	20%
(16) Jabrin Limited	Chesterfield Realty Limited 兆豐地產有限公司	20%
(17) Jiangmen Hutchison Whampoa Properties Limited 江門市和記黃埔地產有限公司	江門市樂活企業策劃有限公司	10%
(18) Kido Profits Limited	Kowill Investments Inc.	15%
(19) Marino Capital Holdings Limited	Marathon Joy Limited	15%
(20) Mightycity Company Limited 巍城有限公司	Beautiland Company Limited 美地有限公司	10.204%

Name of Subsidiary of the Company	Name of Shareholder	Approximate % of Interest
(21) Mutual Luck Investment Limited	Stalybridge Investment Limited	33.33%
	E-Cash Ventures Limited	15.33%
(22) Qingdao Sihe Property Development Co., Ltd. 青島四和房地產發展有限公司[(a)]	上海中星(集團)有限公司	20%
(23) Regal Lake Property Development Limited Guangzhou 廣州御湖房地產發展有限公司	廣州方興房地產建設有限公司	20%
(24) Rivet Profits Limited	Neko International Limited	15%
(25) Ruotolo Investments Limited	Direct Access Investments Ltd.	20%
(26) Secan Limited	Gusbury Enterprises Inc.	20%
(27) Shanghai Changrun Jianghe Property Development Co., Ltd.* 上海長潤江和房地產發展有限公司	上海長潤房地產開發有限公司	25%
	上海江和房地產開發有限公司	15%
(28) Shanghai Qilong Properties Limited 上海旗龍置業有限公司	上海梅龍鎮集團盧灣置業有限公司	15%
(29) Shanghai Ron Qi Properties Co., Ltd.* 上海榮啟置業有限公司	上海梅龍鎮集團置業有限公司	15%
(30) Shanghai Westgate Mall Co., Ltd. 上海梅龍鎮廣場有限公司	上海梅龍鎮(集團)有限公司	40%
(31) Shenzhen Hutchison Whampoa CATIC Properties Limited* 深圳和記黃埔中航地產有限公司	中國航空技術深圳有限公司	20%
(32) Shepherd Investments Limited	Tai Cheung Properties Limited 大昌地產有限公司	48%
(33) Splendid Well Limited 錦佳有限公司	Bylite (Nominees) Limited[(b)]	25%
(34) Stocklink Limited	Nan Fung Development Limited	20%
(35) Trudeau Holdings Limited	Master Rank Investments Limited	10%
(36) Wideplex Limited	Super Peak Holdings Limited	40%
(37) Wit Profits Limited	Nan Fung Development Limited	15%

* for identification only

Notes:

(a) This company is being liquidated.

(b) Bylite (Nominees) Limited holds 25% of Splendid Well Limited 錦佳有限公司 on trust for and on behalf of an independent third party.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company is aware of any other person (other than a Director or chief executive of the Company) who will, immediately following completion of the Spin-off, have an interest and/or short position (as applicable) in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

BACKGROUND OF THE CKH HOLDINGS GROUP

The Trust will, together with Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, directly and/or indirectly hold approximately 30.15% of the issued share capital of the Company immediately following the Listing. In addition, the Trust, together with Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, directly and/or indirectly held approximately 43.42% of the issued share capital of CKH Holdings as at the Latest Practicable Date and will directly and/or indirectly hold approximately 30.15% of the issued share capital of CKH Holdings immediately following the Listing. As at the Latest Practicable Date, the Company is a wholly-owned subsidiary of CKH Holdings. The Company will cease to be a subsidiary of CKH Holdings upon completion of the Distribution In Specie.

The Trust is comprised of:

(i) The Li Ka-Shing Unity Discretionary Trust (being DT1), of which Mr. Li Ka-shing is the settlor and, among others, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard are discretionary beneficiaries, and the trustee of which is Li Ka-Shing Unity Trustee Corporation Limited (being TDT1);

(ii) a discretionary trust (being DT2) of which Mr. Li Ka-shing is the settlor and, among others, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard are discretionary beneficiaries, and the trustee of which is Li Ka-Shing Unity Trustcorp Limited (being TDT2);

(iii) a discretionary trust (being DT3) of which Mr. Li Ka-shing is the settlor and, among others, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard are discretionary beneficiaries, and the trustee of which is Li Ka-Shing Castle Trustee Corporation Limited (being TDT3);

(iv) a discretionary trust (being DT4) of which Mr. Li Ka-shing is the settlor and, among others, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard are discretionary beneficiaries, and the trustee of which is Li Ka-Shing Castle Trustcorp Limited (being TDT4);

(v) The Li Ka-Shing Unity Trust (being UT1), the trustee of which is Li Ka-Shing Unity Trustee Company Limited (being TUT1); and

(vi) The Li Ka-Shing Castle Trust (being UT3), the trustee of which is Li Ka-Shing Castle Trustee Company Limited (being TUT3).

Each of TDT1 and TDT2 holds units in UT1 but is not entitled to any interest or share in any particular property comprising the trust assets of UT1; whereas each of TDT3 and TDT4 holds units in UT3 but is not entitled to any interest or share in any particular property comprising the trust assets of UT3.

The issued share capital of TUT1 and of the trustees of DT1 and DT2 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 issued share capital of Unity Holdco. The issued share capital of TUT3 and of the trustees of DT3 and DT4 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 issued share capital of Castle Holdco. Further, Mr. Li Ka-shing is the settlor of DT1 and DT2 and, among others, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard are discretionary beneficiaries of DT1 and DT2.

INDEPENDENCE FROM CKH HOLDINGS

The Directors are satisfied that the Group is capable of carrying on its businesses independently from the CKH Holdings Group following the Listing on the basis of the following.

(a) Clear Delineation of Business

There is a clear and distinct delineation between the businesses of the Group and the businesses of the CKH Holdings Group. Upon the Listing, the Group will be engaged in the businesses of property development and investment, hotel and serviced suite operation, property and project management and unitholding in various real estate investment trusts. For details of the Group's businesses, please refer to "*Business*". On the other hand, the CKH Holdings Group, through its operating subsidiaries, will focus on the businesses of (a) ports and related services, (b) retail, (c) infrastructure, (d) energy, (e) telecommunications, (f) ownership and leasing of movable assets and (g) other investments in securities.

Although the CKH Holdings Group will retain certain property interests which are used by it for the purposes of carrying on, or which are ancillary to, its businesses and the CKH Holdings Group may also hold the CPB Specified Companies upon completion of the Property Businesses Combination for the reasons set out in "*History and Reorganisation – The Reorganisation – Property Businesses Combination*", the Directors consider that there is a clear delineation between the businesses of the Group and the businesses of the CKH Holdings Group following the Listing.

(b) Financial Independence

In connection with the Property Businesses Combination, the consideration will be settled by two promissory notes to be issued by the Company to CKH Holdings. The Reorganisation Promissory Note will be settled by the Company by issuing one Share to CKH Holdings at completion of the Reorganisation Agreement Transactions (being the Listing Date) and the Specified Loans Promissory Note will be settled by the payment of cash by the Company to CKH Holdings on or before the fifth business day following the date of completion of the assignment of the Specified Loans. Save for the above, there will not be any loans existing between the Group and the CKH Holdings Group.

Certain companies which are or will become members of the CKH Holdings Group as at the Listing Date had given guarantees and indemnities in respect of the obligations of certain CPB Companies, some of which will continue to subsist following the Listing. It is intended that such guarantees and indemnities will be replaced by guarantees and/or indemnities from the Company following completion of the Property Businesses Combination. Pursuant to the Reorganisation Agreement, the Company has agreed to use all reasonable endeavours to procure that, as from completion of the Reorganisation Agreement Transactions (and, in the case of the CPB Specified Companies, from completion of the reorganisation of the relevant CPB Specified Companies), all members of the CKH Holdings Group are released from all guarantees and indemnities given by any of them in respect of any obligations of any CPB Companies and, pending such release, indemnify such members of the CKH Holdings Group against all liabilities arising under the above guarantees and

indemnities in respect of, or attributable to, the period after completion of the Reorganisation Agreement Transactions. Please see "*History and Reorganisation – The Reorganisation – Property Businesses Combination – The Reorganisation Agreement*" for further details.

Given the strong asset base of the Group following completion of the Spin-off, the Group will be able to independently access the debt markets and is expected to have a strong investment grade credit rating.

On the basis of the foregoing, the Group will be financially independent of the CKH Holdings Group following the Listing.

(c) Administrative Independence

Following completion of the Spin-off, certain corporate and administrative support services will be made available by the CKH Holdings Group to the Group on arm's length and normal commercial terms and charged on a cost basis.

Save for the corporate and administrative support services referred to above, the Group will have its own separate management team and separate functional units that focus on, among other things, finance and accounting, administration and operations, company secretarial and human resources, all of which will operate without reliance on the CKH Holdings Group. Accordingly, the Group will be administratively independent of the CKH Holdings Group following the Listing.

(d) Independence of Directors and Management

Upon the Listing, certain executive Directors will continue to hold directorships and other roles with CKH Holdings as set out below.

Directors

Name	Position in the Company	Position in CKH Holdings
Mr. Li Ka-shing	Chairman and Executive Director	Chairman and Executive Director
Mr. Li Tzar Kuoi, Victor	Managing Director, Deputy Chairman and Executive Director	Deputy Chairman, Co-Group Managing Director and Executive Director
Mr. Kam Hing Lam	Deputy Managing Director and Executive Director	Executive Director
Mr. Ip Tak Chuen, Edmond	Deputy Managing Director and Executive Director	Executive Director
Mr. Chung Sun Keung, Davy	Executive Director	None
Mr. Chiu Kwok Hung, Justin	Executive Director	None
Mr. Chow Wai Kam	Executive Director	None
Ms. Pau Yee Wan, Ezra	Executive Director	None
Ms. Woo Chia Ching, Grace	Executive Director	None
Mr. Cheong Ying Chew, Henry	Independent Non-executive Director	None
Mr. Chow Nin Mow, Albert	Independent Non-executive Director	None

Name	Position in the Company	Position in CKH Holdings
Ms. Hung Siu-lin, Katherine . . .	Independent Non-executive Director	None
Mr. Simon Murray	Independent Non-executive Director	None
Mr. Yeh Yuan Chang, Anthony . .	Independent Non-executive Director	None

The Directors believe that the Group will be able to operate independently of the CKH Holdings Group following the Listing for the following reasons:

(i) the Board comprises 14 Directors, 10 of whom will not have any ongoing role with, and are therefore independent from, the CKH Holdings Group;

(ii) save for Mr. Cheong Ying Chew, Henry acting as an Independent Non-executive Director of Cheung Kong Infrastructure Holdings Limited (stock code: 01038) and Hutchison Telecommunications Hong Kong Holdings Limited (stock code: 00215), and as an alternate Director to Dr. Wong Yick-ming, Rosanna, an Independent Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited, all of which will become listed subsidiaries of CKH Holdings upon the Listing, the Independent Non-executive Directors, representing more than one-third of the Board, will not have any ongoing role with the CKH Holdings Group. The Directors believe that the Independent Non-executive Directors will be able to provide independent oversight over the Board's decision making on significant transactions, connected transactions and other transactions involving any conflict of interest between the Group (on the one hand) and the CKH Holdings Group (on the other hand) and to protect the interests of the independent Shareholders;

(iii) the Company will also have its own separate management team and separate functional units with appropriate expertise and experience to manage the Group's businesses, all of which operate independently from the CKH Holdings Group; and

(iv) the Company has established the following corporate governance measures to seek to (A) address any potential conflicts of interest in respect of the overlapping of directors of the Group and the CKH Holdings Group and (B) safeguard the interests of the independent Shareholders:

Under the Articles, a Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall, if his interest in the contract or arrangement or proposed contract or arrangement is material, declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration if he knows his interest then exists, or in any other case, at the first meeting of the Board after he knows that he is or has become so interested. Although the Articles do not require a Director who is so interested not to attend any meeting of the Board, such Director is prohibited from voting (and will not be counted in the quorum) in respect of any board resolution approving any contract or arrangement or proposed contract or arrangement in which he or any of his associates is materially interested, except in certain prescribed circumstances, details of which are set out in "*Appendix V – Summary of the Constitution of the Company and Cayman Companies Law*". The provisions in the Articles ensure that matters involving a conflict of interest which may arise from time to time will be managed

in line with accepted corporate governance practice with a view to ensuring that decisions are taken having regard to the best interests of the Company and the Shareholders (including the independent Shareholders) taken as a whole.

Details of transactions which will continue, or which may from time to time be entered into, following the Listing between members of the Group and the connected persons of the Company are set out below.

FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

Following the Listing, the following transactions will be regarded as continuing connected transactions of the Company which are exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Provision of Consumer Goods and Services by the Group to Connected Persons

Members of the Group have been providing, and are expected to continue to provide after the Listing, consumer goods and services (including hotel accommodation, food and beverage and catering services and car parking space rental services in hotels and other premises owned by members of the Group from time to time) to connected persons of the Company (other than the CKH Holdings Group), including the directors of the Group and their respective associates.

As the consumer goods and services have been and will continue to be provided by the Group to such connected persons on normal commercial terms which are no more favourable than those made available to independent third party consumers of the Group in the open market, the provision of such consumer goods and services by the Group to such connected persons will constitute continuing connected transactions exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.97 of the Listing Rules.

[Any other continuing transactions which will constitute deemed connected transactions of the Company after the Listing.]

BOARD OF DIRECTORS

The Board of Directors consists of 14 Directors, comprising 9 Executive Directors and 5 Independent Non-executive Directors. Brief information of the Directors is set out below:

Name	Age	Position	Date of Appointment as a Director	Date of Joining the Group	Principal Roles and Responsibilities	Relationship with the Other Directors
Mr. Li Ka-shing	86	Chairman and Executive Director	26 February 2015	3 December 1971	Responsible for (i) the leadership and effective running of the Board; (ii) determining the broad strategic direction of the Group in consultation with the Board; and (iii) the high-level oversight of management of the Group. Also serves as a member of the remuneration committee of the Company	Father of Mr. Li Tzar Kuoi, Victor and brother-in-law of Mr. Kam Hing Lam
Mr. Li Tzar Kuoi, Victor	50	Managing Director, Deputy Chairman and Executive Director	5 January 2015	15 June 1985	With the support of the executive Directors, is responsible for the strategic planning of different business functions and day-to-day management and operation of the Group	Son of Mr. Li Ka-shing and nephew of Mr. Kam Hing Lam
Mr. Kam Hing Lam	68	Deputy Managing Director and Executive Director	26 February 2015	15 February 1993	Responsible for the day-to-day management and operation of the Group	Brother-in-law of Mr. Li Ka-shing and uncle of Mr. Li Tzar Kuoi, Victor
Mr. Ip Tak Chuen, Edmond	62	Deputy Managing Director and Executive Director	5 January 2015	18 September 1993	Responsible for the day-to-day management and operation of the Group	N/A
Mr. Chung Sun Keung, Davy	63	Executive Director	26 February 2015	15 February 1993	Responsible for the day-to-day management and operation of the Group	N/A
Mr. Chiu Kwok Hung, Justin	64	Executive Director	26 February 2015	3 March 1997	Responsible for the day-to-day management and operation of the Group	N/A
Mr. Chow Wai Kam	67	Executive Director	26 February 2015	1 July 1995	Responsible for the day-to-day management and operation of the Group	N/A
Ms. Pau Yee Wan, Ezra	59	Executive Director	26 February 2015	18 May 1982	Responsible for the day-to-day management and operation of the Group	N/A
Ms. Woo Chia Ching, Grace	58	Executive Director	26 February 2015	11 May 1987	Responsible for the day-to-day management and operation of the Group	N/A

Name	Age	Position	Date of Appointment as a Director	Date of Joining the Group	Principal Roles and Responsibilities	Relationship with the Other Directors
Mr. Cheong Ying Chew, Henry .	67	Independent Non-executive Director	26 February 2015	23 September 2004	Serves as the chairman of the audit committee and a member of the remuneration committee of the Company. Also exercises independent judgement and advises on the future business directions and strategic plans of the Group and reviews the financial information and operational performance of the Group on a regular basis	N/A
Mr. Chow Nin Mow, Albert .	65	Independent Non-executive Director	26 February 2015	12 September 1983	Serves as a member of the audit committee of the Company. Also exercises independent judgement and advises on the future business directions and strategic plans of the Group and reviews the financial information and operational performance of the Group on a regular basis	N/A
Ms. Hung Siu-lin, Katherine . .	67	Independent Non-executive Director	26 February 2015	15 March 1972	Serves as the chairman of the remuneration committee and a member of the audit committee of the Company. Also exercises independent judgement and advises on the future business directions and strategic plans of the Group and reviews the financial information and operational performance of the Group on a regular basis	N/A
Mr. Simon Murray . . .	74	Independent Non-executive Director	26 February 2015	31 August 1993	Exercises independent judgement and advises on the future business directions and strategic plans of the Group and reviews the financial information and operational performance of the Group on a regular basis	N/A
Mr. Yeh Yuan Chang, Anthony . . .	91	Independent Non-executive Director	26 February 2015	24 August 1993	Exercises independent judgement and advises on the future business directions and strategic plans of the Group and reviews the financial information and operational performance of the Group on a regular basis	N/A

Executive Directors

Mr. 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 86, was appointed to the Board and designated as the Chairman of the Company and a member of the Remuneration Committee on 26 February 2015. He is the founder of the Cheung Kong Group. He has been the Chairman of Cheung Kong since 1971 and acted as the Managing Director from 1971 to 1998. He has also been the Chairman of Hutchison since 1981, and has been the Chairman of CKH Holdings since 9 January 2015. Mr. Li is 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 about 60 years. Mr. Li served as a member of the Hong Kong Basic Law Drafting Committee, Hong Kong Affairs Adviser and the Preparatory Committee for Hong Kong. He is also an Honorary Citizen of a number of cities in the PRC 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 in 1992, the University of Hong Kong in 1986, The Hong Kong University of Science and Technology in 1995, The Chinese University of Hong Kong in 1997, City University of Hong Kong in 1998, The Open University of Hong Kong in 1999, University of Calgary in Canada in 1989 and Cambridge University in the United Kingdom in 1999. 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 honours and awards from renowned institutions in the PRC and abroad. Mr. Li is the father of Mr. Li Tzar Kuoi, Victor, the Managing Director and Deputy Chairman of the Company, and the brother-in-law of Mr. Kam Hing Lam, Deputy Managing Director of the Company. Mr. Li is the settlor of each of DT1 of which TDT1 is the trustee and DT2 of which TDT2 is the trustee. Each of TDT1 and TDT2 holds units in UT1 of which TUT1 is the trustee. All of TUT1, TDT1 and TDT2 are substantial shareholders of the Company within the meaning of Part XV of the SFO. Mr. Li also holds directorships in certain companies controlled by certain substantial shareholders of the Company.

Mr. Li Tzar Kuoi, Victor, aged 50, was appointed as a Director on 5 January 2015 and designated as Managing Director and Deputy Chairman of the Company on 26 February 2015. He joined the Cheung Kong Group in 1985 and acted as Deputy Managing Director of Cheung Kong from 1993 to 1998. He has been Deputy Chairman of Cheung Kong since 1994, Managing Director of Cheung Kong since 1999, the Chairman of the Executive Committee of Cheung Kong since March 2013, and Managing Director and Deputy Chairman of CKH Holdings since 9 January 2015 and the Chairman of the Executive Committee of CKH Holdings since 26 February 2015. He is also the Deputy Chairman of Hutchison, the Chairman of Cheung Kong Infrastructure Holdings Limited (stock code: 01038) and CK Life Sciences Int'l., (Holdings) Inc. (stock code: 00775), a Non-executive Director of Power Assets Holdings Limited (stock code: 00006), a Non-executive Director of HK Electric Investments Manager Limited ("**HKEIM**"), which is the trustee-manager of HK Electric Investments, and a Non-executive Director and the Deputy Chairman of HK Electric Investments Limited (stock code: 02638), and Co-Chairman of Husky, all being listed companies or investment trust (except HKEIM). 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. Mr. Victor Li serves as a member of the Standing Committee of the 12th National Committee of the Chinese People's Political Consultative Conference of the PRC. He is also a member of the Commission on Strategic Development of Hong Kong and Vice Chairman of the Hong Kong General Chamber of Commerce. Mr. Victor Li is the Honorary Consul of Barbados in Hong Kong. He was a member of the Council for Sustainable Development of Hong Kong. He obtained a Bachelor of Science degree in Civil Engineering from Stanford University in January 1987,

a Master of Science degree in Civil Engineering from Stanford University in January 1987 and an honorary degree, Doctor of Laws, honoris causa (LL.D.) from The University of Western Ontario in May 2009.

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 SFO, and a nephew of Mr. Kam Hing Lam, Deputy Managing Director of the Company. Mr. Victor Li is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO, and a director of certain companies controlled by certain substantial shareholders of the Company. TDT1 as trustee of DT1, TDT2 as trustee of DT2, and TUT1 as trustee of UT1 in which each of TDT1 and TDT2 holds units, are substantial shareholders of the Company within the meaning of Part XV of the SFO. The discretionary beneficiaries of each of DT1 and DT2 include Mr. Victor Li, his wife and children.

Mr. Kam Hing Lam, aged 68, was appointed as Executive Director and designated as Deputy Managing Director of the Company on 26 February 2015. He has been Deputy Managing Director of Cheung Kong since 1993, a member of the Executive Committee of Cheung Kong since March 2013, and an Executive Director and the Deputy Managing Director of CKH Holdings since 9 January 2015 and a member of the Executive Committee of CKH Holdings since 26 February 2015. He is also the Group Managing Director of Cheung Kong Infrastructure Holdings Limited (stock code: 01038), the President and Chief Executive Officer of CK Life Sciences Int'l., (Holdings) Inc. (stock code: 00775) and an Executive Director of Hutchison, all being listed on the Main Board. He is also the Chairman of Hui Xian Asset Management Limited, which is the manager of Hui Xian REIT (listed in Hong Kong) and a Director of Australian Gas Networks Limited (formerly known as Envestra Limited, the shares of which were withdrawn from listing on 17 October 2014). He has been an Executive Director of Power Assets Holdings Limited (stock code: 00006), which is a company listed on the Main Board, from 1993 to 2014. Mr. Kam is an Advisor of the 12th Beijing Municipal Committee of the Chinese People's Political Consultative Conference of the PRC. He obtained a Bachelor of Science degree in Engineering from the University of Hong Kong in November 1969 and a Master's degree in Business Administration from The Chinese University of Hong Kong in December 1980.

Mr. Kam is the brother-in-law of Mr. Li Ka-shing, Chairman of the Company and a substantial shareholder of the Company within the meaning of Part XV of the SFO, and an uncle of Mr. Li Tzar Kuoi, Victor, Managing Director and Deputy Chairman of the Company.

Mr. Ip Tak Chuen, Edmond, aged 62, was appointed as a Director on 5 January 2015 and designated as Executive Director and Deputy Managing Director of the Company on 26 February 2015. He has been an Executive Director of Cheung Kong since 1993, Deputy Managing Director of Cheung Kong since 2005, a member of the Executive Committee of Cheung Kong since March 2013, and an Executive Director and the Deputy Managing Director of CKH Holdings since 11 December 2014 and 9 January 2015, respectively, and a member of the Executive Committee of CKH Holdings since 26 February 2015. He is also an Executive Director and the Deputy Chairman of Cheung Kong Infrastructure Holdings Limited (stock code: 01038), the Senior Vice President and Chief Investment Officer of CK Life Sciences Int'l., (Holdings) Inc. (stock code: 00775), a Non-executive Director of ARA Asset Management (an Asian real estate fund management company listed in Singapore), TOM Group Limited (stock code: 02383), AVIC International Holding (HK) Limited (stock code: 00232), Real Nutriceutical Group Limited (stock code: 02010), Shougang Concord International Enterprises Company Limited (stock code: 00697) (which are companies listed on the Main Board), ARA Asset Management (Fortune) Limited, which is the manager of Fortune REIT (listed in Hong Kong and Singapore), and Hui Xian Asset Management Limited, which is the manager of Hui Xian REIT (listed in Hong Kong). Mr. Ip was previously a Non-Executive Director of Hong Kong Jewellery Holding

Limited (stock code: 08048), being a listed company on the Growth Enterprise Market of the Stock Exchange, prior to his resignation from such position in July 2012, and a Director of ARA Trust Management (Suntec) Limited, which is the manager of Suntec REIT (listed in Singapore), prior to his resignation from such position in April 2014. He obtained a Bachelor of Arts degree in Economics from Ripon College, U.S. in May 1975 and a Master of Science degree in Business Administration from University of British Columbia, Canada in May 1977.

Mr. Ip is a director of certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the SFO.

Mr. Chung Sun Keung, Davy, aged 63, was appointed as the Executive Director of the Company on 26 February 2015. He has been an Executive Director of Cheung Kong since 1993, a member of the Executive Committee of Cheung Kong since March 2013, and an Executive Director of CKH Holdings since 9 January 2015 and a member of the Executive Committee of CKH Holdings since 26 February 2015. Mr. Chung is a Registered Architect and was admitted as a member of The Hong Kong Institute of Architects since November 1977. He obtained a Bachelor of Arts in Architectural Studies and a Bachelor of Architecture from the University of Hong Kong in November 1973 and 1975, respectively. He was a member of the 11th Guangzhou Committee of the Chinese People's Political Consultative Conference of the PRC.

Mr. Chiu Kwok Hung, Justin, aged 64, was appointed as the Executive Director of the Company on 26 February 2015. He joined the Cheung Kong Group in 1997, has been an Executive Director of Cheung Kong since 2000, a member of the Executive Committee of Cheung Kong since March 2013, and an Executive Director of CKH Holdings since 9 January 2015 and a member of the Executive Committee of CKH Holdings since 26 February 2015. He is the Chairman of ARA Asset Management (an Asian real estate fund management company listed in Singapore), ARA Asset Management (Fortune) Limited, which is the manager of Fortune REIT (listed in Hong Kong and Singapore), and ARA Asset Management (Prosperity) Limited, which is the manager of Prosperity REIT (listed in Hong Kong). Mr. Chiu is also a Director of ARA Fund Management (Asia Dragon) Limited, which is the manager of the ARA Asia Dragon Fund. Mr. Chiu was previously the Chairman of ARA Trust Management (Suntec) Limited, which is the manager of Suntec REIT (listed in Singapore), until his resignation from such position in April 2014. 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 PRC. 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 and a member of the Board of Governors of Hong Kong Baptist University Foundation. He obtained Bachelor of Arts degree in Sociology and Economics from Trent University in May 1978, and was conferred with the degree of Doctor of Social Sciences, honoris causa by Hong Kong Baptist University in November 2012 and the degree of Doctor of Laws, honoris causa by Trent University, Canada in June 2013.

Mr. Chiu is a director of a company controlled by a substantial shareholder of the Company within the meaning of Part XV of the SFO.

Mr. Chow Wai Kam, JP, aged 67, was appointed as the Executive Director of the Company on 26 February 2015. He joined the Hutchison Group in July 1995 and has been the Group Managing Director of the property and hotels divisions of the Hutchison Group since 2000. He has over 30 years of experience in project management and architectural design for various developments, including hotel, residential, commercial, industrial and school projects in Hong Kong, the PRC and overseas. He obtained a Bachelor of Arts degree in Architectural Studies and a Bachelor of Architecture degree from

The University of Hong Kong in November 1970 and November 1972, respectively. He has been an Authorised Person (List of Architects) and a Registered Architect since July 1976 and January 1991, respectively. He was also admitted as a Fellow of The Hong Kong Institute of Architects since August 2001.

Ms. Pau Yee Wan, Ezra, aged 59, was appointed as the Executive Director of the Company on 26 February 2015. She joined the Cheung Kong Group in 1982, has been an Executive Director of Cheung Kong since 1993, a member of the Executive Committee of Cheung Kong since March 2013, and an Executive Director of CKH Holdings since 9 January 2015 and a member of the Executive Committee of CKH Holdings since 26 February 2015. Ms. Pau obtained a Diploma in Management Studies from The Hong Kong Polytechnic University and The Hong Kong Management Association in September 1990. Ms. Pau is 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.

Ms. Woo Chia Ching, Grace, aged 58, was appointed as the Executive Director of the Company on 26 February 2015. She joined the Cheung Kong Group in 1987, has been an Executive Director of Cheung Kong since 1996, a member of the Executive Committee of Cheung Kong since March 2013, and an Executive Director of CKH Holdings since 9 January 2015 and a member of the Executive Committee of CKH Holdings since 26 February 2015. She obtained a Bachelor of Arts degree from the University of Pennsylvania, U.S. in May 1978 and a Master's degree in City and Regional Planning from Harvard University, U.S. in June 1981.

Ms. Woo is a director of certain companies controlled by a substantial shareholder of the Company within the meaning of Part XV of the SFO.

Independent Non-executive Directors

Mr. Cheong Ying Chew, Henry, aged 67, was appointed as the Independent Non-executive Director, the Chairman of the Audit Committee and a member of the Remuneration Committee of the Company on 26 February 2015. He has been an Independent Non-executive Director of Cheung Kong, a member of the Audit Committee of Cheung Kong since September 2004 and the Chairman of the Audit Committee of Cheung Kong since 1 January 2007. He is also an Independent Non-executive Director of CKH Holdings since 9 January 2015 and the Chairman of the Audit Committee of CKH Holdings since 26 February 2015, Cheung Kong Infrastructure Holdings Limited (stock code: 01038), CNNC International Limited (stock code: 02302), Creative Energy Solutions Holdings Limited (stock code: 08109), Greenland Hong Kong Holdings Limited (stock code: 00337), Hutchison Telecommunications Hong Kong Holdings Limited (stock code: 00215), New World Department Store China Limited (stock code: 00825), TOM Group Limited (stock code: 02383) and Skyworth Digital Holdings Limited (stock code: 00751), an Independent Director of BTS Group Holdings Public Company Limited (stock code: BTS), a company listed on the Stock Exchange of Thailand, and an alternate Director to Dr. Wong Yick-ming, Rosanna, an Independent Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited, all being listed companies. Mr. Cheong is an Executive Director and Deputy Chairman of Worldsec Limited (stock code: WSL), a company listed on the London Stock Exchange. Mr. Cheong is a member of the Securities and Futures Appeals Tribunal and a member of the Advisory Committee of the SFC. Mr. Cheong obtained a Bachelor of Science degree in Mathematics from University of London in August 1971 and a Master of Science degree in Operational Research and Management from University of London in December 1972.

Mr. Cheong was previously an Independent Non-executive Director of Hong Kong Jewellery Holding Limited *(resigned on 3 July 2012)*, being a listed company in Hong Kong.

Mr. Chow Nin Mow, Albert, aged 65, was appointed as the Independent Non-executive Director and a member of the Audit Committee of the Company on 26 February 2015. He has been a Director of Cheung Kong since September 1983. Mr. Chow acted as a Non-executive Director from April 1997 to October 2004 and has been an Independent Non-executive Director of Cheung Kong and an Independent Non-executive Director of CKH Holdings since October 2004 and 9 January 2015, respectively. Mr. Chow obtained a Diploma in Management Studies from The Hong Kong Polytechnic University and The Hong Kong Management Association in August 1981. He is the Chairman and Managing Director of Wah Yip (Holdings) Limited.

Ms. Hung Siu-lin, Katherine, aged 67, was appointed as the Independent Non-executive Director, the Chairman of the Remuneration Committee and a member of the Audit Committee of the Company on 26 February 2015. She joined the Cheung Kong Group in March 1972, and acted as an Executive Director of Cheung Kong from 1985 to August 2000. She was a Non-executive Director from September 2000 to October 2004, has been an Independent Non-executive Director of Cheung Kong and CKH Holdings since October 2004 and 9 January 2015, respectively, and has been a member of the Audit Committee of Cheung Kong since 1 January 2007 and a member of the Audit Committee of CKH Holdings since 26 February 2015. Ms. Hung is a member of the Tianjin Committee of the 13th Chinese People's Political Consultative Conference of the PRC. She is also a member of the Supervisory Board of Hong Kong Housing Society, a Court Member of The Hong Kong University of Science and Technology, an Honorary Court Member of The Hong Kong Polytechnic University, an Honorary Court Member of Lingnan University, an Executive Director of Chinese Academy of Governance (HK) Industrial and Commercial Professionals Alumni Association. She was a member of HKSAR Estate Agents Authority during the period November 2006 to October 2012, a Steering Committee Member of the Institute for Enterprise of The Hong Kong Polytechnic University from April 2000 to August 2011, and an executive committee member of Hong Kong Housing Society from September 2008 to August 2014. Ms. Hung is a University Fellow of The Hong Kong Polytechnic University.

Mr. Simon Murray, CBE, aged 74, was appointed as the Independent Non-executive Director of the Company on 26 February 2015. He has been an Independent Non-executive Director of Cheung Kong and CKH Holdings since 1993 and 9 January 2015, respectively. Mr. Murray is currently the Chairman of General Enterprise Management Services (International) Limited (GEMS Ltd.), a private equity fund management company. He is a Non-executive Director of Greenheart Group Limited (stock code: 00094) and IRC Limited (stock code: 01029), and an Independent Non-Executive Director of Orient Overseas (International) Limited (stock code: 00316), Wing Tai Properties Limited (stock code: 00369), China LNG Group Limited (stock code: 00931), all being companies listed on the Main Board, and Spring Asset Management Limited, which is the manager of Spring REIT (stock code: 01426), which is listed on the Main Board. He is also a Non-executive Director of Compagnie Financière Richemont SA (stock code: CFR), a company listed on the Swiss Exchange, and the Independent Non-executive Director and Chairman of Gulf Keystone Petroleum Ltd (stock code: GKP), a company listed on the London Stock Exchange. Mr. Murray obtained an Honorary Degree in Law from Bath University in 2005.

Mr. Murray was previously an Independent Director of Sino-Forest Corporation (stock code: TRE) (resigned on 30 January 2013 (Toronto time)), a company listed on the Toronto Stock Exchange, the Chairman of Glencore Xstrata plc (resigned on 2 May 2013), a company listed on the Main Board (stock code: 00805), the London Stock Exchange (stock code: GLEN) and the Johannesburg Stock

Exchange (stock code: GLN), and the Vice Chairman and Independent Non-executive Director of Essar Energy plc (resigned in May 2014), a company listed on the London Stock Exchange (stock code: ESSR) until 9 June 2014.

Mr. Yeh Yuan Chang, Anthony, aged 91, was appointed as the Independent Non-executive Director of the Company on 26 February 2015. He has been an Independent Non-Executive Director of Cheung Kong and CKH Holdings since 1993 and 9 January 2015, respectively. He obtained a Master's degree in Science (Mechanical Engineering) from Syracuse University, U.S. in June 1949. He is the honorary life president of Tai Ping Carpets International Limited (stock code: 00146), a company listed on the Main Board.

Save as disclosed in this listing document, none of the Directors has any relationship with any other directors, senior management or substantial or controlling shareholders (as defined under the Listing Rules) of the Company.

Save as disclosed in this listing document, none of the Directors has been a director of any other listed entities in the three years immediately preceding the date of this listing document.

Save as disclosed in *"Appendix VII – General Information – Further Information about the Directors – Particulars of Letters of Appointment"*, none of the Directors has any existing or proposed service contract with the Company or any of its subsidiaries other than contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

Save as disclosed above in "– *Board of Directors*" above and "*Appendix VII – General Information – Further Information about the Directors – Further Information on Certain Directors*", each Director had not held any other directorships in listed companies during the three years immediately prior to the Latest Practicable Date and there is no other information in respect of the Directors to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

SENIOR MANAGEMENT OF THE COMPANY

The senior management of the Company shall comprise the Executive Directors.

BOARD COMMITTEES

The Board has established the audit committee and the remuneration committee.

Audit Committee

The Company has established the audit committee of the Board in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The principal duties of the audit committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information, 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 consists of three Directors. The members of the Audit Committee are:

Mr. Cheong Ying Chew, Henry (*Chairman*)
Mr. Chow Nin Mow, Albert
Ms. Hung Siu-lin, Katherine

Remuneration Committee

The Company has established a remuneration committee of the Board in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The principal duties 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.

The remuneration committee consists of three Directors. The members of the remuneration committee are:

Ms. Hung Siu-lin, Katherine (*Chairman*)
Mr. Li Ka-shing
Mr. Cheong Ying Chew, Henry

Nomination Committee

The Company does not have a nomination committee. The Company does not consider it necessary to have a nomination committee as the full Board is responsible for reviewing the structure, size and composition of the Board 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, and the Board as a whole is also responsible for reviewing the succession plan for the Directors, in particular the chairman of the Board and the managing director of the Company.

COMPANY SECRETARY

Ms. Eirene Yeung, aged 54, was appointed as the Company Secretary of the Company on 5 January 2015. Ms. Yeung joined the Cheung Kong Group in August 1994. She is also a member of the Executive Committee and the Company Secretary of Cheung Kong; the Company Secretary of CKH Holdings, Cheung Kong Infrastructure Holdings Limited (stock code: 01038) and CK Life Sciences Int'l., (Holdings) Inc. (stock code: 00775); and a Non-executive Director of ARA Asset Management (Fortune) Limited. She is also the Alternate Director to Mr. Kam Hing Lam, the Group Managing Director of Cheung Kong Infrastructure Holdings Limited (stock code: 01038). She is a member of the Financial Reporting Council, a member of the SFC (HKEC Listing) Committee of the SFC, a member of the Listing Committee of the Main Board and Growth Enterprise Market of the Stock Exchange, a General Committee member of The Chamber of Hong Kong Listed Companies, a member of the Advisory Board of the MBA Programmes of The Chinese University of Hong Kong ("**CUHK**") and a member of the Advisory Group on BBA-JD Programme of CUHK. Ms. Yeung is a solicitor of the High Court of Hong Kong and of the Senior Court of Judicature in England and Wales. She is also a fellow member of The Hong Kong Institute of Directors, The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. She obtained a Master of Science degree

in Finance and a Master's degree in Business Administration from CUHK in 2005 and 2001 respectively, and a Bachelor's degree in Laws and a Postgraduate Certificate in Laws from The University of Hong Kong in November 1983 and 1984, respectively.

DIRECTORS' REMUNERATION AND REMUNERATION OF THE FIVE HIGHEST PAID INDIVIDUALS

As the Directors joined the Company in 2015, no remuneration was paid or is payable to any Director in his/her capacity as such during the Track Record Period. All the Directors received remuneration from the Cheung Kong Group and the Hutchison Group during the Track Record Period in respect of their services to the Cheung Kong Group and the Hutchison Group. The amounts paid by the Cheung Kong Group and the Hutchison Group were not specifically allocated between their services to the Cheung Kong Property Group and their services to the Hutchison Property Group, respectively, as there is no arrangement to recharge the Group such expenses and it is not meaningful to perform a retrospective allocation of the services rendered by the Directors to the various group companies within the Cheung Kong Group and the Hutchison Group. Further information in respect of the Directors' remuneration is set out in Note 25 of the Accountants' Report on the Cheung Kong Property Group set out in "*Appendix IA – Accountants' Report on the Cheung Kong Property Group* " and Note 29 of the Accountants' Report on the Hutchison Property Group set out in "*Appendix IB – Accountants' Report on the Hutchison Property Group*".

Under the current arrangements, the aggregate remuneration and benefits in kind payable to the Directors for the year ending 31 December 2015 are estimated to be approximately HK$150.6 million, excluding discretionary bonuses which are payable at the Group's discretion.

For the years ended 31 December 2012, 2013 and 2014, the aggregate amount or value of fees, salaries, housing allowances, other allowances, benefits in kind (including contribution to the Group's pension scheme on behalf of the five highest paid individuals) or any bonuses paid by (i) the Cheung Kong Property Group to its five highest paid individuals were approximately HK$29 million, HK$32 million and HK$32 million, respectively, and (ii) the Hutchison Property Group to its five highest paid individuals were approximately HK$49 million, HK$53 million and HK$54 million, respectively.

During the Track Record Period, no remuneration was paid to the Directors or the five highest paid individuals as an inducement to join or upon joining the Group. No compensation was paid to, or receivable by, the Directors or past directors of the Company or the five highest paid individuals for the loss of office as director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group. None of the Directors had waived any remuneration and/or emoluments during the Track Record Period.

Information on the letters of appointment entered into between the Company and the Directors is set out in "*Appendix VII – General Information – Further Information About the Directors*".

COMPLIANCE ADVISER

The Company has appointed Haitong International Capital Limited as its compliance adviser pursuant to Rule 3A.19 of the Listing Rules to provide advisory services to the Company. In compliance with Rule 3A.23 of the Listing Rules, the Company must consult with, and if necessary, seek advice from, the compliance adviser on a timely basis in the following circumstances:

(a) before the publication of any regulatory announcement, circular or financial report;

(b) where a transaction, which might be a notifiable or connected transaction or constitute price sensitive information of the Company, is contemplated including share issues and share repurchases;

(c) where the Group's business activities, developments or results deviate from any forecast, estimate or other information in this listing document; and

(d) where the Stock Exchange makes an inquiry of the Company concerning unusual movements in the price or trading volume of the Shares, the possible development of a false market in the Shares, or any other matters.

The term of the appointment of the compliance adviser will commence on the Listing Date and will end on the date on which the Company distributes its annual report in respect of its financial results for the first full financial year commencing after the Listing Date.

In preparation for the Listing, the Company has sought the following waiver from strict compliance with the relevant provisions of the Listing Rules:

Waiver in Relation to the Disclosure of Capital Alterations of the Group

Paragraph 26 of Appendix 1, Part A to the Listing Rules ("**Paragraph 26**") requires this listing document to contain the particulars of any alterations in the capital of any member of the Group within the two years immediately preceding the issue of this listing document.

The Company has applied to the Stock Exchange for[, and the Stock Exchange has granted,] a waiver from strict compliance with the requirements under Paragraph 26 on the basis that:

(a) upon completion of the Property Businesses Combination, the Group will comprise over 1,000 companies, a vast majority of which will be non-Principal Subsidiaries of the Company;

(b) it is expected that approximately 50 members of the Group will have had alterations in their share capital within the two years immediately preceding the issue of this listing document and therefore, it would be impracticable and unduly burdensome on the Company if it is required to comply strictly with the requirements of Paragraph 26 as the Company would have to incur additional costs and devote additional resources in compiling and verifying the relevant information for such disclosure, which may not be meaningful to Shareholders and investors of the Company to the extent it is in respect of non-Principal Subsidiaries; and

(c) if the disclosure included in this listing document pursuant to Paragraph 26 is only in respect of Principal Subsidiaries of the Company and excludes the non-Principal Subsidiaries of the Company, such disclosure will allow the Shareholders and investors of the Company to focus better on more meaningful information. For this purpose, a "**Principal Subsidiary**" means a subsidiary of the Company:

    (1) which contributes more than 5% in terms of one or more of (i) total assets, (ii) profits before tax, and (iii) total revenue of the Group, as at or for the year ended 31 December 2014 (as the case may be) by reference to the Group's pro forma financial information for the year ended 31 December 2014; or

    (2) which the Company considers is otherwise material to the Group, having regard to qualitative, non-financial aspects.

Details of the capital alterations of the Principal Subsidiaries are set out in "*Appendix VII – General Information – Further Information About the Company*".

The following is the text of a report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, for the purpose of incorporation in this listing document.

Deloitte.
德勤

德勤·關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F, One Pacific Place
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[●] 2015

The Directors
Cheung Kong Property Holdings Limited
7th Floor, Cheung Kong Center
2 Queen's Road Central
Hong Kong

HSBC Corporate Finance (Hong Kong) Limited
1 Queen's Road Central
Hong Kong

Merrill Lynch Far East Limited
55/F Cheung Kong Center
2 Queen's Road Central, Central
Hong Kong

Dear Sirs,

We set out below our report on the financial information of the property business of Cheung Kong (Holdings) Limited ("CKH") and its subsidiaries (collectively referred to as the "Cheung Kong Property Group" or the "Group") (the "Cheung Kong Property Group Financial Information"), which will be reorganised and held by Cheung Kong Property Holdings Limited (the "Company") upon completion of the proposed reorganisation mentioned below, for each of the three years ended 31 December 2012, 2013 and 2014 (the "Relevant Periods") for inclusion in the listing document issued by the Company and dated [●] (the "Listing Document") in connection with the listing by way of introduction of the entire issued share capital of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Proposed Listing").

The Company was incorporated and registered as an exempted company in the Cayman Islands under the Cayman Islands Companies Law on 2 January 2015 with limited liability. The Company, which is currently a wholly-owned subsidiary of CK Hutchison Holdings Limited, is an investment holding company and has not carried on any business except for equity transactions and preparation for the Proposed Listing since its incorporation.

Pursuant to the corporate reorganisation as more fully explained in the section headed "History and Reorganisation" in the Listing Document, the Company will become the holding company of the companies comprising the Cheung Kong Property Group (the "Proposed Reorganisation").

At the date of this report and during the Relevant Periods, the particulars of the companies comprising the Cheung Kong Property Group, all of which are companies with limited liabilities, are as follows:

Name	Place of incorporation/ establishment	Date of incorporation/ establishment	Equity interest attributable to the Group (effective holding)				Issued and fully paid share/ registered capital	Place of operation	Principal activities
			2012	2013	2014	At the date of this report			
			%	%	%	%			
U.S. Assets, Inc..	Arizona, U.S.A.	8 August 2001	100	100	100	100	USD1,000	U.S.A.	Property development
Able Sharp Group Limited	British Virgin Islands	21 September 2005	100	100	100	100	USD1	note (a)	Investment holding
Achieve Point Holdings Limited .	British Virgin Islands	16 February 2006	100	100	100	100	USD1	note (a)	Investment holding
Aesthetic Investments Limited . .	British Virgin Islands	20 November 1996	100	100	100	100	USD1	note (a)	Investment holding
Agate Enterprises Limited	British Virgin Islands	1 April 2014	N/A	N/A	100	100	USD1	note (a)	Investment holding
Aim Clever Holdings Limited . .	British Virgin Islands	2 July 2004	100	100	100	100	USD1	note (a)	Investment holding
Akerman Holdings Limited. . . .	British Virgin Islands	5 July 1995	100	100	100	100	USD1	note (a)	Investment holding
Amberland Investment Holdings Limited	British Virgin Islands	1 April 2014	N/A	N/A	100	100	USD2	note (a)	Investment holding
Amityville Limited	British Virgin Islands	1 June 1995	100	100	100	100	USD1	note (a)	Investment holding
Ascardo Limited.	British Virgin Islands	8 December 1997	100	100	100	100	USD1	note (a)	Investment holding
Asset Legend Limited.	British Virgin Islands	29 March 2011	100	100	50	50	USD1	note (a)	Investment holding
Astino Limited	British Virgin Islands	4 November 1998	100	100	100	100	USD1	note (a)	Investment holding
Autogrow Enterprises Corporation.	British Virgin Islands	7 April 2011	100	100	100	100	USD1	note (a)	Investment holding
Aventee Resources Limited. . . .	British Virgin Islands	31 July 2003	100	100	100	100	USD1	note (a)	Investment holding
Bamco Investment Limited	British Virgin Islands	4 January 1999	100	100	100	100	USD1	note (a)	Investment holding
Barbina Enterprises Limited (sold on 29/11/2013)	British Virgin Islands	4 July 2013	N/A	N/A	N/A	N/A	N/A	note (a)	Investment holding
Bavette Limited	British Virgin Islands	25 July 2012	100	100	100	100	USD1	note (a)	Investment holding
Beaumount Holdings Limited. . .	British Virgin Islands	24 August 2011	100	100	100	100	USD1	note (a)	Investment holding
Benform Limited	British Virgin Islands	17 November 2005	100	100	100	100	USD1	note (a)	Investment holding
Best Desire Investments Limited .	British Virgin Islands	28 January 2011	100	100	100	100	USD1	note (a)	Investment holding
Best Yet Resources Limited. . . .	British Virgin Islands	30 July 1999	100	100	100	100	USD1	note (a)	Investment holding
Better Ace Group Limited	British Virgin Islands	21 May 2007	100	100	100	100	USD1	note (a)	Investment holding
Bignet Limited	British Virgin Islands	20 January 2000	100	100	100	100	USD1	note (a)	Investment holding
Bingham Venture Limited.	British Virgin Islands	11 February 2004	100	100	100	100	USD1	note (a)	Investment holding
Bios Investment Limited	British Virgin Islands	10 March 2005	100	100	100	100	USD1	note (a)	Investment holding
Blackmoor Investments Limited .	British Virgin Islands	24 August 2011	100	100	100	100	USD1	note (a)	Investment holding
Blissjoy International Limited . .	British Virgin Islands	8 July 2005	80	80	80	80	USD10	note (a)	Investment holding
Bolo Investment Limited	British Virgin Islands	3 October 2000	100	100	100	100	USD1	note (a)	Investment holding

Name	Place of incorporation/ establishment	Date of incorporation/ establishment	Equity interest attributable to the Group (effective holding) 2012	2013	2014	At the date of this report	Issued and fully paid share/ registered capital	Place of operation	Principal activities
			%	%	%	%			
Bonson Resources Limited	British Virgin Islands	4 July 2000	100	100	100	100	USD1	note (a)	Investment holding
Boombay Limited	British Virgin Islands	25 November 1998	100	100	100	100	USD1	note (a)	Investment holding
Bouga Investments Limited	British Virgin Islands	7 April 2011	100	100	100	100	USD1	note (a)	Investment holding
Bovision Limited	British Virgin Islands	3 March 2004	100	100	100	100	USD1	note (a)	Investment holding
Bowstar Limited	British Virgin Islands	2 January 2003	100	100	100	100	USD1	note (a)	Investment holding
Bravo Time Holdings Limited	British Virgin Islands	26 January 2011	100	100	100	100	USD1	note (a)	Investment holding
Broadstairs International Limited	British Virgin Islands	8 June 1999	100	100	100	100	USD1	note (a)	Investment holding
Burgeon Force Limited	British Virgin Islands	18 November 2010	100	100	100	100	USD1	note (a)	Investment holding
Cabramatta Limited	British Virgin Islands	25 July 1995	100	100	100	100	USD1	note (a)	Investment holding
Campanelle Investments Limited	British Virgin Islands	17 January 2014	N/A	N/A	100	100	USD1	note (a)	Investment holding
Carton International Limited	British Virgin Islands	1 August 2000	100	100	100	100	USD2	Hong Kong	Investment holding and consultancy services
Cashwin Limited	British Virgin Islands	4 January 2013	N/A	100	100	100	USD1	note (a)	Investment holding
Cellentani Investments Limited	British Virgin Islands	17 January 2014	.N/A	N/A	100	100	USD2	note (a)	Investment holding
Century Sixty Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Financing
Champion Leaf Limited	British Virgin Islands	25 January 2013	N/A	100	100	100	USD2	note (a)	Investment holding
Charm Aim International Limited	British Virgin Islands	8 May 2007	100	100	100	100	USD1	note (a)	Investment holding
Chasterton Limited	British Virgin Islands	29 August 1995	100	100	100	100	USD1	note (a)	Investment holding
Cheerjoy Limited	British Virgin Islands	2 December 2008	100	100	100	100	USD10,000	note (a)	Investment holding
Chengdu Lido Limited	British Virgin Islands	21 July 2011	100	100	100	100	USD1	note (a)	Inactive
Cheung Kong (China Hotel) Ltd.	British Virgin Islands	9 November 1993	100	100	100	100	USD1	note (a)	Investment holding
Cheung Kong (China Housing Development) Ltd.	British Virgin Islands	22 July 1991	100	100	100	100	USD1	note (a)	Investment holding
Cheung Kong (China Investment Holdings) Limited	British Virgin Islands	1 December 2004	100	100	100	100	USD1	note (a)	Inactive
Cheung Kong (China Investment) Enterprises Ltd	British Virgin Islands	31 August 2007	100	100	100	100	USD1	note (a)	Inactive
Cheung Kong (China Property Development) Ltd.	British Virgin Islands	23 June 1992	100	100	100	100	USD1	note (a)	Investment holding
Cheung Kong (China Property) Ltd.	British Virgin Islands	14 September 1993	100	100	100	100	USD1	note (a)	Investment holding
Cheung Kong Development (China) Limited	British Virgin Islands	12 December 2005	100	100	100	100	USD10,000	note (a)	Investment holding
Cheung Kong Jingyang Housing Development Ltd.	British Virgin Islands	7 December 1993	100	100	100	100	USD1	note (a)	Inactive
China Cheung Kong Property Investment Limited.	British Virgin Islands	27 July 2010	100	100	100	100	USD1	note (a)	Inactive
Chinawide Profits Limited	British Virgin Islands	18 September 2002	100	100	100	100	USD1	note (a)	Investment holding
Chinex Ltd.	British Virgin Islands	13 August 2003	100	100	100	100	USD1	note (a)	Investment holding

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			%	%	%	%			
Choice Century Limited.	British Virgin Islands	19 August 2002	100	100	100	100	USD1	note (a)	Investment holding
City Access Limited.	British Virgin Islands	3 May 2005	100	100	100	100	USD1	note (a)	Investment holding
City Magic Holdings Limited. . .	British Virgin Islands	3 September 2004	100	100	100	100	USD100	note (a)	Investment holding
City Orient Investments Limited .	British Virgin Islands	23 September 2004	100	100	100	100	USD1	note (a)	Investment holding
City Sparkling Limited	British Virgin Islands	2 November 2011	100	100	100	100	USD2	note (a)	Investment holding
City Vanguard Limited	British Virgin Islands	10 November 2011	100	100	100	100	USD1	note (a)	Investment holding
Citytex Investment Limited. . . .	British Virgin Islands	12 April 2005	100	100	100	100	USD1	note (a)	Investment holding
CKH Star Limited.	British Virgin Islands	20 January 2000	100	100	100	100	USD1	note (a)	Investment holding
Classic One Investments Limited.	British Virgin Islands	6 January 2011	100	100	100	100	USD1	note (a)	Investment holding
Clear Success International Limited	British Virgin Islands	8 August 2005	100	100	100	100	USD1	note (a)	Investment holding
Cleverking International Limited .	British Virgin Islands	3 December 2004	100	100	100	100	USD1	note (a)	Investment holding
Coco Resources Limited	British Virgin Islands	12 October 1998	100	100	100	100	USD1	note (a)	Inactive
Complete Wiz Investments Limited	British Virgin Islands	16 February 2006	100	100	100	100	USD1	note (a)	Inactive
Corzetti Limited.	British Virgin Islands	19 October 2012	100	100	100	100	USD2	note (a)	Investment holding
Cropland Investment Limited. . .	British Virgin Islands	21 November 2000	100	100	100	100	USD1	note (a)	Investment holding
Croyland Investments Limited . .	British Virgin Islands	3 January 1997	100	100	100	100	USD1	note (a)	Inactive
Curvers Holdings Limited	British Virgin Islands	13 June 1995	100	100	100	100	USD1	note (a)	Investment holding
Datalink Enterprises Limited . . .	British Virgin Islands	29 March 2000	100	100	100	100	USD1	note (a)	Investment holding
Datalink Resources Limited. . . .	British Virgin Islands	21 January 2000	100	100	100	100	USD1	note (a)	Investment holding
Dellian Developments Limited . .	British Virgin Islands	6 January 2000	100	100	100	100	USD1	note (a)	Investment holding
Desmark Investment Limited . . .	British Virgin Islands	12 December 2005	100	100	100	100	USD1	note (a)	Investment holding
Dinmax Limited.	British Virgin Islands	6 March 2003	100	100	100	100	USD1	note (a)	Investment holding
Doko Limited	British Virgin Islands	30 January 2003	100	100	100	100	USD1	note (a)	Investment holding
Dragon Focus Group Limited. . .	British Virgin Islands	28 April 2005	100	100	100	100	USD1	note (a)	Investment holding
Dreamsell Group Limited.	British Virgin Islands	6 January 2000	100	100	100	100	USD1	note (a)	Investment holding
Easypro Group Limited.	British Virgin Islands	9 January 2006	100	100	100	100	USD1	note (a)	Investment holding
Enterpark Limited.	British Virgin Islands	6 September 2005	100	100	100	100	USD1	note (a)	Investment holding
Equisite Taste Investments Limited	British Virgin Islands	7 March 1995	100	100	100	100	USD1	note (a)	Investment holding
Esteem-Rite Limited	British Virgin Islands	15 April 2011	100	100	100	100	USD1	note (a)	Investment holding
Estimated Return Investments Limited	British Virgin Islands	12 April 2000	100	100	100	100	USD1	note (a)	Investment holding

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			2012	2013	2014	At the date of this report			
			%	%	%	%			
Even Market Investments Limited	British Virgin Islands	30 August 2000	100	100	100	100	USD1	note (a)	Investment holding
Even Spread Limited	British Virgin Islands	10 April 2006	100	100	100	100	USD1	note (a)	Investment holding
Ever Attain Limited	British Virgin Islands	18 January 2011	100	100	100	100	USD1	note (a)	Investment holding
Expert Pro Holdings Limited	British Virgin Islands	1 February 2011	100	100	50	50	USD2	note (a)	Investment holding
Fairy International Limited	British Virgin Islands	2 October 2003	100	100	100	100	USD1	note (a)	Investment holding
Famous Star Venture Limited	British Virgin Islands	27 April 1999	100	100	100	100	USD1	note (a)	Investment holding
Favor Aim Enterprises Limited	British Virgin Islands	9 January 2006	100	100	100	100	USD1	note (a)	Investment holding
Filand Enterprises Limited	British Virgin Islands	31 May 1999	100	100	100	100	USD1	note (a)	Investment holding
Fiori Global Limited	British Virgin Islands	29 November 2012	100	100	100	100	USD1	note (a)	Investment holding
Fireball Enterprises Limited	British Virgin Islands	29 April 1999	100	100	100	100	USD1	note (a)	Investment holding
Flextop Limited	British Virgin Islands	6 July 1999	100	100	100	100	USD1	note (a)	Investment holding
Focus Eagle Investments Limited.	British Virgin Islands	15 April 2003	100	100	100	100	USD1	note (a)	Investment holding
Foncom Limited	British Virgin Islands	18 July 2000	100	100	100	100	USD10,000	note (a)	Investment holding
Fortech Resources Limited	British Virgin Islands	2 January 2002	100	100	100	100	USD1	note (a)	Investment holding
Full Vantage Limited	British Virgin Islands	10 April 2006	100	100	100	100	USD1	note (a)	Investment holding
Gadera Investments Limited	British Virgin Islands	7 June 1994	100	100	100	100	USD1	note (a)	Investment holding
Galand Limited	British Virgin Islands	4 July 2006	100	100	100	100	USD1	note (a)	Investment holding
Gartech Resources Limited	British Virgin Islands	9 September 2005	100	100	100	100	USD1	note (a)	Investment holding
Giant Step Holdings Group Inc.	British Virgin Islands	6 July 2005	100	100	100	100	USD1	note (a)	Inactive
Giga Resources Limited.	British Virgin Islands	11 August 2001	100	100	100	100	USD1	note (a)	Inactive
Gingerbread Investments Limited.	British Virgin Islands	2 January 1992	100	100	100	100	USD1	Hong Kong	Property development
Glass Bead Limited	British Virgin Islands	26 November 1991	100	100	100	100	USD1	Hong Kong	Property investment

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			%	%	%	%			
Gleaming Profits Limited	British Virgin Islands	25 September 1997	100	100	100	100	USD1	note (a)	Investment holding
Globeat Strategy Limited	British Virgin Islands	8 March 2000	100	100	100	100	USD1	note (a)	Investment holding
Go Best Investments Limited	British Virgin Islands	25 August 2005	100	100	100	100	USD1	note (a)	Investment holding
Goda International Limited	British Virgin Islands	21 May 1997	100	100	100	100	USD1	note (a)	Inactive
Going Places Group Limited	British Virgin Islands	25 September 1997	100	100	100	100	USD1	note (a)	Investment holding
Gold Braid Limited	British Virgin Islands	26 November 1991	100	100	100	100	USD1	note (a)	Investment holding
Gold Creek Enterprises Limited	British Virgin Islands	12 April 2012	100	100	100	100	USD1	note (a)	Investment holding
Goldcent Investments Limited	British Virgin Islands	29 August 1995	100	100	100	100	USD1	note (a)	Investment holding
Goldleaf Venture Limited	British Virgin Islands	16 May 1997	100	100	100	100	USD1	note (a)	Investment holding
Goldwise Limited	British Virgin Islands	2 April 1998	100	100	100	100	USD1	note (a)	Investment holding
Good Sun Profits Limited	British Virgin Islands	13 October 2005	100	100	100	100	USD1	note (a)	Investment holding
Gosula Limited	British Virgin Islands	26 April 1994	100	100	100	100	USD1	note (a)	Investment holding
Gowrie Profits Limited	British Virgin Islands	28 February 2000	100	100	100	100	USD1	note (a)	Investment holding
Grand Plan Investments Inc.	British Virgin Islands	15 April 2011	100	100	100	100	USD1	note (a)	Investment holding
Grandeur Era Limited	British Virgin Islands	28 March 2012	100	100	100	100	USD1	note (a)	Investment holding
Greats Assets Limited (wound up on 17/10/2012)	British Virgin Islands	11 January 1993	N/A	N/A	N/A	N/A	N/A	note (a)	Inactive
Great Fame International Limited	British Virgin Islands	8 June 2007	100	100	100	100	USD1	note (a)	Inactive
Great Hope International Limited.	British Virgin Islands	8 June 2007	100	100	100	100	USD1	note (a)	Inactive
Great Region Investments Limited	British Virgin Islands	10 March 2011	100	100	100	100	USD1	note (a)	Investment holding
Greenage Holdings Limited	British Virgin Islands	16 February 2011	100	100	100	100	USD1	note (a)	Investment holding
Harbour Plaza Resort City Limited	British Virgin Islands	10 July 2013	N/A	98.47	98.47	98.47	USD10,000	Hong Kong	Hotel and serviced suite operation
Haseldene International Limited	British Virgin Islands	28 October 2010	100	100	100	100	USD1	note (a)	Investment holding
Haunder Investments Limited	British Virgin Islands	5 July 1994	100	100	100	100	USD1	note (a)	Investment holding
Herolink Limited	British Virgin Islands	4 July 2000	100	100	100	100	USD1	note (a)	Investment holding
High Acceptation Limited	British Virgin Islands	20 April 2000	100	100	100	100	USD1	note (a)	Investment holding
Highbury International Limited	British Virgin Islands	3 January 1995	100	100	100	100	USD1	note (a)	Investment holding
Holistic Gain Limited	British Virgin Islands	14 December 2011	100	100	100	100	USD1	note (a)	Investment holding
Honey Bear Holdings Limited	British Virgin Islands	26 November 1991	100	100	100	100	USD1	note (a)	Investment holding
Hosar Investment Limited	British Virgin Islands	21 May 2003	100	100	100	100	USD1	note (a)	Investment holding

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			2012	2013	2014	At the date of this report			
			%	%	%	%			
Hoshing Resources Limited	British Virgin Islands	4 July 2000	100	100	100	100	USD1	note (a)	Investment holding
Hyperforce Limited	British Virgin Islands	12 September 2005	100	100	100	100	USD1	note (a)	Investment holding
Idola Holdings Limited	British Virgin Islands	15 July 2010	100	100	100	100	USD1	note (a)	Investment holding
In Favour Assets Limited	British Virgin Islands	3 July 2001	100	100	100	100	USD1	note (a)	Investment holding
Interwest Resources Limited	British Virgin Islands	9 May 2006	100	100	100	100	USD1	note (a)	Investment holding
Ivision International Limited	British Virgin Islands	22 February 2001	100	100	100	100	USD100	Hong Kong	Financing
Jadeland Resources Limited	British Virgin Islands	6 May 1997	100	100	100	100	USD1	note (a)	Investment holding
Jolly Concept Holdings Limited	British Virgin Islands	20 April 2006	100	100	100	100	USD1	note (a)	Investment holding
Juralco Limited	British Virgin Islands	3 January 1997	100	100	100	100	USD1	note (a)	Investment holding
Kalop Limited	British Virgin Islands	3 January 2002	100	100	100	100	USD1	note (a)	Investment holding
Kamlun Profits Limited	British Virgin Islands	28 April 2005	100	100	100	100	USD1	note (a)	Investment holding
Kenten Road Investments Limited	British Virgin Islands	3 April 2006	100	100	100	100	USD1	note (a)	Investment holding
Kentex Enterprises Limited	British Virgin Islands	22 May 2006	100	100	100	100	USD1	note (a)	Investment holding
Keyswin International Limited	British Virgin Islands	4 January 2005	100	100	100	100	USD1	note (a)	Investment holding
Kiadina Investments Limited	British Virgin Islands	7 June 1994	100	100	100	100	USD1	note (a)	Investment holding
Killam Group Limited	British Virgin Islands	22 November 2005	100	100	100	100	USD1	note (a)	Investment holding
Kismet Developments Limited	British Virgin Islands	3 November 1997	100	100	100	100	USD1	note (a)	Investment holding
Know Win Limited	British Virgin Islands	3 April 2006	100	100	100	100	USD1	note (a)	Inactive
Kolane Limited	British Virgin Islands	4 April 2005	100	100	100	100	USD1	note (a)	Investment holding
Landinvest Investment Limited	British Virgin Islands	3 October 2005	100	100	100	100	USD1	note (a)	Investment holding
Lasco Resources Limited	British Virgin Islands	20 March 2006	100	100	100	100	USD1	note (a)	Investment holding
Lead Ahead Group Limited	British Virgin Islands	10 August 2005	100	100	100	100	USD1	note (a)	Investment holding
Leckford Resources Limited	British Virgin Islands	18 June 1997	100	100	100	100	USD1	note (a)	Investment holding
Lema International Limited	British Virgin Islands	12 March 1997	100	100	100	100	USD1	note (a)	Investment holding
Lico Investment Limited	British Virgin Islands	23 April 1997	100	100	100	100	USD1	note (a)	Investment holding
Light Crown International Limited	British Virgin Islands	12 September 1995	100	100	100	100	USD1	note (a)	Investment holding
Lipwin Resources Limited	British Virgin Islands	29 August 2000	100	100	100	100	USD1	note (a)	Investment holding
Liverton Investment Limited	British Virgin Islands	4 July 1996	100	100	100	100	USD1	note (a)	Inactive
Lumistar Limited	British Virgin Islands	29 November 2002	100	100	100	100	USD1	note (a)	Investment holding

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			%	%	%	%			
Lyntall Limited	British Virgin Islands	8 April 2013	N/A	100	100	100	USD1	note (a)	Investment holding
Magic Champ Limited	British Virgin Islands	28 July 2010	100	100	100	100	USD1	note (a)	Inactive
Magic Fortune Limited	British Virgin Islands	10 March 1998	100	100	100	100	USD1	note (a)	Investment holding
Marino Capital Holdings Limited.	British Virgin Islands	25 January 2005	85	85	85	85	USD20	Hong Kong	Investment holding and financing
Mass Success Investments Limited	British Virgin Islands	10 March 1998	100	100	100	100	USD1	note (a)	Investment holding
Mastronic Enterprises Limited	British Virgin Islands	24 July 1998	100	100	100	100	USD1	note (a)	Investment holding
Maysprings Holdings Limited	British Virgin Islands	22 April 1997	100	100	100	100	USD1	note (a)	Investment holding
Mcbride International Limited	British Virgin Islands	13 July 2006	100	100	100	100	USD1	note (a)	Inactive
Megawin International Ltd.	British Virgin Islands	2 January 2003	100	100	100	100	USD2	Hong Kong	Investment holding and provision of consultancy services
Merry Finance Ltd	British Virgin Islands	22 March 1994	100	100	100	100	USD1	note (a)	Investment holding
Merry Investments Limited	British Virgin Islands	19 October 1993	100	100	100	100	USD1	note (a)	Investment holding
Mesa Investment Limited	British Virgin Islands	24 March 1999	100	100	100	100	USD1	note (a)	Investment holding
Mocore Investment Limited.	British Virgin Islands	22 March 2005	100	100	100	100	USD1	note (a)	Investment holding
Monopro Investment Limited	British Virgin Islands	3 January 2002	100	100	100	100	USD1	note (a)	Investment holding
Monway Investment Limited	British Virgin Islands	5 January 2005	100	100	100	100	USD1	note (a)	Investment holding
More Fortune Investments Limited	British Virgin Islands	12 August 2005	100	100	100	100	USD1	note (a)	Investment holding
Mosco Enterprises Limited	British Virgin Islands	21 July 1999	100	100	100	100	USD1	note (a)	Investment holding
Most Sunny Limited	British Virgin Islands	3 May 2006	100	100	100	100	USD1	note (a)	Inactive
Munrose Limited	British Virgin Islands	22 April 1997	100	100	100	100	USD1	note (a)	Investment holding
Narada Investment Limited	British Virgin Islands	25 May 1999	100	100	100	100	USD1	note (a)	Investment holding
Newsbury Enterprises Limited	British Virgin Islands	13 March 1996	100	100	100	100	USD1	note (a)	Investment holding
Nimble Market Limited	British Virgin Islands	20 April 2011	100	100	100	100	USD1	note (a)	Investment holding
Nito International Limited	British Virgin Islands	6 March 2002	100	100	100	100	USD1	note (a)	Investment holding
Noblecrown Investment Limited	British Virgin Islands	28 September 2000	100	100	100	100	USD1	note (a)	Investment holding
Numarko Limited	British Virgin Islands	18 October 2005	100	100	100	100	USD1	note (a)	Investment holding
Onwin Enterprises Limited	British Virgin Islands	21 November 2002	100	100	100	100	USD1	note (a)	Investment holding
Orator Investment Limited	British Virgin Islands	6 March 2002	100	100	100	100	USD1	note (a)	Investment holding
Ostobo Limited	British Virgin Islands	2 January 2002	100	100	100	100	USD1	note (a)	Investment holding
Paola Holdings Limited	British Virgin Islands	29 September 2010	100	100	100	100	USD1	note (a)	Investment holding

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			2012	2013	2014	At the date of this report			
			%	%	%	%			
Pentech Investment Limited (wound up on 28/11/2014)	British Virgin Islands	4 July 2006	100	100	N/A	N/A	N/A	note (a)	Investment holding
Perfect Figure Investments Limited (wound up on 01/07/2014)	British Virgin Islands	5 January 2006	100	100	N/A	N/A	N/A	note (a)	Investment holding
Pervasive Developments Limited	British Virgin Islands	22 May 2001	100	100	100	100	USD1	note (a)	Investment holding
Phonic Limited	British Virgin Islands	29 March 1996	100	100	100	100	USD1	note (a)	Investment holding
Pine Fragrance Limited	British Virgin Islands	19 September 1995	100	100	100	100	USD1	Hong Kong	Property investment
Plan Achieve Limited	British Virgin Islands	8 September 2010	100	100	100	100	USD1	note (a)	Investment holding
Platinum Ring Limited	British Virgin Islands	10 May 2005	100	100	100	100	USD1	note (a)	Investment holding
Pofield Investments Limited	British Virgin Islands	21 June 1993	100	100	100	100	USD1	Hong Kong	Property investment
Polytown Investments Limited	British Virgin Islands	3 January 1997	100	100	100	100	USD1	note (a)	Investment holding
Potent Limited	British Virgin Islands	7 July 2005	100	100	100	100	USD1	note (a)	Investment holding
Pomer International Limited	British Virgin Islands	1 May 1997	100	100	100	100	USD1	note (a)	Investment holding
Powercell Investment Limited (wound up on 25/11/2014)	British Virgin Islands	27 February 2001	100	100	N/A	N/A	N/A	note (a)	Investment holding
Presion Limited	British Virgin Islands	6 June 1990	100	100	100	100	USD650	note (a)	Investment holding
Prima Enterprise Corp. (dissolved on 18/09/2012)	British Virgin Islands	6 July 2000	N/A	N/A	N/A	N/A	N/A	note (a)	Inactive
Prime Prosperous Limited	British Virgin Islands	28 March 2012	100	100	100	100	USD1	note (a)	Investment holding
Prime Riches Limited	British Virgin Islands	18 April 2012	100	100	100	100	USD2	note (a)	Investment holding
Primefair Investment Limited	British Virgin Islands	2 December 1996	100	100	100	100	USD1	note (a)	Investment holding
Primrose Profits Corp. (wound up on 25/11/2014)	British Virgin Islands	19 September 1996	100	100	N/A	N/A	N/A	note (a)	Inactive
Profit Land Global Enterprises Inc.	British Virgin Islands	15 April 2011	100	100	100	100	USD1	note (a)	Investment holding
Profit Town Investments Limited (wound up on 07/05/2014)	British Virgin Islands	28 January 2005	100	100	N/A	N/A	N/A	note (a)	Inactive
Progress Future Limited	British Virgin Islands	1 August 1997	100	100	100	100	USD1	note (a)	Investment holding
Prospect Acme Limited	British Virgin Islands	28 March 2011	100	100	100	100	USD1	note (a)	Investment holding
Punto Investment Limited	British Virgin Islands	16 October 1998	100	100	100	100	USD1	note (a)	Investment holding
Radiant Talent Investments Limited	British Virgin Islands	6 April 2011	100	100	100	100	USD1	note (a)	Investment holding
Ramway Investment Limited	British Virgin Islands	4 January 2005	100	100	100	100	USD1	note (a)	Investment holding

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			%	%	%	%			
Raven Profits Limited.	British Virgin Islands	20 April 1995	100	100	100	100	USD1	note (a)	Investment holding
Reagan Enterprises Limited (wound up on 10/12/2014). .	British Virgin Islands	11 January 2005	100	100	N/A	N/A	N/A	note (a)	Investment holding
Reedy Profits Limited.	British Virgin Islands	20 April 1995	100	100	100	100	USD1	note (a)	Investment holding
Renton International Limited . . .	British Virgin Islands	6 June 1990	100	100	100	100	USD650	note (a)	Investment holding
Richly Reward Limited	British Virgin Islands	22 December 2011	100	100	100	100	USD1	note (a)	Investment holding
Rivet Profits Limited	British Virgin Islands	8 November 2005	85	85	85	85	USD20	note (a)	Investment holding
Roseberg Resources Limited . . .	British Virgin Islands	3 October 2005	100	100	100	100	USD1	note (a)	Investment holding
Rothwell Resources Limited (wound up on 11/10/2012). .	British Virgin Islands	11 June 1997	N/A	N/A	N/A	N/A	N/A	note (a)	Inactive
Rubic International Limited. . . .	British Virgin Islands	25 January 1994	100	100	100	100	USD1	note (a)	Investment holding
Ryleston Limited	British Virgin Islands	26 April 1994	100	100	100	100	USD1	note (a)	Investment holding
Ryona Holdings Limited	British Virgin Islands	5 July 1995	100	100	100	100	USD1	note (a)	Investment holding
Saba Resources Limited.	British Virgin Islands	6 April 2000	100	100	100	100	USD1	note (a)	Investment holding
Sanwick Associates Limited . . .	British Virgin Islands	2 January 1996	100	100	100	100	USD1	note (a)	Investment holding
Satiate Group Limited.	British Virgin Islands	8 August 1996	100	100	100	100	USD1	note (a)	Investment holding
Sharp Bright Enterprises Limited (wound up on 08/11/2013). .	British Virgin Islands	28 July 2004	100	N/A	N/A	N/A	N/A	note (a)	Inactive
Sheer Profit Enterprises Limited .	British Virgin Islands	27 March 1997	100	100	100	100	USD1	note (a)	Investment holding
Sherio Limited.	British Virgin Islands	9 July 2010	100	100	100	100	USD1	note (a)	Investment holding
Sherlock Assets Limited	British Virgin Islands	2 January 1996	100	100	100	100	USD1	note (a)	Investment holding
Silver Charm Limited.	British Virgin Islands	18 January 1994	100	100	100	100	USD10	note (a)	Investment holding
Silver Palace International Limited	British Virgin Islands	18 January 2000	100	100	100	100	USD1	note (a)	Investment holding
Silverhill Holdings Limited. . . .	British Virgin Islands	24 August 2011	100	100	100	100	USD2	note (a)	Investment holding
Sinobond Investment Limited. . .	British Virgin Islands	4 July 2000	100	100	100	100	USD1	note (a)	Investment holding
Smartary Limited	British Virgin Islands	19 April 2013	N/A	100	100	100	USD2	note (a)	Investment holding
Soundmax Limited	British Virgin Islands	22 July 2003	100	100	100	100	USD1	note (a)	Investment holding
Special Cheer Investments Limited (wound up on 22/05/2014).	British Virgin Islands	5 January 1995	100	100	N/A	N/A	N/A	note (a)	Investment holding
Speed Mark Profits Limited . . .	British Virgin Islands	31 March 1998	100	100	100	100	USD1	note (a)	Investment holding
Spinebill Investments Limited . .	British Virgin Islands	26 July 1994	100	100	100	100	USD1	note (a)	Investment holding
Spotlight Investment Limited. . .	British Virgin Islands	12 August 1996	100	100	100	100	USD1	note (a)	Investment holding
Starboard Profits Limited.	British Virgin Islands	4 April 1996	100	100	100	100	USD1	note (a)	Investment holding

Name	Place of incorporation/ establishment	Date of incorporation/ establishment	Equity interest attributable to the Group (effective holding) 2012	2013	2014	At the date of this report	Issued and fully paid share/ registered capital	Place of operation	Principal activities
			%	%	%	%			
Starcom Venture Limited	British Virgin Islands	15 March 2000	100	100	100	100	USD1	Hong Kong	Financing
Steelmill Resources Limited . . .	British Virgin Islands	8 February 2001	100	100	100	100	USD1	note (a)	Investment holding
Stephigh Holdings Limited (wound up on 08/11/2013). .	British Virgin Islands	22 July 2004	100	N/A	N/A	N/A	N/A	note (a)	Inactive
Stocklink Limited	British Virgin Islands	28 March 2000	80	80	80	80	USD5	Hong Kong	Investment holding and financing
Sulham Limited	British Virgin Islands	24 August 2011	100	100	100	100	USD1	note (a)	Investment holding
Sunbest International Limited (wound up on 26/05/2014). .	British Virgin Islands	2 January 2001	100	100	N/A	N/A	N/A	note (a)	Inactive
Sunway Asia Limited	British Virgin Islands	7 July 2000	100	100	100	100	USD1	note (a)	Inactive
Sunwell Resources Limited (wound up on 01/11/2012). .	British Virgin Islands	2 July 2004	N/A	N/A	N/A	N/A	N/A	note (a)	Inactive
Super Heaven Holdings Limited .	British Virgin Islands	25 March 1997	100	100	100	100	USD1	note (a)	Investment holding
Superfun Limited	British Virgin Islands	2 June 1997	100	100	100	100	USD1	note (a)	Investment holding
Superquest Holdings Limited . . .	British Virgin Islands	25 May 1993	100	100	100	100	USD10,000	note (a)	Investment holding
Tajo Holdings Limited	British Virgin Islands	12 October 2010	100	100	100	100	USD1	note (a)	Investment holding
Talent Sun Limited	British Virgin Islands	25 January 1994	65	65	65	65	USD100	note (a)	Investment holding
Terrier International Limited . . .	British Virgin Islands	2 January 1998	51	51	51	51	USD100	note (a)	Investment holding
The Center (19) Limited	British Virgin Islands	22 September 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (20) Limited	British Virgin Islands	22 September 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (21) Limited	British Virgin Islands	22 September 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (22) Limited	British Virgin Islands	22 September 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (23) Limited	British Virgin Islands	22 September 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (25) Limited	British Virgin Islands	22 September 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (26) Limited	British Virgin Islands	22 September 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (27) Limited	British Virgin Islands	22 September 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (28) Limited	British Virgin Islands	22 September 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (29) Limited	British Virgin Islands	22 September 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (30) Limited	British Virgin Islands	22 September 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (31) Limited	British Virgin Islands	22 September 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (32) Limited	British Virgin Islands	22 September 1997	100	100	100	100	USD1	Hong Kong	Property investment

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			%	%	%	%			
The Center (33) Limited	British Virgin Islands	22 September 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (35) Limited	British Virgin Islands	22 September 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (36) Limited	British Virgin Islands	22 September 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (37) Limited	British Virgin Islands	22 September 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (38) Limited	British Virgin Islands	22 September 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (39) Limited	British Virgin Islands	22 September 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (42) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (43) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (45) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (46) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (47) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (48) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (49) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (50) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (51) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (52) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (53) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (55) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (56) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (57) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (58) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (59) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (61) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (62) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (63) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (65) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (66) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (67) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (68) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment

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			%	%	%	%			
The Center (69) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (72) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (75) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (76) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (77) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (Car Parks) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (Display Spaces) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center (Finance) Limited (wound up on 01/11/2012)	British Virgin Islands	4 September 1997	N/A	N/A	N/A	N/A	N/A	note (a)	Inactive
The Center (Holdings) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	note (a)	Investment holding
The Center 42 (No. 2) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center 78 (No. 2) Limited	British Virgin Islands	30 October 1998	100	100	100	100	USD1	Hong Kong	Property investment
The Center Commercial (B.V.I.) Limited	British Virgin Islands	8 August 1997	100	100	100	100	USD1	Hong Kong	Property investment
The Center International Limited	British Virgin Islands	14 August 1997	100	100	100	100	USD10	note (a)	Investment holding
Tibon Limited	British Virgin Islands	14 August 1997	100	100	100	100	USD1	note (a)	Investment holding
Time Grow Holdings Limited	British Virgin Islands	26 October 2005	100	100	100	100	USD1	note (a)	Investment holding
Toba Investment Limited	British Virgin Islands	18 September 2003	100	100	100	100	USD1	note (a)	Investment holding
Top Dollar Limited	British Virgin Islands	29 November 1995	90	90	90	90	USD1	note (a)	Investment holding
Top Fame Group Limited	British Virgin Islands	26 October 2010	100	100	100	100	USD1	note (a)	Inactive
Top Merit Enterprises Limited	British Virgin Islands	26 October 2010	100	100	100	100	USD1	note (a)	Inactive
Topa International Limited	British Virgin Islands	4 January 2000	100	100	100	100	USD1	note (a)	Investment holding
Torrens Global Limited	British Virgin Islands	19 April 2013	N/A	100	100	100	USD1	note (a)	Investment holding
Total Win Group Limited	British Virgin Islands	8 September 2005	100	100	100	100	USD1	note (a)	Investment holding
Total Wonder Holdings Limited	British Virgin Islands	11 September 2009	100	100	100	100	USD1	note (a)	Investment holding
Trade Ally Holdings Limited	British Virgin Islands	9 July 2010	100	100	100	100	USD1	note (a)	Investment holding
Treasure Well Investments Limited	British Virgin Islands	11 September 2009	100	100	100	100	USD1	note (a)	Investment holding
Tremendous Wealth Limited	British Virgin Islands	12 June 1992	100	100	100	100	USD1	Hong Kong	Property investment
Triumph King Limited	British Virgin Islands	29 October 2010	100	100	100	100	USD1	note (a)	Investment holding
Trivictory Investments Limited (wound up on 14/08/2014)	British Virgin Islands	8 July 2005	100	100	N/A	N/A	N/A	note (a)	Inactive
Trudeau Holdings Limited	British Virgin Islands	16 November 1995	90	90	90	90	USD10	note (a)	Investment holding

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			2012	2013	2014	At the date of this report			
			%	%	%	%			
Tullieres Limited	British Virgin Islands	2 January 1998	100	100	100	100	USD1	note (a)	Investment holding
Ultimate Happy Limited	British Virgin Islands	15 September 2000	100	100	100	100	USD1	note (a)	Investment holding
Union Way Profits Limited (wound up on 23/12/2013)	British Virgin Islands	1 September 2005	100	N/A	N/A	N/A	N/A	note (a)	Investment holding
Versa International Limited	British Virgin Islands	19 March 2002	100	100	100	100	USD1	note (a)	Investment holding
Warble Limited	British Virgin Islands	2 November 1998	100	100	100	100	USD1	note (a)	Investment holding
Wateredge Enterprises Limited	British Virgin Islands	11 April 2012	100	100	100	100	USD1	note (a)	Investment holding
Waygone Investments Limited	British Virgin Islands	1 June 1995	100	100	100	100	USD1	note (a)	Investment holding
Wealth Finder Limited	British Virgin Islands	28 September 2010	100	100	100	100	USD1	note (a)	Investment holding
Wealthman Group Limited	British Virgin Islands	7 July 2005	100	100	100	100	USD1	note (a)	Investment holding
Wei Po Profits Limited	British Virgin Islands	8 February 2000	100	100	100	100	USD1	note (a)	Investment holding
Well Support Investments Limited	British Virgin Islands	8 August 2005	100	100	100	100	USD1	note (a)	Investment holding
Wholesome Global Limited	British Virgin Islands	24 January 2013	N/A	100	100	100	USD2	note (a)	Investment holding
Wideplex Limited	British Virgin Islands	2 July 1999	60	60	60	60	USD5	note (a)	Investment holding
Wincom Investment Limited (wound up on 25/11/2014)	British Virgin Islands	18 September 2003	100	100	N/A	N/A	N/A	note (a)	Investment holding
Winfolk International Limited	British Virgin Islands	4 July 1996	100	100	100	100	USD1	note (a)	Investment holding
Wingco Investment Limited (wound up on 25/11/2014)	British Virgin Islands	19 March 2002	100	100	N/A	N/A	N/A	note (a)	Investment holding
Wintop Investment Limited	British Virgin Islands	16 July 1996	100	100	100	100	USD1	note (a)	Investment holding
Wisdom Ally Limited	British Virgin Islands	10 March 2011	100	100	100	100	USD1	note (a)	Investment holding
Wit Profits Limited	British Virgin Islands	2 January 2003	85	85	85	85	USD100	Hong Kong	Investment holding and financing
Wogan Holdings Limited	British Virgin Islands	13 June 1995	100	100	100	100	USD1	note (a)	Investment holding
World Trump Ltd.	British Virgin Islands	8 January 1999	100	100	100	100	USD1	note (a)	Investment holding
Wychwood Development Limited	British Virgin Islands	16 April 2012	100	100	100	100	USD2	note (a)	Investment holding
Wyre Development Limited	British Virgin Islands	23 January 2013	N/A	100	100	100	USD1	note (a)	Investment holding
Maenhout Investment N.V.	Curacao	23 November 1995	100	100	100	100	USD6,000	note (a)	Investment holding
U.S. Assets Limited	Delaware, U.S.A.	22 April 1983	100	100	100	100	Ordinary share USD1,000 Preference share USD2,504	U.S.A.	Property development
U.S. Assets (Texas) Ltd, Inc.	Delaware, U.S.A.	29 December 1999	100	100	100	100	USD20	U.S.A.	Property development
1881 Heritage Hotel Management Limited	Hong Kong	12 March 2008	100	100	100	100	HK$1	Hong Kong	Hotel management
8 Degrees Resources Limited	Hong Kong	8 September 2008	100	100	100	100	HK$1	Hong Kong	Provision of staff recruitment service
Agrila Limited	Hong Kong	14 August 1987	100	100	100	100	HK$2	Hong Kong	Property development
Albany Investment Limited	Hong Kong	23 October 2013	N/A	100	100	100	HK$1	note (a)	Inactive
Alcon Investments Limited	Hong Kong	21 March 2011	100	100	100	100	HK$1	Hong Kong	Property development

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			2012	2013	2014	At the date of this report			
			%	%	%	%			
Allex Development Limited	Hong Kong	28 November 1996	100	100	100	100	HK$2	Hong Kong	Agricultural land
Alliance Talent Limited (wound up on 03/01/2014)	Hong Kong	17 February 2011	100	100	N/A	N/A	N/A	note (a)	Inactive
Allied Way International Development Limited	Hong Kong	1 December 2006	100	100	100	100	HK$1	Hong Kong	Agricultural land
Ansett Limited	Hong Kong	3 December 1997	100	100	100	100	HK$2	Hong Kong	Agricultural land
Arenal Limited	Hong Kong	20 September 1994	100	100	100	100	HK$2	Hong Kong	Financing
Art Champion Investment Limited	Hong Kong	23 August 2012	100	100	100	100	HK$1	note (a)	Inactive
Art Rich Investment Limited	Hong Kong	16 July 2005	100	100	100	100	HK$1	Hong Kong	Agricultural land
Art State Limited	Hong Kong	30 March 2006	100	100	100	100	HK$1	Hong Kong	Property holding
Asia Pacific International Enterprises Limited	Hong Kong	11 November 2005	100	100	100	100	HK$1	Hong Kong	Provision of consultancy services
Asia-Tele-Venture Company Limited	Hong Kong	26 October 2005	100	100	100	100	HK$1	Hong Kong	Project management
Asian Treasure Investments Limited (deregistered on 10/01/2014)	Hong Kong	18 February 2011	100	100	N/A	N/A	N/A	note (a)	Inactive
Azalea Enterprises Limited	Hong Kong	18 July 2012	100	100	100	100	HK$1	note (a)	Investment holding
Bayshore Property Management Limited	Hong Kong	14 October 1993	100	100	100	100	HK$2	Hong Kong	Property management
Beauty Gold Enterprises Limited	Hong Kong	27 January 2004	100	100	100	100	HK$2	note (a)	Inactive
Bermington Investment Limited	Hong Kong	22 November 2000	100	100	100	100	HK$2	Hong Kong	Hotel and serviced suites operation
Best Finder Investment Limited	Hong Kong	20 July 2011	100	100	100	100	HK$1	note (a)	Inactive
Best World Construction Limited	Hong Kong	24 April 2002	100	100	100	100	HK$2	Hong Kong	Building contractor
Bestford International Enterprises Limited	Hong Kong	17 January 2008	100	100	100	100	HK$1	note (a)	Inactive
Big Sky Resources Limited	Hong Kong	29 November 2002	100	100	100	100	HK$2	Hong Kong	Provision of consultancy services
Biro Investment Limited	Hong Kong	3 May 1983	100	100	100	100	HK$10,000	Hong Kong	Property development
Bonder Way Investment Limited	Hong Kong	6 November 1998	100	100	100	100	HK$2	Hong Kong	Property development
Bradford Investments Limited	Hong Kong	4 July 2007	80	80	80	80	HK$1	Hong Kong	Property development
Bright Sign Services Limited	Hong Kong	11 April 1997	100	100	100	100	HK$2	Hong Kong	Property management
Bristow Investments Limited	Hong Kong	17 November 2009	100	100	100	100	HK$1	Hong Kong	Property development
Capital Star Development Limited	Hong Kong	8 January 2001	100	100	100	100	HK$2	Hong Kong	Agricultural land
Carlford Investments Limited	Hong Kong	23 December 2010	100	100	100	100	HK$1	Hong Kong	Property development
Casanova Investments Limited	Hong Kong	28 January 2013	N/A	100	100	100	HK$1	note (a)	Inactive
Casson Investments Limited (deregistered on 10/01/2014)	Hong Kong	3 June 2011	100	100	N/A	N/A	N/A	note (a)	Inactive
Champful Limited	Hong Kong	7 April 1995	100	100	100	100	HK$100	Hong Kong	Financing
Charm City Investments Limited	Hong Kong	4 May 2012	100	100	100	100	HK$1	note (a)	Inactive
Cheer Good Limited	Hong Kong	1 June 2009	100	100	100	100	HK$1	Hong Kong	Property development
Cheung Kong Advertising Company Limited	Hong Kong	7 March 1980	100	100	100	100	HK$200	Hong Kong	Advertising
Cheung Kong Center Property Management Limited	Hong Kong	13 May 1998	100	100	100	100	HK$2	Hong Kong	Property management
Cheung Kong China Property Limited	Hong Kong	25 November 1993	100	100	100	100	HK$2	note (a)	Investment holding
Cheung Kong Development Company Limited	Hong Kong	3 January 1973	100	100	100	100	HK$20	note (a)	Investment holding
Cheung Kong E&M Engineering Limited	Hong Kong	26 January 2000	100	100	100	100	HK$2	Hong Kong	Provision of consultancy services
Cheung Kong Property Development Limited	Hong Kong	11 November 1980	100	100	100	100	HK$2	Hong Kong	Project management

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			%	%	%	%			
Cheung Kong Property Management Limited	Hong Kong	3 May 1974	100	100	100	100	HK$10,000	note (a)	Investment holding
Cheung Kong Real Estate Agency Limited	Hong Kong	23 July 1997	100	100	100	100	HK$2	Hong Kong	Provision of real estate agency and related services
China Linkway Technology Limited	Hong Kong	3 May 2005	100	100	100	100	HK$1	Hong Kong	Property investment
China Sheen (Hong Kong) Limited	Hong Kong	1 August 2005	100	100	100	100	HK$1	Hong Kong	Property investment
City Champion Investments Limited	Hong Kong	14 November 2011	100	100	100	100	HK$1	note (a)	Inactive
City Investments Limited	Hong Kong	26 November 2004	100	100	100	100	HK$1	Hong Kong	Property development
Citybase Property Management Limited	Hong Kong	11 June 1985	100	100	100	100	HK$100,000	Hong Kong	Property management
Citypoint Investment Limited	Hong Kong	4 August 2011	100	100	100	100	HK$1	Hong Kong	Property development
Citytruth Property Management Limited	Hong Kong	23 May 1995	100	100	100	100	HK$2	Hong Kong	Property management
CK Construction Management Limited	Hong Kong	21 May 2002	100	100	100	100	HK$2	Hong Kong	Construction management
Concordia Property Management Limited	Hong Kong	23 September 1993	100	100	100	100	HK$2	Hong Kong	Property management
Conford Investments Limited	Hong Kong	21 September 2012	100	100	100	100	HK$1	Hong Kong	Property development
Crown Gain Investments Limited	Hong Kong	3 June 2011	100	100	100	100	HK$1	note (a)	Inactive
Crown Treasure Investments Limited	Hong Kong	29 February 2012	100	100	100	100	HK$1	Hong Kong	Property development
Crystal Mark Enterprises Limited	Hong Kong	11 April 2011	100	100	100	100	HK$1	Hong Kong	Property holding
Deerhill Bay Management Limited	Hong Kong	24 October 1997	100	100	100	100	HK$2	Hong Kong	Property management
Delight World Limited	Hong Kong	16 November 1993	100	100	100	100	HK$2	Hong Kong	Agricultural land
Diamond Jubilee Investment Limited	Hong Kong	30 April 2004	100	100	100	100	HK$1	Hong Kong	Property development
East City Investments Limited	Hong Kong	5 January 2006	100	100	100	100	HK$1	Hong Kong	Property development
East King Investments Limited	Hong Kong	8 May 2002	100	100	100	100	HK$2	Hong Kong	Agricultural land
East Leader Investments Limited	Hong Kong	25 September 2002	100	100	100	100	HK$2	Hong Kong	Agricultural land
Elite Property Advisors Limited (deregistered on 14/02/ 2014)	Hong Kong	19 February 2001	100	100	N/A	N/A	N/A	note (a)	Inactive
E-Park Parking Management Limited	Hong Kong	15 June 1998	100	100	100	100	HK$2	Hong Kong	Carpark management
Excellent Star Limited	Hong Kong	30 August 2006	100	100	100	100	HK$1	Hong Kong	Property holding
Express Time Limited	Hong Kong	16 November 1993	100	100	100	100	HK$2	Hong Kong	Agricultural Land
Express Way Resources Limited	Hong Kong	6 February 2002	100	100	100	100	HK$2	Hong Kong	Property investment
Fair Chance Enterprises Limited	Hong Kong	24 March 2003	100	100	100	100	HK$2	note (a)	Inactive
Fantastic State Limited	Hong Kong	2 August 2000	100	100	100	100	HK$2	Hong Kong	Property development
Flying Snow Limited	Hong Kong	29 November 2002	100	100	100	100	HK$2	Hong Kong	Property investment
Foo Chung Realty Limited	Hong Kong	4 July 1972	100	100	100	100	HK$10,000	Hong Kong	Property holding
Fook Yik Estate Company Limited	Hong Kong	6 April 1973	100	100	100	100	HK$70,000	Hong Kong	Project management
Galaxy Power Investment Limited	Hong Kong	26 May 1999	100	100	100	100	HK$2	Hong Kong	Agricultural land
Garbo Field Limited	Hong Kong	12 July 1994	100	100	100	100	HK$2	Hong Kong	Property development
Garrison Security Services Limited (deregistered on 02/07/2014)	Hong Kong	18 October 2000	100	100	N/A	N/A	N/A	Hong Kong	Provision of security services
Global Coin Limited	Hong Kong	26 March 1997	100	100	100	100	HK$2	Hong Kong	Property investment
Glorient Investments Limited	Hong Kong	19 March 2004	100	100	100	100	HK$1	Hong Kong	Property holding
Go Rise Investments Limited	Hong Kong	31 August 2005	100	100	100	100	HK$1	Hong Kong	Property investment

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			%	%	%	%			
Goldwin Property Management Limited	Hong Kong	8 September 1972	100	100	100	100	HK$10,000	Hong Kong	Property management
Good Rich Investments Limited (deregistered on 21/06/2013)	Hong Kong	19 February 2008	100	N/A	N/A	N/A	N/A	note (a)	Inactive
Goodwell-Fortune Property Services Limited	Hong Kong	28 March 2003	100	100	100	100	HK$2	Hong Kong	Property management
Goodwell Property Management Limited	Hong Kong	9 June 1981	100	100	100	100	HK$100,000	Hong Kong	Property management
Goodwell-Prosperity Property Services Limited	Hong Kong	19 August 2005	100	100	100	100	HK$1	Hong Kong	Property management
Grand Elegant Investment Limited	Hong Kong	26 April 2004	100	100	100	100	HK$1	note (a)	Inactive
Grandon Investment Limited	Hong Kong	15 April 2005	100	100	100	100	HK$1	Hong Kong	Property investment
Grandwood Investments Limited	Hong Kong	25 July 2008	100	100	100	100	HK$1	Hong Kong	Property development
Granlai Company Limited	Hong Kong	10 May 1985	54.05	54.05	54.05	54.05	HK$37	Hong Kong	Property investment
Grayhill Estates Limited (deregistered on 30/01/2015)	Hong Kong	12 September 1980	100	100	100	N/A	N/A	Hong Kong	Property trading
Great Art Investment Limited	Hong Kong	1 April 2011	100	100	100	100	HK$1	Hong Kong	Property development
Great Rainbow Investments Limited	Hong Kong	28 February 2014	N/A	N/A	100	100	HK$1	note (a)	Inactive
Harbour Grand (H.K.) Resources Limited	Hong Kong	14 August 2008	100	100	100	100	HK$1	Hong Kong	Provision of staff recruitment services
Harbour Grand Hong Kong Limited	Hong Kong	19 September 1996	100	100	100	100	HK$2	Hong Kong	Hotel and serviced suite operation
Harbour Plaza 8 Degrees Limited	Hong Kong	19 December 2003	100	100	100	100	HK$2	Hong Kong	Hotel and serviced suite operation
Harbour Plaza North Point Resources Limited	Hong Kong	26 April 1999	60.91	60.91	60.91	60.91	HK$2	Hong Kong	Provision of staff recruitment services
Harbour Plaza Resort City (H.K.) Resources Limited	Hong Kong	26 April 1999	100	100	100	100	HK$2	Hong Kong	Provision of staff recruitment services
Harbourfront Landmark Management Limited	Hong Kong	12 April 2000	100	100	100	100	HK$2	Hong Kong	Property management
Harvey International Limited	Hong Kong	17 January 2008	100	100	100	100	HK$1	Hong Kong	Agricultural land
Haynes Estates Limited	Hong Kong	12 September 1980	100	100	100	100	HK$2	Hong Kong	Property holding
Hilder Company Limited	Hong Kong	16 May 1975	100	100	100	100	HK$10,000	Hong Kong	Agricultural land
Horizon Hotels & Suites Limited	Hong Kong	20 February 2002	100	100	100	100	HK$2	Hong Kong	Hotel management
Horse Saddle Interior Design Limited (deregistered on 21/06/2013)	Hong Kong	26 January 2010	100	N/A	N/A	N/A	N/A	note (a)	Inactive
Huge Grace Enterprises Limited	Hong Kong	2 September 2006	100	100	100	100	HK$400,000,000	Hong Kong	Financing and provision of consultancy services
Jabrin Limited	Hong Kong	3 March 1978	80	80	80	80	HK$10,000	Hong Kong	Agricultural land
Jet Well Investments Limited	Hong Kong	28 October 1993	100	100	100	100	HK$2	Hong Kong	Agricultural land
Jetkind Limited	Hong Kong	26 March 1997	100	100	100	100	HK$2	Hong Kong	Agricultural land
Jetmark Limited	Hong Kong	9 January 2004	100	100	100	100	HK$2	Hong Kong	Property holding
Jubilant Plant Nursery Limited	Hong Kong	28 July 2000	100	100	100	100	HK$2	Hong Kong	Provision of gardening services
Jubilee Year Investments Limited	Hong Kong	16 May 2012	100	100	100	100	HK$1	Hong Kong	Property development
Jurado Limited	Hong Kong	11 March 1980	100	100	100	100	HK$10,000	Hong Kong	Agricultural land
Kamos Limited	Hong Kong	10 November 1987	100	100	100	100	HK$2	Hong Kong	Property development and trading
Kaway Limited	Hong Kong	5 June 1998	100	100	100	100	HK$2	Hong Kong	Agricultural land
Kenstar Investments Limited	Hong Kong	22 April 2005	100	100	100	100	HK$1	Hong Kong	Agricultural land
Kimpton Investments Limited	Hong Kong	14 October 2005	100	100	100	100	HK$1	Hong Kong	Agricultural land

Name	Place of incorporation/ establishment	Date of incorporation/ establishment	Equity interest attributable to the Group (effective holding)				Issued and fully paid share/ registered capital	Place of operation	Principal activities
			2012	2013	2014	At the date of this report			
			%	%	%	%			
King Century Investments Limited	Hong Kong	3 June 2011	100	100	100	100	HK$1	Hong Kong	Property development
Kingsford Investments Limited	Hong Kong	15 July 2002	100	100	100	100	HK$2	Hong Kong	Agricultural land
Kingsmark Investments Limited	Hong Kong	23 October 2006	100	100	100	100	HK$1	Hong Kong	Property investment
Kong Wah Investment Limited	Hong Kong	22 September 2004	100	100	100	100	HK$1	Hong Kong	Agricultural land
Korn Reach Investment Limited	Hong Kong	2 February 2005	100	100	100	100	HK$1	Hong Kong	Property investment
Laguna City Property Management Limited	Hong Kong	29 December 1989	100	100	100	100	HK$2	Hong Kong	Property management
Laguna Verde Property Management Limited	Hong Kong	24 September 1996	100	100	100	100	HK$2	Hong Kong	Property management
Lead All Investments Limited	Hong Kong	28 July 2005	100	100	100	100	HK$1	Hong Kong	Property investment
Lifestyle Plus Limited	Hong Kong	3 September 1992	100	100	100	100	HK$2	Hong Kong	Provision of lifestyle plus services
Lion Focus Investments Limited	Hong Kong	20 October 2005	100	100	100	100	HK$1	Hong Kong	Property investment
Mansford Enterprises Limited	Hong Kong	1 March 2006	100	100	100	100	HK$1	Hong Kong	Design and promotion
Mantex Services Limited	Hong Kong	17 May 1994	100	100	100	100	HK$2	Hong Kong	Property management
Maranta Estates Limited	Hong Kong	13 January 1981	100	100	100	100	HK$2	Hong Kong	Property trading
Master Logistics Limited (deregistered on 02/05/2014)	Hong Kong	9 August 2005	100	100	N/A	N/A	N/A	note (a)	Inactive
Match Power Investment Limited	Hong Kong	11 February 1998	100	100	100	100	HK$2	Hong Kong	Property development
Maxchief Limited	Hong Kong	21 August 1998	100	100	100	100	HK$2	Hong Kong	Agricultural land
Mdvista Limited	Hong Kong	20 March 2000	100	100	100	100	HK$2	note (a)	Inactive
Meko Limited	Hong Kong	10 September 2004	100	100	100	100	HK$1	Hong Kong	Agricultural land
Melbourne Vision Limited	Hong Kong	14 November 2014	N/A	N/A	100	100	HK$1	note (a)	Inactive
Metrofond Limited	Hong Kong	18 April 1997	100	100	100	100	HK$2	Hong Kong	Property development
Mightycity Company Limited	Hong Kong	26 October 1979	98.47	98.47	98.47	98.47	HK$1,000,000	Hong Kong	Investment holding and financing
Milo Top Development Limited	Hong Kong	25 August 1999	100	100	100	100	HK$2	note (a)	Inactive
Montaco Limited	Hong Kong	12 October 1993	100	100	100	100	HK$100	Hong Kong	Property holding
Monte Vista Management Limited	Hong Kong	3 March 1999	100	100	100	100	HK$2	Hong Kong	Property management
Mutual Luck Investment Limited	Hong Kong	29 July 1977	60.04	60.04	60.04	60.04	HK$30,000	Hong Kong	Property development
New Accord Limited	Hong Kong	7 October 2005	100	100	100	100	HK$1	Hong Kong	Property development
New City Investments Limited	Hong Kong	21 March 2006	100	100	100	100	HK$1	Hong Kong	Property development
New Harbour Investments Limited	Hong Kong	17 June 2008	100	100	100	100	HK$1	Hong Kong	Property development
New Harmony Limited	Hong Kong	19 April 2007	100	100	100	100	HK$1	Hong Kong	Property investment
New Profit Resources Limited	Hong Kong	24 April 2002	98.47	98.47	98.47	98.47	HK$2	Hong Kong	Property development
New Solomon Investments Limited (deregistered on 17/01/2014)	Hong Kong	5 May 2011	100	100	N/A	N/A	N/A	note (a)	Inactive
New Vision Development Limited	Hong Kong	30 September 2004	100	100	100	100	HK$1	Hong Kong	Property development
Newton City Limited	Hong Kong	26 March 1996	100	100	100	100	HK$2	note (a)	Investment holding
Ocean Century Investments Limited	Hong Kong	6 May 2011	100	100	100	100	HK$1	Hong Kong	Property development
Oxford Investments Limited	Hong Kong	20 March 2002	100	100	100	100	HK$2	Hong Kong	Property development
Pacific Land International Limited	Hong Kong	4 July 2007	100	100	100	100	HK$1	Hong Kong	Provision of consultancy services
Pacific Top Development Limited	Hong Kong	29 April 1998	100	100	100	100	HK$2	Hong Kong	Agricultural land
Pako Wise Limited	Hong Kong	16 October 1990	100	100	100	100	HK$2	Hong Kong	Property investment
Pearl Wisdom Limited	Hong Kong	10 October 1996	100	100	100	100	HK$2	Hong Kong	Hotel and serviced suites operation

Name	Place of incorporation/ establishment	Date of incorporation/ establishment	Equity interest attributable to the Group (effective holding)				Issued and fully paid share/ registered capital	Place of operation	Principal activities
			2012	2013	2014	At the date of this report			
			%	%	%	%			
Perfect Idea Limited	Hong Kong	4 February 1993	100	100	100	100	HK$20	Hong Kong	Property investment and development
Petman Limited	Hong Kong	5 August 1960	100	100	100	100	HK$6,450,570	note (a)	Inactive
Polin Limited	Hong Kong	13 June 2001	100	100	100	100	HK$2	Hong Kong	Property holding
Portofino Management Limited	Hong Kong	22 March 2000	100	100	100	100	HK$2	Hong Kong	Property management
Prompton Property Management Limited	Hong Kong	22 January 1991	100	100	100	100	HK$2	Hong Kong	Property management
Queensway Investments Limited	Hong Kong	17 June 2008	85	85	85	85	HK$1	Hong Kong	Property development
Rainbow Elite Investments Limited	Hong Kong	22 February 2005	100	100	100	100	HK$1	Hong Kong	Property development
Randash Investment Limited	Hong Kong	22 September 1992	60.91	60.91	60.91	60.91	HK$110	Hong Kong	Hotel and serviced suite operation
Regent Land Investments Limited	Hong Kong	15 June 2009	100	100	100	100	HK$1	Hong Kong	Property development
Resort Clubs Limited	Hong Kong	5 September 1995	100	100	100	100	HK$2	Hong Kong	Provision of club house management services
Rich Asia Investments Limited	Hong Kong	2 June 2005	85	85	85	85	HK$1,000,000	Hong Kong	Property development
Rich Group Investments Limited (deregistered on 20/12/2013)	Hong Kong	3 June 2011	100	N/A	N/A	N/A	N/A	note (a)	Inactive
Rich Hill Investments Limited	Hong Kong	14 November 2011	100	100	100	100	HK$1	Hong Kong	Agricultural land
Rich View Investment Limited	Hong Kong	29 February 2012	100	100	100	100	HK$1	note (a)	Inactive
Rich Will Investment Limited (deregistered on 20/12/2013)	Hong Kong	19 May 2011	100	N/A	N/A	N/A	N/A	note (a)	Inactive
Ruby Star Enterprises Limited	Hong Kong	19 December 2006	100	100	100	100	HK$1	Hong Kong	Property development
Sai Ling Realty Limited	Hong Kong	16 March 1973	100	100	100	100	HK$10,000	Hong Kong	Property development
Sarin Limited	Hong Kong	13 April 1995	100	100	100	100	HK$2	Hong Kong	Agricultural land
Sceneway Property Management Limited	Hong Kong	12 December 1989	100	100	100	100	HK$2	Hong Kong	Property management
Serwell Property Management Limited (deregistered on 06/02/2015)	Hong Kong	26 February 1996	100	100	100	N/A	N/A	Hong Kong	Property management
Silver King Investment Limited	Hong Kong	4 August 2011	100	100	100	100	HK$1	note (a)	Inactive
Silver Treasure Investment Limited	Hong Kong	22 July 2010	100	100	100	100	HK$1	note (a)	Inactive
Sino China Enterprises Limited	Hong Kong	4 April 2001	100	100	100	100	HK$2	Hong Kong	Hotel and serviced suite operation
Smart Fine Development Limited	Hong Kong	22 July 2006	100	100	100	100	HK$1	note (a)	Investment holding
Splendid Well Limited	Hong Kong	24 October 1986	75	75	75	75	HK$20	Hong Kong	Agricultural plans
Sprado Company Limited	Hong Kong	18 March 1983	100	100	100	100	HK$28	Hong Kong	Property trading and letting
Springrun Limited	Hong Kong	7 December 1993	100	100	100	100	HK$37,297,504	Hong Kong	Property development
Stanley Investments Limited	Hong Kong	23 October 2006	100	100	100	100	HK$1	Hong Kong	Property development
Sunfex Limited	Hong Kong	26 March 1997	100	100	100	100	HK$2	Hong Kong	Agricultural land
Superb Gain Investments Limited (deregistered on 22/03/2013)	Hong Kong	10 November 2006	100	N/A	N/A	N/A	N/A	note (a)	Inactive
Swiss Investments Limited	Hong Kong	18 March 2013	N/A	100	100	100	HK$1	Hong Kong	Property development
Tenox Development Limited	Hong Kong	22 October 1997	100	100	100	100	HK$2	Hong Kong	Agricultural land
The Apex Horizon Property Management Limited	Hong Kong	18 June 2001	100	100	100	100	HK$2	Hong Kong	Property management
The Center (Leasing Agent) Limited	Hong Kong	30 September 1998	100	100	100	100	HK$2	Hong Kong	Provision of property leasing agency services
The Lucky Dragon Development (H.K.) Limited	Hong Kong	10 May 1985	100	100	100	100	HK$2	Hong Kong	Property development

Name	Place of incorporation/ establishment	Date of incorporation/ establishment	Equity interest attributable to the Group (effective holding)				Issued and fully paid share/ registered capital	Place of operation	Principal activities
			2012	2013	2014	At the date of this report			
			%	%	%	%			
The Paramount Management Limited	Hong Kong	26 January 1998	100	100	100	100	HK$2	Hong Kong	Property management
Thomson Investments Limited	Hong Kong	14 March 2003	100	100	100	100	HK$2	Hong Kong	Agricultural land
Thorogood Estates Limited	Hong Kong	27 July 1979	100	100	100	100	HK$2	Hong Kong	Property trading and investment
Tin Shui Wai Development Limited (sold on 09/10/ 2013)	Hong Kong	26 June 1979	98.47	N/A	N/A	N/A	N/A	Hong Kong	Property development, property investment and hotel operations
Tony Investments Limited	Hong Kong	15 April 2004	100	100	100	100	HK$1	Hong Kong	Property development
Top Sign Enterprises Limited	Hong Kong	27 November 2007	100	100	100	100	HK$1	Hong Kong	Agricultural land
Top Success Resources Limited	Hong Kong	19 December 2006	100	100	100	100	HK$1	note (a)	Inactive
Top Talent International Limited	Hong Kong	6 September 2004	100	100	100	100	HK$1	note (a)	Inactive
Topview Development Limited (deregistered on 19/09/ 2014)	Hong Kong	17 June 2011	100	100	N/A	N/A	N/A	note (a)	Inactive
Towerich Limited	Hong Kong	17 December 1997	51	51	51	51	HK$2	Hong Kong	Hotel and serviced suite operation
Treasure King Investment Limited	Hong Kong	3 May 2013	N/A	100	100	100	HK$1	note (a)	Inactive
Union Art Investment Limited	Hong Kong	30 March 2005	100	100	100	100	HK$1	Hong Kong	Property development
Union Ford Investments Limited	Hong Kong	25 September 2002	80	80	80	80	HK$2	Hong Kong	Property development
Union Land Investments Limited	Hong Kong	4 April 2001	100	100	100	100	HK$2	Hong Kong	Agricultural land
United Land Investments Limited	Hong Kong	21 August 2000	100	100	100	100	HK$2	Hong Kong	Agricultural land
University Heights Management Company Limited	Hong Kong	18 October 1994	100	100	100	100	HK$1,000	Hong Kong	Property management
Vista Paradiso Property Management Limited	Hong Kong	19 February 1997	100	100	100	100	HK$2	Hong Kong	Property management
Volly Best Investment Limited	Hong Kong	22 September 2004	90	90	90	90	HK$1	Hong Kong	Property development and investment
Wealth Pine Investment Limited	Hong Kong	21 September 2007	85	85	85	85	HK$1	Hong Kong	Property development
Wide Global Investment Limited	Hong Kong	24 March 2003	100	100	100	100	HK$2	Hong Kong	Property development
Wilson Investments Limited	Hong Kong	18 January 2013	N/A	100	100	100	HK$1	note (a)	Inactive
Winchesto Finance Company Limited	Hong Kong	4 May 1979	100	100	100	100	HK$15,000,000	Hong Kong	Financing
Winning Top Limited	Hong Kong	9 December 2006	100	100	100	100	HK$1	note (a)	Inactive
Wisdom Choice Investment Limited	Hong Kong	12 July 1999	60	60	60	60	HK$2	Hong Kong	Property development
Worldchamp Investments Limited	Hong Kong	9 June 2004	100	100	100	100	HK$1	Hong Kong	Agricultural land
Yick Ho Limited	Hong Kong	25 April 1969	100	100	100	100	HK$6,000,000	Hong Kong	Investment in hotel projects
Japura Ptd Ltd	Singapore	8 July 1996	76	76	76	76	SGD100	note (a)	Investment holding
Japura Development Pte Ltd	Singapore	21 March 1997	76	76	76	76	SGD1,000,000	Singapore	Property development
Luxury Green Development Pte. Ltd.	Singapore	4 December 2009	100	100	100	100	SGD1,000,000	Singapore	Property development
Property Enterprises Development (Singapore) Pte. Ltd.	Singapore	7 July 2001	100	100	100	100	SGD100,000	Singapore	Provision of corporate services
U.S. Assets Management, Inc.	Texas, U.S.A.	5 July 1990	100	100	100	100	USD1,000	U.S.A.	Property management
Arra Development S.A.	The Republic of Panama	21 September 1987	100	100	100	100	USD2	note (a)	Investment holding
Dobie Development S.A.	The Republic of Panama	29 May 1985	100	100	100	100	USD2	note (a)	Investment holding
Wooco Investment S.A.	The Republic of Panama	21 September 1987	100	100	100	100	USD2	note (a)	Investment holding
上海信卫物业管理有限公司	The People's Republic of China (the "PRC")	3 November 2011	100	100	100	100	USD100,000	The PRC	Property management

Name	Place of incorporation/ establishment	Date of incorporation/ establishment	Equity interest attributable to the Group (effective holding) 2012	2013	2014	At the date of this report	Issued and fully paid share/ registered capital	Place of operation	Principal activities
			%	%	%	%			
北京信卫物业管理有限公司.	The PRC	3 February 2008	100	100	100	100	USD500,000	The PRC	Property management
北京宝苑房地产开发有限公司.	The PRC	6 January 1993	100	100	100	100	USD29,000,000	The PRC	Property development
北京港基世纪物业管理有限公司.	The PRC	28 April 2002	99.5	99.5	99.5	99.5	USD400,000	The PRC	Property management
北京长乐房地产开发有限公司.	The PRC	6 January 1993	100	100	100	100	USD29,000,000	The PRC	Property development
北京高卫世纪物业管理有限公司.	The PRC	28 April 2002	99.5	99.5	99.5	99.5	USD400,000	The PRC	Property management
广州长江实业企业管理有限公司.	The PRC	19 May 2008	100	100	100	100	USD2,200,000	The PRC	Provision of consultancy services
广州高卫物业管理有限公司.	The PRC	29 March 2005	100	100	100	100	RMB3,000,000	The PRC	Property management
成都长天有限公司.	The PRC	18 June 1998	70	69	69	69	RMB98,000,000	The PRC	Hotel operation
长江实业(上海)企业管理有限公司. . . .	The PRC	20 May 2008	100	100	100	100	HK$40,000,000	The PRC	Provision of consultancy services
沈阳丽都物业有限公司 (wound up on 11/03/2013).	The PRC	20 December 2001	100	N/A	N/A	N/A	N/A	note (a)	Inactive

Notes:

(a) The Company is inactive or has not carried on any operation except for acting as an investment holding company.

(b) N/A: not applicable

The financial year end of the Company and the companies comprising Cheung Kong Property Group is 31 December.

No audited statutory financial statements have been prepared for companies incorporated in Arizona, U.S.A., the British Virgin Islands, Curacao, Delware, U.S.A., the Republic of Panama and Texas, U.S.A., where part 16 of the Hong Kong Companies Ordinance (Cap 622) is not applicable, since their respective dates of incorporation as there is no statutory audit requirement in the jurisdiction where they were incorporated.

No audited statutory financial statements have been prepared for Albany Investment Limited, Great Rainbow Investments Limited and Melbourne Vision Limited as they have not reached the statutory time limit imposed on the issuance of the first set of audited financial statements since their respective date of incorporation.

The statutory financial statements of companies incorporated in the Hong Kong Special Administrative Region for the years ended 31 December 2012 and 2013, or since their respective dates of incorporation, where this is a shorter period, were prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and were audited by PricewaterhouseCoopers in accordance with Hong Kong Standards of Auditing issued by the HKICPA.

The statutory financial statements of companies established in the PRC for the Relevant Periods or since respective date of establishment, where there is a shorter period, were prepared in accordance with the relevant accounting policies and financial regulations applicable to enterprises established in the PRC. They were audited by the following firms of certified public accountants registered in the PRC.

Name of company	Period covered	Name of auditors
长江实业(上海)企业管理有限公司 .	For the years ended 31 December 2012 and 2013	上海琳方会计师事务所有限公司
广州长江实业企业管理有限公司 . . .	For the years ended 31 December 2012 and 2013	广州岭南会计师事务所有限公司
成都长天有限公司	For the year ended 31 December 2012	信永中和会计师事务(特殊普通合伙)
	For the years ended 31 December 2013 and 2014	四川安必信会计师事务所有限责任公司
北京港基世纪物业管理有限公司 . . .	For the years ended 31 December 2012 and 2013	北京中永众合会计师事务所有限责任公司
北京高卫世纪物业管理有限公司 . . .	For the years ended 31 December 2012 and 2013	北京中永众合会计师事务所有限责任公司
北京长乐房地产开发有限公司	For the years ended 31 December 2012 and 2013	北京今创会计师事务所(普通合伙)
北京宝苑房地产开发有限公司	For the years ended 31 December 2012 and 2013	北京今创会计师事务所(普通合伙)
北京信卫物业管理有限公司	For the year ended 31 December 2012	北京中恒会计师事务所有限责任公司
	For the year ended 31 December 2013	北京安瑞普会计师事务所有限公司
上海信卫物业管理有限公司	For the years ended 31 December 2012 and 2013	上海琳方会计师事务所有限公司
广州高卫物业管理有限公司	For the year ended 31 December 2012	广州正粤会计师事务所(普通合伙)
	For the year ended 31 December 2013	广州市大公会计师事务所有限公司

The statutory financial statements of companies incorporated in Singapore for the years ended 31 December 2012 and 2013 were prepared in accordance with the provisions of the Singapore Companies Act and the Singapore Financial Reporting Standards. They were audited by PricewaterhouseCoopers LLP in accordance with Singapore Standards on Auditing.

[The audited statutory financial statements of certain companies have not been issued for the year ended 31 December 2014 as the statutory time limits imposed on the issuance of audited financial statements have not been reached.]

For the purpose of this report, CKH has prepared the combined financial statements of the Cheung Kong Property Group for the Relevant Periods in accordance with the HKFRSs (the "Cheung Kong Property Group Underlying Financial Statements") which were audited by PricewaterhouseCoopers in accordance with Hong Kong Standards on Auditing issued by the HKICPA. We examined the Cheung Kong Property Group Underlying Financial Statements for the Relevant Periods in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" as recommended by the HKICPA.

The Cheung Kong Property Group Financial Information set out in this report has been prepared from the Cheung Kong Property Group Underlying Financial Statements, on the basis set out in note 1(b) to Section II of Appendix I below. No adjustments were deemed necessary to adjust the Cheung Kong Property Group Underlying Financial Statements in preparing our report for inclusion in the Listing Document.

The Cheung Kong Property Group Underlying Financial Statements are the responsibility of the directors of CKH who approve their issuance. The directors of the Company are responsible for the contents of the Listing Document in which this report is included. It is our responsibility to compile the Cheung Kong Property Group Financial Information set out in this report from the Cheung Kong Property Group Underlying Financial Statements, to form an independent opinion on the Cheung Kong Property Group Financial Information and to report our opinion to you.

In our opinion, on the basis of preparation set out in note 1(b) to Section II below, the Cheung Kong Property Group Financial Information, gives, for the purpose of this report, a true and fair view of the state of affairs of the Cheung Kong Property Group as at 31 December 2012, 2013 and 2014 and of the combined profits and combined cash flows of the Cheung Kong Property Group for each of the three years ended 31 December 2012, 2013 and 2014.

I. FINANCIAL INFORMATION OF THE GROUP

COMBINED INCOME STATEMENTS

	Notes	Year ended 31 December 2012	2013	2014
		HK$ million	HK$ million	HK$ million
Group turnover	3	19,192	17,011	24,038
Investment and other income		94	95	784
Operating costs				
Property and related costs		(9,848)	(8,011)	(12,985)
Service fees	4	(971)	(836)	(892)
Salaries and related expenses		(542)	(556)	(525)
Interest and other finance costs		(650)	(776)	(815)
Depreciation		(313)	(301)	(286)
Other expenses		(127)	(132)	(106)
		(12,451)	(10,612)	(15,609)
Share of net profit of joint ventures		5,480	4,031	2,835
Increase in fair value of investment properties		4,470	1,782	4,542
Profit on disposal of investment properties		–	2,760	–
Surplus on loss of control of interest in subsidiaries		1,077	–	–
Profit on disposal of joint ventures		450	798	2,349
Operating profit		18,312	15,865	18,939
Share of net profit of associates		1	1	1
Profit before taxation	5	18,313	15,866	18,940
Taxation	6	(1,250)	(1,442)	(1,624)
Profit for the year		17,063	14,424	17,316
Profit attributable to				
Shareholders of the Cheung Kong Property Group		16,930	14,152	17,068
Non-controlling interests		133	272	248
		17,063	14,424	17,316
Earnings per share	7	N/A	N/A	N/A

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Profit for the year	17,063	14,424	17,316
Other comprehensive income/(expense) – reclassifiable to profit or loss			
Translation of financial statements of operations outside Hong Kong			
Exchange gain/(loss)	41	15	(147)
Exchange gain reclassified to profit or loss upon disposal	(145)	–	–
Investments available for sale			
Gain/(loss) in fair value	1,598	(61)	435
Share of other comprehensive income/(expense) of joint ventures	953	829	(1,631)
Other comprehensive income/(expense)	2,447	783	(1,343)
Total comprehensive income for the year	19,510	15,207	15,973
Total comprehensive income attributable to			
Shareholders of the Cheung Kong Property Group	19,377	14,930	15,726
Non-controlling interests	133	277	247
	19,510	15,207	15,973

COMBINED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2012	2013	2014
		HK$ million	HK$ million	HK$ million
Non-current assets				
Fixed assets	*8*	10,093	9,942	9,928
Investment properties	*9*	29,656	28,777	33,285
Associates		3	3	2
Joint ventures	*10*	46,069	45,306	45,895
Investments available for sale	*11*	5,345	5,468	7,172
Long term loan receivables		251	138	301
		91,417	89,634	96,583
Current assets				
Stock of properties	*12*	80,116	79,815	73,259
Debtors, deposits and prepayments	*13*	1,557	1,831	1,810
Amounts due from Other Group Companies	*14*	1,906	975	1,210
Bank balances and deposits		12,896	10,069	10,354
		96,475	92,690	86,633
Current liabilities				
Creditors and accruals	*15*	(12,099)	(10,973)	(10,493)
Amounts due to Other Group Companies	*14*	(91,903)	(79,891)	(70,707)
Borrowings	*16*	(300)	–	(250)
Derivative financial instruments		(518)	–	–
Provision for taxation		(275)	(730)	(1,346)
		(105,095)	(91,594)	(82,796)
Net current (liabilities)/assets		(8,620)	1,096	3,837
Total assets less current liabilities		82,797	90,730	100,420
Non-current liabilities				
Borrowings	*16*	(315)	(610)	(350)
Deferred tax liabilities	*17*	(805)	(966)	(999)
		(1,120)	(1,576)	(1,349)
Net assets		81,677	89,154	99,071
Representing:				
Combined capital	*26*	93	93	93
Reserves		78,519	86,002	96,161
Shareholders' funds		78,612	86,095	96,254
Non-controlling interests		3,065	3,059	2,817
Total equity		81,677	89,154	99,071

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Shareholders' funds						
	Combined capital	Investment valuation reserve	Exchange reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Balance at 1 January 2012	93	(145)	4,544	54,984	59,476	3,112	62,588
Profit for the year	–	–	–	16,930	16,930	133	17,063
Other comprehensive income/(expense)							
Translation of financial statements of operations outside Hong Kong							
Exchange gain	–	–	41	–	41	–	41
Exchange gain reclassified to profit or loss upon disposal	–	–	(145)	–	(145)	–	(145)
Investments available for sale							
Gain in fair value	–	1,598	–	–	1,598	–	1,598
Share of other comprehensive income of joint ventures	–	663	290	–	953	–	953
Total comprehensive income for the year	–	2,261	186	16,930	19,377	133	19,510
Change in non-controlling interests	–	–	–	–	–	(130)	(130)
Dividend paid to non-controlling interests	–	–	–	–	–	(50)	(50)
Dividend paid to shareholders of the Cheung Kong Property Group	–	–	–	(241)	(241)	–	(241)
Balance at 31 December 2012	93	2,116	4,730	71,673	78,612	3,065	81,677

	Shareholders' funds						
	Combined capital	Investment valuation reserve	Exchange reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Balance at 1 January 2013	93	2,116	4,730	71,673	78,612	3,065	81,677
Profit for the year	–	–	–	14,152	14,152	272	14,424
Other comprehensive income/(expense)							
Translation of financial statements of operations outside Hong Kong							
Exchange gain	–	–	10	–	10	5	15
Investments available for sale							
Loss in fair value	–	(61)	–	–	(61)	–	(61)
Share of other comprehensive (expense)/income of joint ventures	–	(156)	985	–	829	–	829
Total comprehensive (expense)/income for the year	–	(217)	995	14,152	14,930	277	15,207
Change in non-controlling interests	–	–	–	–	–	(202)	(202)
Dividend paid to non-controlling interests	–	–	–	–	–	(81)	(81)
Dividend paid to shareholders of the Cheung Kong Property Group	–	–	–	(7,447)	(7,447)	–	(7,447)
Balance at 31 December 2013	93	1,899	5,725	78,378	86,095	3,059	89,154

	Shareholders' funds						
	Combined capital	Investment valuation reserve	Exchange reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Balance at 1 January 2014	93	1,899	5,725	78,378	86,095	3,059	89,154
Profit for the year	–	–	–	17,068	17,068	248	17,316
Other comprehensive income/(expense)							
Translation of financial statements of operations outside Hong Kong							
Exchange loss	–	–	(146)	–	(146)	(1)	(147)
Investments available for sale							
Gain in fair value	–	435	–	–	435	–	435
Share of other comprehensive expense of joint ventures	–	(297)	(1,334)	–	(1,631)	–	(1,631)
Total comprehensive income/(expense) for the year	–	138	(1,480)	17,068	15,726	247	15,973
Change in non-controlling interests	–	–	–	–	–	(195)	(195)
Dividend paid to non-controlling interests	–	–	–	–	–	(294)	(294)
Dividend paid to shareholders of the Cheung Kong Property Group	–	–	–	(5,567)	(5,567)	–	(5,567)
Balance at 31 December 2014	93	2,037	4,245	89,879	96,254	2,817	99,071

COMBINED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December 2012	2013	2014
		HK$ million	HK$ million	HK$ million
Operating activities				
Cash (used in)/generated from operations	(a)	(259)	7,041	16,500
Investment in/loan advance to joint ventures		(1,867)	(605)	(3,124)
Dividend/repayment from joint ventures		878	5,428	1,159
Dividend from associates		1	1	2
Dividend from investments in securities		165	188	209
Interest received		47	70	62
Dividend paid to shareholders of the Cheung Kong Property Group		(241)	(7,447)	(5,567)
Dividend paid to non-controlling interests		(50)	(81)	(294)
Profits tax paid		(2,076)	(826)	(975)
Net cash (used in)/from operating activities		(3,402)	3,769	7,972
Investing activities				
Loss of control of interest in subsidiaries		1,065	–	–
Investment in/loan advance to joint ventures		(233)	(122)	(85)
Dividend/repayment from joint ventures		1,862	199	–
Disposal of joint ventures		503	1,560	3,298
Purchase of investments available for sale		(75)	–	–
Addition of investment properties		(21)	(6)	(18)
Disposal of investment properties		–	5,427	–
Addition of fixed assets		(80)	(155)	(278)
Net cash from investing activities		3,021	6,903	2,917
Financing activities				
Drawdown of borrowings		100	–	–
Repayment of borrowings		(414)	(5)	(10)
Advance from/(repayment to) Other Group Companies		5,475	(12,012)	(9,184)
Decrease in funding from non-controlling interests		(130)	(202)	(195)
Interest and other finance costs paid		(1,110)	(1,280)	(1,215)
Net cash from/(used in) financing activities		3,921	(13,499)	(10,604)
Net increase/(decrease) in cash and cash equivalents		3,540	(2,827)	285
Cash and cash equivalents at 1 January		9,356	12,896	10,069
Cash and cash equivalents at 31 December	(b)	12,896	10,069	10,354

Notes:

(a) Cash (used in)/generated from operations

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Profit before taxation	18,313	15,866	18,940
Interest income	(54)	(80)	(75)
Interest and other finance costs	650	776	815
Dividend income from investments in securities	(206)	(283)	(361)
Share of net profit of joint ventures	(5,480)	(4,031)	(2,835)
Share of net profit of associates	(1)	(1)	(1)
Increase in fair value of investment properties	(4,470)	(1,782)	(4,542)
Gain on disposal of investments available for sale	–	–	(137)
Profit on disposal of investment properties	–	(2,760)	–
Surplus on loss of control of interest in subsidiaries	(1,077)	–	–
Profit on disposal of joint ventures	(450)	(798)	(2,349)
(Increase)/decrease in long term loan receivables	(72)	113	(163)
Depreciation	313	301	286
Exchange difference and other items	(86)	(85)	(71)
Changes in working capital			
(Increase)/decrease in stock of properties	(10,715)	846	6,976
Increase/(decrease) in customers' deposits received	3,318	184	(1,154)
(Increase)/decrease in debtors, deposits and prepayments	(788)	(276)	773
(Increase)/decrease in amounts due from Other Group Companies	(102)	931	(235)
Increase/(decrease) in derivative financial instruments	355	(518)	–
Increase/(decrease) in creditors and accruals	293	(1,362)	633
	(259)	7,041	16,500

(b) Cash and cash equivalents

	As at 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Bank balances and deposits	12,896	10,069	10,354

II. NOTES TO THE FINANCIAL INFORMATION

1. BACKGROUND AND BASIS OF PREPARATION

(a) Background

The Company was incorporated in the Cayman Islands on 2 January 2015 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The principal place of business of the Company is 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong. The Company is currently a wholly owned subsidiary of CKH, a company incorporated in Hong Kong and whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

(b) Basis of preparation

Pursuant to the Proposed Reorganisation, the Company will become the holding company of the Cheung Kong Property Group.

The Cheung Kong Property Group Financial Information including the combined income statements, combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the Relevant Periods and the combined statements of financial position on the respective reporting dates has been prepared as if the companies comprising the Cheung Kong Property Group had been a single reporting entity throughout the Relevant Periods, or since the respective dates of incorporation or establishment of the relevant entities, or up to the respective dates of disposal or dissolution where this is a shorter period.

The Cheung Kong Property Group Financial Information is presented in Hong Kong dollar which is the functional currency of the major companies comprising the Cheung Kong Property Group.

2. PRINCIPAL ACCOUNTING POLICIES

Application of International Financial Reporting Standards ("IFRSs")

For the following IFRSs which are not yet effective, the management of the Cheung Kong Property Group is in the process of assessing their impact on the Group's combined results and financial position.

Effective for the Cheung Kong Property Group's annual accounting periods beginning on 1 January 2015

Amendments to IFRSs	Annual Improvements 2010 – 2012 Cycle
Amendments to IFRSs	Annual Improvements 2011 – 2013 Cycle
IAS 19 (amendments)	Defined Benefit Plans – Employee Contributions

Effective for the Cheung Kong Property Group's annual accounting periods beginning on 1 January 2016

Amendments to IFRSs	Annual Improvements 2012 – 2014 Cycle
Amendments to IAS 1	Disclosure Initiative
IAS 16 and IAS 38 (amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation
IAS 16 and IAS 41 (amendments)	Agriculture: Bearer Plants
IAS 27 (amendments)	Equity Method in Separate Financial Statements
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
IFRS 11 (amendments)	Accounting for Acquisitions of Interests in Joint Operations
IFRS 14	Regulatory Deferral Accounts
IFRS 10 and IFRS 12 and IAS 28 (amendments)	Investment Entities: Applying the Consolidation Exception

Effective for the Cheung Kong Property Group's annual accounting periods beginning on 1 January 2017

IFRS 15	Revenue from Contracts with Customers

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

IFRS 9	Financial Instruments

The Cheung Kong Property Group Financial Information has been prepared in accordance with accounting policies conform with IFRSs. In addition, the Cheung Kong Property Group Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance. The Cheung Kong Property Group Financial Information is prepared under the historical cost convention except that investments in securities, investment properties and derivative financial instruments, as set out in notes 2(d), 2(f) and 2(j) respectively, are stated at fair values.

(a) Combination of the group

The Cheung Kong Property Group Financial Information incorporates the financial statement items of the subsidiaries of CKH which are engaged in the property business.

A subsidiary is an entity which after considering the relevant facts, the reporting entity 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.

The results and assets and liabilities of the combining entities or businesses are combined using the existing book values from the perspective of CKH.

The profit or loss includes the results of each of the combining entities or businesses from the earliest date presented or since the date when combining entities or businesses first came under control of CKH, where this is a shorter period.

The comparative amounts in the Cheung Kong Property Group Financial Information are presented as if the entities or businesses had been combined at the earliest date of statement of financial position presented or when they first came under control of CKH, whichever is the later.

Inter-company transactions, balances and unrealised gains on transactions within the Cheung Kong Property Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies and financial information of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Cheung Kong Property Group.

(b) Joint ventures

A joint venture is an entity in which the Cheung Kong Property Group have a long term equity interest and of which the Cheung Kong Property Group share joint control with other parties under contractual arrangements on decisions that significantly affect the return.

Investments in joint ventures are carried at cost plus the Cheung Kong Property Group's share of their post-acquisition results less dividends received and provision for impairment.

Results of joint ventures are incorporated in the Cheung Kong Property Group Financial Information to the extent of the Cheung Kong Property 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 Cheung Kong Property Group's accounting policies.

(c) Associates

An associate is an entity, other than a subsidiary or a joint venture, in which the Cheung Kong Property Group have a long term equity interest and significant influence over its management.

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

Results of associates are incorporated in the Cheung Kong Property Group Financial Information to the extent of the Cheung Kong Property 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 Cheung Kong Property Group's accounting policies.

(d) Investments in securities

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

Investments available for sale are reviewed for impairment when there are significant or prolonged declines in fair value of equity securities below costs and impairment, if any, is charged to combined income statement and is not reversible.

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

(e) Fixed assets

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

For hotel and serviced suite properties, 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. Other fixed assets are depreciated on a straight-line basis at annual rates of 5% to 33 1/3% based on their respective estimated useful lives.

(f) Investment properties

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

(g) Loan receivables

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

(h) 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 direct costs attributable to the properties. The carrying values of properties held by the Cheung Kong Property Group are adjusted in the Cheung Kong Property Group Financial Information to reflect the Cheung Kong Property Group's actual costs incurred where appropriate.

(i) Debtors

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

(j) Derivative financial instruments

Derivative financial instruments are used for investment and financial purposes and are stated at fair value.

(k) Borrowings

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

(l) Creditors

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

(m) 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 relevant authorities and the 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.

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

(n) 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 date. Exchange differences are included in combined income statement.

For translation of the financial statements of subsidiaries, joint ventures and associates denominated in foreign currencies into presentation currency of the Cheung Kong Property Group, assets and liabilities are translated at the exchange rates prevailing at the year end date and results are translated at the average rates of exchange for the year. Exchange differences are recognised in other comprehensive income.

(o) Taxation

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

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

(p) Borrowing costs

Borrowing costs are charged to combined 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.

(q) Combined capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

3. TURNOVER AND CONTRIBUTION

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

Turnover of the Cheung Kong Property Group's activities comprise proceeds from property sales, gross rental income, revenue from hotel and serviced suite operation and income from property and project management.

Turnover of the Cheung Kong Property Group and its share of property sales of joint ventures by operating activities for the years are as follows:

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Property sales	14,614	12,288	19,389
Property rental	1,867	1,961	1,908
Hotel and serviced suite operation	2,350	2,368	2,213
Property and project management	361	394	528
Group turnover	19,192	17,011	24,038
Share of property sales of joint ventures	11,846	15,301	6,959
Turnover	31,038	32,312	30,997

For the years ended 31 December 2012, 2013 and 2014, turnover outside Hong Kong accounted for approximately 38%, 54% and 23% of the turnover respectively and was derived from the following locations:

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
The PRC	11,919	16,454	5,945
Singapore	–	980	1,210
	11,919	17,434	7,155

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

	Subsidiaries			Joint ventures			Total		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Property sales	5,261	4,686	6,577	4,655	5,486	1,924	9,916	10,172	8,501
Property rental	1,704	1,795	1,769	275	322	300	1,979	2,117	2,069
Hotel and serviced suite operation	931	991	952	302	281	275	1,233	1,272	1,227
Property and project management	124	133	154	45	46	61	169	179	215
	8,020	7,605	9,452	5,277	6,135	2,560	13,297	13,740	12,012
Investment and finance							79	574	852
Interest and other finance costs							(650)	(776)	(815)
Increase in fair value of investment properties									
Subsidiaries							4,470	1,782	4,542
Joint ventures							531	24	510
Profit on disposal of investment properties							–	2,760	–
Surplus on loss of control of interest in subsidiaries							1,077	–	–
Surplus on loss of control of indirect interest in joint ventures							1,326	–	–
Profit on disposal of joint ventures							450	798	2,349
Others							121	108	213
Taxation									
Subsidiaries							(1,250)	(1,442)	(1,624)
Joint ventures							(2,389)	(3,145)	(724)
Profit attributable to non-controlling interests							(133)	(272)	(248)
							16,929	14,151	17,067
Share of net profit of associates							1	1	1
Profit attributable to shareholders of the Cheung Kong Property Group							16,930	14,152	17,068

4. SERVICE FEES

Service fees represented costs paid to CKH for property and project management, administration, human resources, information technology, sales and marketing and other support provided by CKH to the Cheung Kong Property Group.

5. PROFIT BEFORE TAXATION

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Profit before taxation is arrived at after (charging)/crediting:			
Interest and other finance costs			
Other loans repayable within 5 years	(1,138)	(1,309)	(1,245)
Less: Amount capitalised (Note)	488	533	430
	(650)	(776)	(815)
Auditors' remuneration	(5)	(5)	(6)
Costs of properties sold	(8,424)	(6,919)	(11,708)
Service fees	(971)	(836)	(892)
Operating lease charges – properties	(61)	(70)	(71)
Interest income from banks	26	34	47
Interest income from joint ventures	11	37	20
Interest income from loan receivables	17	9	8
Dividend income from listed investments in equity securities	206	283	361
Gain on disposal of investments available for sale	–	–	137
Exchange difference	19	(160)	(30)

Note: Interest and other finance costs were capitalised at annual rate of approximately 1.7%, 1.8% and 1.5% on average respectively for the years ended 31 December 2012, 2013 and 2014 to various property development projects.

6. TAXATION

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Current tax			
Hong Kong profits tax	1,072	939	1,364
Tax outside Hong Kong	138	342	231
Deferred tax	40	161	29
	1,250	1,442	1,624

Hong Kong profits tax has been provided for at the rate of 16.5% during the Relevant Periods on the estimated assessable profits for the years. Taxation outside Hong Kong has been provided for at the applicable rate on the estimated assessable profits less available tax losses.

The profit before taxation is reconciled with taxation as follows:

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Profit before taxation less share of net profit of joint ventures and associates	12,832	11,834	16,104
Calculated at Hong Kong profits tax rate of 16.5% (2012 and 2013 – 16.5%)	2,117	1,953	2,657
Effect of tax rate differences at locations outside Hong Kong	(95)	182	(49)
Dividend income	(34)	(47)	(60)
Increase in fair value of investment properties	(738)	(294)	(749)
Profit on disposal of investment properties	–	(455)	–
Net effect of tax losses and deductible temporary differences utilised/ not recognised	(16)	57	(8)
Net effect of non-assessable/deductible items	8	56	(13)
Tax provision in prior year written back	–	–	(149)
Others	8	(10)	(5)
	1,250	1,442	1,624

7. EARNINGS PER SHARE

No earning per share information is presented as its inclusion, for the purpose of Cheung Kong Property Group Financial Information, is not considered meaningful due to the Reorganisation and the preparation of the results for each of the years ended 31 December 2012, 2013 and 2014 on a combined basis as disclosed in note 1(b).

8. FIXED ASSETS

	Hotels and serviced suites			
	in Hong Kong	outside Hong Kong	Other assets	Total
	HK$ million	HK$ million	HK$ million	HK$ million
COST				
At 1 January 2012	11,966	1,711	1,054	14,731
Additions/transfers	32	18	15	65
Disposals	–	–	(27)	(27)
Derecognised on loss of control in subsidiaries	–	(1,008)	(121)	(1,129)
At 31 December 2012	11,998	721	921	13,640
Translation difference	–	23	4	27
Additions/transfers	97	10	31	138
Disposals	–	–	(25)	(25)
At 31 December 2013	12,095	754	931	13,780
Translation difference	–	(2)	(1)	(3)
Additions/transfers	143	37	98	278
Disposals	–	–	(32)	(32)
At 31 December 2014	12,238	789	996	14,023
ACCUMULATED DEPRECIATION/ PROVISIONS				
At 1 January 2012	2,310	412	830	3,552
Depreciation	221	16	76	313
Disposals	–	–	(17)	(17)
Derecognised on loss of control in subsidiaries	–	(207)	(94)	(301)
At 31 December 2012	2,531	221	795	3,547
Translation difference	–	7	4	11
Depreciation	225	17	59	301
Disposals	–	–	(21)	(21)
At 31 December 2013	2,756	245	837	3,838
Translation difference	–	(1)	–	(1)
Depreciation	226	16	44	286
Disposals	–	–	(28)	(28)
At 31 December 2014	2,982	260	853	4,095
NET BOOK VALUE				
At 31 December 2012	9,467	500	126	10,093
At 31 December 2013	9,339	509	94	9,942
At 31 December 2014	9,256	529	143	9,928

At 31 December 2012, 2013 and 2014, hotels and serviced suites with carrying value of HK$8,935 million, HK$8,817 million and HK$8,744 million were held in Hong Kong under medium-term leases respectively; while hotels and serviced suites with carrying value of HK$532 million, HK$522 million and HK$512 million were held in Hong Kong under long leases respectively. Hotels and serviced suites with carrying value of HK$500 million, HK$509 million and HK$529 million were held outside Hong Kong under medium-term leases at 31 December 2012, 2013 and 2014 respectively.

9. INVESTMENT PROPERTIES

	As at 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Investment properties in Hong Kong			
At 1 January	25,180	29,656	28,777
Additions/cost adjustments	6	2	(34)
Disposals	–	(2,663)	–
Increase in fair value	4,470	1,782	4,542
At 31 December	29,656	28,777	33,285

At 31 December 2012, 2013 and 2014:

(a) investment properties were fair valued by DTZ Debenham Tie Leung Limited, independent professional valuers and its office is located on 16/F, 1063 King's Road, Quarry Bay, Hong Kong;

(b) fair values of investment properties are generally derived using the income capitalisation method which is based on the capitalisation of net income and reversionary income potential by appropriate capitalisation rates; the capitalisation rates adopted, ranging between 3% to 8% generally and inversely related to the values derived, are based on analysis of relevant sale transactions and interpretation of prevailing market expectations;

(c) investment properties with carrying value of HK$28,765 million, HK$27,768 million and HK$32,050 million were held under medium-term leases respectively; HK$891 million, HK$1,009 million and HK$1,235 million were held under long leases respectively;

(d) gross rental income of investment properties for the years ended 31 December 2012, 2013 and 2014 amounted to HK$1,686 million, HK$1,802 million and HK$1,761 million respectively; and

(e) direct operating expenses of investment properties for the years ended 31 December 2012, 2013 and 2014 amounted to HK$28 million, HK$46 million and HK$12 million respectively.

10. JOINT VENTURES

	As at 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Investments in joint ventures – unlisted	17,803	13,275	13,006
Share of results less dividends (note (a))	22,071	25,263	23,613
	39,874	38,538	36,619
Amounts due from joint ventures (note (b))	6,195	6,768	9,276
	46,069	45,306	45,895

Notes:

(a) The Cheung Kong Property Group's share of results of joint ventures for the years is as follows:

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Net profit	5,480	4,031	2,835
Other comprehensive income/(expense)	953	829	(1,631)
Total comprehensive income	6,433	4,860	1,204

(b) At the year end dates, amounts due from joint ventures included the following:

	As at 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Interest bearing loans			
– repayable within 5 years	830	800	955
Non-interest bearing loans			
– no fixed repayment terms	5,365	5,968	8,321
	6,195	6,768	9,276

The directors considered that no single joint venture is material to the Group and hence no summarised financial information for any individual joint venture is disclosed.

Particulars of the principal joint ventures are set out below:

Name	Place of incorporation	Equity interest attributable to the Group (effective holding)				Place of operation	Principal activities
		2012	2013	2014	At the date of this report		
		%	%	%	%		
Bayswater Developments Limited	British Virgin Islands	50	50	50	50	The PRC	Property development and investment
Beright Investments Limited	British Virgin Islands	50	50	50	50	The PRC	Property development
Billion Rise Limited	British Virgin Islands	50	50	50	50	Singapore	Property development
Cheung Wo Enterprises Limited	British Virgin Islands	50	50	50	50	The PRC	Property investment
Choicewide Group Limited	British Virgin Islands	50	50	50	50	Singapore	Investment in property project
Extreme Selection Investments Limited (disposal in 2014)	British Virgin Islands	50	50	N/A	N/A	The PRC	Property development
Gislingham Limited	British Virgin Islands	50	50	50	50	The PRC	Property development
Golden Castle Management Limited	British Virgin Islands	50	50	50	50	The PRC	Property development
Harbour Plaza Hotel Management (International) Limited	British Virgin Islands	50	50	50	50	Hong Kong	Hotel management
Harbour Plaza Metropolis Limited	British Virgin Islands	50	50	50	50	Hong Kong	Hotel and serviced suite operation
Mapleleaf Developments Limited	British Virgin Islands	25	25	25	25	The PRC	Property development
Shanklin Developments Limited	British Virgin Islands	50	50	50	50	The PRC	Property development
Sky Island Limited	British Virgin Islands	50	50	50	50	The PRC	Property development
Smart Rainbow Limited	British Virgin Islands	50	50	50	50	Hong Kong	Hotel and serviced suite operation
Swayfield Limited	British Virgin Islands	30	30	30	30	Hong Kong	Property investment
True Ample Developments Limited	British Virgin Islands	50	50	50	50	The PRC	Property development
Willpower Developments Limited	British Virgin Islands	50	50	50	50	The PRC	Property development
Zealand Limited	British Virgin Islands	50	50	50	50	The PRC	Property development
Afford Limited (disposal in 2013)	Hong Kong	50	N/A	N/A	N/A	The PRC	Property development and investment
Chesgold Limited (disposal in 2015)	Hong Kong	50	50	50	N/A	The PRC	Property investment
Clayton Power Enterprises Limited	Hong Kong	50	50	50	50	Hong Kong	Property development
Dragon Beauty International Limited	Hong Kong	50	50	50	50	Hong Kong	Property development
Elegant Wealth Investment Limited	Hong Kong	49	49	49	49	The PRC	Property development
Forton Investment Limited	Hong Kong	50	50	50	50	The PRC	Property development
Glory Sense Limited	Hong Kong	50	50	50	50	The PRC	Property development

Name	Place of incorporation	Equity interest attributable to the Group (effective holding) 2012	2013	2014	At the date of this report	Place of operation	Principal activities
		%	%	%	%		
Hildon Development Limited	Hong Kong	50	50	50	50	The PRC	Property development
Hui Xian Holdings Limited	Hong Kong	33.4	33.4	33.4	33.4	Hong Kong	Investment holding and financing
Konorus Investment Limited	Hong Kong	42.5	42.5	42.5	42.5	Hong Kong	Property investment
Metro Broadcast Corporation Limited	Hong Kong	50	50	50	50	Hong Kong	Radio broadcasting
Mighty General Limited	Hong Kong	50	50	50	50	The PRC	Property development
Montoya (HK) Limited	Hong Kong	50	50	50	50	The PRC	Property development
New China Sheen Limited	Hong Kong	50	50	50	50	The PRC	Property development
New China Target Limited	Hong Kong	50	50	50	50	The PRC	Property development
Hong Kong Shanghai Development Co Ltd	Samoa	25	25	25	25	The PRC	Property development and investment
Kovan Treasure Pte. Limited	Singapore	N/A	N/A	50	50	Singapore	Property development
Hutchison Whampoa Properties (Chengdu) Limited	The PRC	50	50	50	50	The PRC	Property development

11. INVESTMENTS AVAILABLE FOR SALE

	As at 31 December 2012	2013	2014
	HK$ million	HK$ million	HK$ million
Listed investments			
Equity securities – listed in Hong Kong	3,139	3,208	4,716
Equity securities – listed outside Hong Kong	2,151	2,196	2,449
	5,290	5,404	7,165
Unlisted investments			
Equity securities	55	64	7
	5,345	5,468	7,172

12. STOCK OF PROPERTIES

	As at 31 December 2012	2013	2014
	HK$ million	HK$ million	HK$ million
Properties for/under development	48,923	50,638	47,292
Joint development projects	29,746	27,420	21,903
Properties for sale	1,447	1,757	4,064
	80,116	79,815	73,259

Properties for/under development and joint development projects amounting to HK$63,466 million, HK$54,476 million and HK$43,217 million were not scheduled for completion within twelve months at 31 December 2012, 2013 and 2014 respectively.

13. DEBTORS, DEPOSITS AND PREPAYMENTS

	As at 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Trade debtors	1,194	1,512	1,549
Loan receivables	21	13	13
Deposits, prepayments and others	342	306	248
	1,557	1,831	1,810

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

At the year end dates, ageing analysis of the Cheung Kong Property Group's trade debtors was as follows:

	As at 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Current to one month	1,154	1,455	1,487
Two to three months	33	40	43
Over three months	7	17	19
	1,194	1,512	1,549

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

	As at 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Overdue within one month	47	111	47
Overdue for two to three months	26	34	39
Overdue over three months	7	17	18
	80	162	104

14. AMOUNTS DUE FROM/TO OTHER GROUP COMPANIES

Amounts due from CKH or its subsidiaries not formed part of the Group (the "Other Group Companies") were unsecured, interest-free and had no fixed terms of repayment. Amounts due to the Other Group Companies were unsecured had no fixed terms of repayment and interest-free, except for amounts of HK$53,238 million, HK$46,803 million and HK$43,620 million at 31 December 2012, 2013 and 2014 respectively which carried interests at average rates of 2.2%, 2.5% and 2.5% per annum respectively.

15. CREDITORS AND ACCRUALS

	As at 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Trade creditors	2,575	1,082	1,618
Accruals and other creditors	2,526	2,684	2,884
Customers' deposits received	6,998	7,207	5,991
	12,099	10,973	10,493

At the year end dates, ageing analysis of the Cheung Kong Property Group's trade creditors was as follows:

	As at 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Current to one month	2,513	1,071	1,563
Two to three months	38	7	24
Over three months	24	4	31
	2,575	1,082	1,618

16. BORROWINGS

	As at 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Repayable			
within 1 year	300	–	250
after 1 year but not exceeding 2 years	–	250	50
after 2 years but not exceeding 5 years	315	360	300
	615	610	600
Less: Amounts classified under current liabilities	(300)	–	(250)
Amounts classified under non-current liabilities	315	610	350

Borrowings represent loans from joint venture, which are unsecured and interest bearing at prime rate per annum for the years ended 31 December 2012, 2013 and 2014 respectively. The amounts of total borrowings approximate their fair values as at 31 December 2012, 2013 and 2014.

17. DEFERRED TAX LIABILITIES

At 31 December 2012, 2013 and 2014:

(a) deferred tax liabilities amounting to HK$820 million, HK$808 million and HK$869 million were provided for accelerated tax depreciation respectively; HK$14 million, HK$36 million and HK$35 million were provided for withholding tax on undistributed profits respectively; and HK$(29) million, HK$122 million and HK$95 million were provided for other (deductible) taxable temporary differences respectively; and

(b) unutilised tax losses and deductible temporary differences amounting to a total of HK$2,205 million, HK$2,555 million and HK$2,479 million were not recognised respectively, of which HK$2 million, nil and nil expires within 5 years respectively.

18. OPERATING LEASE

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

	As at 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Future minimum lease income receivable			
not later than 1 year	1,725	1,633	1,202
later than 1 year but not later than 5 years	1,633	919	1,022
	3,358	2,552	2,224

Analysis of future minimum lease charges payable by the Cheung Kong Property Group under non-cancellable operating leases at the year end dates are as follows:

	As at 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Future minimum lease charges payable			
not later than 1 year	37	39	52
later than 1 year but not later than 5 years	27	29	30
	64	68	82

19. SEGMENT INFORMATION

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

	As at 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Hotel and serviced suite operation	306	294	282
Property and project management	7	7	4
	313	301	286

Other segmental information is set out in note 3.

20. COMMITMENTS

At 31 December 2012, 2013 and 2014, the Cheung Kong Property Group had capital commitments as follows:

(a) Contracted but not provided for

	As at 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Acquisition of fixed assets	210	499	408

(b) Authorised but not contracted for

	As at 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Acquisition of fixed assets	5	5	–
Loan advances to joint ventures	–	398	3,925
Investment in joint ventures	–	–	380

At 31 December 2012, 2013 and 2014, the minimum share of revenue undertaken by the Cheung Kong Property Group to be received by the partner of a joint development project amounted to HK$612 million, HK$600 million and HK$588 million respectively.

21. RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere in the Cheung Kong Property Group Financial Information, the Cheung Kong Property Group entered into transactions in the normal course of business with the Other Group Companies and related companies, details of the material ones were as follows:

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Interest expenses paid to the Other Group Companies (note 14)	1,035	1,206	1,142
Service fees paid to CKH (note 4)	971	836	892

22. FINANCIAL RISKS AND MANAGEMENT

Financial assets and financial liabilities of the Cheung Kong Property Group include investments in securities, cash balances maintained for liquidity, trade receivables, loan receivables, trade creditors, borrowings, amounts due from/to the Other Group Companies and derivative financial instruments for investment and financial purposes. The Cheung Kong Property 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 Cheung Kong Property Group maintains a conservative approach on foreign exchange exposure management and ensure that their exposure to fluctuations in foreign exchange rates is minimised.

The Cheung Kong Property Group's borrowings and amounts due to the Other Group Companies are principally on a floating rate basis.

At 31 December 2012, 2013 and 2014, the Cheung Kong Property Group's borrowings were in Hong Kong Dollar ("HK$") and their bank balances and deposits were mainly in HK$.

(b) Risk management

Loan receivables normally carry interest at rates with reference to market lending rates and are secured by collaterals and other credit enhancements including charge on assets and guarantees. Trade debtors include mainly receivables arising from sales and leases of properties to the public. The Cheung Kong Property Group have legal rights to claim repossession of the properties in the event of default by purchasers/tenants. Regular review and follow-up actions are carried out on overdue amounts to minimise credit risk exposures. At the year end dates, overdue loan receivables and trade debtors were less than 2% of the Cheung Kong Property Group's profit for the years and credit risk on loan receivables and trade debtors after mitigation by collaterals and other credit enhancements was negligible.

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

The exposure of investments in securities and derivative financial instruments 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 in securities and derivative financial instruments was 5% higher/lower at the year end dates, the Cheung Kong Property Group's investment revaluation reserve would increase/decrease by approximately HK$267 million, HK$273 million, and HK$359 million and the Cheung Kong Property Group's profit for the years ended 31 December 2012, 2013 and 2014 would increase/decrease by approximately HK$26 million, nil and nil respectively.

The Cheung Kong Property Group's borrowings and those amounts due to the Other Group Companies carrying interest on floating rate basis are exposed to interest rate fluctuation. It is estimated that an increase/a decrease of 1 % in interest rates would increase/decrease the Cheung Kong Property Group's finance costs for the years ended 31 December 2012, 2013 and 2014 by approximately HK$405 million, HK$401 million and HK$375 million respectively, assuming the change in interest rates had been applied to the Cheung Kong Property Group's relevant amounts due to the Other Group Companies and borrowings at the year end dates which were kept constant throughout the relevant year, and the amount of finance costs capitalised would increase/decrease by approximately HK$174 million, HK$163 million and HK$130 million based on the proportion of finance cost capitalised during the year.

(c) Liquidity management

The Cheung Kong Property Group monitors their liquidity requirements on a short to medium-term basis and arranges refinancing of the Cheung Kong Property Group's borrowings as appropriate. With cash and marketable securities in hand, the Cheung Kong Property Group's liquidity positions remain strong and the Cheung Kong Property Group have sufficient financial resources to satisfy their commitments and working capital requirements.

Contractual obligations of creditors and derivative financial instruments mature within one year from the year ended dates. Amounts due to the Other Group Companies had no fixed terms of repayment. The contractual undiscounted cash flows (including interest payments computed at rates at the year end dates) of the Cheung Kong Property Group's borrowings by contractual maturities at the respective year end dates were as follows:

	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Within 1 year	329	30	279
After 1 year but not exceeding 2 years	16	280	66
After 2 years but not exceeding 5 years	330	404	328
	675	714	673

23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Investments in securities and derivative financial instruments are stated at fair value. Fair values are measured based on quoted prices in active markets, value inputs that are observable either directly or indirectly and/or value inputs that are not based on observable market data. Change of value inputs that are not based on observable market data to reasonably possible alternatives would not have material effect on the Cheung Kong Property Group's results for the years and financial position at the year end dates.

An analysis of the Cheung Kong Property Group's financial assets and financial liabilities stated at fair value based on the degree to which their fair values are observable is as follows:

Level 1: quoted prices in active markets

Level 2: value inputs, other than quoted prices, that are observable either directly or indirectly

Level 3: value inputs that are not based on observable market data

	Level 1	Level 2	Level 3	Total
	HK$ million	HK$ million	HK$ million	HK$ million
At 31 December 2012				
Financial assets				
Investments available for sale				
– Equity securities	5,290	–	55	5,345
Financial liabilities				
Derivative financial instruments	–	(518)	–	(518)
At 31 December 2013				
Financial assets				
Investments available for sale				
– Equity securities	5,404	–	64	5,468
At 31 December 2014				
Financial assets				
Investments available for sale				
– Equity securities	7,165	–	7	7,172

The movement of equity securities available for sale in Level 3 measurement for the years is as follows:

	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Fair value at 1 January	45	55	64
Gain/(loss) in fair value recognised in other comprehensive income	10	9	(45)
Disposal during the year	–	–	(12)
Fair value at 31 December	55	64	7

24. CAPITAL MANAGEMENT

The Cheung Kong Property Group manage their capital to ensure that they will be able to continue as a going concern while maximising returns to the shareholders of the Cheung Kong Property Group through the optimisation of debt and equity balances. The capital structure of the Cheung Kong Property Group consists of borrowings as detailed in note 16, amounts due to the Other Group Companies, bank balances and deposits, shareholders' funds (comprising combined capital and reserves) and non-controlling interests as detailed in the combined statement of financial position. The management of Cheung Kong Property Group reviews their capital structure on a regular basis to maintain an optimal capital structure.

25. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Cheung Kong Property Group, none of them were directors and chief executive. Emoluments of these individuals were as follows:

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Salaries and other benefits	22	23	24
Contributions to pension schemes	1	1	1
Share-based payment expense	–	–	–
Discretionary and performance related incentive payments	6	8	7
Incentive paid on joining	–	–	–
Compensation for loss of office paid: Contractual	–	–	–
Other	–	–	–

The emoluments of the above individuals were within the following bands:

	Year ended 31 December		
	2012	2013	2014
	No. of employee	No. of employee	No. of employee
HK$2,500,001 – HK$3,000,000	–	–	1
HK$3,500,001 – HK$ 4,000,000	1	1	–
HK$4,000,001 – HK$ 4,500,000	2	–	–
HK$4,500,001 – HK$ 5,000,000	–	2	–
HK$5,000,001 – HK$ 5,500,000	–	–	2
HK$5,500,001 – HK$ 6,000,000	1	–	–
HK$6,500,001 – HK$ 7,000,000	–	1	1
HK$11,500,001 – HK$ 12,000,000	1	–	–
HK$12,000,001 – HK$ 12,500,000	–	1	–
HK$12,500,001 – HK$ 13,000,000	–	–	1
	5	5	5

26. COMBINED CAPITAL

The Cheung Kong Property Group's combined capital as at each year end dates represents the aggregate of the share capital of all the companies comprising the Cheung Kong Property Group after elimination of inter-company investments.

[27. IMMEDIATE/ULTIMATE HOLDING COMPANY

At the date of this report, the directors of the Company consider that CK Hutchison Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability to be the immediate holding company of the Company and Cheung Kong (Holdings) Limited, a limited liability company incorporated in Hong Kong to be the ultimate holding company of the Cheung Kong Property Group.]

III. EVENTS AFTER THE REPORTING PERIOD

[In [March] 2015, the Cheung Kong Property Group paid a dividend of HK$131 million to its shareholders. Such dividend was not accounted for in the Cheung Kong Property Group Financial Information during the Relevant Periods.]

IV. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by any of the companies now comprising the Cheung Kong Property Group in respect of any period subsequent to 31 December 2014 up to the date of this report. Save as disclosed above, no dividend or distribution has been declared or made by the Company or any of the companies now comprising the Cheung Kong Property Group in respect of any period subsequent to 31 December 2014.

Yours faithfully,
Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

The following is the text of a report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, for the purpose of incorporation in this listing document.

Deloitte.
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Dear Sirs,

We set out below our report on the financial information of the property and hotel businesses of Hutchison Whampoa Limited ("HWL") and its subsidiaries (collectively referred to as the "Hutchison Property Group" or the "Group") (the "Hutchison Property Group Financial Information"), which will be reorganised and held by Cheung Kong Property Holdings Limited (the "Company") upon completion of the proposed reorganisation mentioned below, for each of the three years ended 31 December 2012, 2013 and 2014 (the "Relevant Periods") for inclusion in the listing document issued by the Company and dated [●] 2015 (the "Listing Document") in connection with the listing by way of introduction of the entire issued share capital of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Proposed Listing").

The Company was incorporated and registered as an exempted company in the Cayman Islands under the Cayman Islands Companies Law Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 2 January 2015 with limited liability. The Company, which is currently a wholly-owned subsidiary of CK Hutchison Holdings Limited, is an investment holding company and has not carried on any business except for equity transactions and preparation for the Proposed Listing since its incorporation.

Pursuant to a group reorganisation to rationalise the group structure of the Hutchison Property Group, HWPL Holdings Limited, a company incorporated on 20 November 2014 in the British Virgin Islands with limited liability, will become the holding company of the companies comprising the Hutchison Property Group (the "Proposed Reorganisation").

At the date of this report and during the Relevant Periods, the particulars of the companies comprising the Hutchison Property Group, all of which are companies with limited liabilities, are as follows:

Name	Place of incorporation/ establishment	Date of incorporation/ establishment	Equity interest attributable to the Group at 2012	2013	2014	Date of report	Issued and fully paid share capital/registered capital	Place of operation	Principal activities
Subsidiary companies									
Bahama Reef Limited	The Bahamas	24 April 1997	100%	100%	100%	100%	Ordinary US$5,000	The Bahamas	Property ownership and investment
Bahamas Golf Holdings Limited	The Bahamas	27 March 2007	100%	100%	100%	100%	Ordinary US$2	Note (a)	Investment holding
Golf Club Holdings Limited	The Bahamas	27 March 2007	100%	100%	100%	100%	Ordinary US$2	Note (a)	Investment holding
Hutchison Development (Bahamas) Limited	The Bahamas	19 November 1997	100%	100%	100%	100%	Ordinary US$2	The Bahamas	Property ownership and investment
Hutchison Lucaya Limited	The Bahamas	24 April 1997	100%	100%	100%	100%	Ordinary US$5,000	The Bahamas	Hotel ownership and operation
Island Resorts Holdings Limited	The Bahamas	27 March 2007	100%	100%	100%	100%	Ordinary US$2	Note (a)	Investment holding
Lucaya Golf Club Limited	The Bahamas	24 April 1997	100%	100%	100%	100%	Ordinary US$5,000	The Bahamas	Property ownership and investment
Trillium Investment Limited	The Bahamas	29 September 1980	100%	100%	100%	100%	Ordinary US$1,060,000	Hong Kong	Property ownership and investment
E-S Pacific Development and Construction Company Limited	Bermuda	13 August 1979	100%	100%	100%	100%	Ordinary US$12,000	Note (a)	Investment holding
Aicom Assets Limited	British Virgin Islands	25 October 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Alpachina Limited	British Virgin Islands	25 March 1996	100%	100%	100%	100%	Ordinary US$10	Hong Kong	Investment holding
Alpino Investments Limited	British Virgin Islands	2 June 2010	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Armery Limited	British Virgin Islands	6 October 1989	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Asian Wide Resources Limited	British Virgin Islands	5 January 1995	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Astrolin Investments Limited	British Virgin Islands	16 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Backporch Limited	British Virgin Islands	20 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Ballston Profits Limited	British Virgin Islands	8 April 2002	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Baysa Properties Limited	British Virgin Islands	13 March 1996	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Beautifloral Limited	British Virgin Islands	27 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Bengal Developments Limited	British Virgin Islands	29 November 1994	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Berwell Holdings Limited	British Virgin Islands	14 December 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
BVI Concord Holdings Limited	British Virgin Islands	29 September 1994	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Cactus Holdings Limited	British Virgin Islands	4 November 1991	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Cantec Properties Limited	British Virgin Islands	28 March 1996	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Caseright Limited	British Virgin Islands	3 January 1997	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Cayley Estate Management (China) Limited	British Virgin Islands	25 March 1997	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Centiflex Investments Limited	British Virgin Islands	26 April 1994	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Cheetan Properties Limited	British Virgin Islands	13 March 1996	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Childwise Holdings Limited	British Virgin Islands	8 March 2000	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Coboton Limited	British Virgin Islands	27 April 1999	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Continental Estate Agency Limited	British Virgin Islands	13 December 2007	100%	100%	100%	100%	Ordinary US$1	Note (a)	Inactive company
Continental Project Management Limited	British Virgin Islands	22 November 2007	100%	100%	100%	100%	Ordinary US$1	Note (a)	Inactive company
Coowin Enterprises Limited	British Virgin Islands	27 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Corprise Limited	British Virgin Islands	4 January 1999	100%	100%	100%	100%	Ordinary US$1	Note (a)	Inactive company
Cothill Developments Limited	British Virgin Islands	3 December 2004	100%	100%	100%	100%	Ordinary US$12	Note (a)	Investment holding
Cottage Enterprises Limited	British Virgin Islands	8 March 2000	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Coworld Investments Limited	British Virgin Islands	26 November 2004	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Creator Limited	British Virgin Islands	10 January 1996	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Crystal Full Investments Limited	British Virgin Islands	18 January 2008	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Dalecourt Investments Limited	British Virgin Islands	8 January 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Dessingburn Limited	British Virgin Islands	29 November 1995	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Devinity Limited	British Virgin Islands	3 January 1997	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Doncaster International Limited	British Virgin Islands	14 December 1993	51%	51%	51%	51%	Ordinary US$80,882	Note (a)	Inactive company

Name	Place of incorporation/ establishment	Date of incorporation/ establishment	Equity interest attributable to the Group at 2012	2013	2014	Date of report	Issued and fully paid share capital/registered capital	Place of operation	Principal activities
Dovecote Limited	British Virgin Islands	26 November 1991	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Dynamic Properties Limited	British Virgin Islands	28 March 1996	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Earswick Investments Limited	British Virgin Islands	8 May 2003	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Easewin Company Limited	British Virgin Islands	24 November 1992	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Elpin Enterprises Limited	British Virgin Islands	16 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Eraelite Limited	British Virgin Islands	20 October 2004	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Fairvale Profits Limited	British Virgin Islands	16 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Fentilla Investments Limited	British Virgin Islands	28 March 2007	100%	100%	100%	100%	Ordinary US$10	Note (a)	Investment holding
Ferrensby Limited	British Virgin Islands	23 November 1999	100%	100%	100%	100%	Ordinary US$4	Note (a)	Investment holding
Findwest Investments Limited	British Virgin Islands	27 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Fine Run Limited	British Virgin Islands	13 June 2007	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Firerose Limited	British Virgin Islands	26 November 1991	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Flowsuite Limited	British Virgin Islands	20 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Galmon Investments Limited	British Virgin Islands	16 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Gima Properties Limited	British Virgin Islands	13 March 1996	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Glass Flower Investments Limited	British Virgin Islands	30 January 2006	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Goalpost Limited	British Virgin Islands	8 August 2008	70%	70%	70%	70%	Ordinary US$100	Note (a)	Investment holding
Goveram Limited	British Virgin Islands	8 February 2007	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Greatrait Holdings Limited	British Virgin Islands	24 June 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Hadida Investments Limited	British Virgin Islands	27 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Happy Lion Ventures Ltd.	British Virgin Islands	5 February 1992	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Happy Magic Enterprises Inc.	British Virgin Islands	27 February 1992	100%	100%	100%	100%	Ordinary US$25	Note (a)	Investment holding
HCL Property Investments Limited	British Virgin Islands	12 September 2006	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Headquarter Enterprises Limited	British Virgin Islands	16 March 2000	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Heathcliff Developments Limited	British Virgin Islands	29 November 1994	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Heronhurst Limited	British Virgin Islands	27 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Hillwatch Limited	British Virgin Islands	26 November 1981	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Holylake Properties Limited	British Virgin Islands	30 March 1994	100%	100%	100%	100%	Ordinary US$1	Hong Kong	Property ownership and investment
Homeway Company Ltd.	British Virgin Islands	2 July 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
HPL Finance Limited	British Virgin Islands	10 October 2011	100%	100%	100%	100%	Ordinary US$1	Note (a)	Inactive company
HPL Property Investments Limited	British Virgin Islands	15 December 2000	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
HPS Limited	British Virgin Islands	8 December 1999	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Hutchison Bahamas Property Holdings Limited	British Virgin Islands	21 November 2014	N/A	N/A	100%	100%	Ordinary US$1	Note (a)	Investment holding
Hutchison China Property Holdings Limited	British Virgin Islands	21 November 2014	N/A	N/A	100%	100%	Ordinary US$1	Note (a)	Investment holding
Hutchison Consolidated Hotels Limited	British Virgin Islands	21 November 2014	N/A	N/A	100%	100%	Ordinary US$1	Note (a)	Investment holding
Hutchison Estate Management (China) Limited	British Virgin Islands	26 April 1994	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Hutchison Estate Management (Shanghai) Limited	British Virgin Islands	18 March 1999	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Hutchison Hong Kong Hotels Holdings Limited	British Virgin Islands	20 November 2014	N/A	N/A	100%	100%	Ordinary US$1	Note (a)	Investment holding
Hutchison Hong Kong Property Holdings Limited	British Virgin Islands	20 November 2014	N/A	N/A	100%	100%	Ordinary US$1	Note (a)	Investment holding
Hutchison Hotels Holdings (International) Limited	British Virgin Islands	1 December 1997	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Hutchison International Hotels Limited	British Virgin Islands	2 January 1991	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Hutchison LR Development Limited	British Virgin Islands	8 September 2000	90%	90%	90%	90%	Ordinary US$100	Note (a)	Investment holding
Hutchison Property Group Limited	British Virgin Islands	17 November 2014	N/A	N/A	100%	100%	Ordinary US$1	Hong Kong	Provision of management services
Hutchison Ports Properties Limited	British Virgin Islands	12 November 1996	100%	100%	100%	100%	Ordinary US$10	Note (a)	Investment holding
Hutchison PT Limited	British Virgin Islands	21 November 2014	N/A	N/A	100%	100%	Ordinary US$1	Note (a)	Investment holding
Hutchison REIT Holdings Limited	British Virgin Islands	19 November 2014	N/A	N/A	100%	100%	Ordinary US$1	Note (a)	Investment holding
Hutchison Singapore Property Holdings Limited	British Virgin Islands	21 November 2014	N/A	N/A	100%	100%	Ordinary US$1	Note (a)	Investment holding
Hutchison UK Property Holdings Limited	British Virgin Islands	21 November 2014	N/A	N/A	100%	100%	Ordinary US$1	Note (a)	Investment holding

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Hutchison Whampoa Building Services Limited	British Virgin Islands	25 July 1995	100%	100%	100%	100%	Ordinary US$1	Note (a)	Inactive company
Hutchison Whampoa Estate Management (China) Limited	British Virgin Islands	20 April 1994	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Hutchison Whampoa Project Management (Bahamas) Limited	British Virgin Islands	18 June 1997	100%	100%	100%	100%	Ordinary US$1	Note (a)	Inactive company
Hutchville Investments Limited	British Virgin Islands	12 January 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
HWCL Property Investments Limited	British Virgin Islands	8 February 2001	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
HWP Finance Limited	British Virgin Islands	21 December 2006	100%	100%	100%	100%	Ordinary US$1	British Virgin Islands	Finance company
HWPL Holdings Limited	British Virgin Islands	20 November 2014	N/A	N/A	100%	100%	Ordinary US$1	Note (a)	Investment holding
HWPL Hong Kong Holdings Limited	British Virgin Islands	19 November 2014	N/A	N/A	100%	100%	Ordinary US$1	Note (a)	Investment holding
Iambic Investments Limited	British Virgin Islands	27 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Iceville Limited	British Virgin Islands	8 May 1997	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Intellitrade Limited	British Virgin Islands	12 November 2004	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Irontime Investments Limited	British Virgin Islands	27 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Japuri Limited	British Virgin Islands	8 February 2007	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Joinpower Holdings Ltd.	British Virgin Islands	25 November 1992	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Julian Profits Limited	British Virgin Islands	27 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Kamenka Limited	British Virgin Islands	3 January 1997	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Kelo Properties Limited	British Virgin Islands	13 March 1996	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Kinaleck Limited	British Virgin Islands	2 August 2007	100%	100%	100%	100%	Ordinary US$10	Note (a)	Inactive Company
Kinmount Investments Limited	British Virgin Islands	15 October 1987	100%	100%	100%	100%	Ordinary US$3	Note (a)	Investment holding
Knebworth Limited	British Virgin Islands	10 October 1995	100%	100%	100%	100%	Ordinary US$3	British Virgin Islands	Finance company
Lanehurst Investments Limited	British Virgin Islands	27 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Lavonna Holdings Limited	British Virgin Islands	20 April 1994	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Leadmace Investments Limited (disposed in 2013)	British Virgin Islands	27 April 1993	100%	N/A	N/A	N/A	N/A	Note (a)	Investment holding
Leggate Limited	British Virgin Islands	16 March 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Lidcombe Limited	British Virgin Islands	16 August 1995	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Lignite Investments Limited	British Virgin Islands	3 May 1994	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Lochin Assets Limited	British Virgin Islands	13 December 1994	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Lushgreen Investments Limited	British Virgin Islands	27 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Luxfield Limited	British Virgin Islands	28 August 1996	70%	70%	70%	70%	Ordinary US$100	Note (a)	Investment holding
Macedonia Limited	British Virgin Islands	3 January 1997	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Max Crystal Limited	British Virgin Islands	2 January 1998	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Meterfield Limited	British Virgin Islands	8 August 2008	70%	70%	70%	70%	Ordinary US$100	Note (a)	Investment holding
Mindstep Investments Limited	British Virgin Islands	27 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Mingcourt Profits Limited	British Virgin Islands	16 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Mion Investments Limited	British Virgin Islands	30 March 1994	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Moonstruck Company Limited	British Virgin Islands	2 October 1989	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Munkton Limited	British Virgin Islands	5 July 1994	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Nagano Limited	British Virgin Islands	2 January 1991	100%	100%	100%	100%	Ordinary US$1	Note (a)	Inactive company
Neatside Assets Limited	British Virgin Islands	27 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
New Atkinson Investments Limited	British Virgin Islands	2 February 2005	100%	100%	100%	100%	Ordinary US$10	Note (a)	Investment holding
New Case Limited	British Virgin Islands	2 January 1991	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
New Hansen Investments Limited	British Virgin Islands	31 March 2005	100%	100%	100%	100%	Ordinary US$10	Note (a)	Investment holding
Northpier Enterprises Limited	British Virgin Islands	13 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Nzuki Investments Limited	British Virgin Islands	27 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Oakshire Investments Limited	British Virgin Islands	27 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding

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Oulette Limited	British Virgin Islands	30 January 2007	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Overath Limited	British Virgin Islands	2 January 1991	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Pacific Property Net Limited	British Virgin Islands	12 October 2000	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Palmbrook Investments Limited	British Virgin Islands	27 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Peakchase Investments Limited	British Virgin Islands	27 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Peakview Limited	British Virgin Islands	22 January 1998	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Pencester Resources Limited	British Virgin Islands	17 August 2001	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Penniwest Enterprises Limited	British Virgin Islands	27 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Perfect Tune Limited	British Virgin Islands	18 February 1998	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Ploverarm Limited	British Virgin Islands	3 July 1996	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Purepearl Limited	British Virgin Islands	3 January 1997	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Queensfield Limited	British Virgin Islands	18 February 1998	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Quickmart Investments Limited	British Virgin Islands	27 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Qulbro Trading Limited	British Virgin Islands	2 March 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Raborn Investments Limited	British Virgin Islands	13 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Radiant Pearl Limited	British Virgin Islands	5 May 1998	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Rhine Rise Limited (disposed in 2013)	British Virgin Islands	7 January 1992	100%	N/A	N/A	N/A	N/A	Note (a)	Investment holding
Riberio Investments Limited	British Virgin Islands	29 November 1994	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Ritello Limited	British Virgin Islands	3 January 1997	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
River Best Limited	British Virgin Islands	20 April 2009	70%	70%	70%	70%	Ordinary US$100	Note (a)	Investment holding
Robtek Investments Limited	British Virgin Islands	27 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Robust International Limited	British Virgin Islands	5 July 1995	100%	100%	100%	100%	Ordinary US$10	Note (a)	Investment holding
Ruotolo Investments Limited	British Virgin Islands	5 July 1994	60%	60%	60%	60%	Ordinary US$10	Note (a)	Investment holding
Seddon Developments Limited	British Virgin Islands	4 January 1994	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Septron Properties Limited	British Virgin Islands	28 March 1996	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Sharbara Limited	British Virgin Islands	30 January 2007	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Shrewd Century Limited	British Virgin Islands	2 May 2001	100%	100%	100%	100%	Ordinary US$1	Note (a)	Inactive company
Sialake High Limited	British Virgin Islands	30 September 1999	100%	100%	100%	100%	Ordinary US$4	Note (a)	Investment holding
Sinex Properties Limited	British Virgin Islands	28 March 1996	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Sino Summit Global Limited	British Virgin Islands	3 October 2013	N/A	95%	95%	95%	Ordinary US$100	Note (a)	Investment holding
Smart Faith Developments Limited	British Virgin Islands	3 September 2004	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Smart Planet Limited	British Virgin Islands	1 March 2011	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Steveland Investments Limited	British Virgin Islands	23 March 2005	100%	100%	100%	100%	Ordinary US$10	Note (a)	Investment holding
Swartberg Limited	British Virgin Islands	3 August 2006	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Swayfield Limited	British Virgin Islands	18 August 2008	70%	70%	70%	70%	Ordinary US$100	Note (a)	Investment holding
Tesseyman Limited	British Virgin Islands	27 April 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Upper Speed Limited	British Virgin Islands	2 December 2005	100%	100%	100%	100%	Ordinary US$100	Note (a)	Investment holding
Validhalt Investments Limited	British Virgin Islands	22 March 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Viewin Holdings Limited	British Virgin Islands	26 February 1993	100%	100%	100%	100%	Ordinary US$1	Note (a)	Inactive company
Viewsun Company Limited	British Virgin Islands	27 August 1992	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Wellming Properties Limited	British Virgin Islands	18 June 1999	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Whittall Way Limited	British Virgin Islands	5 January 2000	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Whittle Properties Limited	British Virgin Islands	13 March 1996	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Wide Option Investments Limited	British Virgin Islands	12 August 2005	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Wilton Place Limited	British Virgin Islands	30 November 1999	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Win World Corporation	British Virgin Islands	18 June 1992	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Winfast Investments Limited	British Virgin Islands	18 June 1992	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Winfield Profits Limited	British Virgin Islands	22 October 1998	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Wiscon Properties Limited	British Virgin Islands	28 March 1996	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Wordflex Limited	British Virgin Islands	20 December 1990	100%	100%	100%	100%	Ordinary US$1	Hong Kong	Investment holding
Yanter Services Limited	British Virgin Islands	2 January 1991	100%	100%	100%	100%	Ordinary US$1	Note (a)	Investment holding
Whampoaproperty Limited	Cayman Islands	20 November 2000	100%	100%	100%	100%	Ordinary US$1	Note (a)	Inactive company
15MR Limited	Hong Kong	27 August 2014	N/A	N/A	39%	39%	Ordinary HK$1	Note (a)	Inactive company

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Aberdeen Commercial Investments Limited. . .	Hong Kong	3 December 1991	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
Alona Limited	Hong Kong	5 December 2006	70%	70%	70%	70%	Ordinary HK$20	Hong Kong	Property ownership and investment
Ambridge Investments Limited	Hong Kong	28 October 1986	100%	100%	100%	100%	Ordinary HK$10,000	Hong Kong	Property ownership and investment
Autoguide Limited	Hong Kong	26 May 1981	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Provision of air-conditioning services
Baba Properties Limited	Hong Kong	9 February 1993	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
Blue Point Investment Limited	Hong Kong	3 June 1993	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
Bruckner Limited.	Hong Kong	7 February 1992	100%	100%	100%	100%	Ordinary HK$5,000,000	Hong Kong	Provision of consulting and advisory services
Bymoon Limited	Hong Kong	28 November 1980	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Provision of management and agency services
Carino Ford Limited	Hong Kong	1 June 1993	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
Cavendish Hotels (Holdings) Limited	Hong Kong	3 January 1973	51%	51%	51%	51%	Ordinary HK$ 100,000,000	Note (a)	Investment holding
Cavendish Property Development Limited . . .	Hong Kong	15 January 1973	100%	100%	100%	100%	Ordinary HK$980 and deferred HK$20	Hong Kong	Property sales, ownership and investment
Cayley Property Management Limited	Hong Kong	24 August 1982	100%	100%	100%	100%	Ordinary HK$500,000	Hong Kong	Property management
Cayley Security Company Limited	Hong Kong	16 May 1986	100%	100%	100%	100%	Ordinary HK$1,000,000	Hong Kong	Provision of security services
China Provident Development Company Limited	Hong Kong	6 August 1971	100%	100%	100%	100%	Ordinary HK$500,020	Hong Kong	Property ownership and investment
Clifton Properties Limited (disposed in 2013) .	Hong Kong	8 January 1980	100%	N/A	N/A	N/A	N/A	Hong Kong	Property ownership and investment
Consolidated Hotels Limited.	Hong Kong	25 November 1969	39%	39%	39%	39%	Ordinary HK$78,000,000	Hong Kong	Hotel ownership and operation
Darwin Investments Limited.	Hong Kong	28 October 1986	100%	100%	100%	100%	Ordinary HK$10,000	Hong Kong	Property ownership and investment
Deroma Limited	Hong Kong	7 April 1989	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
Dinaland Limited.	Hong Kong	26 March 1996	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
Dragon View Resources Limited	Hong Kong	12 October 2001	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
Elbe Office Investments Limited	Hong Kong	11 December 1990	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
E-S Pacific Development and Construction (HK) Company Limited.	Hong Kong	21 August 2007	100%	100%	100%	100%	Ordinary HK$1,000,000	Note (a)	Investment holding
Estoril Court Management Company Limited. .	Hong Kong	13 October 1981	80%	80%	80%	80%	Ordinary HK$10,000	Hong Kong	Property management
FortWay Finance Limited	Hong Kong	3 October 1980	100%	100%	100%	100%	Ordinary HK$4,000,000	Hong Kong	Finance company
Foxton Investments Limited	Hong Kong	23 June 1972	100%	100%	100%	100%	Ordinary HK$10,000	Hong Kong	Property ownership and investment
Glenfuir Investments Limited	Hong Kong	30 March 1973	100%	100%	100%	100%	Ordinary HK$1,000,000	Hong Kong	Property ownership and investment
Grafton Properties Limited.	Hong Kong	27 August 1975	100%	100%	100%	100%	Ordinary HK$100,000	Hong Kong	Property ownership and investment
Great Dynasty Enterprises Limited	Hong Kong	22 March 2000	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
Harbourfront Landmark Premium Services Limited	Hong Kong	23 October 1981	100%	100%	100%	100%	Ordinary HK$245,002	Hong Kong	Property management
Hina Tor Limited.	Hong Kong	1 June 1993	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment

Name	Place of incorporation/ establishment	Date of incorporation/ establishment	Equity interest attributable to the Group at 2012	2013	2014	Date of report	Issued and fully paid share capital/registered capital	Place of operation	Principal activities
Hongville Limited	Hong Kong	12 January 1993	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
Hunghom Bay Commercial Investments Limited	Hong Kong	3 December 1991	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
Hutchison Estate Agents (Mestoni) Limited	Hong Kong	15 February 1996	100%	100%	100%	100%	Ordinary HK$20	Hong Kong	Provision of leasing agency service
Hutchison Estate Agents (Tung Well) Limited	Hong Kong	1 April 1998	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Provision of sales agency services
Hutchison Estate Agents Limited	Hong Kong	26 February 1971	100%	100%	100%	100%	Ordinary HK$50,000	Hong Kong	Property agency
Hutchison Hotel Hong Kong Limited	Hong Kong	19 October 1990	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Hotel ownership and operation
Hutchison Hotels (Holdings) Limited	Hong Kong	26 February 1971	100%	100%	100%	100%	Ordinary HK$43,960,000	Note (a)	Investment holding
Hutchison Logistics Centre Management Limited	Hong Kong	28 April 1989	100%	100%	100%	100%	Ordinary HK$10,000	Hong Kong	Property management
Hutchison Premium Services (HK) Limited	Hong Kong	10 November 1994	100%	100%	100%	100%	Ordinary HK$20	Hong Kong	Development and operation of internet portal and provision of administrative services
Hutchison Premium Services Limited	Hong Kong	24 January 1995	100%	100%	100%	100%	Ordinary HK$20	Hong Kong	Provision of administrative services
Hutchison Whampoa Estate Management (Tino Level) Limited	Hong Kong	1 June 1993	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Provision of property management consulting services
Hutchison Whampoa Project Management (Livia Winbo) Limited	Hong Kong	1 June 1993	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Provision of project management services
Hutchison Whampoa Properties (Management & Agency) Limited	Hong Kong	7 June 1994	100%	100%	100%	100%	Ordinary HK$20	Hong Kong	Provision of project management services
Hutchison Whampoa Property Consultants Limited	Hong Kong	5 January 1995	100%	100%	100%	100%	Ordinary HK$20	Hong Kong	Provision of consultancy services
HWP Finance (Hong Kong) Limited	Hong Kong	8 April 2005	100%	100%	100%	100%	Ordinary HK$1	Hong Kong	Finance company
HWP Finance (Hong Kong) No. 2 Limited	Hong Kong	27 April 2006	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Finance company
HWP Finance (Hong Kong) No. 3 Limited	Hong Kong	3 December 2012	100%	100%	100%	100%	Ordinary HK$1	Hong Kong	Finance company
Hybonia Limited	Hong Kong	15 February 1996	100%	100%	100%	100%	Ordinary HK$20	Hong Kong	Property ownership and investment
Impromptu Limited	Hong Kong	17 February 1994	100%	100%	100%	100%	Ordinary HK$20	Hong Kong	Property ownership and investment
Island Mark Limited	Hong Kong	26 March 1996	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
Juli May Limited	Hong Kong	1 June 1993	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
Juno Cliff Limited (disposed in 2013)	Hong Kong	1 June 1993	100%	N/A	N/A	N/A	N/A	Hong Kong	Property ownership and investment
Juno Investments Limited	Hong Kong	5 March 1971	100%	100%	100%	100%	Ordinary HK$10,000	Hong Kong	Property ownership and investment
Keneford Investment Limited	Hong Kong	28 April 1994	100%	100%	100%	100%	Ordinary HK$5,000,000	Note (a)	Investment holding
Kingsmill Properties Limited	Hong Kong	31 December 1971	100%	100%	100%	100%	Ordinary HK$105,000,000	Note (a)	Inactive company
Kin Shing Realty Limited	Hong Kong	8 September 1972	100%	100%	100%	100%	Ordinary HK$3,190,000	Hong Kong	Provision of management and agency service
Kung Hei Investment Limited	Hong Kong	26 March 1996	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
Lynnore Limited	Hong Kong	15 February 1996	100%	100%	100%	100%	Ordinary HK$20	Hong Kong	Property ownership and investment
Marvel Front Limited	Hong Kong	13 June 2008	70%	70%	70%	70%	Ordinary HK$20	Hong Kong	Property ownership and investment

Name	Place of incorporation/ establishment	Date of incorporation/ establishment	Equity interest attributable to the Group at 2012	2013	2014	Date of report	Issued and fully paid share capital/registered capital	Place of operation	Principal activities
Matrica Limited	Hong Kong	3 October 1996	70%	70%	70%	70%	Ordinary HK$20	Hong Kong	Hotel ownership and operation
Minto Properties Limited	Hong Kong	2 March 1993	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
More Faith Limited	Hong Kong	26 March 1996	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
Mossburn Investments Limited	Hong Kong	4 September 1979	100%	100%	100%	100%	Ordinary HK$1,000	Hong Kong	Property ownership and investment
Omaha Investments Limited	Hong Kong	28 October 1986	100%	100%	100%	100%	Ordinary HK$2,000	Hong Kong	Property owning
Oregon Investments Limited	Hong Kong	28 October 1986	100%	100%	100%	100%	Ordinary HK$10,000	Hong Kong	Property ownership and investment
Pacific Property Limited	Hong Kong	10 February 1999	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Development and operation of internet portal, property agency services
Pacific Property Net Limited	Hong Kong	15 January 1997	100%	100%	100%	100%	Ordinary HK$20	Note (a)	Inactive company
Palliser Investments Limited	Hong Kong	11 September 1979	100%	100%	100%	100%	Ordinary HK$100,000	Hong Kong	Property ownership and investment
Patstreet Property Limited	Hong Kong	26 January 1973	100%	100%	100%	100%	Ordinary HK$100,000	Note (a)	Inactive company
Pelista Limited	Hong Kong	15 February 1996	100%	100%	100%	100%	Ordinary HK$20	Hong Kong	Property ownership and investment
Pinkett Limited	Hong Kong	28 November 1980	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property sales, ownership and investment
Po Tak Lee Investments Limited	Hong Kong	25 August 1972	100%	100%	100%	100%	Ordinary HK$100,000	Note (a)	Inactive company
Pogust Limited	Hong Kong	1 June 1993	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
Portwave Limited	Hong Kong	31 January 1989	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
Promotal Limited	Hong Kong	7 July 1989	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Project management
Prosper Charm Limited	Hong Kong	3 June 2009	70%	70%	70%	70%	Ordinary HK$20	Note (a)	Inactive company
Prostric Limited	Hong Kong	30 June 1981	100%	100%	100%	100%	Ordinary HK$2	Note (a)	Inactive company
Provident Commercial Investments Limited	Hong Kong	3 December 1991	100%	100%	100%	100%	Ordinary HK$2	Note (a)	Inactive company
Quibonet Limited	Hong Kong	26 January 1995	100%	100%	100%	100%	Ordinary HK$20	Hong Kong	Finance company
Rhine Office Investments Limited	Hong Kong	8 January 1991	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
Richmond Investments Limited	Hong Kong	28 October 1986	100%	100%	100%	100%	Ordinary HK$10,000	Hong Kong	Property ownership and investment
Rise Champ Investments Limited	Hong Kong	23 April 2008	100%	100%	100%	100%	Ordinary HK$1	Note (a)	Investment holding
Sandoran Limited	Hong Kong	15 February 1996	100%	100%	100%	100%	Ordinary HK$20	Hong Kong	Property ownership and investment
Shepherd Investments Limited	Hong Kong	20 July 1973	52%	52%	52%	52%	Ordinary HK$10,000	Note (a)	Investment holding
Shing Cheong Development Limited	Hong Kong	22 September 2004	70%	70%	70%	70%	Ordinary HK$2	Hong Kong	Hotel license holder
Shinta Limited	Hong Kong	20 September 1994	60%	60%	60%	60%	Ordinary HK$2	Hong Kong	Property development and trading
Sino Wealth Resources Limited	Hong Kong	22 March 2000	100%	100%	100%	100%	Ordinary HK$100	Note (a)	Inactive company
Sky Lake Development Limited	Hong Kong	6 September 2004	70%	70%	70%	70%	Ordinary HK$2	Hong Kong	Provision of staff recruitment services
South Horizons Management Limited	Hong Kong	4 June 1991	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property management
Starford Choice Limited	Hong Kong	17 April 2000	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
Tember Limited	Hong Kong	3 June 1993	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
Tezzini Limited	Hong Kong	15 February 1996	100%	100%	100%	100%	Ordinary HK$20	Hong Kong	Property ownership and investment

Name	Place of incorporation/ establishment	Date of incorporation/ establishment	Equity interest attributable to the Group at 2012	2013	2014	Date of report	Issued and fully paid share capital/registered capital	Place of operation	Principal activities
Tremayne Investments Limited	Hong Kong	20 March 1973	100%	100%	100%	100%	Ordinary HK$2,000,000	Hong Kong	Property ownership and investment, and subletting of properties
Turbo Top Limited	Hong Kong	12 January 1993	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property owning
Uranock Limited	Hong Kong	5 January 1995	100%	100%	100%	100%	Ordinary HK$20	Hong Kong	Property ownership and investment
Valmet Limited	Hong Kong	15 June 1993	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
Vember Lord Limited	Hong Kong	1 June 1993	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
VSCL Limited	Hong Kong	19 April 1985	100%	100%	100%	100%	Ordinary HK$2 and non-voting deferred Shares HK$300,000	The PRC	Property ownership and investment
Whampoa Garden Management Limited	Hong Kong	19 March 1971	100%	100%	100%	100%	Ordinary HK$14,400,010	Hong Kong	Property management
Whampoa Investments Limited	Hong Kong	15 October 1976	100%	100%	100%	100%	Ordinary HK$100,000	Hong Kong	Property ownership and investment
Whampoa Property Management Limited	Hong Kong	9 November 1976	100%	100%	100%	100%	Ordinary HK$1,000	Hong Kong	Property management
Williston Limited	Hong Kong	15 June 1993	100%	100%	100%	100%	Ordinary HK$2	Hong Kong	Property ownership and investment
Convoys Investments S. à r. l. (dissolved in 2013)	Luxembourg	8 April 2005	100%	N/A	N/A	N/A	N/A	Luxembourg	Property development
HWP Finance Marina Bay Limited	Mauritius	5 July 2005	100%	100%	100%	[100%]	Ordinary US$9,691,991	Singapore	Finance company
Grayseal Holdings Inc.	The Republic of Panama	14 May 1985	100%	100%	100%	100%	Ordinary US$200	Note (a)	Investment holding
Harley Development Inc.	The Republic of Panama	24 July 1985	100%	100%	100%	100%	Ordinary US$2	Hong Kong	Property ownership and investment
Kingdom Development S.A.	The Republic of Panama	22 July 1986	100%	100%	100%	100%	Ordinary US$2	Note (a)	Investment holding
Marston Enterprise Inc.	The Republic of Panama	8 August 1985	100%	100%	100%	100%	Ordinary US$2	Note (a)	Inactive company
Nikkor Corp.	The Republic of Panama	7 August 1985	100%	100%	100%	100%	Ordinary US$200	Note (a)	Investment holding
Roton Finance Inc.	The Republic of Panama	21 September 1987	100%	100%	100%	100%	Ordinary US$2	Note (a)	Investment holding
Vizell Equities S.A.	The Republic of Panama	21 September 1987	100%	100%	100%	100%	Ordinary US$2	Note (a)	Investment holding
Walcoh Finance Inc.	The Republic of Panama	31 January 1985	100%	100%	100%	100%	Ordinary US$2	Note (a)	Investment holding
Zimboton Investment Inc.	The Republic of Panama	21 September 1987	100%	100%	100%	100%	Ordinary US$2	Note (a)	Investment holding
HWP Finance (Singapore) Private Limited	Singapore	9 October 2006	100%	100%	100%	100%	Ordinary S$ 1	Note (a)	Inactive company
Chelsea Waterfront Limited	United Kingdom	4 December 2013	N/A	95%	95%	95%	Ordinary GBP100	Note (a)	Inactive company
Chelsea Waterfront Nominee 1 Limited	United Kingdom	9 May 2014	N/A	N/A	95%	95%	Ordinary GBP100	Note (a)	Inactive company
Chelsea Waterfront Nominee 2 Limited	United Kingdom	12 March 2014	N/A	N/A	95%	95%	Ordinary GBP100	Note (a)	Inactive company
Circadian Limited	United Kingdom	6 October 1999	95%	95%	95%	95%	Ordinary GBP100	United Kingdom	Property development
Circadian (CH) Limited	United Kingdom	1 June 2000	95%	95%	95%	95%	Ordinary GBP100	Note (a)	Investment holding
Convoys Properties Limited	United Kingdom	20 January 2005	100%	100%	100%	100%	Ordinary GBP100	United Kingdom	Property development
Hutchison LR Properties Limited.	United Kingdom	17 December 1999	90%	90%	90%	90%	Ordinary GBP100	Note (a)	Inactive Company
Hutchison Whampoa Properties (Europe) Limited	United Kingdom	31 May 2000	100%	100%	100%	100%	Ordinary GBP 1	United Kingdom	Project management
Harbour Plaza Marketing Inc.	United States of America	23 February 1998	100%	100%	100%	100%	Ordinary US$1	United States of America	Marketing agent
北京市長城飯店公司	The PRC	10 December 1983	50%	50%	50%	50%	US$40,000,000	The PRC	Hotel ownership and operation
和記好辦事網絡服務(上海)有限公司	The PRC	26 July 2001	100%	100%	100%	100%	US$ 350,000	The PRC	Provision of premium services
和巽房地產經紀(北京)有限公司	The PRC	28 October 2002	100%	100%	100%	100%	US$350,000	The PRC	Property agency
和巽房地產經紀(長春)有限公司	The PRC	28 October 2010	100%	100%	100%	100%	US$70,000	The PRC	Property agency
和巽房地產經紀(深圳)有限公司	The PRC	19 April 2004	100%	100%	100%	100%	RMB1,000,000	The PRC	Property agency
和巽物業諮詢(上海)有限公司	The PRC	23 August 2001	100%	100%	100%	100%	US$350,000	The PRC	Property agency
東莞海逸豪庭物業管理有限公司	The PRC	30 June 1999	100%	100%	100%	100%	US$24,500	The PRC	Property management
青島太平洋物業管理有限公司	The PRC	9 October 1999	100%	100%	100%	100%	US$1,500,000	The PRC	Property management

Name	Place of incorporation/ establishment	Date of incorporation/ establishment	Equity interest attributable to the Group at 2012	2013	2014	Date of report	Issued and fully paid share capital/registered capital	Place of operation	Principal activities
家利物業管理(上海)有限公司	The PRC	18 August 1999	100%	100%	100%	100%	US$820,000	The PRC	Property management
家利物業管理(北京)有限公司	The PRC	15 December 2003	100%	100%	100%	100%	US$150,000	The PRC	Property management
家利物業管理(重慶)有限公司	The PRC	14 August 2003	100%	100%	100%	100%	RMB3,000,000	The PRC	Property management
家利物業管理(深圳)有限公司 (Previously和記物業服務(深圳)有限公司)	The PRC	27 March 2001	100%	100%	100%	100%	US$750,000	The PRC	Property management
家利物業管理(廣州)有限公司	The PRC	28 August 2003	100%	100%	100%	100%	RMB5,000,000	The PRC	Property management
御翠園物業管理(上海)有限公司	The PRC	5 September 2008	100%	100%	100%	100%	HK$660,000	The PRC	Property management
廣州和記城市房產有限公司	The PRC	1 June 1992	65%	65%	65%	[65%]	US$7,200,000	The PRC	Property development and investment
廣州和巽物業諮詢有限公司	The PRC	5 December 2005	100%	100%	100%	100%	RMB500,000	The PRC	Property agency

Note (a): The company is inactive or has not carried on any operation except for acting as an investment holding.

The financial year end of HWPL Holdings Limited and the companies comprising the Hutchison Property Group is 31 December.

No statutory audited financial statements have been prepared for companies incorporated or established in The Bahamas, Bermuda, British Virgin Islands, the Cayman Islands, Luxembourg, Mauritius, the Republic of Panama and the United States of America, where part 16 of the Hong Kong Companies Ordinance (Cap. 622) is not applicable, since their respective dates of establishment/ incorporation as there is no statutory audit requirement in the jurisdiction where they were incorporated or established, except for Hutchison Development (Bahamas) Limited and Trillium Investment Limited, which were incorporated in The Bahamas, Alpachina Limited, Hutchison Ports Properties Limited, Nagano Limited, Ruotolo Investments Limited and Swayfield Limited, which were incorporated in the British Virgin Islands, and Harley Development Inc. which was incorporated in the Republic of Panama.

[No audited statutory financial statements have been prepared for the year ended 31 December 2014 as the statutory time limit imposed on the issuance of audited financial statements have not been reached.]

The statutory financial statements of companies incorporated in the Hong Kong Special Administrative Region for the years ended 31 December 2012 and 2013, or since their respective dates of incorporation, where this is a shorter period, were prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and were audited by PricewaterhouseCoopers in accordance with Hong Kong Standards of Auditing issued by the HKICPA.

The statutory financial statements of HWP Finance (Singapore) Private Limited, a limited liability company incorporated in Singapore, for the years ended 31 December 2012 and 2013 were prepared in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards. They were audited by Gabriel Ng & Co, a certified public accountants registered overseas.

The statutory financial statements of companies incorporated in United Kingdom, for the years ended 31 December 2012 and 2013 or since their respective date of incorporation, where this is a shorter period, were prepared in accordance with United Kingdom Generally Accepted Accounting Practice. They were audited by PricewaterhouseCoopers LLP registered overseas, except for Convoys Properties Limited as it had not carried on any business during the year ended 31 December 2012 and Hutchison LR Properties Limited as it had not carried on any business during the years ended 31 December 2012 and 2013.

The statutory financial statements of companies established in the People's Republic of China ("the PRC") for the years ended 31 December 2012 and 2013 or since their respective dates of establishment, where this is a shorter period, were prepared in accordance with the relevant accounting policies and financial regulations applicable to enterprises established in the PRC. They were audited by the following firms of certified public accountants registered in the PRC.

Name of subsidiary	Financial year	Name of auditor
家利物業管理(北京)有限公司	For the years ended 31 December 2012 and 2013	北京安審會計師事務所有限責任公司
家利物業管理(重慶)有限公司	For the years ended 31 December 2012 and 2013	重慶海平會計師事務所有限公司
家利物業管理(廣州)有限公司	For the years ended 31 December 2012 and 2013	廣州嶺南會計師事務所有限公司
家利物業管理(上海)有限公司	For the years ended 31 December 2012 and 2013	上海立達聯合會計師事務所
家利物業管理(深圳)有限公司 (Previously 和記物業服務(深圳)有限公司)	For the years ended 31 December 2012 and 2013	深圳市長城會計師事務所有限公司
東莞海逸豪庭物業管理有限公司	For the years ended 31 December 2012 and 2013	廣東中誠安泰會計師事務所有限公司
廣州和記城市房產有限公司	For the year ended 31 December 2012	廣州嶺南會計師事務所有限公司
	For the year ended 31 December 2013	廣東正中珠江會計師事務所(特殊普通合夥)
青島太平洋物業管理有限公司	For the years ended 31 December 2012 and 2013	青島信永達會計師事務所有限公司
御翠園物業管理(上海)有限公司	For the years ended 31 December 2012 and 2013	上海立達聯合會計師事務所
廣州和巽物業諮詢有限公司	For the years ended 31 December 2012 and 2013	廣州嶺南會計師事務所有限公司
和記好辦事網絡服務(上海)有限公司 .	For the years ended 31 December 2012 and 2013	上海立達聯合會計師事務所
和巽房地產經紀(北京)有限公司	For the years ended 31 December 2012 and 2013	北京安審會計師事務所有限責任公司
和巽房地產經紀(長春)有限公司	For the year ended 31 December 2012	利安達會計師事務所有限責任公司吉林分公司
	For the year ended 31 December 2013	瑞華會計師事務所(特殊普通合夥)吉林分所
和巽物業諮詢(上海)有限公司	For the years ended 31 December 2012 and 2013	上海立達聯合會計師事務所
和巽房地產經紀(深圳)有限公司	For the years ended 31 December 2012 and 2013	深圳市長城會計師事務所有限公司

For the purpose of this report, the directors of the HWPL Holdings Limited have prepared the combined financial statements of the Hutchison Property Group for the Relevant Periods in accordance with the Hong Kong Financial Reporting Standards (the "HKFRSs") (the "Hutchison Property Group Underlying Financial Statements") which were audited by PricewaterhouseCoopers in accordance with Hong Kong Standards on Auditing issued by the HKICPA. We examined the Hutchison Property Group Underlying Financial Statements for the Relevant Periods in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountants" as recommended by the HKICPA.

The Hutchison Property Group Financial Information set out in this report has been prepared from the Hutchison Property Group Underlying Financial Statements, on the basis set out in note 1 to Section II below. No adjustments were deemed necessary to adjust the Hutchison Property Group Underlying Financial Statements in preparing our report for inclusion in the Listing Document.

The Hutchison Property Group Underlying Financial Statements are the responsibilities of the directors of HWPL Holdings Limited who approve their issuance. The directors of the Company are responsible for the contents of the Listing Document in which this report is included. It is our responsibilities to compile the Hutchison Property Group Financial Information set out in this report from the Hutchison Property Group Underlying Financial Statements, to form an independent opinion on the Hutchison Property Group Financial Information and to report our opinion to you.

In our opinion, on the basis of preparation set out in note 1 to Section II below, the Hutchison Property Group Financial Information, gives, for the purpose of this report, a true and fair view of the state of affairs of the Hutchison Property Group as at 31 December 2012, 2013 and 2014 and of the combined profits and combined cash flows of the Hutchison Property Group for each of the three years ended 31 December 2012, 2013 and 2014.

I. FINANCIAL INFORMATION OF THE HUTCHISON PROPERTY GROUP

COMBINED INCOME STATEMENTS

	Notes	Year ended 31 December 2012	2013	2014
		HK$ million	HK$ million	HK$ million
Group turnover	5	6,237	6,676	6,901
Investment and other income		128	139	148
Operating costs				
Property and related costs		(904)	(960)	(974)
Salaries and related expenses		(1,202)	(1,289)	(1,318)
Interest and other finance costs		(1,094)	(1,099)	(1,222)
Depreciation and amortisation		(200)	(177)	(178)
Other expenses		(246)	(202)	(149)
		(3,646)	(3,727)	(3,841)
Share of net profit of joint ventures		4,959	3,763	2,342
Increase in fair value of investment properties		859	17	28,088
Profits on disposal of investments and others	5	167	3,067	2,807
Operating profit		8,704	9,935	36,445
Share of net profit of associates		199	120	399
Profit before taxation	6	8,903	10,055	36,844
Taxation	7	(425)	(663)	(885)
Profit for the year		8,478	9,392	35,959
Profit attributable to:				
Shareholders of the Hutchison Property Group		8,179	9,110	35,569
Non-controlling interests		299	282	390
		8,478	9,392	35,959
Earnings per share	8	N/A	N/A	N/A

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Profit for the year	8,478	9,392	35,959
Other comprehensive (expenses) income			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit obligations recognised directly in reserves	(36)	156	8
Share of other comprehensive income of associates	–	3	–
Share of other comprehensive (expenses) income of joint ventures	(1)	5	–
Tax relating to items that will not be reclassified to profit or loss	–	(1)	–
	(37)	163	8
Items that have been reclassified or may be subsequently reclassified to profit or loss:			
Investments available-for-sale			
Valuation gains (losses) recognised directly in reserves	459	(62)	166
(Losses) gains on translating overseas subsidiaries' net assets recognised directly in reserves	(61)	49	(69)
Share of other comprehensive income of associates	7	29	76
Share of other comprehensive income (expenses) of joint ventures	273	904	(1,065)
Release of exchange reserve upon disposal of a joint venture and subsidiary companies	–	(138)	(141)
	678	782	(1,033)
Other comprehensive income (expenses) after tax	641	945	(1,025)
Total comprehensive income for the year	9,119	10,337	34,934
Total comprehensive income attributable to			
Shareholders of the Hutchison Property Group	8,821	10,039	34,552
Non-controlling interests	298	298	382
	9,119	10,337	34,934

COMBINED STATEMENTS OF FINANCIAL POSITION

	Notes	At 31 December 2012	2013	2014
		HK$ million	HK$ million	HK$ million
Non-current assets				
Fixed assets	*9*	4,620	4,971	4,627
Investment properties	*10*	45,983	44,717	72,905
Associates	*11*	1,762	2,122	2,346
Joint ventures	*12*	38,319	40,683	42,767
Deferred tax assets	*20*	43	21	37
Investments available-for-sale	*13*	1,662	1,645	2,440
		92,389	94,159	125,122
Current assets				
Stock of properties	*14*	1,362	1,410	1,388
Debtors, deposits and prepayments	*15*	2,423	4,775	3,173
Amounts due from Other Group Companies	*18*	32,601	40,591	47,867
Bank balances and deposits	*16*	8,995	4,231	3,361
		45,381	51,007	55,789
Current liabilities				
Creditors and accruals	*17*	3,103	4,955	3,858
Amounts due to Other Group Companies	*18*	25,442	21,217	27,790
Borrowings	*19*	739	150	756
Provision for taxation		126	361	615
		29,410	26,683	33,019
Net current assets		15,971	24,324	22,770
Total assets less current liabilities		108,360	118,483	147,892
Non-current liabilities				
Borrowings	*19*	100	644	50
Loans from Other Group Companies	*18*	30,408	30,115	29,310
Deferred tax liabilities	*20*	1,083	1,165	1,239
Pension obligations	*21*	221	91	100
Other non-current liabilities		3	2	1
		31,815	32,017	30,700
Net assets		76,545	86,466	117,192
Representing:				
Combined capital		–	–	–
Reserves		75,949	85,841	116,449
Shareholders' funds		75,949	85,841	116,449
Non-controlling interests		596	625	743
Total equity		76,545	86,466	117,192

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Shareholders' funds							
	Combined capital	Investment revaluation reserve	Exchange reserve	PRC statutory reserves	Retained profit	Sub-total	Non-controlling interests	Total equity
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Balance at 1 January 2012	–	(34)	4,028	510	62,763	67,267	539	67,806
Profit for the year	–	–	–	–	8,179	8,179	299	8,478
Other comprehensive income (expenses)								
Investments available-for-sale valuation gains recognised directly in reserves	–	459	–	–	–	459	–	459
Remeasurement of defined benefit obligations recognised directly in reserves	–	–	–	–	(34)	(34)	(2)	(36)
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	–	–	(62)	–	–	(62)	1	(61)
Share of other comprehensive income of associates	–	–	7	–	–	7	–	7
Share of other comprehensive income (expenses) of joint ventures	–	111	162	–	(1)	272	–	272
Other comprehensive income (expenses)	–	570	107	–	(35)	642	(1)	641
Total comprehensive income for the year	–	570	107	–	8,144	8,821	298	9,119
Transfer	–	–	–	39	(39)	–	–	–
Dividends paid to shareholders of the Hutchison Property Group relating to 2012	–	–	–	–	(139)	(139)	–	(139)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(241)	(241)
Balance at 31 December 2012	–	536	4,135	549	70,729	75,949	596	76,545
Balance at 1 January 2013	–	536	4,135	549	70,729	75,949	596	76,545
Profit for the year	–	–	–	–	9,110	9,110	282	9,392
Other comprehensive income (expense)								
Investments available-for-sale valuation losses recognised directly in reserves	–	(62)	–	–	–	(62)	–	(62)
Remeasurement of defined benefit obligations recognised directly in reserves	–	–	–	–	150	150	6	156
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	–	–	39	–	–	39	10	49
Share of other comprehensive income of associates	–	–	29	–	3	32	–	32
Share of other comprehensive income (expenses) of joint ventures	–	(78)	982	–	5	909	–	909
Release of exchange reserve upon disposal of a joint venture and subsidiary companies	–	–	(138)	–	–	(138)	–	(138)
Tax relating to components of other comprehensive expenses	–	–	–	–	(1)	(1)	–	(1)
Other comprehensive (expenses) income	–	(140)	912	–	157	929	16	945
Total comprehensive (expenses) income for the year	–	(140)	912	–	9,267	10,039	298	10,337
Transfer	–	–	–	183	(183)	–	–	–
Dividends paid to shareholders of the Hutchison Property Group relating to 2013	–	–	–	–	(147)	(147)	–	(147)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(269)	(269)
Balance at 31 December 2013	–	396	5,047	732	79,666	85,841	625	86,466

	Shareholders' funds							
	Combined capital	Investment revaluation reserve	Exchange reserve	PRC statutory reserves	Retained profit	Sub-total	Non-controlling interests	Total equity
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Balance at 1 January 2014	–	396	5,047	732	79,666	85,841	625	86,466
Profit for the year	–	–	–	–	35,569	35,569	390	35,959
Other comprehensive income (expenses)								
Investments available-for-sale valuation gains recognised directly in reserves	–	166	–	–	–	166	–	166
Remeasurement of defined benefit obligations recognised directly in reserves	–	–	–	–	11	11	(3)	8
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	–	–	(64)	–	–	(64)	(5)	(69)
Share of other comprehensive income of associates	–	–	76	–	–	76	–	76
Share of other comprehensive expenses of joint ventures	–	(170)	(895)	–	–	(1,065)	–	(1,065)
Release of exchange reserve upon disposal of a joint venture and subsidiary companies	–	–	(141)	–	–	(141)	–	(141)
Other comprehensive (expenses) income	–	(4)	(1,024)	–	11	(1,017)	(8)	(1,025)
Total comprehensive (expenses) income for the year	–	(4)	(1,024)	–	35,580	34,552	382	34,934
Transfer	–	–	–	96	(96)	–	–	–
Dividends paid to the shareholders of the Hutchison Property Group relating to 2014	–	–	–	–	(3,944)	(3,944)	–	(3,944)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(264)	(264)
Balance at 31 December 2014	–	392	4,023	828	111,206	116,449	743	117,192

COMBINED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December 2012	2013	2014
		HK$ million	HK$ million	HK$ million
Operating activities				
Cash generated from (used in) operating activities before interest income, interest and other finance costs and tax paid	*(a)*	924	(839)	2,035
Dividends received from associates and joint ventures		280	2,454	1,101
Interest income received		63	31	17
Interest and other finance costs paid		(1,154)	(1,097)	(1,166)
Tax paid		(271)	(328)	(436)
Net cash (used in) from operating activities		(158)	221	1,551
Investing activities				
Purchase of fixed assets and investment properties		(267)	(534)	(260)
Repayments from (advances to) associates and joint ventures		2,583	(1,159)	(3,715)
Investments in joint ventures		–	–	(378)
Proceeds on disposal of fixed assets and investment properties		64	681	718
Proceeds on disposal of subsidiary companies	*(b)*	194	2,058	–
Proceeds on disposal of joint ventures		–	–	3,904
Net cash from investing activities		2,574	1,046	269
Financing activities				
New borrowings		142	–	40
Repayment of borrowings		(130)	(50)	–
Increase (decrease) of intercompany loans		506	(5,565)	1,478
Dividends paid to non-controlling interests		(241)	(269)	(264)
Dividend paid to shareholders of the Hutchison Property Group		(139)	(147)	(3,944)
Net cash from (used in) financing activities		138	(6,031)	(2,690)
Net increase (decrease) in cash and cash equivalents		2,554	(4,764)	(870)
Cash and cash equivalents at 1 January		6,441	8,995	4,231
Cash and cash equivalents at 31 December	*16*	8,995	4,231	3,361

(a) Reconciliation of profit before taxation to cash generated from operating activities before interest income, interest and other finance costs and profits tax paid

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Profit before taxation	8,903	10,055	36,844
Dividend income	(65)	(96)	(128)
Interest income	(63)	(43)	(20)
Interest and other finance costs	1,094	1,099	1,222
Depreciation and amortisation	200	177	178
Changes in fair value of investment properties	(859)	(17)	(28,088)
Share of profits less losses of associates and joint ventures	(5,158)	(3,883)	(2,741)
Profit on disposal of investment properties	(32)	(211)	(15)
Loss (profit) on disposal of fixed assets	1	(1,142)	(506)
Profit on disposal of subsidiary companies	(135)	(1,714)	–
Profit on disposal of a joint venture	–	–	(2,286)
Non-cash items	92	90	46
Changes in working capital			
Increase in amounts due from Other Group Companies	(3,891)	(7,163)	(2,850)
(Increase) decrease in stock of properties	(26)	(22)	46
Decrease in debtors, deposits and prepayments	1,083	235	1,666
(Decrease) increase in creditors and accruals	(182)	1,847	(1,139)
Increase in net pension obligations	20	27	17
Decrease in deferred income	(1)	(1)	(1)
Exchange adjustments	(59)	(71)	(90)
Others	2	(6)	(120)
	924	(839)	2,035

(b) Disposal of subsidiary companies

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Net assets disposed of:			
Investment properties	90	573	–
Joint ventures	–	854	–
Debtors, deposits and prepayments	1	2	–
Creditors and accruals	(32)	(11)	–
	59	1,418	–
Cash consideration	194	3,132	–
Less: amounts receivable	–	(1,074)	–
Net cash inflow for the year	194	2,058	–

II. NOTES TO THE FINANCIAL INFORMATION

1. BACKGROUND AND BASIS OF PREPARATION

(a) Background

HWPL Holdings Limited is a limited company incorporated in the British Virgin Islands. The address of the registered office is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.

The directors of HWPL Holdings Limited consider that HWPL Group Holdings Limited, a limited company incorporated in the British Virgin Islands, is the immediate holding company, and HWL, a limited company incorporated in Hong Kong and whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited, is the ultimate holding company of the Hutchison Property Group.

(b) Basis of preparation

Pursuant to the Reorganisation, HWPL Holdings Limited and the companies comprising the Hutchison Property Group will be reorganised and held by the Company.

The Hutchison Property Group Financial Information including combined income statements, combined statements of comprehensive income, combined statements of financial position, combined statements of changes in equity and combined statements of cash flows of the companies now comprising Hutchison Property Group has been prepared as if the current group structure had been in existence on the respective reporting dates and throughout the Relevant Periods, or since the respective dates of incorporation or establishment of the relevant entities, or up to the respective dates of disposals or dissolution, where this is a shorter period.

The Hutchison Property Group Financial Information is presented in Hong Kong dollar which is the functional currency of the major companies comprising the Hutchison Property Group.

2. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

For the purpose of preparing and presenting the Hutchison Property Group Financial Information for the Relevant Periods, the Hutchison Property Group has consistency adopted all those new and revised IFRSs, which are effective for the Hutchison Property Group's financial year beginning on 1 January 2014 throughout the Relevant Periods.

For the following IFRSs which are issued by not yet effective, the management of the Hutchison Property Group is in the process of assessing their impact on the Hutchison Property Group's combined results and financial position.

Effective for the Hutchison Property Group's annual accounting periods beginning on 1 January 2015

Amendments to IFRSs	Annual Improvements 2010 – 2012 Cycle
Amendments to IFRSs	Annual Improvements 2011 – 2013 Cycle
IAS 19 (Amendments)	Defined Benefit Plans – Employee Contributions

Effective for the Hutchison Property Group's annual accounting periods beginning on 1 January 2016

Amendments to IFRSs	Annual Improvements 2012 – 2014 Cycle
Amendments to IAS1	Disclosure Initiative
IAS 16 and IAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation
IAS 16 and IAS 41 (Amendments)	Agriculture: Bearer Plants
IAS 27 (Amendments)	Equity Method in Separate Financial Statements
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
IFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations
IFRS 10, IFRS 12 and IAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception
IFRS 14	Regulatory Deferral Accounts

Effective for the Hutchison Property Group's annual accounting periods beginning on 1 January 2017

IFRS 15	Revenue from Contracts with Customers

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

IFRS 9	Financial Instruments

3. PRINCIPAL ACCOUNTING POLICIES

The Hutchison Property Group Financial Information has been prepared in accordance with accounting policies which confirm with IFRSs. In addition, the Hutchison Property Group Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The Hutchison Property Group Financial Information has been prepared on the historical cost basis except for investment properties and investments available-for-sale, which are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Hutchison Property Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these combined financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The significant accounting policies are set out below.

(a) Combination of the Group

The Hutchison Property Group Financial Information incorporates the financial statement items of the subsidiaries of HWL which are engaged in the property and hotel business.

A subsidiary is an entity which after considering the relevant facts, the Hutchison Property Group have (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.

The result, assets and liabilities of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective of Hutchison Property Group.

The profit or loss includes the results of each of the combining entities or businesses from the earliest date presented or since the date when combining entities or businesses first came under control of HWL, where this is a shorter period.

The comparative amounts in the Hutchison Property Group Financial Information are presented as if the entities or businesses had been combined at the earliest date of statement of financial position presented or when they first came under common control, whichever is the later.

Inter-company transactions, balances and unrealised gains on transactions between the combining entities or businesses are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence at an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Hutchison Property Group.

(b) Joint ventures

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

Investments in joint ventures are carried at cost plus the Hutchison Property Group's share of their post-acquisition results less dividends received and provision for impairment.

Results of joint ventures are incorporated in the Hutchison Property Group Financial Information to the extent of the Hutchison Property 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 Hutchison Property Group's accounting policies.

(c) Associate

An associate is an entity, other than a subsidiary or a joint venture, in which the Hutchison Property Group has a long term equity interest and significant influence over its management, including participation in the financial and operating policy decisions.

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

Results of associates are incorporated in the Hutchison Property Financial Information to the extent of the Hutchison Property 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 Hutchison Property Group's accounting policies.

(d) Fixed assets

Fixed assets are stated at cost less depreciation and any impairment loss. Buildings are depreciated on the basis of an expected life of 50 years, or the remainder thereof, or over the remaining period of the lease of the underlying leasehold land, whichever is lesser. The period of the lease includes the period for which a right of renewal is attached.

Depreciation of other fixed assets is provided at rates calculated to write off their costs over their estimated useful lives on a straight-line basis at the following annual rates:

Motor vehicles	25%
Plant, machinery and equipment	5% – 20%
Leasehold improvements	Over the unexpired period of the lease or 15%, whichever is greater

The gain or loss on disposal or retirement of a fixed asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

(e) Investment properties

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

(f) Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Cost includes prepaid operating lease payments for leasehold land and development expenditure. Net realisable value is determined by the management based on prevailing market conditions. Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses.

(g) Properties under development

Land for properties under development is stated at cost and development expenditure is stated at the aggregate amount of costs incurred up to the date of completion, including capitalised interest on related loans.

Properties under development included in the current assets are expected to be realised in, or are intended for sale in the Hutchison Property Group's normal operating cycle.

(h) Loans and receivables

"Loans and receivables" are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of the reporting period subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method less impairment. Interest calculated using the effective interest method is recognised in the income statement.

(i) Investments available-for-sale

Investments available-for-sale are non-derivative financial assets that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. At the end of the reporting period subsequent to initial recognition, these financial assets are carried at fair value and changes in fair value are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve except for impairment losses which are charged to the income statement. Where these investments are interest bearing, interest calculated using the effective interest method is recognised in the income statement. Dividends from investments available-for-sale are recognised when the right to receive payment is established. When investments available-for-sale are sold, the cumulative fair value gains or losses previously recognised in investment revaluation reserve is removed from investment revaluation reserve and recognised in the income statement.

(j) Debtors

Debtors are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Appropriate allowance for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(l) Borrowings

The Hutchison Property Group's borrowings and debt instruments are initially measured at fair value, net of transaction costs, and are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the settlement or redemption amount of borrowings and debt instruments is recognised over the period of the borrowings using effective interest method.

(m) Creditors

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

(n) Combined capital

Ordinary shares are recorded in equity at the proceeds received, net of direct issue costs.

(o) Asset impairment

Assets that have an indefinite useful life are tested for impairment annually and when there is indication that they may be impaired. Assets that are subject to depreciation and amortisation are reviewed for impairment to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Such impairment loss is recognised in the income statement except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that asset, in which case it is treated as a revaluation decrease.

(p) Pension plans

Pension plans are classified into defined benefit and defined contribution plans. The pension plans are generally funded by the relevant group companies taking into account the recommendations of independent qualified actuaries and by payments from employees for contributory plans.

The Hutchison Property Group's contributions to the defined contribution plans are charged to the income statement in the year incurred.

Pension costs for defined benefit plans are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the income statement so as to spread the regular cost over the future service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plans. The pension obligation is measured at the present value of the estimated future cash outflows using interest rates determined by reference to market yields at the end of the reporting period based on government agency or high quality corporate bonds with currency and term similar to the estimated term of benefit obligations.

Remeasurements arising from defined benefit plans are recognised in other comprehensive income in the year in which they occur and reflected immediately in retained profit. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

Pension costs are charged against the income statement within staff costs.

(q) Revenue recognition

Revenue is measured at the fair value of the consideration received and receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes. Revenue is recognised to the extent that it is probable that economic benefits will flow to the Hutchison Property Group and the revenue and costs, if applicable, can be measured reliably.

Revenue from the sale of properties is recognised either on the date of sale or on the date of issue of the relevant occupation permit, whichever is later, and the economic benefit accrues to the selling entities and the significant risks and rewards of the properties accrue to the purchasers.

Rental income is recognised on a straight-line basis over the period of the lease.

Revenue from the provision of hotel management, consultancy and technical service is recognised when the service is rendered.

(r) Foreign exchange

Transactions in foreign currencies are converted at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities are translated at the rates of exchange ruling at the end of the reporting period.

The accounts of foreign operations (i.e. subsidiary companies, associates, joint ventures or branches whose activities are based or conducted in a country or currency other than those of the Company) are translated into Hong Kong dollars using the year end rates of exchange for the statement of financial position items and the average rates of exchange for the year for the income statement items. Exchange differences are recognised in other comprehensive

income and accumulated under the heading of exchange reserve. Exchange differences arising from foreign currency borrowings and other currency instruments designated as hedges of such overseas investments, are recognised in other comprehensive income and accumulated under the heading of exchange reserve.

Exchange differences arising from translation of inter-company loan balances between group entities are recognised in other comprehensive income and accumulated under the heading of exchange reserve when such loans form part of the Hutchison Property Group's net investment in a foreign entity. On the disposal of a foreign operation (i.e. a disposal of the Hutchison Property Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange gains or losses accumulated in exchange reserve in respect of that operation attributable to the Hutchison Property Group are transferred out of the exchange reserve and are recognised in the income statement.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Hutchison Property Group losing control over the subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the income statement. For all other partial disposals (i.e. partial disposals of associates or joint ventures that do not result in the Hutchison Property Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is transferred out of the exchange reserve and are recognised in the income statement.

All other exchange differences are recognised in the income statement.

(s) Taxation

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

Deferred tax is recognised, using the liabilities method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses and tax credits can be utilised.

(t) Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the income statement in the period in which they are incurred.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Note 3 includes a summary of the principal accounting policies used in the preparation of the accounts. The preparation of accounts often requires the use of judgements to select specific accounting methods and policies from several acceptable alternatives. Furthermore, significant estimates and assumptions concerning the future may be required in selecting and applying those methods and policies in the accounts. The Hutchison Property Group bases their estimates and judgements on historical experience and various other assumptions that they believe are reasonable under the circumstances. Actual results may differ from these estimates and judgements under different assumptions or conditions.

The following is a review of the more significant assumptions and estimates, as well as the accounting policies and methods used in the preparation of the accounts.

Basis of consolidation

The determination of the Hutchison Property Group's level of control over another entity will require exercise of judgement under certain circumstances. A group entity controls an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. As such, the classification of the entity as a subsidiary, a joint venture, an associate or a cost investment might require the application of judgement through the analysis of various indicators, such as the percentage of ownership interest held in the entity, the representation on the entity's board of directors and various other factors including, if

relevant, the existence of agreement with other shareholders, applicable statutes and regulations and their requirements. The Hutchison Property Group also considers, in particular, whether they obtain benefits, including non-financial benefits, from their power to control the entity.

Investment properties valuation

Investment properties are interests in land and buildings that are held to earn rentals or for capital appreciation or both. Such properties are carried in the statement of financial position at their fair value as determined by professional valuation. In determining the fair value of the investment properties, the valuers use assumptions and estimates that reflect, amongst other things, comparable market transactions, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. Judgement is required to determine the principal valuation assumptions to determine the fair value of the investment properties. Changes in fair values of investment properties are recorded in the income statement.

Stock of properties

Properties under development for sales and completed properties for sale are stated at the lower of the cost and net realisable value. The net realisable value is the estimated selling price less estimated selling expenses and estimated cost of completion (if any), which are estimated based on best available information. Where there is any decrease in the estimated selling price arising from any changes to the property market conditions, there may be written down on the properties under development for sale and completed properties for sale.

Tax

The Hutchison Property Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were previously recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Pension costs

The Group operates several defined benefit plans. Pension costs for defined benefit plans are assessed using the projected unit credit method in accordance with IAS 19, Employee Benefits. Under this method, the cost of providing pensions is charged to the income statement so as to spread the regular cost over the future service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plans. The pension obligation is measured at the present value of the estimated future cash outflows using interest rates determined by reference to market yields at the end of the reporting period based on government agency or high quality corporate bonds with currency and term similar to the estimated term of benefit obligations. Remeasurements arising from defined benefit plans are recognised in other comprehensive income in the year in which they occur and reflected immediately in retained profit. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

Management appointed actuaries to carry out a full valuation of these pension plans to determine the pension obligations that are required to be disclosed and accounted for in the accounts in accordance with the IFRS requirements.

The actuaries use assumptions and estimates in determining the fair value of the defined benefit plans and evaluate and update these assumptions on an annual basis. Judgement is required to determine the principal actuarial assumptions to determine the present value of defined benefit obligations and service costs. Changes to the principal actuarial assumptions can significantly affect the present value of plan obligations and service costs in future periods.

5. TURNOVER AND CONTRIBUTION

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

Turnover of Hutchison Property Group's activities comprise proceeds from property sales, gross rental income, revenue from hotel and serviced suite operation and income from property and project management.

Turnover of the Hutchison Property Group and its share of property sales of joint ventures by operating activities for the years are as follows:

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Property rental	3,318	3,682	3,995
Hotels and serviced suites	2,221	2,196	2,230
Property and project management	698	798	676
Group turnover	6,237	6,676	6,901
Share of property sales of joint ventures	11,805	15,233	6,845
Turnover	18,042	21,909	13,746

For the years ended 31 December 2012, 2013 and 2014, turnover outside Hong Kong accounted for approximately 67%, 71% and 53% of the turnover respectively and was derived from the following locations:

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
The PRC	11,806	14,373	5,784
Singapore	–	964	1,223
Others	224	251	282
	12,030	15,588	7,289

Save as disclosed in the notes below, the column headed as Subsidiaries refers to the subsidiary companies respective items and the column headed as Associates and JVs refers to the Hutchison Property Group's share of associates and joint ventures' respective items (see notes 11 and 12), and segments are reported in a manner consistent with internal reporting provided to the management of the Hutchison Property Group, who is responsible for allocating resources and assessing performance of the operating segments.

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

	Results								
	2012 Subsidiaries	2013 Subsidiaries	2014 Subsidiaries	2012 Associates and JVs	2013 Associates and JVs	2014 Associates and JVs	2012 Total	2013 Total	2014 Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Property sales	–	–	–	6,219	6,039	1,903	6,219	6,039	1,903
Property rental	2,959	3,343	3,617	381	378	361	3,340	3,721	3,978
Hotels and serviced suites	681	692	705	259	245	244	940	937	949
Property and project management	43	13	(42)	–	–	–	43	13	(42)
EBIT before property valuation and profits on disposals of investments and others	3,683	4,048	4,280	6,859	6,662	2,508	10,542	10,710	6,788
Investment and other income							319	449	212
Interest and other finance costs							(1,094)	(1,099)	(1,222)
Increase in fair value of investment properties							859	17	28,088
Subsidiaries									
Associates and JVs							395	21	513
Profit on disposal of investment properties							32	211	15
Profit on disposal of fixed assets							–	1,142	506
Profit on disposal of subsidiary companies							135	1,714	–
Profit on disposal of joint ventures							–	–	2,286
Others							2	–	2
Taxation									
Subsidiaries							(425)	(663)	(885)
Associates and JVs							(2,287)	(3,110)	(344)
Profit attributable to non-controlling interests							(299)	(282)	(390)
							8,179	9,110	35,569

6. PROFIT BEFORE TAXATION

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Profit before taxation is arrived after charging:			
Interest and other finance costs:			
Bank loans repayable within 5 years	16	18	15
Amounts due to Other Group Companies	1,085	1,089	1,219
Amounts due to joint ventures	10	9	1
	1,111	1,116	1,235
Less: amounts capitalised	(17)	(17)	(13)
	1,094	1,099	1,222
Auditor's remuneration	11	10	12
Depreciation and amortisation	200	177	178
Loss on disposal of fixed assets	1	–	–
Operating lease rental	48	57	99
Outgoings in respect of investment properties	187	181	152
Staff costs (including directors' remuneration)	1,202	1,289	1,318
and after crediting:			
Gross rental income from investment properties	3,318	3,682	3,995
Profit on disposal of investment properties	32	211	15
Profit on disposal of fixed assets	–	1,142	506
Profit on disposal of subsidiary companies	135	1,714	–
Profit on disposal of a joint venture	–	–	2,286
Net foreign exchange gain	–	83	–

7. TAXATION

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Current tax			
Hong Kong profits tax	260	382	460
(Over)under provision in prior years	(50)	8	7
Overseas and The PRC taxation	35	171	357
	245	561	824
Deferred tax *(Note 20)*	180	102	61
	425	663	885

Hong Kong profits tax has been provided for at the rate of 16.5% (2012 and 2013: 16.5%) on the estimated assessable profits less available tax losses for the year. Taxation outside Hong Kong has been provided for at the applicable rate on the estimated assessable profits less available tax losses.

The differences between the Hutchison Property Group's expected tax charge, calculated at the domestic rates applicable to the countries concerned, and the Hutchison Property Group's taxation for the years were as follows:

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Profit before taxation	8,903	10,055	36,844
Less: Share of net profits of			
– Associates	(199)	(120)	(399)
– Joint ventures	(4,959)	(3,763)	(2,342)
	3,745	6,172	34,103
Expected tax calculated at the domestic rates applicable to the countries concerned	612	736	5,271
Temporary differences not recognised	(2)	(4)	–
Tax losses not recognised	2	4	3
Income not subject to taxation	(149)	(227)	(4,753)
Expenses not deductible for taxation purposes	9	17	12
Reversal of previously recognised temporary differences	–	(3)	–
Recognition of previously unrecognised tax losses	–	1	–
Utilisation of previously unrecognised tax losses	(17)	(24)	(8)
(Over)under provision in prior years	(50)	8	6
Other PRC taxes	–	137	351
Other temporary differences	20	18	3
	425	663	885

8. EARNINGS PER SHARE

No earning per share information is presented as its inclusion, for the purpose of the presentation of Hutchison Property Group Financial Information, is not considered meaningful due to the Reorganisation and the preparation of the results for each of the years ended 31 December 2012, 2013 and 2014 on a combined basis as disclosed in note1.

9. FIXED ASSETS

	Leasehold land classified as finance leases	Hotel and other properties	Other assets	Total
	HK$ million	HK$ million	HK$ million	HK$ million
COST				
At 1 January 2012	581	5,368	2,018	7,967
Translation difference	–	2	(1)	1
Additions/transfers	–	1	43	44
Disposals	–	(1)	(55)	(56)
At 31 December 2012	581	5,370	2,005	7,956
Translation difference	–	11	13	24
Additions/transfers	986	55	107	1,148
Disposals	(420)	(209)	(364)	(993)
At 31 December 2013	1,147	5,227	1,761	8,135
Translation difference	–	(9)	(10)	(19)
Additions/transfers	–	17	113	130
Disposals	(157)	(253)	(128)	(538)
At 31 December 2014	990	4,982	1,736	7,708
ACCUMULATED DEPRECIATION				
At 1 January 2012	200	1,448	1,541	3,189
Translation difference	–	2	–	2
Depreciation	6	97	97	200
Disposals	–	(1)	(54)	(55)
At 31 December 2012	206	1,546	1,584	3,336
Translation difference	–	5	10	15
Depreciation	8	90	79	177
Disposals	(1)	(2)	(361)	(364)
At 31 December 2013	213	1,639	1,312	3,164
Translation difference	–	(4)	(7)	(11)
Depreciation	15	92	71	178
Disposals	(1)	(129)	(120)	(250)
At 31 December 2014	227	1,598	1,256	3,081
NET BOOK VALUE				
At 31 December 2012	375	3,824	421	4,620
At 31 December 2013	934	3,588	449	4,971
At 31 December 2014	763	3,384	480	4,627

Leasehold land classified as finance leases and hotel and other properties comprises:

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Hong Kong			
Long term leasehold (not less than 50 years)	1,209	1,183	1,156
Medium term leasehold (less than 50 years but not less than 10 years)	592	1,422	1,110
Overseas			
Medium term leasehold	477	465	445
Freehold	1,921	1,452	1,436
	4,199	4,522	4,147

10. INVESTMENT PROPERTIES

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
VALUATION			
At 1 January	45,020	45,983	44,717
Exchange differences	–	1	(1)
Additions	228	427	122
Changes in fair value	859	17	28,088
Disposals	(34)	(98)	(21)
Disposal of subsidiaries	(90)	(573)	–
Transfer to fixed assets	–	(1,040)	–
At 31 December	45,983	44,717	72,905
Investment properties comprise:			
Completed investment properties	44,733	44,717	72,905
Investment properties under development	1,250	–	–
	45,983	44,717	72,905
Hong Kong			
Long term leasehold (not less than 50 years)	19,390	19,215	33,812
Medium term leasehold (less than 50 years but not less than 10 years)	26,433	24,737	38,306
Outside Hong Kong			
Freehold	109	708	726
Medium term leasehold	51	57	61
	45,983	44,717	72,905

Investment properties have been revalued as at 31 December 2012, 31 December 2013 and 31 December 2014 by DTZ Debenham Tie Leung Limited, independent professional valuers. The fair value of the investment properties was determined based on, amongst other thing, comparable market transactions, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value measurements for the Hutchison Property Group's investment properties are categorised into level 3 in the fair value hierarchy based on the inputs to valuation techniques used.

There were no transfers between Level 1, Levels 2 and 3 during the years. The Hutchison Property Group's policy is to recognise transfers into/out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

The valuations are derived using the income capitalisation approach. This approach is based on the capitalisation of net income with due allowance for outgoings and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation are referenced to valuers' view of recent lettings, within the subject properties and other comparable properties.

Information about fair value measurements based on Level 3 fair value hierarchy:

			Range of significant unobservable inputs	
Description	**Fair value 2012**	**Valuation technique**	**Capitalisation rate**	**Rental rate**
	HK$ million			
Office buildings in Hong Kong	29,742	Income capitalisation approach	4.75% to 7.80%	HK$6.0 per square foot ("psf") to HK$99.1 psf
Commercial properties in Hong Kong	8,774	Income capitalisation approach	5% to 9.75%	HK$11.2 psf to HK$85.6 psf
Residential properties in Hong Kong	2,312	Income capitalisation approach	2.25% to 6%	HK$4.7 psf to HK$50.5 psf
Industrial properties in Hong Kong	4,995	Income capitalisation approach	7.5% to 11.5%	HK$2.8 psf to HK$13 psf
Office buildings and others outside Hong Kong	160	Income capitalisation approach	6% to 7.5%	HK$55.1 per square meter ("psm") to HK$176.2 psm

			Range of significant unobservable inputs	
Description	**Fair value 2013**	**Valuation technique**	**Capitalisation rate**	**Rental rate**
	HK$ million			
Office buildings in Hong Kong	29,233	Income capitalisation approach	4.75% to 7.25%	HK$6.1 psf to HK$112.2 psf
Commercial properties in Hong Kong	8,774	Income capitalisation approach	5% to 9.75%	HK$10.5 psf to HK$85.6 psf
Residential properties in Hong Kong	949	Income capitalisation approach	2.75% to 6%	HK$5.5 psf to HK$50.5 psf
Industrial properties in Hong Kong	4,996	Income capitalisation approach	7.5% to 11.5%	HK$2.7 psf to HK$17 psf
Office buildings and others outside Hong Kong	765	Income capitalisation approach	6% to 7.5%	HK$63.5 psm to HK$190.6 psm

			Range of significant unobservable inputs	
Description	**Fair value 2014**	**Valuation technique**	**Capitalisation rate**	**Rental rate**
	HK$ million			
Office buildings in Hong Kong	42,658	Income capitalisation approach	4.5% to 5.25%	HK$11.3 psf to HK$112.7 psf
Commercial properties in Hong Kong	16,731	Income capitalisation approach	4.25% to 6.75%	HK$13.5 psf to HK$87.1 psf
Residential properties in Hong Kong	1,568	Income capitalisation approach	2% to 4%	HK$12.6 psf to HK$45 psf
Industrial properties in Hong Kong	11,161	Income capitalisation approach	4.5% to 5.75%	HK$6.6 psf to HK$18 psf
Office buildings and others outside Hong Kong	787	Income capitalisation approach	6% to 7.5%	HK$62 psm to HK$188.8 psm

For rental rate, the higher the rental rate is, the higher the fair value will be. For capitalisation rate, the higher the capitalisation rate is, the lower the fair value will be.

11. ASSOCIATES

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Unlisted shares	832	832	832
Share of undistributed post acquisition reserves	913	952	1,074
Amounts due from associates	158	498	479
	1,903	2,282	2,385
Amounts due to associates	(141)	(160)	(39)
	1,762	2,122	2,346

The amounts due from (to) associates are unsecured and have no fixed term of repayments.

The carrying amounts of amounts due from (to) associates approximate their fair values.

Set out below are the aggregate amounts of the Hutchison Property Group's share of the following items of associates:

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Profit for the year	199	120	399
Other comprehensive income for the year	7	32	76
Total comprehensive income for the year	206	152	475

The directors considered that no single associate is material to the Hutchison Property Group and have no summarised financial information for any individual associate is disclosed.

Particulars regarding the principal associates are set out below:

Name of associate	Place of incorporation/ establishment	Equity interest attributable to the Group at				Issued and fully paid share capital/ registered capital	Place of operation	Principal activities
		2012	2013	2014	Date of report			
The Kowloon Hotel Limited	The Bahamas	50%	50%	50%	50%	Ordinary US$5	Hong Kong	Hotel ownership and operation
Dragon Strong Assets Limited	British Virgin Islands	50%	50%	50%	50%	Ordinary US$2	Note (a)	Investment holding
Mapleleaf Developments Limited	British Virgin Islands	25%	25%	25%	25%	Ordinary US$104	Note (a)	Investment holding
Merseyside Limited	British Virgin Islands	50%	50%	50%	50%	Ordinary US$10	Note (a)	Investment holding
Swingfield Developments Limited	British Virgin Islands	50%	50%	50%	50%	Ordinary US$1	Note (a)	Investment holding
Terrier International Limited	British Virgin Islands	49%	49%	49%	49%	Ordinary US$100	Note (a)	Investment holding
Harbour Plaza North Point Resources Limited	Hong Kong	39%	39%	39%	39%	Ordinary HK$2	Hong Kong	Provision of staff employment services
KLNH Limited	Hong Kong	50%	50%	50%	50%	Ordinary HK$1	Hong Kong	Shopping mall ownership
Randash Investment Limited	Hong Kong	39%	39%	39%	39%	Ordinary HK$110	Hong Kong	Hotel ownership and operation
Towerich Limited	Hong Kong	49%	49%	49%	49%	Ordinary HK$2	Hong Kong	Hotel ownership and operation
The Kowloon Hotel Resources Limited	Hong Kong	50%	50%	50%	50%	Ordinary HK$1	Hong Kong	Provision of staff employment and property management services
和記黃埔地產(上海)陸家嘴有限公司	The PRC	25%	25%	25%	25%	US$372,000,000	The PRC	Property development and investment

Note (a): The company is inactive or has not carried on any operation except for acting as an investment holding company.

12. JOINT VENTURES

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Unlisted shares	17,546	12,992	12,649
Share of undistributed post acquisition reserves	20,141	21,629	20,673
Amounts due from joint ventures	8,573	9,005	11,365
	46,260	43,626	44,687
Amounts due to joint ventures	(7,941)	(2,943)	(1,920)
	38,319	40,683	42,767

The amounts due from (to) joint ventures are unsecured and have no fixed term of repayments.

The carrying amounts of amounts due from (to) joint ventures approximate their fair values.

There are no material capital commitments and contingent liabilities relating to the Hutchison Property Group's interests in the joint ventures, save as for those disclosed in Notes 24 and 25.

Set out below are the aggregate amounts of the Hutchison Property Group's share of the following items of joint ventures:

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Profit for the year	4,959	3,763	2,342
Other comprehensive income (expenses) for the year	272	909	(1,065)
Total comprehensive income for the year	5,231	4,672	1,277

The directors considered that no single joint venture is material to the Hutchison Property Group and hence no summarised financial information for any individual joint venture is disclosed.

Particulars of the principal joint ventures are set out below:

Name of joint venture	Place of Incorporation/ establishment	Equity interest attributable to the Group at				Issued and fully paid share capital/ registered capital	Place of operation	Principal activities
		2012	2013	2014	Date of report			
The Grand Bahama Development Company Limited	The Bahamas	50%	50%	50%	50%	Class A and Class B B$10,725,000 each	The Bahamas	Developing, selling and leasing of land
Albion Riverside Commercial Limited	British Virgin Islands	45.00%	45.00%	45.00%	45.00%	Ordinary US$100	United Kingdom	Property ownership and investment holding
Asset Legend Limited	British Virgin Islands	N/A	N/A	50.00%	50.00%	Ordinary US$1	Note (a)	Investment holding
Bayswater Developments Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$20	Note (a)	Investment holding
Beright Investments Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$641,026	Note (a)	Investment holding
Billion Rise Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$4	Note (a)	Investment holding
Braintech Limited	British Virgin Islands	45.00%	45.00%	45.00%	45.00%	Ordinary US$10	Note (a)	Investment holding
Castlefield International Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$2	United Kingdom	Property development
Champion Runner Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$2	Note (a)	Investment holding
Cheung Wo Enterprises Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$100	Note (a)	Investment holding
China Champion Investments Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$2	Note (a)	Investment holding
Choicewide Group Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$2	Note (a)	Investment holding
Clevinger International Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$2	Note (a)	Investment holding
Cosmo Best Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$2	Note (a)	Inactive company

Name of joint venture	Place of Incorporation/ establishment	Equity interest attributable to the Group at 2012	2013	2014	Date of report	Issued and fully paid share capital/ registered capital	Place of operation	Principal activities
Dalton Blue Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$4	Note (a)	Investment holding
Expert Pro Holdings Limited	British Virgin Islands	N/A	N/A	50.00%	50.00%	Ordinary US$2	Note (a)	Investment holding
Extreme Selection Investment Limited (disposed in 2014)	British Virgin Islands	50.00%	50.00%	N/A	N/A	N/A	Note (a)	Investment holding
Forecastor Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$2	Note (a)	Investment holding
Gislingham Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$12	Note (a)	Investment holding
Gold Season Investments Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$2	Note (a)	Investment holding
Golden Beatles Assets Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$2	Hong Kong	Property development
Golden Castle Management Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$6	Note (a)	Investment holding
Harbour Plaza Golf Club Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$1	The PRC	Operation of golf club
Harbour Plaza Hotel Enterprises Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$1	British Virgin Islands	Holding and licensing of trademarks
Harbour Plaza Hotel Management (International) Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$2	Note (a)	Investment holding
Harbour Plaza Metropolis Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$1	Hong Kong	Hotel operation
Hilltop Venture Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$2	Note (a)	Investment holding
Jingostar Investment Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$2	Note (a)	Inactive company
Kido Profits Limited	British Virgin Islands	42.50%	42.50%	42.50%	42.50%	Ordinary US$200	Note (a)	Investment holding
Masterland Investment Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$2	Note (a)	Investment holding
Mega Rise Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$10	Note (a)	Investment holding
Millen Investment Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$2	Note (a)	Investment holding
New Zetland Investments Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$1	Note (a)	Investment holding
Shanklin Developments Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$14	Note (a)	Investment holding
Sherrington Development Ltd.	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$6,879,228	Note (a)	Investment holding
Sky Island Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$32	Note (a)	Investment holding
Talent Sun Limited	British Virgin Islands	35.00%	35.00%	35.00%	35.00%	Ordinary US$100	Note (a)	Investment holding
Top Sails Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$2	Note (a)	Investment holding
Toprow Investment Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$2	Note (a)	Investment holding
Trefore Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$10	Note (a)	Investment holding
True Ample Developments Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$102	Note (a)	Investment holding
Tronic Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$4	Note (a)	Investment holding
Willpower Developments Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$16	Note (a)	Investment holding
Zealand Limited	British Virgin Islands	50.00%	50.00%	50.00%	50.00%	Ordinary US$4	Note (a)	Investment holding
Afford Limited (disposed in 2013)	Hong Kong	50.00%	N/A	N/A	N/A	N/A	Note (a)	Investment holding
Araski Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary HK$20	Note (a)	Inactive company
Asia Commercial Development Limited	Hong Kong	49.91%	49.91%	49.91%	49.91%	Class "1" HK$ 309,750,000 Class "2" HK$ 386,634,247.68	Note (a)	Investment holding
Bayswater Regency (HK) Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary HK$5,000,000	Note (a)	Investment holding
Becogate Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary HK$4	Hong Kong	Property ownership and investment
Celestial Development and Construction (HK) Company Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary HK$5,000,000	Note (a)	Investment holding
Chesgold Limited (disposed in 2015)	Hong Kong	50.00%	50.00%	50.00%	N/A	N/A	Note (a)	Investment holding

Name of joint venture	Place of Incorporation/ establishment	Equity interest attributable to the Group at 2012	2013	2014	Date of report	Issued and fully paid share capital/ registered capital	Place of operation	Principal activities
Clayton Power Enterprises Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary HK$2	Hong Kong	Property development
Cosmos Wide International Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary HK$2	Hong Kong	Property development
Elegant Wealth Investment Limited	Hong Kong	51.00%	51.00%	51.00%	51.00%	Ordinary HK$290,000,000	Note (a)	Investment holding
Forton Investment Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary HK$410,000,000	Note (a)	Investment holding
Gislingham (HK) Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary HK$5,000,000	Note (a)	Investment holding
Glory Sense Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary HK$135,000,000	Note (a)	Investment holding
Harbour Plaza Golf Service Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary HK$2	Hong Kong	Administration of golf club membership
Harbour Plaza Hotel Management Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary HK$2	Hong Kong	Hotel management and consultancy services
Hildon Development Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary HK$150,000,000	Hong Kong	Investment holding and provision of consulting and advisory services
Hui Xian Holdings Limited	Hong Kong	17.97%	17.97%	17.97%	17.97%	Ordinary US$16,000	Hong Kong	Investment holding
Konorus Investment Limited	Hong Kong	42.50%	42.50%	42.50%	42.50%	Ordinary HK$2	Hong Kong	Property ownership and investment
Marketon Investment Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary HK$4	Hong Kong	Property development and investment
Mighty General Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary US$8,333,336	Note (a)	Investment holding
Montoya (HK) Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary HK$500,000,000	Note (a)	Investment holding
New China Sheen Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary HK$20,000,000	Note (a)	Investment holding
New China Target Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary HK$20,000,000	Note (a)	Investment holding
New Zetland Investments (HK) Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary HK$5,000,000	Note (a)	Investment holding
Ranon Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary HK$2	Hong Kong	Property ownership and investment
Secan Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary HK$10	Hong Kong	Property ownership and investment
Uni Lite Investment Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary HK$2	Hong Kong	Provision of staff recruitment services
Wonder Pacific Investment Limited	Hong Kong	50.00%	50.00%	50.00%	50.00%	Ordinary HK$4	Hong Kong	Property ownership and investment
Central Boulevard Development Pte. Ltd	Singapore	16.67%	16.67%	16.67%	16.67%	Ordinary US$6	Note (a)	Investment holding
Glenfield Investments Pte Ltd	Singapore	50.00%	50.00%	50.00%	50.00%	Ordinary S$1,000,000	Singapore	Property development
Grand Waterfront Development Pte. Ltd.	Singapore	50.00%	50.00%	50.00%	50.00%	Ordinary S$1,000,000	Singapore	Property development
Japura Development Pte. Ltd.	Singapore	24.00%	24.00%	24.00%	24.00%	Ordinary S$1,000,000	Singapore	Property development and investment
Japura Pte Ltd	Singapore	24.00%	24.00%	24.00%	24.00%	Ordinary S$100	Note (a)	Investment holding
Kovan Treasure Pte. Ltd.	Singapore	N/A	N/A	50.00%	50.00%	Ordinary S$1	Singapore	Property development and investment
Marina Bay Suites Pte. Ltd.	Singapore	16.50%	16.50%	16.50%	16.50%	Ordinary S$1,000,000	Singapore	Property development
Albion Properties Limited	United Kingdom	45.00%	45.00%	45.00%	45.00%	Ordinary GBP200	United Kingdom	Property development
Albion Residential Limited	United Kingdom	45.00%	45.00%	45.00%	45.00%	Ordinary GBP200	United Kingdom	Property resale
上海和聯房產開發有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	US$74,700,000	The PRC	Property development and investment
上海長大房地產有限公司 (disposed in 2014)	The PRC	50.00%	50.00%	N/A	N/A	N/A	The PRC	Property development
上海梅龍鎮廣場有限公司	The PRC	30.00%	30.00%	30.00%	30.00%	US$40,000,000	The PRC	Property ownership and investment
上海雅匯房產開發有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	US$30,000,000	The PRC	Property development and investment
江門市和記黃埔地產有限公司	The PRC	45.00%	45.00%	45.00%	45.00%	RMB120,000,000	The PRC	Property development
和記黃埔地產(上海)古北有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	US$48,550,000	The PRC	Property development and investment
和記黃埔地產(天津)有限公司	The PRC	40.00%	40.00%	40.00%	40.00%	US$47,500,000	The PRC	Property development and investment
和記黃埔地產(西安)有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	US$59,600,000	The PRC	Property development and investment
和記黃埔地產(北京朝陽)有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	US$81,579,000	The PRC	Property development and investment
和記黃埔地產(成都)有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	RMB1,650,000,000	The PRC	Property development and investment
和記黃埔地產(成都)溫江有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	RMB570,000,000	The PRC	Property development

Name of joint venture	Place of Incorporation/ establishment	Equity interest attributable to the Group at 2012	2013	2014	Date of report	Issued and fully paid share capital/ registered capital	Place of operation	Principal activities
和記黃埔地產(武漢江漢北)有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	US$144,400,000	The PRC	Property development and investment
和記黃埔地產(武漢江漢南)有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	US$147,300,000	The PRC	Property development
和記黃埔地產(武漢蔡甸)有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	US$309,300,000	The PRC	Property development
和記黃埔地產(長沙望城)有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	RMB149,000,000	The PRC	Property development
和記黃埔地產(長春)有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	US$34,870,000	The PRC	Property development
和記黃埔地產(青島)有限公司	The PRC	45.00%	45.00%	45.00%	45.00%	US$318,600,000	The PRC	Property development and investment
和記黃埔地產(重慶江北)有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	RMB99,600,000	The PRC	Property development and investment
和記黃埔地產(重慶南岸)有限公司	The PRC	47.50%	47.50%	47.50%	47.50%	RMB2,384,500,000	The PRC	Property development and investment
和記黃埔地產(重慶經開園)有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	RMB250,000,000	The PRC	Property development
和記黃埔地產(珠海)有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	US$15,000,000	The PRC	Property development and investment
和記黃埔地產(深圳)有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	US$100,000,000	The PRC	Property development and investment
和記黃埔地產(惠州)有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	RMB68,822,428	The PRC	Property development
和記黃埔地產(廣州番禺)有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	RMB285,000,000	The PRC	Property development and investment
和記實業(重慶)有限公司 (disposed in 2015)	The PRC	50.00%	50.00%	50.00%	N/A	N/A	The PRC	Property ownership and investment
和黃地產(深圳寶安)有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	RMB96,000,000	The PRC	Property development and investment
東莞冠亞環崗湖商住區建造有限公司	The PRC	49.91%	49.91%	49.91%	49.91%	US$49,510,000	The PRC	Property development and investment
東莞湖景渡假村有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	RMB200,500,000	The PRC	Golf course development and operation
重慶海逸酒店有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	US$22,800,000	The PRC	Hotel operation
深圳和記黃埔中航地產有限公司	The PRC	40.00%	40.00%	40.00%	40.00%	RMB620,000,000	The PRC	Property development and investment
深圳和記黃埔龍崗地產有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	RMB232,000,000	The PRC	Property development
深圳和記黃埔觀瀾地產有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	RMB250,000,000	The PRC	Property development
瑞盛地產(北京)有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	US$22,350,000	The PRC	Property development
廣州立轆實業有限公司	The PRC	50.00%	50.00%	50.00%	50.00%	US$19,400,000	The PRC	Property development
廣州國際玩具禮品城有限公司	The PRC	30.00%	30.00%	30.00%	30.00%	RMB370,000,000	The PRC	Property development and investment
廣州御湖房地產發展有限公司	The PRC	40.00%	40.00%	40.00%	40.00%	RMB1,040,640,000	The PRC	Property development

Note (a): The company is inactive or has not carried on any operation except for acting as an investment holding.

13. INVESTMENTS AVAILABLE-FOR-SALE

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Listed equity securities in Hong Kong, at market value	1,662	1,645	2,440

The fair value measurements for the Hutchison Property Group's investments available-for-sales are categorised into level 1 in the fair value hierarchy and are based on quoted market prices.

14. STOCK OF PROPERTIES

Stock of properties represent property project under development in the United Kingdom.

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Freehold land	1,126	1,135	1,085
Property development expenditures	208	230	248
Interest capitalised	28	45	55
	1,362	1,410	1,388

Stock of properties amounting to HK$1,362 million, HK$1,410 million and HK$1,388 million were not scheduled for completion within twelve months at 31 December 2012, 2013 and 2014 respectively.

15. DEBTORS, DEPOSITS AND PREPAYMENTS

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Debtors	1,310	1,257	1,408
Other receivables, deposits and prepayments	1,113	3,518	1,765
	2,423	4,775	3,173

Debtors and other receivable mainly include receivables from joint ventures. Debtors, deposits and prepayments are stated at the expected recoverable amount, net of any estimated impairment losses for bad debts where it is deemed that a receivable may not be fully recoverable. The carrying amount of these assets approximates their fair value.

The ageing analysis of debtors presented based on the invoice date, is as follows:

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Less than 31 days	279	235	178
Within 31 to 60 days	13	9	14
Within 61 to 90 days	156	133	135
Over 90 days	862	880	1,081
	1,310	1,257	1,408

The ageing analysis of debtors past due but not impaired, which are mainly receivables from joint ventures is as follows:

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Past due less than 31 days	231	192	150
Past due within 31 to 60 days	2	1	12
Past due within 61 to 90 days	153	130	135
Past due over 90 days	851	872	1,081
	1,237	1,195	1,378

16. BANK BALANCES AND DEPOSITS

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Cash at bank and on hand	5,522	943	1,378
Short term bank deposits	3,473	3,288	1,983
	8,995	4,231	3,361

17. CREDITORS AND ACCRUALS

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Creditors	79	69	78
Other payables and accruals	2,448	4,254	3,088
Customers' deposits received	576	632	692
	3,103	4,955	3,858

At 31 December the ageing analysis of the creditors presented based on the invoice date, is as follows:

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Less than 31 days	47	54	43
Within 31 to 60 days	13	12	28
Within 61 to 90 days	3	2	3
Over 90 days	16	1	4
	79	69	78

18. AMOUNTS DUE/LOANS FROM (TO) OTHER GROUP COMPANIES

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Current assets			
Amounts due from Other Group Companies			
– interest free	32,043	39,537	46,893
– interest bearing	558	1,054	974
	32,601	40,591	47,867
Current liabilities			
Amounts due to Other Group Companies, interest free	(25,207)	(20,964)	(27,469)
Interest payable to Other Group Companies	(235)	(253)	(321)
	(25,442)	(21,217)	(27,790)
Long term liabilities			
Amounts due to Other Group Companies			
– interest free	(3,001)	(2,711)	(2,701)
– interest bearing	(27,407)	(27,404)	(26,609)
	(30,408)	(30,115)	(29,310)
	(23,249)	(10,741)	(9,233)

The amounts due from (to) HWL or its subsidiaries not formed part of the Group (the "Other Group Companies") are unsecured and repayable on demand. The amounts due from (to) Other Group Companies carry interest at rates Hong Kong inter-bank offered rates ("HIBOR") minus 0.25% (2012 and 2013: HIBOR minus 0.25%) and rates ranging from 1.1% to 7.5% (2012: 1.0% to 7.5%; 2013: 1.1% to 7.5%) respectively at 31 December 2014. The effective interest rate is 4.6% in 2014 (2012 and 2013: 4.0% and 4.1% respectively). The carrying amounts approximate their fair values.

19. BORROWINGS

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Bank loans repayable			
Within 1 year	739	150	756
Between 2 and 5 years	100	644	50
	839	794	806
Less: current portion	(739)	(150)	(756)
	100	644	50

The bank loans are denominated in the following currencies:

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
HK dollars	200	150	150
British Pounds	639	644	656
	839	794	806

The bank loans denominated in HK dollars carry interest based on HIBOR plus 0.7% to 1.3% at 31 December 2014 (2012 and 2013: HIBOR plus 0.75% to 1.7%). The bank loan denominated in British Pounds is unsecured and carries interest at rate of 1.95% (2012 and 2013: 2.12% and 1.17% respectively). The effective interest rate is 1.9% in 2014 (2012 and 2013: 1.9% and 2.2% respectively). The carrying amounts of the bank loans approximate their fair values.

20. DEFERRED TAX LIABILITIES (ASSETS)

Deferred taxation is calculated in full on temporary differences under the liability method using the domestic tax rates prevailing in the countries in which the group companies operate.

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Deferred tax assets	(43)	(21)	(37)
Deferred tax liabilities	1,083	1,165	1,239
Net deferred tax liabilities	1,040	1,144	1,202

Analysis of net deferred tax liabilities:

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Accelerated depreciation allowances	1,145	1,177	1,229
Unused tax losses	(150)	(70)	(54)
Changes in fair value of investment properties	4	4	4
Other temporary differences	41	33	23
Net deferred tax liabilities	1,040	1,144	1,202

Movements in net deferred tax liabilities are as follows:

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
At 1 January	859	1,040	1,144
Exchange difference	1	1	(3)
Net charge to profit or loss (Note 7)	180	102	61
Net charge to equity	–	1	–
At 31 December	1,040	1,144	1,202

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through the future taxable profits is probable. At 31 December 2014, the Hutchison Property Group have unrecognised tax losses of HK$301,125,000 (2012 and 2013: HK$440,328,000 and HK$335,436,000 respectively) to carry forward against future taxable income, of which, HK$301,125,000 (2012 and 2013: HK$440,328,000 and HK$335,436,000 respectively) can be carried forward indefinitely.

21. PENSION OBLIGATIONS

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Defined benefit liabilities	221	91	100

The major defined benefit plans participated by the Hutchison Property Group are in Hong Kong. The plans are mainly contributory final salary pension plans.

The Hutchison Property Group's major plans were valued by Towers Watson Hong Kong Limited, qualified actuaries as at 31 December 2012, 31 December 2013 and 31 December 2014 using the projected unit credit method to account for the Hutchison Property Group's pension accounting.

The principal actuarial assumptions used for the purpose of the actuarial valuation are as follows:

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Discount rate	0.4 – 0.7%	1.5 – 2.1%	1.5 – 1.9%
Future salary increases	4.0%	4.0%	4.0%
Interest credited on plan accounts	5.0 – 6.0%	5.0 – 6.0%	5.0 – 6.0%

The amount recognised in the combined statements of financial position is determined as follows:

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Present value of defined benefit obligations	806	757	804
Fair value of plan assets	(585)	(666)	(704)
Net defined benefit liabilities	221	91	100

Movements in the net defined benefit liabilities and its components are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
	HK$ million	HK$ million	HK$ million
At 1 January 2012	721	(557)	164
Net charge (credit) to the income statement			
Current service cost	58	–	58
Interest cost (income)	9	(7)	2
	67	(7)	60
Net charge (credit) to other comprehensive income			
Remeasurements loss (gain):			
Actuarial loss arising from change in demographic assumptions	15	–	15
Actuarial loss arising from change in financial assumptions	52	–	52
Return on plan assets excluding interest income	–	(31)	(31)
	67	(31)	36
Contributions paid by the employer	–	(39)	(39)
Contributions paid by the employee	3	(3)	–
Benefits paid	(52)	52	–
At 31 December 2012	806	(585)	221
Net charge (credit) to the income statement			
Current service cost	65	–	65
Interest cost (income)	5	(3)	2
	70	(3)	67
Net charge (credit) to other comprehensive income			
Remeasurements loss (gain):			
Actuarial loss arising from change in demographic assumptions	13	–	13
Actuarial gain arising from change in financial assumptions	(78)	–	(78)
Actuarial gain arising from experience adjustment	(16)	–	(16)
Return on plan assets excluding interest income	–	(75)	(75)
	(81)	(75)	(156)
Contributions paid by the employer	–	(41)	(41)
Contributions paid by the employee	3	(3)	–
Benefits paid	(41)	41	–
At 31 December 2013	757	(666)	91
Net charge (credit) to the income statement			
Current service cost	53	–	53
Interest cost (income)	13	(11)	2
	66	(11)	55
Net charge (credit) to other comprehensive income			
Remeasurements loss (gain):			
Actuarial loss arising from change in financial assumptions	8	–	8
Actuarial loss arising from experience adjustment	13	–	13
Return on plan assets excluding interest income	–	(29)	(29)
	21	(29)	(8)
Contributions paid by the employer	–	(38)	(38)
Contributions paid by the employee	3	(3)	–
Benefits paid	(43)	43	–
At 31 December 2014	804	(704)	100

	Year ended 31 December		
	2012	2013	2014
	Percentage	Percentage	Percentage
Fair value of the plan assets are analysed as follows:			
Equity instruments			
Consumer markets and manufacturing	11%	15%	12%
Energy and utilities	5%	5%	5%
Financial institutions and insurance	14%	14%	14%
Telecommunications and information technology	6%	9%	11%
Units trust and equity instrument funds	5%	6%	6%
Others	19%	21%	21%
	60%	70%	69%
Debt instruments			
US Treasury notes	4%	3%	5%
Government and government guaranteed notes	8%	9%	9%
Financial institutions notes	6%	6%	5%
Others	5%	7%	8%
	23%	25%	27%
Cash and others	17%	5%	4%
At 31 December	100%	100%	100%

The debt instruments are analysed by issuers' credit rating as follows:

	Year ended 31 December		
	2012	2013	2014
	Percentage	Percentage	Percentage
Aaa/AAA	35%	31%	30%
Aa1/AA+	13%	13%	11%
Aa2/AA	4%	2%	2%
Aa3/AA-	3%	3%	5%
A1/A+	3%	4%	9%
A2/A	6%	9%	5%
Other investment grades	23%	28%	25%
Unrated	13%	10%	13%
	100%	100%	100%

The fair value of the above equity instruments and debt instruments are determined based on quoted market prices.

Contributions to fund the obligations are based upon the recommendations of independent qualified actuaries for each of the Hutchison Property Group's pension plans to fully fund the relevant schemes on an ongoing basis. The realisation of the deficit is contingent upon the realisation of the actuarial assumptions made which is dependent upon a number of factors including the market performance of plan assets. Funding requirements of the Hutchison Property Group's major defined benefit plans are detailed below.

The Hutchison Property Group are participating in two principal plans in Hong Kong. One plan, which has been closed to new entrants since 1994, provides benefits based on the greater of the aggregate of the employee and employer vested contributions plus a minimum interest thereon of 6% per annum, and a benefit derived by a formula based on the final salary and years of service. A formal independent actuarial valuation, undertaken for funding purposes under the provision of Hong Kong's Occupational Retirement Schemes Ordinance ("ORSO"), at 31 July 2013 reported a funding level of 119% of the accrued actuarial liabilities on an ongoing basis. The valuation used the attained age valuation method and the main assumptions in the valuation are an investment return of 6% per annum and salary increases of 4% per annum. The valuation was performed by Tian Keat Aun, a Fellow of The Institute of Actuaries, of Towers Watson Hong Kong Limited. The second plan provides benefits equal to the employer vested contributions plus a minimum interest thereon of 5% per annum. As at 31 December 2014 vested benefits under this plan are fully funded in accordance with the ORSO funding requirements.

The average duration of the defined benefit obligation as at 31 December 2014 is 7 years (2012 and 2013: 9 years and 8 years respectively).

The Hutchison Property Group expects to make contributions of HK$46 million (2012 and 2013: HK$44 million and HK$46 million respectively) to the defined benefit plans during the next year.

IAS19 "Employee Benefits" requires disclosure of a sensitivity analysis for the significant actuarial assumptions, used to determine the present value of the defined benefit obligations, that shows the effects of a hypothetical change in the relevant actuarial assumption at the end of the reporting period on defined benefit obligations.

The effect that is disclosed in the following assumes that (a) a hypothetical change of the relevant actuarial assumption had occurred at the end of the reporting period and had applied to the relevant actuarial assumption in existence on that date; and (b) the sensitivity analysis for each type of actuarial assumption does not reflect inter-dependencies between different assumptions.

The preparation and presentation of the sensitivity analysis for significant actuarial assumptions is solely for compliance with IAS19 disclosure requirements in respect of defined benefit obligations. The sensitivity analysis measures changes in the defined benefit obligations from hypothetical instantaneous changes in one actuarial assumption (e.g. discount rate or future salary increase), the amount so generated from the sensitivity analysis are "what-if" forward-looking estimates. The sensitivity analyses are for illustration purposes only and it should be noted that in practice actuarial assumptions rarely change in isolation. Actual results in the future may differ materially from the sensitivity analyses due to developments in the markets which may cause fluctuations in actuarial assumptions (e.g. discount rate or future salary increase) to vary and therefore it is important to note that the hypothetical amounts so generated do not present a projection of likely future events and profits or losses.

If the discount rate is 0.25% higher or lower, the defined benefit obligation would decrease by 2.3% (2013: 1.3%) or increase by 2.4% (2013: 2.4%) respectively.

If the future salary increase is 0.25% higher or lower, the defined benefit obligation would increase by 0.8% (2013: 2.0%) or decrease by 2.2% (2013: 0.9%) respectively.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit liability recognised in the statement of financial position.

22. OPERATING LEASE

The Hutchison Property Group as lessor

At 31 December the analysis of the Hutchison Property Group's aggregate future minimum rental receivable under non-cancellable leases is as follows:

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Within 1 year	2,771	2,855	2,940
After 1 year, but within 5 years	1,961	5,559	4,467
After 5 years	2,809	1,034	1,386
	7,541	9,448	8,793

The Hutchison Property Group as lessee

At 31 December the analysis of the Hutchison Property Group's aggregate future minimum rental payable under non-cancellable leases is as follows:

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Within 1 year	27	42	42
After 1 year, but within 5 years	26	57	41
After 5 years	2	1	–
	55	100	83

23. SEGMENT INFORMATION

Depreciation and amortisation for the years analysed by operating activities is as follows:

	Depreciation and amortisation		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Hotels and serviced suites	160	135	153
Property and project management	40	42	25
	200	177	178

Other segment information is set out in note 5.

24. COMMITMENT

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Contracted but not provided for:			
Investment properties and fixed assets	106	81	49
Authorised but not contracted for:			
Investment properties and fixed assets	980	1,066	1,084
Interests in joint ventures	1,186	401	3,530

25. CONTINGENT LIABILITIES

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Guarantees for bank loans of joint ventures	965	546	911
Guarantees for utility deposits	2	–	–
	967	546	911

26. RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere in the Hutchison Property Group Financial Information, the Hutchison Property Group regularly conduct transactions in the normal course of business with the Hutchison Group and related companies, details at the material ones are as follows:

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Rental and other related income from holding company and fellow subsidiary companies	437	481	524
Project management and sales consultancy fee received from joint ventures	480	535	381
Interest paid to holding company and fellow subsidiary companies	(1,085)	(1,089)	(1,219)
Management fee and other cost paid to holding company, fellow subsidiary companies and joint ventures	(190)	(184)	(188)

27. FINANCIAL RISK MANAGEMENT

27.1 Financial risk factors

The Hutchison Property Group's activities expose them to a variety of financial risks: market risk (foreign exchange risk, interest rate risk, and price risk), credit risk and liquidity risk. The Hutchison Property Group's overall risk management programme focuses on the unpredictability of financial market and seeks to minimise potential adverse effects on the Hutchison Property Group's financial performance.

The preparation and presentation of the sensitivity analysis on market risk is solely for compliance with IFRS7 disclosure requirements in respect of financial instruments. The sensitivity analysis measures changes in the fair value and/or cash flows of the Hutchison Property Group's financial instruments from hypothetical instantaneous changes in one risk variable (e.g. functional currency rate or interest rate), the amount so generated from the sensitivity analysis are what-if forward-looking estimates. The sensitivity analyses are for illustration purposes only and it should be noted that in practice market rates rarely change in isolation. Actual results in the future may differ materially from the sensitivity analyses due to developments in the global markets which may cause fluctuations in market rates (e.g. exchange or interest rate) to vary and therefore it is important to note that the hypothetical amounts so generated do not represent a projection of likely future events and profits or losses.

(i) Foreign exchange risk

The Hutchison Property Group and its associates and joint ventures operate in Hong Kong, the PRC, the United Kingdom, Singapore and The Bahamas. The Hutchison Property Group's revenue and expenditure are denominated in the respective local currencies. The Hutchison Property Group are subject to foreign exchange risk arising from future commercial transactions, recognised assets and liabilities which are not denominated in the relevant functional currencies of the entities. The Hutchison Property Group currently does not have a foreign currency hedging policy. The Hutchison Property Group manages their foreign currency risk by closely monitoring the movement of the foreign currency rates.

The net carrying amounts of the foreign currency denominated monetary assets and monetary liabilities of the Hutchison Property Group are as follows:

	At 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Assets			
Euro	5	5	5
Renminbi	36	19	14
Singapore dollar	917	305	152
Liabilities			
British pound	(172)	(186)	(205)

The following table shows the sensitivity analysis of a 10% decrease in the exchange rate of Hong Kong dollar against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. If there is a 10% decrease in the exchange rate of Hong Kong dollar against the relevant currencies, the effects in the profit before taxation and equity are as follows:

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Increase of profit before taxation			
Euro	1	1	1
Singapore dollar	16	3	15
Renminbi	4	2	1
Increase (decrease) of equity			
British pound	(18)	(19)	(21)
Singapore dollar	76	28	–

(ii) Interest rate risk

The Hutchison Property Group is exposed to interest rate risk arising from certain amounts due from (to) joint ventures and Other Group Companies and bank balances and deposits. Other than these, the Hutchison Property Group has no significant interest bearing assets, their income and operating cash flows are substantially independent of changes in market interest rates. In addition, certain amounts due to Other Group Companies, and bank loans at market interest rates also expose the Hutchison Property Group to cash flow interest rate risk.

The following sensitivity analysis has been determined based on the exposure to interest rate risks for non-derivative instruments existed at the end of the reporting period. For floating rate assets and liabilities, the sensitivity analysis is prepared assuming the amounts of assets and liabilities outstanding at the end of the reporting period were outstanding for a whole year. The following table shows the sensitivity analysis of an increase of 100 basis-point in interest rates at the end of the reporting period to profit or loss.

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Increase (decrease) of profit before taxation			
Bank balances and deposits	80	31	22
Net amounts due to joint ventures	(42)	(15)	(5)
Net amounts due to Other Group Companies	(268)	(264)	(256)
Borrowings	(9)	(8)	(8)
	(239)	(256)	(247)

(iii) Credit risk

The Hutchison Property Group is exposed to credit risk in relation to debtors, deposits and prepayments, cash held by stakeholders, cash deposits with banks and amounts due from Other Group Companies, associates and joint ventures.

The carrying amounts of debtors, deposits and prepayments, bank balances, cash held by stakeholders and amounts due from Other Group Companies, associates and joint ventures represent the Hutchison Property Group's maximum exposure to credit risk in relation to financial assets.

To manage this risk, deposits are mainly placed with high-credit-quality financial institutions. The Hutchison Property Group have policies in place to ensure that rental deposits are required from tenants prior to commencement of leases. Monthly rental in respect of investment properties are payable in advance by tenants in accordance with the lease agreements. They also have other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Hutchison Property Group reviews regularly the recoverable amount of each individual receivables to ensure that adequate impairment losses are made for irrecoverable amounts.

The Hutchison Property Group made advances to Other Group Companies, associates and joint ventures and provided guarantees for bank loans of joint ventures. The Hutchison Property Group has assessed the recoverability of the advances and the Creditworthiness of the Other Group Companies by reference to the budgeted profitability of the property projects of the Other Group Companies before committing the Hutchison Property Group to making advances to and providing guarantees for these Other Group Companies. The Hutchison Property Group have no significant concentrations of credit risk, with exposure spread over a number of counterparties.

(iv) Liquidity risk

Management of the Hutchison Property Group aims to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of borrowings from Other Group Companies.

The table below analyses the non-derivative financial liabilities of the Hutchison Property Group into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due over twelve months equal their carrying balances, as the impact of discounting is not significant.

	Within 1 year	Over 1 year	Total
	HK$ million	HK$ million	HK$ million
At 31 December 2012			
Creditors and accruals *(Note 17)*	3,103	–	3,103
Borrowings *(Note 19)*	739	100	839
Amounts due to Other Group Companies *(Note 18)*	25,207	30,408	55,615
Interest payable to Other Group Companies *(Note 18)*	235	–	235

	Within 1 year	Over 1 year	Total
	HK$ million	HK$ million	HK$ million
At 31 December 2013			
Creditors and accruals *(Note 17)*	4,955	–	4,955
Borrowings *(Note 19)*	150	644	794
Amounts due to Other Group Companies *(Note 18)*	20,964	30,115	51,079
Interest payable to Other Group Companies *(Note 18)*	253	–	253

	Within 1 year	Over 1 year	Total
	HK$ million	HK$ million	HK$ million
At 31 December 2014			
Creditors and accruals *(Note 17)*	3,858	–	3,858
Borrowings *(Note 19)*	756	50	806
Amounts due to Other Group Companies *(Note 18)*	27,469	29,310	56,779
Interest payable to Other Group Companies *(Note 18)*	321	–	321

(v) Price risk

The Hutchison Property Group is exposed to equity securities price risk related to the investments available-for-sale. The listed investments are held for strategic rather than trading purpose. The Hutchison Property Group does not actively trade these investments.

If the equity price at the reporting date had been 10% higher, the Hutchison Property Group's investment revaluation reserve would increase by HK$244 million (2013 and 2012: HK$164 million and HK$166 million respectively) as a result of changes in fair value of investments available-for-sale.

27.2 Capital risk management

The Hutchison Property Group's objectives when managing capital are to safeguard the Hutchison Property Group's ability as a going concern in order to provide returns for shareholders and to support future development of business through the optimisation of the debt and equity balances. The Hutchison Property Group's strategy remains unchanged over Relevant Periods.

The capital structure of the Hutchison Property Group consists of borrowings (including amounts due to Other Group Companies and borrowings) and shareholders' fund, as disclosed in the combined statements of financial position.

The management of the Hutchison Property Group reviews the capital structure periodically and manages their overall capital structure through the payment of dividends, new share issues and drawdown of new borrowings or repayments of existing borrowings.

27.3 Fair value measurement

The different levels of fair value measurement for financial instruments carried at fair value have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Hutchison Property Group is the current bid price. The Hutchison Property Group's investments available-for-sale are included in Level 1.

The carrying values less impairment provision of trade debtors and other receivables and the carrying value of trade creditors and other payables are a reasonable approximation of their fair value.

28. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Hutchison Property Group, the emoluments of them were as follows:

	Year ended 31 December		
	2012	2013	2014
	HK$ million	HK$ million	HK$ million
Salaries and other benefits	14	14	15
Contributions to retirement benefits schemes	1	2	2
Share-based payment expense	–	–	–
Discretionary and performance related incentive payments	34	37	37
Incentive paid on joining	–	–	–
Compensation for loss of office paid:			
Contractual	–	–	–
Other	–	–	–

The emolutments of the above individuals were within the following bands:

	Year ended 31 December		
	2012	2013	2014
	No. of employee	No. of employee	No. of employee
HK$5,000,001 – HK$5,500,000	1	1	–
HK$5,500,001 – HK$ 6,000,000	1	–	–
HK$6,000,001 – HK$ 6,500,000	–	1	2
HK$6,500,001 – HK$ 7,000,000	1	–	1
HK$7,000,001 – HK$ 7,500,000	1	1	–
HK$7,500,001 – HK$ 8,000,000	–	1	–
HK$8,000,001 – HK$ 8,500,000	–	–	1
HK$23,500,001 – HK$ 24,000,000	1	–	–
HK$25,500,001 – HK$ 26,000,000	–	1	–
HK$26,000,001 – HK$ 26,500,000	–	–	1
	5	5	5

29. DIRECTORS' REMUNERATION

None of the directors received any fees or other emoluments in respect of their services to the Hutchison Property Group during the year (2012 and 2013: nil).

[30. IMMEDIATE/ULTIMATE HOLDING COMPANY

At the date of this report, the directors of HWPL Holdings Limited consider that HWPL Group Holdings Limited, a limited company incorporated in the British Virgin Islands, is the immediate holding company, and Hutchison Whampoa Limited, a limited company incorporated in Hong Kong, is the ultimate holding company of the Hutchison Property Group.]

III. EVENTS AFTER THE REPORTING PERIOD

[During the first quarter 2015, the Hutchison Property Group paid a dividend of HK$83 million to its shareholder. Such dividend was not accounted for in the Hutchison Property Group Financial Information during the Relevant Periods.

Save as disclosed above, no dividend or distribution has been declared or made by HWPL Holdings Limited or any of the companies now comprising the Hutchison Property Group in respect of any period subsequent to 31 December 2014.]

IV. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of HWPL Holdings Limited or any of the companies now comprising the Hutchison Property Group, have been prepared in respect of any period subsequent to 31 December 2014, up to the date of this report.

Yours faithfully,
Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

The following information set out in this Appendix does not form part of the Accountants' Report on the historical financial information of the Cheung Kong Property Group and the Accountants' Report on the historical financial information of the Hutchison Property Group issued by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company set out in "Appendix IA – Accountants' Report on the Cheung Kong Property Group" and "Appendix IB – Accountants' Report on the Hutchison Property Group", respectively, and is included herein for information only. The unaudited pro forma financial information should be read in conjunction with "Financial Information" and the Accountants' Reports set out in "Appendix IA – Accountants' Report on the Cheung Kong Property Group" and "Appendix IB – Accountants' Report" on the Hutchison Property Group".

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following sets out, for illustrative purposes only, the unaudited pro forma financial information prepared in accordance with paragraph 4.29 of the Listing Rules to illustrate the effect of the Listing as if it had taken place on 31 December 2014 in the case of the unaudited pro forma combined statement of assets and liabilities of the Group and on 1 January 2014 in the case of the unaudited pro forma combined income statement and combined statement of cash flows of the Group.

The Unaudited Pro Forma Financial Information is based on a number of assumptions, estimates and uncertainties. The Unaudited Pro Forma Financial Information does not purport to describe (i) the actual assets and liabilities of the Group that would have been attained had the Listing been completed on 31 December 2014; and (ii) the actual results and cash flows of the Group that would have been attained had the Listing been completed on 1 January 2014. The Unaudited Pro Forma Financial Information does not purport to predict the future assets and liabilities, results and cash flows of the Group.

Unaudited Pro Forma Combined Income Statement of the Group upon the Listing

			Pro forma adjustments			
	The Cheung Kong Property Group for the year ended 31 December 2014	The Hutchison Property Group for the year ended 31 December 2014	Effect on consolidation of certain joint ventures becoming subsidiaries upon the Listing	Effect on accounting for Hui Xian REIT becoming an associate upon the Listing	Other adjustments	Unaudited pro forma combined income statement of the Group
	(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Group turnover	24,038	6,901	15,667	–	–	46,606
Investment and other income	784	148	730	(281)	–	1,381
Operating costs						
Property and related costs	(12,985)	(974)	(9,543)	–	–	(23,502)
Service fees	(892)	–	–	–	–	(892)
Salaries and related expenses	(525)	(1,318)	(498)	–	–	(2,341)
Interest and other finance costs	(815)	(1,222)	(323)	–	–	(2,360)
Depreciation and amortisation	(286)	(178)	(165)	–	–	(629)
Other expenses	(106)	(149)	(126)	–	–	(381)
	(15,609)	(3,841)	(10,655)	–	–	(30,105)
Share of net profit of joint ventures	2,835	2,342	(5,084)	–	–	93
Increase in fair value of investment properties	4,542	28,088	1,053	–	–	33,683
Profit on disposal of subsidiaries	–	–	–	–	4,660	4,660
Profit on disposal of joint ventures	2,349	–	–	–	(2,349)	–
Profit on disposal of investments and others	–	2,807	25	–	(2,311)	521
Operating profit	18,939	36,445	1,736	(281)	–	56,839
Share of net profit of associates	1	399	(399)	951	–	952
Profit before taxation	18,940	36,844	1,337	670	–	57,791
Taxation	(1,624)	(885)	(1,230)	–	–	(3,739)
Profit for the year	17,316	35,959	107	670	–	54,052
Profit attributable to						
Shareholders of the Cheung Kong Property Group/the Hutchison Property Group	17,068	35,569	–	350	–	52,987
Non-controlling interests	248	390	107	320	–	1,065
	17,316	35,959	107	670	–	54,052

Notes:

(1) The balances have been extracted from the audited combined income statement of the Cheung Kong Property Group for the year ended 31 December 2014 as set out in "*Appendix IA – Accountants' Report on the Cheung Kong Property Group*".

(2) The balances have been extracted from the audited combined income statement of the Hutchison Property Group for the year ended 31 December 2014 as set out in "*Appendix IB – Accountants' Report on the Hutchison Property Group*".

(3) Before the Listing, the Cheung Kong Property Group and the Hutchison Property Group co-invest in entities which are accounted for as joint ventures using the equity method of accounting in their respective combined financial statements. Upon the Listing, these joint ventures will become subsidiaries of the Group. Accordingly, the share of net profit of joint ventures is eliminated, the income and expenses of these joint ventures are consolidated in the pro forma combined income statement of the Group and intra-group income and expenses are eliminated. For the purpose of preparing this unaudited pro forma financial information, it is assumed that all third party consents in relation to any transfer of any joint venture interest, including any interests pursuant to any joint development agreements as set out in "*Business – Development Properties with a Development Interest*", had been obtained.

(4) Before the Listing, certain equity interests in Hui Xian REIT are held through an entity co-invested by the Cheung Kong Property Group, the Hutchison Property Group and other parties which is accounted for as a joint venture using the equity method of accounting in the respective combined financial statements of the Cheung Kong Property Group and the Hutchison Property Group; while the equity interests in Hui Xian REIT directly held by the Cheung Kong Property Group and the Hutchison Property Group are accounted for as investments available for sale and stated at fair value in their respective combined financial statements. Upon the Listing, Hui Xian REIT will become an associate of the Group and be accounted for using the equity method of accounting.

(5) During the year ended 31 December 2014, the Cheung Kong Property Group and the Hutchison Property Group disposed of certain joint ventures that were co-invested by them. Had the Listing taken place on 1 January 2014, these joint ventures would have been subsidiaries of the Group. Accordingly, the profit on disposal of these joint ventures is reclassified as disposal of subsidiaries.

(6) Had the Listing taken place on 1 January 2014, pro forma turnover and profit contribution of the Group by operating activities and geographical locations were as follows:

	For the year ended 31 December 2014				
	Hong Kong	**The PRC**	**Singapore**	**Others**	**Total**
	HK$ million	**HK$ million**	**HK$ million**	**HK$ million**	**HK$ million**
Pro forma turnover:					
Property sales	19,389	11,913	2,377	–	33,679
Property rental	5,988	813	–	20	6,821
Hotel and serviced suite operation	4,943	356	–	265	5,564
Property and project management	517	25	–	–	542
	30,837	13,107	2,377	285	46,606
Pro forma profit contribution:					
Property sales	6,665	3,157	781	(1)	10,602
Property rental	5,488	493	–	21	6,002
Hotel and serviced suite operation	2,312	(31)	–	(96)	2,185
Property and project management	99	41	36	(1)	175
	14,564	3,660	817	(77)	18,964

Unaudited Pro Forma Combined Statement of Assets and Liabilities of the Group upon the Listing

			Pro forma adjustments		
	The Cheung Kong Property Group as at 31 December 2014	The Hutchison Property Group as at 31 December 2014	Effect on consolidation of certain joint ventures becoming subsidiaries upon the Listing	Effect on accounting for Hui Xian REIT becoming an associate upon the Listing	Unaudited pro forma statement of assets and liabilities of the Group
	(Note 1)	(Note 2)	(Note 3)	(Note 4)	
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Non-current assets					
Fixed assets	9,928	4,627	3,430	–	17,985
Investment properties	33,285	72,905	13,208	–	119,398
Associates	2	2,346	(2,346)	11,447	11,449
Joint ventures	45,895	42,767	(85,154)	–	3,508
Investments available for sale	7,172	2,440	6,512	(10,633)	5,491
Deferred tax assets	–	37	1,825	–	1,862
Long term loan receivables	301	–	2,545	–	2,846
	96,583	125,122	(59,980)	814	162,539
Current assets					
Stock of properties	73,259	1,388	87,478	–	162,125
Debtors, deposits and prepayments	1,810	3,173	4,630	–	9,613
Tax prepaid	–	–	328	–	328
Amounts due from group companies (Combined Non-Property Businesses)	1,210	47,867	–	–	49,077
Bank balances and deposits	10,354	3,361	18,643	–	32,358
	86,633	55,789	111,079	–	253,501
Current liabilities					
Creditors and accruals	10,493	3,858	14,826	–	29,177
Amounts due to group companies (Combined Non-Property Businesses)	70,707	27,790	2,995	–	101,492
Borrowings	250	756	4,271	–	5,277
Provision for taxation	1,346	615	1,328	–	3,289
	82,796	33,019	23,420	–	139,235
Net current assets	3,837	22,770	87,659	–	114,266
Total assets less current liabilities	100,420	147,892	27,679	814	276,805
Non-current liabilities					
Borrowings	350	50	11,125	–	11,525
Loans from group companies	–	29,310	–	–	29,310
Deferred tax liabilities	999	1,239	7,043	–	9,281
Pension obligations	–	100	2	–	102
Other non-current liabilities	–	1	–	–	1
	1,349	30,700	18,170	–	50,219
Net assets	99,071	117,192	9,509	814	226,586

Notes:

(1) The balances have been extracted from the audited combined statement of financial position of the Cheung Kong Property Group as at 31 December 2014 as set out in "*Appendix IA – Accountants' Report on the Cheung Kong Property Group*".

(2) The balances have been extracted from the audited combined statement of financial position of the Hutchison Property Group as at 31 December 2014 as set out in "*Appendix IB – Accountants' Report on the Hutchison Property Group*".

(3) Before the Listing, the Cheung Kong Property Group and the Hutchison Property Group co-invest in entities which are accounted for as joint ventures using the equity method of accounting in their respective combined financial statements. Upon the Listing, these joint ventures will become subsidiaries of the Group. Accordingly, their respective carrying values of interest in joint ventures are eliminated, the assets and liabilities of these joint ventures are consolidated in the pro forma combined statement of financial position of the Group and intra group assets and liabilities are eliminated. For the purpose of preparing this unaudited pro forma financial information, it is assumed that all third party consents in relation to any transfer of any joint venture interest, including any interests pursuant to any joint development agreements as set out in "*Business – Development Properties with a Development Interest*", had been obtained.

(4) Before the Listing, certain equity interests in Hui Xian REIT are held through an entity co-invested in by the Cheung Kong Property Group, the Hutchison Property Group and other parties which is accounted for as a joint venture using the equity method of accounting; while the equity interests in Hui Xian REIT directly held by the Cheung Kong Property Group and the Hutchison Property Group are accounted for as investments available for sale and stated at fair value in their respective combined financial statements. Upon the Listing, Hui Xian REIT will become an associate of the Group and be accounted for using the equity method of accounting.

(5) The net book value as at 31 December 2014 of fixed assets of certain joint ventures becoming subsidiaries upon the Listing were as follows:

	HK$ million
Fixed assets	
Hotel and other properties	3,288
Other assets	142
	3,430

6. During the first quarter 2015, the Cheung Kong Property Group and the Hutchison Property Group paid a dividend of HK$[131] million and HK$[83] million to their shareholders respectively.

Unaudited Pro Forma Combined Statement of Cash Flows of the Group upon the Listing

			Pro forma adjustments				
	The Cheung Kong Property Group for the year ended 31 December 2014	The Hutchison Property Group for the year ended 31 December 2014	Effect on consolidation of certain joint ventures becoming subsidiaries upon the Listing	Effect on accounting for Hui Xian REIT becoming associate upon the Listing	Reclassification	Notes	Unaudited pro forma combined statement of cash flows of the Group
	(Note 1)	(Note 2)	(Note 3)	(Note 4)			
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million		HK$ million
Operating activities							
Cash generated from/(used in) operations/operating activities before interest and other finance costs and tax paid	16,500	2,035	(1,173)	–	671	5	18,033
Investment in/loan advance to joint ventures	(3,124)	–	7,024	–	(4,008)	5	(108)
Dividend/repayment from joint ventures	1,159	1,101	(1,768)	–	(256)	5	236
Dividend from associates	2	–	(256)	590	256	5	592
Dividend from investments in securities	209	–	590	(590)	–		209
Interest received	62	17	402	–	–		481
Interest and other finance costs paid	–	(1,166)	–	–	1,166	5	–
Dividend paid to the shareholders of the Cheung Kong Property Group/the Hutchison Property Group	(5,567)	–	–	–	(3,944)	5	(9,511)
Dividend paid to non-controlling interests	(294)	–	(437)	–	(264)	5	(995)
Profits tax paid	(975)	(436)	(7,712)	–	–		(9,123)
Net cash from/(used in) operating activities	7,972	1,551	(3,330)	–	(6,379)		(186)
Investing activities							
(Investment in) repayments from (advances to) associates and joint ventures	(85)	(4,093)	170	–	4,008	5	–
Disposal of joint ventures	3,298	3,904	–	–	(7,202)	5, 6	–
Addition of fixed assets and investment properties	(296)	(260)	(127)	–	–		(683)
Disposal of fixed assets and investment properties	–	718	196	–	–		914
Disposal of subsidiary companies	–	–	–	–	6,531	6	6,531
Net cash from investing activities	2,917	269	239	–	3,337		6,762

			Pro forma adjustments				
	The Cheung Kong Property Group for the year ended 31 December 2014	The Hutchison Property Group for the year ended 31 December 2014	Effect on consolidation of certain joint ventures becoming subsidiaries upon the Listing	Effect on accounting for Hui Xian REIT becoming associate upon the Listing	Reclassification	Notes	Unaudited pro forma combined statement of cash flows of the Group
	(Note 1)	(Note 2)	(Note 3)	(Note 4)			
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million		HK$ million
Financing activities							
Drawdown of borrowings	–	40	7,767	–	–		7,807
Repayment of borrowings	(10)	–	(4,956)	–	–		(4,966)
Advance from/repayment to group companies (Combined Non-Property Business)	(9,184)	1,478	1,270	–	–		(6,436)
Decrease in funding from non-controlling interests	(195)	–	(2)	–	–		(197)
Interest and other finance costs paid	(1,215)	–	(980)	–	(1,166)	5	(3,361)
Dividend paid to the shareholders of the Hutchison Property Group	–	(3,944)	–	–	3,944	5	–
Dividend paid to non-controlling interests	–	(264)	–	–	264	5	–
Net cash (used in)/from financing activities	(10,604)	(2,690)	3,099	–	3,042		(7,153)
Net increase /(decrease) in cash and cash equivalents	285	(870)	8	–	–		(577)
Cash and cash equivalents at 1 January	10,069	4,231	18,635	–	–		32,935
Cash and cash equivalents at 31 December	10,354	3,361	18,643	–	–		32,358

Notes:

(1) The balances have been extracted from the audited combined statement of cash flows of the Cheung Kong Property Group for the year ended 31 December 2014 as set out in "*Appendix IA – Accountants' Report on the Cheung Kong Property Group*".

(2) The balances have been extracted from the audited combined statement of cash flows of the Hutchison Property Group for the year ended 31 December 2014 as set out in "*Appendix IB – Accountants' Report on the Hutchison Property Group*".

(3) Before the Listing, the Cheung Kong Property Group and the Hutchison Property Group co-invest in entities which are accounted for as joint ventures using the equity method of accounting in their respective combined financial statements. Upon the Listing, these joint ventures will become subsidiaries of the Group. Accordingly, the cash flows in relation to their respective interest in joint ventures are eliminated. The cash flows of these joint ventures are consolidated in the pro forma combined statement of cash flows of the Group and cash flows arising from intra group transactions are eliminated.

(4) Before the Listing, certain equity interests in Hui Xian REIT are held through a joint venture co-invested in by the Cheung Kong Property Group, the Hutchison Property Group and other parties which is accounted for as a joint venture using the equity method of accounting; while equity interests in Hui Xian REIT directly held by the Cheung Kong Property Group and the Hutchison Property Group are accounted for as investments available for sale and stated at fair value in their respective combined financial statements. Upon the Listing, Hui Xian REIT will become an associate of the Group and be accounted for under the equity method of accounting.

(5) The reclassifications are to align the differences in classification of cash flow items between the Cheung Kong Property Group and the Hutchison Property Group.

(6) During the year ended 31 December 2014, the Cheung Kong Property Group and the Hutchison Property Group disposed of certain joint ventures that were co-invested in by them. Had the Listing been taken place on 1 January 2014, these joint ventures would have been subsidiaries of the Group. Accordingly, the proceeds on disposal of these joint ventures are reclassified as proceeds on disposal of subsidiaries.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information for the purpose of incorporation in this listing document.

Deloitte.
德勤

德勤・關黃陳方會計師行
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太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F, One Pacific Place
88 Queensway
Hong Kong

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION ON PRO FORMA FINANCIAL INFORMATION TO THE DIRECTORS OF CHEUNG KONG PROPERTY HOLDINGS LIMITED

We have completed our assurance engagement to report on the compilation of pro forma financial information of Cheung Kong Property Holdings Limited (the "Company") and the companies which carried out the property business of Cheung Kong (Holdings) Limited and Hutchison Whampoa Limited to be reorganised and held by the Company (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the pro forma combined statement of assets and liabilities as at 31 December 2014, the pro forma combined income statement for the year ended 31 December 2014, the pro forma combined statement of cash flows for the year ended 31 December 2014 and related notes as set out on pages II-2 to II-8 of Appendix II to the listing document issued by the Company dated [●] 2015 (the "Listing Document"). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described on page II-1 of Appendix II to the Listing Document.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the Listing on the Group's assets and liabilities as at 31 December 2014 and the Group's financial performance and cash flows for the year ended 31 December 2014 as if the Listing had taken place at 31 December 2014 and 1 January 2014, respectively. As part of this process, information about the Group's assets and liabilities, financial performance and cash flows has been extracted by the Directors from (i) the Cheung Kong Property Group's financial information for the year ended 31 December 2014; (ii) the Hutchison Property Group's financial information for the year ended 31 December 2014, on which accountants' reports set out in Appendices IA and IB, respectively, to the Listing Document have been published.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("HKSAE") 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2014 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

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

Opinion

In our opinion:

(a) the pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

[DATE]

The following is the text of a letter and a summary of valuations prepared for the purpose of incorporation in this listing document received from DTZ Debenham Tie Leung Limited, an independent property valuer, in connection with its opinion of the value of certain property interests of the Cheung Kong Property Group and the Hutchison Property Group in the PRC, Hong Kong, Singapore and the United Kingdom as at 28 February 2015. As stated in "Appendix VIII – Documents Available for Inspection", a copy of the full property valuation report is available for public inspection.



16th Floor
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Central
Hong Kong

[●] 2015

The Directors
Cheung Kong Property Holdings Limited
7th Floor
Cheung Kong Center
2 Queen's Road Central
Hong Kong

Dear Sirs,

Instructions, Purpose & Date of Valuation

In accordance with your instructions for us to value certain properties in which the Cheung Kong Property Group (as defined in the listing document dated [●] 2015 issued by Cheung Kong Property Holdings Limited (the "Listing Document")) and the Hutchison Property Group (as defined in the Listing Document) are interested in the People's Republic of China (the "PRC"), Hong Kong, Singapore and the United Kingdom (the "UK") (as more particularly described in the attached summary of valuations), we confirm that we have inspected the properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the value of such properties as at 28 February 2015 (the "Valuation Date") for incorporation into the listing document of the Cheung Kong Property Holdings Limited (the "Company").

Basis of Valuation

Our valuation of each of the properties represents its market value which in accordance with The HKIS Valuation Standards (2012 Edition) published by the Hong Kong Institute of Surveyors is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Valuation Basis and Assumptions

In valuing the properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities published by The Stock Exchange of the Hong Kong Limited and The HKIS Valuation Standards 2012 Edition published by the Hong Kong Institute of Surveyors.

Our valuation of each property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

In the course of our valuation of the properties, we have relied on the information and advice given by the Cheung Kong Property Group, the Hutchison Property Group and the Company's legal advisers, Commerce & Finance Law Offices（通商律師事務所）and Guantao Law Firm（觀韜律師事務所）regarding the title to the properties and the interests of the Cheung Kong Property Group and the Hutchison Property Group in the properties in the PRC. Unless otherwise stated in the respective legal opinion, in valuing the properties, we have assumed that each of the Cheung Kong Property Group and the Hutchison Property Group has an enforceable title to each of the properties and has free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired land use term as granted.

In respect of the properties situated in the PRC, Singapore and the UK, the status of titles and grant of major certificates approvals and licences, in accordance with the information provided by the Cheung Kong Property Group and the Hutchison Property Group are set out in the notes of the respective valuation certificate.

In valuing the property interests in Hong Kong which are held under Government Leases expiring before 30 June 1997, we have taken account of the provisions contained in Annex III of the Joint Declaration of the Government of the United Kingdom and the Government of People's Republic of China on the Question of Hong Kong and the New Territories Leases (Extension) Ordinance (Cap. 150) that such leases have been extended without premium until 30 June 2047 and that rents of three per cent of the then rateable value are charged per annum from the date of extension.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values.

Method of Valuation

As at the Valuation Date, the properties in Groups I, II and III; and VI, VII and VIII are completed properties in the PRC and Hong Kong respectively and the relevant title certificates including Construction Works Completion Examination Certificates, Building Ownership Certificates or Real Estate Title Certificates or such equivalent certificates or permits have been obtained.

The properties in Groups IV, IX, XI and XIII comprise properties under development in the PRC, Hong Kong, Singapore and the UK, respectively. Permits for Commencement of Construction Works or such equivalent permits have been obtained but Construction Works Completion Examination Certificates, Building Ownership Certificates or Real Estate Title Certificates or such equivalent certificates or permits have not been obtained yet.

The properties in Groups V, X, XII and XIV comprise properties held for future development in the PRC, Hong Kong, Singapore and the UK, respectively. Permits for Commencement of Construction Works or such equivalent permits have not been obtained but State-owned Land Use Rights Certificates or Grant Contracts of Land Use Rights or such equivalent certificates or contracts have been obtained as at the date of valuation.

In valuing the properties in Groups I and VI, which are completed properties held by the Cheung Kong Property Group and the Hutchison Property Group for sale in the PRC and Hong Kong respectively, we have used the Direct Comparison Approach assuming sale of each of these properties in its existing state by making reference to comparable sales transactions as available in the relevant market subject to suitable adjustments between the subject properties and the comparable properties or, where appropriate, the Investment Approach on the basis of capitalisation of the rental income derived from the existing tenancies with due allowance for reversionary potential of each of the properties.

In valuing the properties in Groups II and VII, which are completed properties held by the Cheung Kong Property Group and the Hutchison Property Group for investment in the PRC and Hong Kong respectively, we have used the Investment Approach on the basis of capitalisation of rental income derived from the existing tenancies with due allowance for reversionary potential of each of the properties or by reference to comparable market transactions.

In valuing the properties in Group III, which are completed properties held by the Cheung Kong Property Group and the Hutchison Property Group for operation in the PRC, we have used the Discounted Cash Flow ("DCF") Approach, which involves discounting the future net cash flow of each property for a 10-year investment horizon and the anticipated net operating income receivable thereafter being capitalized at appropriate terminal capitalization rates till the end of the respective land use term to its present value by using an appropriate discount rate that reflects the rate of return required by a third party investor for an investment of this type. We have prepared the cash flow forecast with reference to the current and anticipated market conditions.

In valuing the properties in Group VIII, which are completed hotel properties held by the Cheung Kong Property Group and the Hutchison Property Group for operation in Hong Kong, we have used the DCF Approach, which involves discounting the future net cash flow of each property over a 10-year investment horizon by using an appropriate discount rate that reflects the rate of return required by a third party investor for an investment of this type. The anticipated net operating income receivable thereafter from the 11th year onward is being capitalized in perpetuity at an appropriate terminal capitalization rate to its present value. However, in valuing Property No. VIII-12 in Group VIII, which involves a joint venture interest, we have taken into account the term of the joint venture and capitalized the anticipated net operating income for the joint venture period.

In respect of the properties in Groups IV, IX, XI and XIII, which are properties held by the Cheung Kong Property Group and the Hutchison Property Group under development in the PRC, Hong Kong, Singapore and the UK, respectively, we have valued them on the basis that each of these properties will be developed and completed in accordance with the latest development scheme of each of the Cheung Kong Property Group and the Hutchison Property Group provided to us (if any). We have assumed that all consents, approvals and licences from the relevant government authorities for the development scheme have been obtained without onerous conditions or delays. We have also assumed that the design and construction of the development are in compliance with the local planning regulations and have been approved by the relevant authorities. In arriving at our opinion of value, we have adopted the Direct Comparison Approach or the Investment Approach to assess the development value as if completed and have also taken into account the incurred construction costs and the costs

that will be incurred to complete the development to reflect the quality of the completed development. The "development value as if completed" represents our opinion of the aggregate selling prices of the development assuming that it was completed as at the Valuation Date.

In valuing the properties in Groups V, X, XII and XIV, which are properties held by the Cheung Kong Property Group and the Hutchison Property Group for future development in the PRC, Hong Kong, Singapore and the UK, respectively, we have mainly used the Direct Comparison Approach assuming sale of each of these properties in its existing state by making reference to comparable land sales transactions as available in the relevant market and have taken into account reasonably incurred land improvement costs, if any.

Property No. I-12 in Group I comprises civil defence car parking spaces which are subject to the use by the public at no cost during war times. As the owner does not have unfettered rights in the property, we have ascribed no commercial value. The land of Property No. V-10 in Group V has not yet been handed over by the government as site clearance has not been completed. Land premium has not been fully settled. Thus no commercial value has been assigned to Property No. V-10. The land of Property No. V-11 in Group V has not yet been handed over by the government as it is subject to a criminal litigation proceeding. Due to such uncertainty, we have ascribed no commercial value to Property No. V-11. For each of the Cheung Kong Property Group's and the Hutchison Property Group's management reference, however, we have separately advised the market value of these properties on the assumption that the proper and unfettered title documents had been obtained without encumbrances, the land premium had been fully settled and the land had been handed over to the project companies.

Regarding Property Nos. VI-1, VI-2 and VI-3 in Group VI; IX-15 and IX-16 in Group IX; and X-4 in Group X, which are development rights held by the Cheung Kong Property Group and the Hutchison Property Group in Hong Kong, we have valued each of these property interests in accordance with the terms regarding costs and profit sharing as provided in the development agreements. The market value in existing state represents the value of the interest attributable to the developer in each of such development agreements after considering the estimated outlays and incomes which the developer is responsible for and entitled to pursuant to under the respective development contract.

As advised by the Cheung Kong Property Group and the Hutchison Property Group, the potential tax liabilities which would arise on the direct disposal of the property interests held by the Cheung Kong Property Group and the Hutchison Property Group at the amounts valued by us mainly comprise the following:

Hong Kong properties

- Profits tax at 16.5% on gain (minus any profit which is capital in nature)

- Stamp duty at progressive rates from 1.5% to 8.5% on the transaction amount (of which both the seller and the buyer are jointly and severally liable)

PRC properties

- Business tax at 5% on the transaction amount (which will be replaced by value added tax in the future with detailed rules and regulations to be promulgated)
- Enterprise income tax at 25% on the gain
- Land appreciation tax at progressive rates from 30% to 60% on the appreciation in property value
- Stamp duty at 0.05% on the transaction amount
- Withholding tax at 10% if the net proceeds (minus taxes and statutory contributions) are repatriated outside the PRC as dividends (reduced to 5% if Hong Kong-PRC double tax arrangement applies)
- Other surcharge at approximately 11% of business tax

Singapore properties

- Income tax at 17% on the gain (minus any profit which is capital in nature)

United Kingdom properties

- Corporation tax at 21% (20% from 1 April 2015) on the gain

In respect of the properties held by the Cheung Kong Property Group and the Hutchison Property Group for investment, operation and future development, the likelihood of the relevant tax liabilities being crystallised is remote as the Cheung Kong Property Group and the Hutchison Property Group have no plans for the disposal of such properties yet. In respect of the completed properties held for sale and the properties under development, it is likely that the relevant tax liabilities will be crystallised upon sale.

Source of Information

We have been provided by the Cheung Kong Property Group and the Hutchison Property Group with extracts of documents in relation to the titles to the properties in the PRC and the UK. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. We have not been provided with copies of the title documents relating to the property interests in Hong Kong and Singapore but have caused searches to be made at the appropriate land registries in Hong Kong and Singapore respectively.

In the course of our valuation of the properties, we have relied on the information and advice given by the Cheung Kong Property Group and the Hutchison Property Group and the Company's legal advisers, Commerce & Finance Law Offices（通商律師事務所）and Guantao Law Firm（觀韜律師事務所）regarding the title to the properties and the interests of the Cheung Kong Property Group and the Hutchison Property Group in the properties in the PRC.

In respect of all properties, we have accepted advice given by the Cheung Kong Property Group and the Hutchison Property Group on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, completion date of buildings, number of car parking spaces, particulars of occupancy, pre-sale details, rental incomes and revenue, joint venture agreements, development or redevelopment schemes, development time schedules, construction costs, site and floor areas, interest attributable to the Cheung Kong Property Group and the Hutchison Property Group and all other relevant matters.

Dimensions, measurements and areas included in the valuation summary are based on the information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Cheung Kong Property Group and the Hutchison Property Group which is material to the valuations. We were also advised by the Cheung Kong Property Group and the Hutchison Property Group that no material facts have been omitted from the information provided.

We would point out that the copies of documents of the properties in the PRC provided to us are mainly compiled in Chinese characters and the transliteration into English represents our understanding of the contents. We would therefore advise you to make reference to the original Chinese editions of the documents and consult your legal adviser regarding the legality and interpretation of these documents.

Title Investigation

We have been provided with extracts of documents relating to the titles of the properties in the PRC and the UK, but no searches have been made in respect of the properties. We have caused searches to be made at the appropriate land registries in Hong Kong and Singapore regarding properties in Hong Kong and Singapore respectively. However, we have not searched the original documents to verify ownership or to ascertain any amendment which may not appear on the copies handed to us. We are also unable to ascertain the title of the properties in the PRC and the UK and we have therefore relied on the advice given by the Cheung Kong Property Group and the Hutchison Property Group or its legal advisers regarding the interests of each of the Cheung Kong Property Group and the Hutchison Property Group in the properties in the PRC and the UK.

Site Inspection

We inspected the exterior and, wherever possible, the interior of the properties between January and February 2015. However, we have not carried out any investigations on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary costs or delays will be incurred during the construction period. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the properties are free of rot, infestation or any other structural defects. No tests were carried out to any of the services. Unless otherwise stated, we have not been able to carry out on-site measurements to verify the site and floor areas of the properties and we have assumed that the area shown on the documents handed to us are correct.

Currency

Unless otherwise stated, all sums stated in our valuations are in Renminbi ("RMB"), or in Hong Kong Dollars ("HKD"), or in Singapore Dollars ("SGD"), or in Pound Sterling ("GBP"), the official currency of the PRC, Hong Kong, Singapore and the UK, in relation to the properties in the PRC, Hong Kong, Singapore and the UK respectively.

We enclose herewith a summary of valuations for your attention.

Yours faithfully,
For and on behalf of
DTZ Debenham Tie Leung Limited
K.B. Wong
Registered Professional Surveyor (General Practice)
Registered China Real Estate Appraiser
MSc, MHKIS
Senior Director, Valuation & Advisory Services

Note: Mr. K.B. Wong is a Registered Professional Surveyor who has over 30 years' of experience in the valuation of properties in the PRC, Hong Kong, other Asian and European countries.

The valuations of the properties in Groups XI and XII in Singapore; and XIII and XIV in the UK were undertaken by K.B. Wong in collaboration with Nicholas Cheng and Jonathan Stickells of our Singapore and London offices respectively. Nicholas Cheng is an executive director of DTZ Singapore office. He is a member of The Singapore Institute of Surveyors and Valuers with more than 25 years' experience in real estate industry and property valuation in Singapore. Jonathan Stickells is a senior director of DTZ London office. He is a member of The Royal Institution of Chartered Surveyors with 21 years' experience in property valuation in the UK.

Property Group (Group I – Group V)	No. of properties	Market value[1] in existing state as at the Valuation Date (RMB million)	Market value[1] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date (RMB million)	Market value[1] in existing state attributable to the Hutchison Property Group as at the Valuation Date (RMB million)	Market value[1] in existing state attributable to both property groups as at the Valuation Date (RMB million)
Properties in the PRC					
Group I – Completed properties held by both property groups for sale in the PRC	32[2]	24,512.81	11,652.78	11,402.43	23,055.22
Group II – Completed properties held by both property groups for investment in the PRC	12[3]	4,545.70	2,096.19	2,145.49	4,241.68
Group III – Completed properties held by both property groups for operation in the PRC	4[4]	1,809.00	868.78	558.39	1,427.17
Group IV – Properties held by both property groups under development in the PRC	23[5]	71,690.00	33,921.88	30,414.60	64,336.48
Group V – Properties held by both property groups for future development in the PRC	18[6]	19,469.22	9,752.28	8,833.60	18,585.88
Sub-Total	89	122,026.73	58,291.92	53,354.52	111,646.44

Notes:

1 The market values are stated in approximations.

2 The Cheung Kong Property Group has attributable interests in 31 completed properties held for sale in the PRC.

The Hutchison Property Group has attributable interests in 31 completed properties held for sale in the PRC.

3 The Cheung Kong Property Group has attributable interests in 6 completed properties held for investment in the PRC.

The Hutchison Property Group has attributable interests in 12 completed properties held for investment in the PRC.

4 The Cheung Kong Property Group has attributable interests in 3 completed properties held for operation in the PRC.

The Hutchison Property Group has attributable interests in 3 completed properties held for operation in the PRC.

5 The Cheung Kong Property Group has attributable interests in 23 properties held under development in the PRC.

The Hutchison Property Group has attributable interests in 22 properties held under development in the PRC.

6 The Cheung Kong Property Group has attributable interests in 18 properties held for future development in the PRC.

The Hutchison Property Group has attributable interests in 17 properties held for future development in the PRC.

Property Group (Group VI – Group X)	No. of properties	Market value[1] in existing state as at the Valuation Date	Market value[1] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Market value[1] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Market value[1] in existing state attributable to both property groups as at the Valuation Date
		(HKD million)	(HKD million)	(HKD million)	(HKD million)
Properties in Hong Kong					
Group VI – Completed properties held by both property groups for sale in Hong Kong	38[2]	18,788.53	17,026.20	15.10	17,041.30
Group VII – Completed properties held by both property groups for investment in Hong Kong	57[3]	118,068.90	34,577.25	83,190.25	117,767.49
Group VIII – Completed hotel properties held by both property groups for operation in Hong Kong	14[4]	70,192.00	43,866.15	20,041.79	63,907.94
Group IX – Properties held by both property groups under development in Hong Kong	17[5]	69,240.00	67,981.20	–	67,981.20
Group X – Properties held by both property groups for future development in Hong Kong	4[6]	2,654.70	2,276.30	–	2,276.30
Sub-Total	130	278,944.13	165,727.10	103,247.14	268,974.23

Notes:

1 The market values are stated in approximations.

2 The Cheung Kong Property Group has attributable interests in 38 completed properties held for sale in Hong Kong.

The Hutchison Property Group has attributable interests in 1 completed property held for sale in Hong Kong.

3 The Cheung Kong Property Group has attributable interests in 17 completed properties held for investment in Hong Kong.

The Hutchison Property Group has attributable interests in 46 completed properties held for investment in Hong Kong.

4 The Cheung Kong Property Group has attributable interests in 12 completed hotel properties held for operation in Hong Kong.

The Hutchison Property Group has attributable interests in 8 completed hotel properties held for operation in Hong Kong.

5 The Cheung Kong Property Group has attributable interests in 17 properties held under development in Hong Kong.

The Hutchison Property Group has no attributable interests in any property held under development in Hong Kong.

6 The Cheung Kong Property Group has attributable interests in 4 properties held for future development in Hong Kong.

The Hutchison Property Group has no attributable interests in any property held for future development in Hong Kong.

Property Group (Group XI – Group XII)	No. of properties	Market value[(1)] in existing state as at the Valuation Date	Market value[(1)] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Market value[(1)] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Market value[(1)] in existing state attributable to both property groups as at the Valuation Date
		(SGD million)	(SGD million)	(SGD million)	(SGD million)
Properties in Singapore					
Group XI – Property held by both property groups under development in Singapore	1	549.00	549.00	–	549.00
Group XII – Property held by both property groups for future development in Singapore	1	265.00	132.50	132.50	265.00
Sub-Total	2	814.00	681.50	132.50	814.00

Property Group (Group XIII – Group XIV)	No. of properties	Market value[(1)] in existing state as at the Valuation Date	Market value[(1)] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Market value[(1)] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Market value[(1)] in existing state attributable to both property groups as at the Valuation Date
		(GBP million)	(GBP million)	(GBP million)	(GBP million)
Properties in the UK					
Group XIII – Property held by both property groups under development in the UK	1	515.00	244.62	244.62	489.25
Group XIV – Property held by both property groups for future development in the UK	1	125.00	62.50	62.50	125.00
Sub-Total	2	640.00	307.12	307.12	614.25

Notes:

1 The market values are stated in approximations.

Group I – Completed properties held by both property groups for sale in the PRC

Valuation Summary as at 28 February 2015

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA[1]	Completion date	No. of car parking spaces	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
								(sq m)			*(RMB million)*	*(%)*	*(RMB million)*	*(%)*	*(RMB million)*	*(%)*	*(RMB million)*
I-1	Portions of Phase 1C and commercial area of The Greenwich	Hutchison Whampoa Properties (Beijing Chaoyang) Limited	Beijing	Chaoyang	Residential, Ancillary, Basement ancillary, Basement carpark, Basement storage	30 Aug 2044 to 30 Aug 2074	Residential, Commercial, Underground carpark	38,976	2011	903	415.00	50%	207.50	50%	207.50	100%	415.00
I-2	Portions of La Grande Ville Phases 1 and 2	Beijing Chang Le Real Estates Development Co., Ltd.	Beijing	Shunyi	Residential, Commercial, Basement storage, Basement carpark	31 Dec 2036 to 31 Dec 2066	Residential	14,313	2010-2013	55	260.00	100%	260.00	0%	0.00	100%	260.00
I-3	Portions of Phases 1, 2 and 3 of Regency Park	Hutchison Whampoa Properties (Changchun) Limited	Changchun	Jingyue	Residential, Commercial	21 Mar 2055	Residential	14,551	2011-2013	0	197.00	50%	98.50	50%	98.50	100%	197.00
I-4	Portions of Phases 1 and 2 of Regency Residence	Hutchison Whampoa Properties (Changchun) Limited	Changchun	Nanguan	Residential, Commercial	27 Feb 2056	Residential, Commercial	13,080	2011-2013	0	177.00	50%	88.50	50%	88.50	100%	177.00
I-5	Portions of Phases 1A, 1B, 2A, 2B, 3A, 3B, 4A, 5A, 6A and 6B甲 of Le Parc	Hutchison Whampoa Properties (Chengdu) Limited	Chengdu	Gaoxin	Commercial, Public service facilities, Residential, Municipal facilities etc.	10 Nov 2044 to 10 Nov 2074	Residential, Commercial, Carpark	257,026	2009-2014	3,232	2,127.00	50%	1,063.50	50%	1,063.50	100%	2,127.00
I-6	Portions of Phases 1A, 1B and 2 of Regency Oasis	Hutchison Whampoa Properties (Chengdu) Wenjiang Limited	Chengdu	Wenjiang	Residential, Commercial	4 Mar 2045 to 4 Mar 2075	Residential, Commercial, Basement carpark	226,271	2010-2013	676	1,653.00	50%	826.50	50%	826.50	100%	1,653.00
I-7	Portions of Phase 1, 2A, 2B and 2C of Chongqing Noble Hills	Hutchison Whampoa Properties (Chongqing Jingkaiyuan) Limited	Chongqing	North New Zone	Residential, Commercial	12 Jun 2045 to 12 Jun 2055	Residential, Commercial, Kindergarten	42,751	2009-2014	0	602.00	50%	301.00	50%	301.00	100%	602.00
I-8	Portions of Chongqing Cape Coral	Hutchison Whampoa Properties (Chongqing Nanan) Limited	Chongqing	Nanan	Residential, Commercial	12 Jun 2043 to 12 Jun 2053	Residential, Commercial, Basement carpark	89,950	2009-2013	903	917.00	47.5%	435.57	47.5%	435.57	95%	871.15

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA[1]	Completion date	No. of car parking spaces	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
								(sq m)			*(RMB million)*	*(%)*	*(RMB million)*	*(%)*	*(RMB million)*	*(%)*	*(RMB million)*
I-9	Portions of Phases 1 and 3 of Noble Hills	Hutchison Whampoa Properties (ChangSha WangCheng) Limited	Changsha	Wangcheng	Residential	25 Apr 2075	Residential, Commercial	88,624	2009-2013	0	985.00	50%	492.50	50%	492.50	100%	985.00
I-10	Portions of Phases D1a, G1a, D1b, D1c, E1 and E2 in Laguna Verona Dongguan	Dongguan Asia Commercial Hwang Gang Lake Development Co., Ltd.	Dongguan	Houjie	Residential, Commercial	Feb 2062 to 19 Sep 2068	Residential, Commercial	92,016	2012-2014	0	2,028.00	49.9115%	1,012.20	49.9115%	1,012.20	99.823%	2,024.41
I-11	Portions of Phases 2 and 3, Cape Coral	Hutchison Whampoa Properties (Guangzhou Panyu) Limited	Guangzhou	Panyu	Commercial, Residential	9 July 2070 to 4 Dec 2071	Commercial, Residential	15,911	2013	0	264.00[3]	50%	132.00	50%	132.00	100%	264.00
I-12	Car parking spaces in Greenery	Bruckner Limited	Guangzhou	Tianhe	Residential	8 Nov 2045	Carpark in bomb shelter	246	1995	21	No commercial value[4]	0%	No commercial value	65%	No commercial value	65%	No commercial value
I-13	Portions of Phase 1, Noble Hills	Hutchison Whampoa Properties (Guangzhou ZengCheng) Limited	Guangzhou	Zengcheng	Residential	6 Dec 2075 to 26 Apr 2076	Residential	41,568	2014	0	703.00	50%	351.50	50%	351.50	100%	703.00
I-14	Portions of Phases 1 and 2A, Guangzhou Guoji Wanjucheng	GuangZhou International Toys And Gifts Center Co., Ltd.	Guangzhou	Huangpu	Commercial	15 Sep 2043 to 15 Sep 2073	Commercial/ Office	120,145	2005-2013	392	1,531.00	30%	459.30	30%	459.30	60%	918.60
I-15	Portions of Yuhu Mingdi Phase 1	Regal Lake Property Development Limited Guangzhou	Guangzhou	Luogang	Residential, Commercial	1 Apr 2064 to 13 Apr 2065	Residential, Commercial	8,049	2013	38	157.00	40%	62.80	40%	62.80	80%	125.60
I-16	Portions of The Harbourfront, Lots 1, 2, 3, 4 and 8	Hutchison Whampoa Properties (Qingdao) Limited	Qingdao	Shibei	Residential, Commercial, Science & education	22 Jul 2049 to 11 Aug 2081	Residential, Commercial, Office	112,453	2012-2014	0	2,216.00	45%	997.20	45%	997.20	90%	1,994.40
I-17	Portions of Maison des Artistes	Hutchison Whampoa Properties (Shanghai) Gubei Limited	Shanghai	Changning	Residential	7 Dec 2069	Residential	29,257	2008	666	187.00	50%	93.50	50%	93.50	100%	187.00
I-18	Portions of Regency Park, Phases 2B and 8A	Shanghai Helian Property Development Co., Ltd.	Shanghai	Pudong	Residential	12 Nov 2068	Residential	2,245	2009-2011	52	15.00	50%	7.50	50%	7.50	100%	15.00

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA[1]	Completion date	No. of car parking spaces	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
								(sq m)			*(RMB million)*	*(%)*	*(RMB million)*	*(%)*	*(RMB million)*	*(%)*	*(RMB million)*
I-19	Portions of Seasons Villas	Shanghai Yahui Property Development Co., Limited	Shanghai	Pudong	Residential	4 May 2065	Residential	5,020	2009-2012	0	342.00	50%	171.00	50%	171.00	100%	342.00
I-20	Portions of Regency Cove, Phases 1 and 2	Shanghai Qilong Properties Limited	Shanghai	Minhang	Residential	19 Oct 2074	Residential	35,844	2010-2011	0	891.00	42.5%	378.67	42.5%	378.67	85%	757.35
I-21	Portions of Regency Garden	Shanghai Ron Qi Properties Co., Ltd.	Shanghai	Pudong	Residential, Commercial	30 Aug 2044 to 30 Aug 2074	Residential	19,380	2012-2014	314	282.00	42.5%	119.85	42.5%	119.85	85%	239.70
I-22	Portions of commercial space in Upper West Shanghai	Shanghai Changrun Jianghe Property Development Co., Ltd.	Shanghai	Putuo	Residential, Commercial, Office	8 Jan 2047 to 8 Jan 2077	Commercial	28,106	2014	0	804.00	29.4%	236.37	30.6%	246.02	60%	482.40
I-23	Portions of Regency Park, Phases 1, 2, 3A and 3B	Hutchison Whampoa Properties (Changzhou) Limited	Changzhou	Tianning	Residential, Education	30 May 2078	Residential	121,050	2012-2014	538	1,493.00	50%	746.50	50%	746.50	100%	1,493.00
I-24	Portions of Century Place	Shenzhen Hutchison Whampoa CATIC Properties Limited	Shenzhen	Futian	Composite	28 Dec 2043	Residential, Office	4,485	2012	0	226.00	40%	90.40	40%	90.40	80%	180.80
I-25	Portions of Regency Park	Shenzhen Hutchison Whampoa Guanlan Properties Limited	Shenzhen	Longhua	Residential, Commercial	5 Sep 2062 to 5 Sep 2072	Residential	6,530	2010	0	269.00	50%	134.50	50%	134.50	100%	269.00
I-26	Portions of Noble Hills	Hutchison Whampoa Properties (Shenzhen) Co., Ltd.	Shenzhen	Longhua	Residential	1 Nov 2077	Residential, Commercial	9,526	2013	0	279.00	50%	139.50	50%	139.50	100%	279.00
I-27	Portions of Le Sommet	Shenzhen Hutchison Whampoa Longgang Properties Limited	Shenzhen	Longgang	Residential, Commercial	21 Dec 2074	Residential, Commercial	2,262	2009-2013	0	50.00	50%	25.00	50%	25.00	100%	50.00
I-28	Portions of Metropolitan Tower	Hutchison Whampoa Properties (Tianjin) Limited	Tianjin	Heping	Office, Commercial, Residential	3 Nov 2044 and 3 Nov 2074	Office, Commercial, Residential	149,759	2013	0	3,313.81	50%	1,656.90	50%	1,656.90	100%	3,313.81
I-29	Portions of Regency Cove, Phases 1A and 1B	Hutchison Whampoa Properties (Wuhan Caidian) Limited	Wuhan	Caidian	Residential, Commercial	10 Nov 2049 and 10 Nov 2079	Residential	89,357	2014	0	708.00	50%	354.00	50%	354.00	100%	708.00

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA[1]	Completion date	No. of car parking spaces	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
								(sq m)			*(RMB million)*	(%)	*(RMB million)*	(%)	*(RMB million)*	(%)	*(RMB million)*
I-30	Portions of Millennium Waterfront, Phase 1A	Hutchison Whampoa Properties (Wuhan Jianghan South) Limited	Wuhan	Jianghan	Residential, Commercial, Communal facilities	23 Dec 2052 to 23 Dec 2082	Residential, Commercial	16,124	2014	0	493.00	50%	246.50	50%	246.50	100%	493.00
I-31	Portions of The Greenwich, Phases 1, 2 and 3	Hutchison Whampoa Properties (Xi'an) Limited	Xi'an	Gaoxin	Residential, Composite (Commercial, Apartment)	16 Dec 2054 to 16 Dec 2074	Residential, Commercial, Carpark	91,578	2010-2012	1,351 (plus one garage with 9,126.48 sq m)	911.00	50%	455.50	50%	455.50	100%	911.00
I-32	Portions of Horizon Cove	Hutchison Whampoa Properties (Zhuhai) Company Limited	Zhuhai	Tangjia Bay	Residential, Commercial	5 Dec 2048	Residential	1,117	2001-2008	0	17.00	50%	8.50	50%	8.50	100%	17.00
	Total							1,787,579		9,141	24,512.81		11,652.78		11,402.43		23,055.22

Notes:

1. All areas are stated in approximations.
2. All values are stated in approximations.
3. The car parking spaces do not have Realty Title Certificates. We have ascribed no commercial value to such portions of property. For both property group's management reference, had the relevant title documents been obtained and the land premium been fully settled, the market value of such portion of property (432 car parking spaces) would be RMB65,000,000.
4. As advised by the Hutchison Property Group, the property comprises 23 civil defence car parking spaces. 21 of these car parking spaces have obtained Real Estate Ownership Certificate whilst the remaining two have not. Civil defence car parking spaces are subject to the use by the public at no cost during war times. As the owner does not have unfettered rights in the property, we have ascribed no commercial value. For both property groups' management reference, had the relevant proper and unfettered title documents been obtained without encumbrances and the land premium been fully settled, the market value of such property (23 car parking spaces) would be RMB9,200,000.

Group II – Completed properties held by both property groups for investment in the PRC

Valuation Summary as at 28 February 2015

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA[1]	Completion date	No. of car parking spaces	Existing occupancy rate	Monthly passing rent	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
								(sq.m)				*(RMB million)*	*(RMB million)*	*(%)*	*(RMB million)*	*(%)*	*(RMB million)*	*(%)*	*(RMB million)*
II-1	Beijing Tower	Chang An No. 1 Limited Chang An No. 2 Limited Chang An No. 3 Limited Chang An No. 4 Limited Chang An No. 5 Limited Chang An No. 6 Limited Chang An No. 7 Limited Chang An No. 8 Limited Chang An No. 9 Limited Chang An No. 10 Limited Chang An No. 11 Limited	Beijing	Dongcheng	Office	26 Sep 2043	Office	2,210	1994	0	80%	0.43	46.00	50%	23.00	50%	23.00	100%	46.00
II-2	Vantone New World Plaza	Qingdao Pacific Property Management Company Limited	Beijing	Xicheng	Office	2 Nov 2043	Office	1,441	1996	0	0%	0	30.00	0%	0.00	100%	30.00	100%	30.00
II-3	New Times Square	Qingdao Pacific Property Management Company Limited	Chengdu	Qingyang	Office	30 Oct 2045	Office	382	1996	0	0%	0	2.90	0%	0.00	100%	2.90	100%	2.90
II-4	Units 403-404 on 26th Floor, Minxing Building, 88 Tidu Street, Chengdu	VSCL Limited	Chengdu	Qingyang	Commercial, Office	22 May 2044	Office	425	1998	0	0%	0	4.80	0%	0.00	100%	4.80	100%	4.80
II-5	Portions of commercial space in Laguna Verona	Dongguan Asia Commercial Hwang Gang Lake Development Co., Ltd.	Dongguan	Houjie	Commercial	11 Apr 2064	Commercial	829	2005	0	36%	0.00	6.40	49.9115%	3.19	49.9115%	3.19	99.823%	6.38
II-6	Westgate Mall	Shanghai Westgate Mall Co., Ltd.	Shanghai	Jingan	Commercial, Office, Basement carpark	7 Jun 2024	Office, Commercial, Carpark	102,133	1998	317	84%	30.45	2,780.00	50%	1,390.00	50%	1,390.00	100%	2,780.00
II-7	Yinhai Building	Qingdao Pacific Property Management Company Limited	Shanghai	Xuhui	Office	13 Oct 2043	Office	92	1992	0	0%	0	1.20	0%	0.00	100%	1.20	100%	1.20
II-8	SIIC Building	VSCL Limited	Shanghai	Xuhui	Office	28 Nov 2044	Office	337	1996	0	0%	0	8.50	0%	0.00	100%	8.50	100%	8.50
II-9	Portions of commercial space in Century Place	Shenzhen Hutchison Whampoa CATIC Properties Limited	Shenzhen	Futian	Composite	28 Dec 2043	Commercial	52,762	2012	0	79%	8.00	1,520.00	40%	608.00	40%	608.00	80%	1,216.00
II-10	Le Parc	Hutchison Whampoa Properties (Shenzhen) Co., Ltd.	Shenzhen	Futian	Composite	27 Jul 2068	Commercial, Club house	10,626	2003	0	100%	0.64	130.00	50%	65.00	50%	65.00	100%	130.00
II-11	Taihe Plaza	VSCL Limited	Wuhan	Qiaokou	Commercial service	1 Aug 2042	Office	225	1996	0	0%	0	1.90	0%	0.00	100%	1.90	100%	1.90
II-12	Horizon Cove	Hutchison Whampoa Properties (Zhuhai) Company Limited	Zhuhai	Tangjia Bay	Residential, Commercial	5 Dec 2048	Commercial	2,255	2004	0	81%	0.04	14.00	50%	7.00	50%	7.00	100%	14.00
	Total							173,723		317		39.56	4,545.70		2,096.19		2,145.49		4,241.68

Notes:

1. All areas are stated in approximations.

2. All values are stated in approximations.

Group III – Completed properties held by both property groups for operation in the PRC

Valuation Summary as at 28 February 2015

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA[1]	Completion date	No. of rooms	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
								(sq m)			*(RMB million)*	*(%)*	*(RMB million)*	*(%)*	*(RMB million)*	*(%)*	*(RMB million)*
III-1	The Great Wall Sheraton Hotel Beijing	北京市長城飯店公司 Great Wall Hotel Joint Venture of Beijing	Beijing	Chaoyang	Commercial services	9 Dec 2023	Hotel	81,563	1984	827	334.00	0%	0.00	49.82%	166.39	49.82%	166.39
III-2	Sheraton Chengdu Lido Hotel	成都長天有限公司	Chengdu	Qingyang	Composite	17 Jan 2049	Hotel	56,350	2000	387	691.00	69%	476.79	0%	0.00	69%	476.79
III-3	Harbour Plaza Chongqing	重慶海逸酒店有限公司	Chongqing	Yuzhong	Composite	30 Aug 2044	Hotel	52,238	1998	389	504.00	50%	252.00	50%	252.00	100%	504.00
III-4	Harbour Plaza Golf Club	Dongguan Hujing Holiday Country Co., Ltd.	Dongguan		Golf course	8 Mar 2044	Golf course	N/A	1998	N/A	280.00	49.99825%	139.99	49.99825%	139.99	99.9965%	279.99
	Total							190,152		1,603	1,809.00		868.78		558.39		1,427.17

Notes:

1. All areas are stated in approximations.

2. All values are stated in approximations.

Group IV – Properties held by both property groups under development in the PRC

Valuation Summary as at 28 February 2015

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	Site area[1] (according to Grant Contract of Land Use Rights)	Site area[1] (according to State-owned Land Use Rights Certificate)	Planned GFA[1]	Date of commencement of construction	Scheduled completion date of construction	No. of car parking spaces	Pre-sale GFA[1]	Pre-sale consideration	Construction cost incurred	Construction cost to be incurred	Development value[2] as if completed as at the Valuation Date	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
								(sq m)	*(sq m)*	*(sq m)*				*(sq m)*	*(RMB million)*	*(RMB million)*	*(RMB million)*	*(RMB million)*	*(RMB million)*	*(%)*	*(RMB million)*	*(%)*	*(RMB million)*	*(%)*	*(RMB million)*
IV-1	La Grande Ville Phases 3 and 4	Beijing Po Garden Real Estates Development Co., Ltd.	Beijing	Shunyi	Residential, Commercial, Basement storage, Basement carpark	11 Dec 2033 to 11 Dec 2063	Residential	741,822 (all phases)	741,822 (all phases)	366,003	2009	2018	N/A	138,543	3,412	1,389	1,422	7,570.00	3,646.00	100%	3,646.00	0%	0.00	100%	3,646.00
IV-2	Phase 4 of Regency Park	Hutchison Whampoa Properties (Changchun) Limited	Changchun	Jingyue	Residential, Commercial	21 Mar 2055	Residential, Commercial	920,689 (all phases)	920,689 (all phases)	224,066	2013[3]	2016	Not stated in the document	5,606	60	528	814	2,203.00	960.00	50%	480.00	50%	480.00	100%	960.00
IV-3	Regency Cove	Hutchison Whampoa Properties (Changchun) Limited	Changchun	National Hi-Tech Industrial Development Zone	Residential, Commercial	22 Jun 2051 to 22 Jun 2081	Residential, Commercial	158,892	158,892	283,044	2013[4]	2015	Not stated in the document	8,311	55	965	472	2,419.00	1,748.00	50%	874.00	50%	874.00	100%	1,748.00
IV-4	The proposed development of Phase 5B of Le Parc	Hutchison Whampoa Properties (Chengdu) Limited	Chengdu	Gaoxin	Commercial, Public service facilities, Residential, Municipal facilities etc.	10 Nov 2044 to 10 Nov 2074	Residential, Carpark	812,451 (all phases)	811,625 (all phases)	193,647	2013[5]	2015	Not stated in the document[6]	9,790	90	454	327	1,395.00	974.00	50%	487.00	50%	487.00	100%	974.00
IV-5	Chongqing Regency Hills	Hutchison Whampoa Properties (Chongqing Nanan) Limited	Chongqing	Nanan	Residential, Commercial, Public carpark	16 Apr 2047 to 16 Apr 2057	Residential, Commercial, Basement carpark	1,041,360	329,831[7]	4,121,781	2012[8]	2015 – 2023	23,422	89,020	689	698	0	N/A	3,841.00	47.5%	1,824.47	47.5%	1,824.47	95%	3,648.95
IV-6	Chongqing Regency Lakeview	Hutchison Whampoa Properties (Chongqing Liangjiangxinqu) Limited	Chongqing	New North Zone	Residential, Commercial	30 Dec 2050 to 30 Dec 2060	Residential	132,471	132,471	357,660	2012[9]	2016	Not stated in the document	0	0	715	952	3,517.00	2,152.00	50%	1,076.00	50%	1,076.00	100%	2,152.00
IV-7	Phases D2a, D2b, G1b1 & G2a1, and H of Laguna Verona Dongguan	Dongguan Asia Commercial Hwang Gang Lake Development Co., Ltd.	Dongguan	Houjie	Residential, Commercial	Feb 2062 to 19 Sep 2068	Residential	3,238,977 (all phases)	3,236,869 (all phases)	296,864	2011[10]	2015-2016	N/A	0	0	795	867	5,115.80	2,920.00	49.9115%	1,457.41	49.9115%	1,457.41	99.823%	2,914.83
IV-8	Land plot No. 5B, Wolong Bay	Hutchison Whampoa Properties (Dalian Wolong North) Limited	Dalian	Jinzhou	Commercial	4 Jun 2053	Apartment	39,989	39,989	81,192	2014[11]	2016	Not stated in the document	0	0	120	282	741.00	326.00	50%	163.00	50%	163.00	100%	326.00
IV-9	Phase 1A, 1B, 2A and 2B, Emerald Cove	Foshan Hutchison Whampoa Properties Limited	Foshan	Chancheng	Commercial, Residential	30 Mar 2053 to 30 Mar 2083	Commercial, Residential, Carpark	74,857	74,857	261,996	2013[12]	2016	Not stated in the document[13]	0	0	428	706	2,990.00	1,640.00	50%	820.00	50%	820.00	100%	1,640.00
IV-10	Phase 4, Cape Coral	Hutchison Whampoa Properties (Guangzhou Panyu) Limited	Guangzhou	Panyu	Commercial, Residential	9 July 2070 to 4 Dec 2071	Commercial, Residential	449,668 (All phases)	491,779 (All phases)	256,364	2012	2016	1,376	17,130	280	419	594	3,209.00	1,864.00	50%	932.00	50%	932.00	100%	1,864.00
IV-11	Guangzhou Guoji Wanjucheng Phases 2B and 2C-1	Guangzhou International Toys And Gifts Center Co., Ltd.	Guangzhou	Huangpu	Commercial	15 Sep 2043 to 15 Sep 2073	Commercial/ office	321,261 (All phases)	305,965 (All phases)	130,672	2011	2015	764	0	0	695	44	1,442.00	1,315.00	30%	394.50	30%	394.50	60%	789.00
IV-12	Yuhu Mingdi Phases 2 & 3	Regal Lake Property Development Limited Guangzhou	Guangzhou	Luogang	Residential, Commercial	1 Apr 2064 to 13 Apr 2065	Residential	225,547 (all phases)	225,547 (all phases)	201,063	2011	2016	313	2,644	71	1,255	781	3,978.00	2,537.00	40%	1,014.80	40%	1,014.80	80%	2,029.60
IV-13	Emerald City, Phases 1A, 2A, 1B, 2B, 1C and 2C	Hutchison Whampoa Properties (Nanjing) Limited	Nanjing	Jianye	Residential, Commercial	29 Dec 2051 to 29 Dec 2081	Residential, Commercial, Office	119,502	119,502	527,344	2012	2015	Not stated in the document	66,977	1,639	1,016	1,862	9,469.23	5,882.00	50%	2,941.00	50%	2,941.00	100%	5,882.00
IV-14	The Harbourfront, Lots 5, 6 and 7	Hutchison Whampoa Properties (Qingdao) Limited	Qingdao	Shibei	Residential, Commercial	17 Oct 2051 to 11 Oct 2082	Residential, Commercial, Office	129,899	129,899	672,774	2013[14]	2017	N/A	21,332	350	1,081	2,713	8,457.00	4,432.00	45%	1,994.40	45%	1,994.40	90%	3,988.80

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	Site area[1] (according to Grant Contract of Land Use Rights)	Site area[1] (according to State-owned Land Use Rights Certificate)	Planned GFA[1]	Date of commencement of construction	Scheduled completion date of construction	No. of car parking spaces	Pre-sale GFA[1]	Pre-sale consideration	Construction cost incurred	Construction cost to be incurred	Development value[2] as if completed as at the Valuation Date	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
								(sq m)	*(sq m)*	*(sq m)*				*(sq m)*	*(RMB million)*	*(RMB million)*	*(RMB million)*	*(RMB million)*	*(RMB million)*	*(%)*	*(RMB million)*	*(%)*	*(RMB million)*	*(%)*	*(RMB million)*
IV-15	City Link	Cheung Wo Dasheng Properties (Shanghai) Ltd.	Shanghai	Jingan	Commercial, Office	18 Dec 2058	Office, Commercial	14,528	14,528	90,661	2009	2017	Not stated in the document	0	0	344	666	3,027.00	1,710.00	30%	513.00	30%	513.00	60%	1,026.00
IV-16	Riviera Palace	Shanghai Hexin Property Development Co., Ltd	Shanghai	Qingpu	Residential	3 Jul 2082	Residential	144,483	144,483	215,981	2013	2015	N/A			522	675	4,232.00	2,736.00	50%	1,368.00	50%	1,368.00	100%	2,736.00
IV-17	Royal Waterfront	Shanghai Hezhao Property Development Co. Ltd	Shanghai	Qingpu	Residential	12 Jun 2081	Residential	74,091	74,091	133,142	2011	2015	N/A	0	0	508	247	2,753.00	2,178.00	50%	1,089.00	50%	1,089.00	100%	2,178.00
IV-18	Regency Garden	Shanghai Rui Qi Properties Co., Ltd.	Shanghai	Pudong	Residential, Commercial	30 Aug 2044 to 30 Aug 2074	Residential	263,417	263,417	179,206	2014[15]	2016	Not stated in the document			200	787	3,817.00	2,470.00	42.5%	1,053.15	42.5%	1,053.15	85%	2,106.30
IV-19	Upper West Shanghai	Shanghai Changrun Jiangbe Property Development Co., Ltd.	Shanghai	Putuo	Commercial, Residential, Office	8 Jan 2047 to 8 Jan 2077	Commercial, Office, Hotel, Residential	176,853 (all phases)	134,230 (Lots A3, A5 and A6)	924,806	2009[16]	2018	Not stated in the document	102,461	2,629	2,220	6,222	24,880.00	11,560.00	29.4%	3,398.64	30.6%	3,537.36	60%	6,936.00
IV-20	Haiyan Mingzhi	Shanghai Heya Property Development Co., Ltd.	Shanghai	Jiading	Residential, Commercial, Office	11 Oct 2049 to 11 Oct 2079	Residential, Commercial, Office	211,620	211,620	588,115	2010[17]	2017	Not stated in the document	68,776	1,478	1,672	1,601	8,775.00	5,596.00	50%	2,798.00	50%	2,798.00	100%	5,596.00
IV-21	Millennium Waterfront, Phase 1B, 2A and 2B	Hutchison Whampoa Properties (Wuhan Jiangshan South) Limited	Wuhan	Jianghan	Residential, Commercial, Communal facilities	23 Dec 2052 to 23 Dec 2082	Residential, Commercial, Office	110,618	110,618	691,244	2012[18]	2016	Not stated in the document	62,377	1,372	1,662	1,719	11,486.00	7,804.00	50%	3,902.00	50%	3,902.00	100%	7,804.00
IV-22	The Metropolitan	Hutchison Whampoa Properties (Wuhan Jianghan North) Limited	Wuhan	Jianghan	Residential, Commercial, Basement carpark	27 May 2053 to 27 May 2083	Commercial, Residential	35,271	35,271	265,752	2013[19]	2017	Not stated in the document	0	0	549	1,045	3,541.00	1,760.00	50%	880.00	50%	880.00	100%	1,760.00
IV-23	The Greenwich, Phase 4	Hutchison Whampoa Properties (Xi'an) Limited	Xi'an	Gaoxin	Residential	20 May 2082	Residential, Carpark	142,334	142,334	419,485	2013[20]	2016	Not stated in the document	40,211	523	712	1,364	3,734.00	1,631.00	50%	815.50	50%	815.50	100%	1,631.00
	Total									11,482,868				633,082	12,653				71,690.00		33,921.88		30,414.60		64,336.48

Notes:

1. All areas are stated in approximations.
2. All values are stated in approximations.
3. The first contract was signed in 2011.
4. The first contract was signed in 2011.
5. The first contract was signed in 2010.
6. According to the survey report, the number of car parking spaces in the basement is 333.
7. Parts of the land have not been handed over by the government. As at the valuation date, parts of the property with a site area of 329,831 sq.m have been issued with state-owned Land Use Rights Certificates. All land premium has been fully settled.
8. The first contract was signed in 2005.
9. The first contract was signed in 2011.
10. The first contract was signed in 2005.
11. The first contract was signed in 2011.
12. The first contract was signed in 2012.
13. According to information from both property groups, the number of car parking spaces in the basement is 861.
14. The first contract was signed in 2013.
15. The first contract was signed in 2013. Part of land has not been handed over by the government. However, state-owned Land Use Rights Certificates have been granted and all land premium has been fully settled.
16. The first contract was signed in 2007.
17. The first contract was signed in 2008.
18. The first contract was signed in 2011.
19. The first contract was signed in 2012.
20. The first contract was signed in 2010.

Group V – Properties held by both property groups for future development in the PRC

Valuation Summary as at 28 February 2015

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	Site area[1] (according to Grant Contract of Land Use Rights)	Site area[1] (according to State-owned Land Use Rights Certificate)	Planned GFA[1]	Scheduled completion date of construction	No. of car parking spaces	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
								(sq m)	*(sq m)*	*(sq m)*			*(RMB million)*	*(%)*	*(RMB million)*	*(%)*	*(RMB million)*	*(%)*	*(RMB million)*
V-1	Phase 2 of The Greenwich	Hutchison Whampoa Properties (Beijing Chaoyang) Limited	Beijing	Chaoyang	Residential, Ancillary, Basement carpark	30 Aug 2044 to 30 Aug 2074	Residential, Commercial, Underground carpark	97,801	97,801	214,259	2018	0	1,746.00	50%	873.00	50%	873.00	100%	1,746.00
V-2	The proposed development situated at Beixin Village, Shisanling Town	Rassin Property (Beijing) Limited	Beijing	Changping	Residential, Ancillary	20 May 2044 to 20 May 2074	Residential	254,742	254,742	96,400	2020	0	220.90	50%	110.45	50%	110.45	100%	220.90
V-3	La Grande Ville Phase 5	Beijing Chang Le Real Estates Development Co., Ltd. Beijing Po Garden Real Estates Development Co., Ltd.	Beijing	Shunyi	Residential, Commercial, Basement storage, Basement carpark	11 Dec 2033 to 31 Dec 2066	Residential	741,822 (all phases)	741,822 (all phases)	113,975	2018	90	941.00	100%	941.00	0%	0.00	100%	941.00
V-4	The proposed development of Phases 6BZ, 6C, 7A, 7B, 8A and 8B of Le Parc	Hutchison Whampoa Properties (Chengdu) Limited	Chengdu	Gaoxin	Commercial, Public service facilities, Residential, Municipal facilities etc.	10 Nov 2044 to 10 Nov 2074	Residential, Commercial, Carpark	812,451 (all phases)	811,625 (all phases)	1,278,980	2018	8,272	4,175.00	50%	2,087.50	50%	2,087.50	100%	4,175.00
V-5	The proposed development of Phases 4 and 5 of Noble Hills	Hutchison Whampoa Properties (Changsha Wangcheng) Limited	Changsha	Wangcheng	Residential	25 Apr 2075	Residential, Commercial	556,708 (for whole project)	197,039	292,982	2018	0	280.00	50%	140.00	50%	140.00	100%	280.00
V-6	Phases D2c, F, G1b2, G2a2, G1b3, G2a3, G2b of Laguna Verona Dongguan	Dongguan Asia Commercial Hwang Gang Lake Development Company Limited	Dongguan	Houjie	Residential, Commercial	19 Sep 2068	Residential, Commercial	3,238,977 (all phases)	3,236,869 (all phases)	1,089,013	2016-2027		2,452.00	49.9115%	1,223.83	49.9115%	1,223.83	99.823%	2,447.66
V-7	Land plot Nos. 5A, 6A and 6B, Wolong Bay[3]	Hutchison Whampoa Properties (Dalian Wolong North) Limited Hutchison Whampoa Properties (Dalian Wolong South) Limited	Dalian	Jinzhou	Residential, Commercial	N/A	Residential, Commercial	279,370	–	454,146	2018	Not stated in the document	1,195.00[4]	50%	597.50	50%	597.50	100%	1,195.00
V-8	Heizuizi, Xigang District	Dalian Dalian Property Development Co., Ltd.	Dalian	Xigang	Residential, Commercial	23 Aug 2052 to 23 Aug 2082	Residential, Apartment, Commercial, Office, Hotel, Basement carpark	143,034		725,800	2020	2,634	2,150.00[5]	50%	1,075.00	50%	1,075.00	100%	2,150.00
V-9	Maofengshan project	Guangzhou Li Zhi Enterprise Ltd	Guangzhou	Baiyun	Composite, Agricultural	10 Nov 2040 to 10 Nov 2070	Agricultural	1,327,287	1,327,287	N/A (agricultural land)	N/A	0	371.00	50%	185.50	50%	185.50	100%	371.00

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	Site area[1] (according to Grant Contract of Land Use Rights)	Site area[1] (according to State-owned Land Use Rights Certificate)	Planned GFA[1]	Scheduled completion date of construction	No. of car parking spaces	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
								(sq m)	*(sq m)*	*(sq m)*			*(RMB million)*	*(%)*	*(RMB million)*	*(%)*	*(RMB million)*	*(%)*	*(RMB million)*
V-10	Phase 2 and 3, Noble Hills	Hutchison Whampoa Properties (Guangzhou ZengCheng) Limited	Guangzhou	Zengcheng	Residential	6 Dec 2075 to 26 Apr 2076	Residential	2,112,672 (All phases)	2,112,672 (All phases)	238,700	2017	0	No commercial value[6]	50%	No commercial value	50%	No commercial value	100%	No commercial value
V-11	Phases 4-10, Noble Hills	Guangzhou Walkin Real Estate Limited, Guangzhou Crystal Rainbow Real Estate Limited, Guangzhou Eternal Star Real Estate Limited	Guangzhou	Zengcheng	Residential	6 Dec 2075 to 26 Apr 2076	N/A	See V-10	See V-10	N/A	N/A	0	No commercial value[7]	50%	No commercial value	50%	No commercial value	100%	No commercial value
V-12	Guangzhou Guoji Wanjucheng Phases 2C-2 and 3	Guangzhou International Toys And Gifts Center Co., Ltd.	Guangzhou	Huangpu	Commercial	15 Sep 2043 to 15 Sep 2073	Commercial/ office	321,261 (All phases)	305,965 (All phases)	228,889	2019	294	220.00	30%	66.00	30%	66.00	60%	132.00
V-13	Upper West Shanghai	Shanghai Changrun Jianghe Property Development Co., Ltd.	Shanghai	Putuo	Residential	8 Jan 2077	Residential	176,853 (all phases)	42,624	195,988	2018	0	1,860.00	29.4%	546.84	30.6%	569.16	60%	1,116.00
V-14	Aotou Lot A	Hutchison Whampoa Properties (Huizhou) Limited	Huizhou	Aotou	Residential	25 Aug 2075	Residential	80,052	80,052	240,156	2019	0	129.00	50%	64.50	50%	64.50	100%	129.00
V-15	Regency Cove, Phases 2-9	Hutchison Whampoa Properties (Wuhan Caidian) Limited	Wuhan	Caidian	Residential, Commercial, Hotel	N/A	Residential, Commercial, Hotel	713,208	N/A	1,583,298	2024[8]	Not stated in the document	2,024.32[9]	50%	1,012.16	50%	1,012.16	100%	2,024.32
V-16	Horizon Costa	Hutchison Whampoa Properties (Zhuhai) Company Limited	Zhuhai	Qiao Island	Residential, Commercial	N/A	Residential, Commercial	200,000	200,000	277,995	2018	0	711.00[10]	50%	355.50	50%	355.50	100%	711.00
V-17	Silver Cove	Jiangmen Hutchison Whampoa Properties Limited	Jiangmen	Xinhui	Commercial, Residential	23 Mar 2047 to 23 Mar 2077	Commercial, Residential	1,333,333	1,333,333	429,430	2022[11]	0	470.00[12]	45%	211.50	45%	211.50	90%	423.00
V-18	Cuilihu, Phase 1	Zhongshan Cuilihu Hutchison Whampoa Property Co., Ltd	Zhongshan	Wuguishan	Residential, Commercial	14 Jul 2083	Residential, Commercial	104,808	109,264	65,558	2016[13]	0	524.00	50%	262.00	50%	262.00	100%	524.00
	Total									7,525,571			19,469.22		9,752.28		8,833.60		18,585.88

Notes:

1. All areas are stated in approximations.
2. All values are stated in approximations.
3. The first contract was signed in 2011.
4. The land has not yet been handed over by the government. No State-owned Land Use Rights Certificate has been granted but all land grant fee has been fully settled.
5. The land has not yet been handed over by the government. No State-owned Land Use Rights Certificate has been granted but all land grant fee has been fully settled.
6. The land has not yet been handed over by the government as site clearance has not been completed. Land premium has not been fully settled. We have ascribed no commercial value to the property. For both property groups' management reference, had the relevant title documents been obtained and the land premium been fully settled, the market value of the property would be RMB1,326,000,000.
7. The land has not yet been handed over by the government as it is subject to a criminal case of "Liang Peikun". We have ascribed no commercial value to the property. For both property groups' management reference, had the relevant title documents been obtained, the land premium been fully settled and the criminal litigation been cleared, the market value of the property would be RMB5,458,000,000.
8. The first contract was signed in 2008.
9. The land has not yet been handed over by the government. No State-owned Land Use Rights Certificate has been granted but all land grant fee has been fully settled.
10. The land has not yet been handed over by the government. However, State-owned Land Use Rights Certificate has been granted and all land grant fee has been fully settled.
11. Reclamation works in progress. The first contract was signed in 2000.
12. A contract between Jiangmen Hutchison Whampoa Properties Limited ("Party A") and Guangdong Geotechnical Engineering Group Company ("Party B") was entered into on 3 May 2000, whereby Party B performs geotechnical treatment and land formation construction works on the property commencing from April 2000 for a consideration of RMB186,311,977.
13. The first contract was signed in 2013.

Group VI – Completed properties held by both property groups for sale in Hong Kong

Valuation Summary as at 28 February 2015

Property No.	Property name	Holding entity	District	Expiry date of land tenure	Type of property	Floor area[1]	(G/S)	Completion date	No. of car parking spaces	Existing occupancy rate	Monthly passing rent	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
						(sq m)					*(HKD)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*
VI-1	Development right in Trinity Towers, Cheung Sha Wan	Grandwood Investments Limited	Cheung Sha Wan	15 Mar 2060	Residential, Commercial & Carpark	4,766	S & G	2014	58	0%	0	460.00	100%[6]	460.00	0%	0.00	100%	460.00
VI-2	Development right in City Point, MTR Tsuen Wan West Station	Queensway Investments Limited	Tsuen Wan	22 Dec 2058	Residential & Carpark	41,951	S	2014	468	0%	0	2,623.00	85%[6]	2,229.55	0%	0.00	85%	2,229.55
VI-3	Development right in Hemera, LOHAS Park, Phase 3	Wealth Pine Investment Limited	Tseung Kwan O	15 May 2052	Residential & Carpark	127,270	S	2014	330	0%	0	8,590.00	85%[6]	7,301.50	0%	0.00	85%	7,301.50
VI-4	Various Units, Luso Apartments, 5 Warwick Road	Glorient Investments Limited	Kowloon Tong	30 Jun 2047	Residential	5,538	S	1956 & 1965	0	82%	1,128,200	747.00	100%	747.00	0%	0.00	100%	747.00
VI-5	Flat 92, 9th Floor, Block D, Luso Apartments, 5 Warwick Road	Art State Limited	Kowloon Tong	30 Jun 2047	Residential	125	S	1965	0	100%	30,600	17.00	100%	17.00	0%	0.00	100%	17.00
VI-6	Flat 54, 5th Floor, Block D, Luso Apartments, 5 Warwick Road	Crystal Mark Enterprises Limited	Kowloon Tong	30 Jun 2047	Residential	125	S	1965	0	100%	29,500	17.00	100%	17.00	0%	0.00	100%	17.00
VI-7	Flat 6, 2nd Floor, Block A, Luso Apartments, 5 Warwick Road	Excellent Star Limited	Kowloon Tong	30 Jun 2047	Residential	149	S	1956	0	0%	0	20.00	100%	20.00	0%	0.00	100%	20.00
VI-8	Various Units & Carparks, Tower 1, Harbour Centre, 1 Hok Cheung Street	Maranta Estates Limited	Hung Hom	14 Sep 2047	Industrial & Carpark	1,610	G	1989	4	40%	75,000	71.60	100%	71.60	0%	0.00	100%	71.60
VI-9	Various Units, Wayland House, 55 Shek Pai Wan Road	Maranta Estates Limited	Aberdeen	12 Dec 2887	Office	331	G	1996	0	100%	62,300	18.00	100%	18.00	0%	0.00	100%	18.00
VI-10	4th Floor and Roof, Morning Light Apartments, 38A Macdonnell Road	Maranta Estates Limited	Mid-Levels	25 Oct 2895	Residential	127	S	1954	0	100%	62,000	22.00	100%	22.00	0%	0.00	100%	22.00
VI-11	3rd Floor, 42C Macdonnell Road	Sprado Company Limited	Mid-Levels	25 Oct 2895	Residential	96	S	1955	0	100%	23,000	16.00	100%	16.00	0%	0.00	100%	16.00
VI-12	Factory Unit 14 on 4th Floor, Various Roofs and Carparks, Vanta Industrial Centre, 21-33 Tai Lin Pai Road	Haynes Estates Limited	Kwai Chung	30 Jun 2047	Industrial & Carpark	1,357	G	1988	3	100%	150,000	46.60	100%	46.60	0%	0.00	100%	46.60

Property No.	Property name	Holding entity	District	Expiry date of land tenure	Type of property	Floor area[1]	(G/S)	Completion date	No. of car parking spaces	Existing occupancy rate	Monthly passing rent	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
						(sq m)					*(HKD)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*
VI-13	Retail Units and 10 Retail Car Parks, Retail Complex, Deerhill Bay, 4699 Tai Po Road Tai Po Kau	Montaco Limited	Tai Po	30 Jun 2047	Retail & Carpark	1,461	G	1998	10	100%	134,203	39.00	100%	39.00	0%	0.000	100%	39.00
VI-14	Retail Development and Commercial Car Parking Spaces Nos. P127 to P134 on Lower Ground Mezzanine Floor, The Apex, 33 Wo Yi Hop Road	Pearl Wisdom Limited	Kwai Chung	3 Jun 2052	Retail & Carpark	1,502	G	2007	8	100%	268,680	84.00	100%	84.00	0%	0.00	100%	84.00
VI-15	West Kowloon Place One West Kowloon, 873 Lai Chi Kok Road, Lai Chi Kok, Kowloon	Tony Investments Limited	Cheung Sha Wan	6 Jul 2059	Retail & Carpark	2,666	G	2013	13	100%	434,828	106.00	100%	106.00	0%	0.00	100%	106.00
VI-16	Flat No. 1, 5th Floor, Block B and Car Park Space 10, Jardine's Lookout Garden Mansion, 148-150 Tai Hang Road	Go Rise Investments Limited	Jardine's Lookout	16 Sep 2078	Residential & Carpark	131	S	1961	1	100%	53,000	27.50	100%	27.50	0%	0.00	100%	27.50
VI-17	5 Tung Yuen Street, Remaining Portion of Yau Tong Inland Lot No. 4	Korn Reach Investment Limited	Yau Tong	30 Jun 2047	Industrial	5,438	Site area	N/A	0	N/A	288,000	340.00	100%	340.00	0%	0.00	100%	340.00
VI-18	Flat No. 1, 1st Floor, Block B and Car Park Space 61, Jardine's Lookout Garden Mansion, 148-150 Tai Hang Road	Lead All Investments Limited	Jardine's Lookout	16 Sep 2078	Residential & Carpark	131	S	1961	1	100%	49,000	27.00	100%	27.00	0%	0.00	100%	27.00
VI-19	Flat No. 3, 7th Floor, Block B and Car Park Space 56, Jardine's Lookout Garden Mansion, 148-150 Tai Hang Road	Lion Focus Investments Limited	Jardine's Lookout	16 Sep 2078	Residential & Carpark	103	S	1961	1	100%	48,000	22.00	100%	22.00	0%	0.00	100%	22.00
VI-20	Various Units and Carparks, Mont Vert (Phase 1), 9 Fung Yuen Road	Fantastic State Limited	Tai Po	8 Aug 2057	Residential & Carpark	26,824	S	2014	247	0%	0	2,708.00	100%	2,708.00	0%	0.00	100%	2,708.00
VI-21	Various Units and Carparks, The Rise, 63 Yau Ma Hom Road	Rainbow Elite Investments Limited	Kwai Chung	30 Jun 2047	Residential & Carpark	766	S	2014	74	0%	0	158.30	100%	158.30	0%	0.00	100%	158.30
VI-22	Flat D, 41st Floor, Tower 1, One West Kowloon, 873 Lai Chi Kok Road	Tony Investments Limited	Cheung Sha Wan	6 Jul 2059	Residential	81	S	2013	0	0%	0	12.00	100%	12.00	0%	0.00	100%	12.00

Property No.	Property name	Holding entity	District	Expiry date of land tenure	Type of property	Floor area[1]	(G/S)	Completion date	No. of car parking spaces	Existing occupancy rate	Monthly passing rent	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
						(sq m)					*(HKD)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*
VI-23	Kindergarten and Various Carparks, Uptown, 600 Castle Peak Road, Hung Shui Kiu	Clayton Power Enterprises Limited	Yuen Long	11 May 2055	Retail & Carpark	415	G	2011	22	100%	75,000	30.20	50%	15.10	50%	15.10	100%	30.20
VI-24	Celestial Heights Mall Celestial Heights, 80 Sheung Shing Street, Ho Man Tin, Kowloon	Volly Best Investment Limited	Ho Man Tin	11 Oct 2054	Retail & Carpark	8,513	G	2009	512	100%	2,339,563	537.00	90%	483.30	0%	0.00	90%	483.30
VI-25	Attributable interest of 10 shops, Admiralty Centre, 18 Harcourt Road	Cheung Kong (Holdings) Limited	Admiralty	17 Aug 2128	Retail	392[3]	G	1980	0	100%	525,498	66.00[5]	100%[6]	66.00	0%	0.00	100%	66.00
VI-26	Portions of The Laguna Mall, 8 Laguna Verde Avenue	Biro Investment Limited	Hung Hom	30 Jun 2047	Retail & Carpark	11,725	G	2000	122	96%	3,664,000	851.00	100%	851.00	0%	0.00	100%	851.00
VI-27	Attributable interest of Commercial Units on Ground and 1st Floors and Various Carparks, Banyan Garden, 863 Lai Chi Kok Road	Gingerbread Investments Limited ("Gingerbread") and The Lucky Dragon Development (H.K.) Limited	Cheung Sha Wan	13 Aug 2049	Retail & Carpark	6,073[3]	G	2005	191	99%	3,110,512	556.11[5]	100%[6]	556.11	0%	0.00	100%	556.11
VI-28	Attributable interest of Various Units, La Splendeur, Le Prestige, LOHAS Park, 1 LOHAS Park Road	Rich Asia Investments Limited	Tseung Kwan O	15 May 2052	Residential	329[3]	S	2012	0	0%	0	28.97[5]	85%[6]	24.62	0%	0.00	85%	24.62
VI-29	Attributable interest of Various Carparks, Le Prestige, LOHAS Park, 1 LOHAS Park Road	Rich Asia Investments Limited	Tseung Kwan O	15 May 2052	Carpark	0		2012	12[4]	N/A	0	11.35[5]	85%[6]	9.64	0%	0.00	85%	9.64
VI-30	Attributable interest of Various Units, The Beaumount, 8 Shek Kok Road	Garbo Field Limited	Tseung Kwan O	17 Mar 2058	Residential	378[3]	S	2013	0	0%	0	21.25[5]	100%[6]	21.25	0%	0.00	100%	21.25
VI-31	Attributable interest of Various Carparks, The Beaumount, 8 Shek Kok Road	Garbo Field Limited	Tseung Kwan O	17 Mar 2058	Carpark	0		2013	138[4]	N/A	0	126.17	100%[6]	126.17	0%	0.00	100%	126.17
VI-32	Various Carparks, Central Park Towers, 2 Tin Yan Road	New Profit Resources Limited	Yuen Long	12 Jul 2052	Carpark	0		2007	777	N/A	600,000	361.35	98.47%	355.82	0%	0.00	98.47%	355.82
VI-33	Car Parking Space No. 113 on Lower Ground Floor, Sherwood Court, Kingswood Villas, 3 Tin Wu Road, Tin Shui Wai	New Profit Resources Limited	Yuen Long	30 Jun 2047	Carpark	0		1993	1	N/A	0	0.55	98.47%	0.54	0%	0.00	98.47%	0.54

Property No.	Property name	Holding entity	District	Expiry date of land tenure	Type of property	Floor area[1]	(G/S)	Completion date	No. of car parking spaces	Existing occupancy rate	Monthly passing rent	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
						(sq m)					*(HKD)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*
VI-34	Various Carparks, Crown by The Sea, 3 Tsing Yung Street	New Accord Limited	Tuen Mun	30 Jun 2047	Carpark	0		2012	6	N/A	0	3.72	100%	3.72	0%	0.00	100%	3.72
VI-35	Private Car Parking Space No. P61 on Lower Ground Floor, The Apex, 33 Wo Yi Hop Road	Pearl Wisdom Limited	Kwai Chung	3 Jun 2052	Carpark	0		2007	1	N/A	0	0.75	100%	0.75	0%	0.00	100%	0.75
VI-36	Private Car Parking Space No. P6 on Lower Ground 4 Floor, Kennedy Park at Central, 4 Kennedy Road	Ruby Star Enterprises Limited	Mid-Levels	12 Jul 2895	Carpark	0		2014	1	N/A	0	2.00	100%	2.00	0%	0.00	100%	2.00
VI-37	Unit 101A on Basement, Hunghom Commercial Centre, 37-39 Ma Tau Wai Road	Thorogood Estates Limited	Hung Hom	14 Sep 2047	Retail	9	G	1982	0	100%	1,700	0.70	100%	0.70	0%	0.00	100%	0.70
VI-38	Various Units and Carparks, Hong Kong Spinners Industrial Centre (Phase V and VI), 760-762 Cheung Sha Wan Road and 481 Castle Peak Road	Thorogood Estates Limited	Cheung Sha Wan	30 Jun 2047	Industrial & Carpark	160	G	1977 & 1980	9	N/A	47,650	19.40	100%	19.40	0%	0.00	100%	19.40
	Total											18,788.53		17,026.20		15.10		17,041.30

Notes:

1. All areas are stated in approximations.
2. All values are stated in approximations.
3. The floor area stated is the whole 100% floor area of the property.
4. The number of car parking spaces is the whole 100% of the property.
5. The market value in existing state represents the value of the attributable interest.
6. For properties in which the Group's interest is in relation to development rights, the percentage interest shown represents the Group's attributable interest in the developer company which entered into relevant joint development contract with the land owner.

Group VII – Completed properties held by both property groups for investment in Hong Kong

Valuation Summary as at 28 February 2015

Property No.	Property name	Holding entity	District	Expiry date of land tenure	Type of property	Floor area[1]	(G/S)	Completion date	No. of car parking spaces	Existing occupancy rate	Monthly passing rent	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
						(sq m)					*(HKD)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*
VII-1	Portions of The Center, 99 Queen's Road Central, Central, Hong Kong	Various companies	Central	30 Jun 2047	Office, Retail & Carpark	113,170	G	Jun 1998	402	97%	69,778,507	17,735.00	100%	17,735.00	0%	0.00	100%	17,735.00
VII-2	Shop Nos. 1001 to 1014 and 1019 to 1043 on 1st Floor, United Centre, 95 Queensway, Central, Hong Kong	Pofield Investments Limited	Central	3 Aug 2128	Retail	3,512	G	1981	0	100%	4,540,158	922.00	100%	922.00	0%	0.00	100%	922.00
VII-3	(1881 Heritage), 2A Canton Road, Tsim Sha Tsui, Kowloon	Flying Snow Limited	Tsim Sha Tsui	11 Jun 2053	Retail & Hotel	13,023	G	2009	0	100%	69,426,504	13,634.00	100%	13,634.00	0%	0.00	100%	13,634.00
VII-4	Conic Investment Building, 13 Hok Yuen Street, Hunghom, Kowloon	Global Coin Limited	Hunghom	14 Sep 2047	Industrial & Carpark	30,409	G	1982	95	89%	2,530,550	1,019.00	100%	1,019.00	0%	0.00	100%	1,019.00
VII-5	8 Tung Yuen Street, Yau Tong, Kowloon	Glass Bead Limited	Yau Tong	30 Jun 2047	Industrial	7,170	G	1977	0	24%	520,000	112.00	100%	112.00	0%	0.00	100%	112.00
VII-6	Workshop Unit No. 7 on 1st Floor of Tower 1, Harbour Centre, 1 Hok Cheung Street, Hunghom, Kowloon	Pako Wise Limited	Hunghom	14 Sep 2047	Industrial	1,673	G	1989	0	100%	158,000	60.00	100%	60.00	0%	0.00	100%	60.00
VII-7	Unit 03 on 8th Floor, 9th to 12th Floors, 15th Floor, Unit 05 on 28th Floor, Unit 01 on 29th Floor, Unit 08 on 31st Floor and the Roof immediately above 31st Floor, Wayland House, 55 Shek Pai Wan Road, Aberdeen, Hong Kong	Pine Fragrance Limited	Aberdeen	12 Dec 2887	Office	1,295	G	1996	0	100%	245,500	65.00	100%	65.00	0%	0.00	100%	65.00
VII-8	Remaining Portion of Marine Lot No. 293 and the Extension thereto	Pako Wise Limited	North Point	4 Nov 2056	Land	2,089	site area	N/A	0	N/A	76,000	16.00	100%	16.00	0%	0.00	100%	16.00
VII-9	97 Carparks on Lower and Upper Ground Floors, Robinson Heights, 8 Robinson Road, Mid-Levels, Hong Kong	Thorogood Estates Limited	Mid-Levels	7 Mar 2857 and 11 Dec 2844	Carpark	N/A		1989	97	N/A	540,588	92.00	100%	92.00	0%	0.00	100%	92.00

Property No.	Property name	Holding entity	District	Expiry date of land tenure	Type of property	Floor area[1]	(G/S)	Completion date	No. of car parking spaces	Existing occupancy rate	Monthly passing rent	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
						(sq m)					*(HKD)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*
VII-10	121 Car Parking Spaces on the 3rd, 4th and 5th Floors, North Point Centre, 278-288 King's Road, North Point, Hong Kong	Tremendous Wealth Limited	North Point	24 Apr 2122	Carpark	N/A		1974	121	N/A	387,587	73.00	100%	73.00	0%	0.00	100%	73.00
VII-11	Commercial Development (known as Victoria Mall) and Commercial Car Parking Space Nos. R1 to R79 on Basement, The Victoria Towers, 188 Canton Road, Tsim Sha Tsui, Kowloon	Konorus Investment Limited	Tsim Sha Tsui	8 Apr 2048	Retail & Carpark	15,634	G	2002	79	90%	4,223,260	1,063.00	42.5%	451.77	42.5%	451.77	85%	903.55
VII-12	4 Kindergartens, Flat E on 8th floor of Tower 22 and Flat A on 13th floor of Tower 23A, 240 Car Parking Spaces, 34 Goods Vehicle Parking Spaces, South Horizons, Aberdeen, Hong Kong	Secan Limited	Aberdeen	31 Mar 2040	Kindergarten, Residential & Carpark	3,869 (saleable, kindergarten); 170 (gross, residential)	G & S	1991-1994	274	100% (Kindergarten & Residential)	1,049,162 (Kindergarten & Residential) 904,000 (Car Parking Spaces)	519.10	30%	155.73	50%	259.55	80%	415.28
VII-13	2nd Floor of East Commercial Block, 372 Car Parking Spaces at Phases 1, 3 and 4 and Flat G on 6th Floor of Tower 26, South Horizons, Ap Lei Chau, Hong Kong	Uranock Limited (Retail) & Juno Investments Limited (car parks and residential unit)	Aberdeen	31 Mar 2040	Retail, Residential & Carpark	899 (saleable, retail); 88 (gross, residential)	G & S	1993 & 1995	372	100% (shop only)	306,262	408.95	0%	0.00	100%	408.95	100%	408.95
VII-14	Commercial Accommodation on Level 1, Shop Nos. 3 and 4 on Level 5, Rambler Crest, 1 Tsing Yi Road, Tsing Yi, New Territories	Marvel Front Limited	Tsing Yi	30 Jun 2047	Retail	4,104	G	2003	0	88%	1,084,743	240.68	30%	72.20	70%	168.47	100%	240.68
VII-15	Kindergarten in Site A, 12 Laguna Street, Laguna City, Kowloon	Ranon Limited	Kwun Tong	30 Jun 2047	Kindergarten	1,380	G	1992 to 1994	0	100%	230,000	41.00	50%	20.50	50%	20.50	100%	41.00

Property No.	Property name	Holding entity	District	Expiry date of land tenure	Type of property	Floor area[1]	(G/S)	Completion date	No. of car parking spaces	Existing occupancy rate	Monthly passing rent	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
						(sq m)					*(HKD)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*
VII-16	Car Parks Nos. 1 to 12, 53 to 59 and 65 to 78 on 5th Floor together with adjoining spaces, if any, Shun Tak Centre, 168-200 Connaught Road Central, Central, Hong Kong	Granlai Company Limited	Central	30 Dec 2130	Carpark	N/A		1986	33	N/A	546,425	83.00	54.0541%	44.86	0%	0.00	54.0541%	44.86
VII-17	Whampoa Garden Shops and Car Parking Spaces, Hunghom, Kowloon	Whampoa Investments Ltd, Tremayne Investments Ltd, Grafton Properties Ltd, Mossburn Investments Ltd, Glenfuir Investments Ltd, Ambridge Investments Ltd, Foxton Investments Ltd, Darwin Investments Ltd, Oregon Investments Ltd, Palliser Investments Ltd, Richmond Investments Ltd, Great Dynasty Enterprises Ltd, Starford Choice Ltd	Hunghom	13 Dec 2134	Retail & Carpark	159,235	G	1985-1991	1,026	95%	52,363,963	12,847.30	0%	0.00	100%	12,847.30	100%	12,847.30
VII-18	Shops & Carparks, Aberdeen Centre, Aberdeen, Hong Kong	Aberdeen Commercial Investments Limited	Aberdeen	31 May 2856	Retail & Carpark	32,054	G	1980-1982	133	95%	19,903,942	4,351.00	0%	0.00	100%	4,351.00	100%	4,351.00
VII-19	Shops on Ground Floor, Offices on 1st and 2nd Floors of Blocks G, H and J and 16 Car Parking Spaces on Basement, Hunghom Bay Centre, 92-112 Baker Street, Hunghom, Kowloon	Hunghom Bay Commercial Investments Limited	Hunghom	20 Mar 2886	Retail, Office & Carpark	7,470	G	1979	16	89%	3,345,579	823.00	0%	0.00	100%	823.00	100%	823.00
VII-20	Chun Fai Centre, 9 Chun Fai Road, Tai Hang, Hong Kong	Portwave Limited	Tai Hang	30 Jun 2047	Retail & Carpark	2,998	G	1993	103	100%	830,105	224.00	0%	0.00	100%	224.00	100%	224.00

Property No.	Property name	Holding entity	District	Expiry date of land tenure	Type of property	Floor area[1]	(G/S)	Completion date	No. of car parking spaces	Existing occupancy rate	Monthly passing rent	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
						(sq m)					*(HKD)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*
VII-21	Shop No. 47 on Ground Floor (known as entrance for Mass Transit Station on Basement and Ground Floor), Kwan Yick Building (Phase II), 343 Des Voeux Road West, Western, Hong Kong	China Provident Development Company Limited	Western	5 Jun 2895 and 6 Jan 2861	Retail	74	G	1977	0	0%	0	3.50	0%	0.00	100%	3.50	100%	3.50
VII-22	Shop Nos. 4 to 9 on Ground Floor, Smithfield Court, 41A and 43 Smithfield Road, Kennedy Town, Hong Kong	Pinkett Limited	Kennedy Town	23 Jun 2882	Retail	655	G	1985	0	100%	503,000	132.00	0%	0.00	100%	132.00	100%	132.00
VII-23	Space being the Playground (now converted to Commercial Use) on 2nd Lower Ground Floor and Car Parking Space Nos. 1 to 40 on 2nd Lower Ground Floor, Blocks 32 to 40, Baguio Villa, 555 Victoria Road, Pokfulam, Hong Kong	Island Mark Limited	Pokfulam	25 Dec 2859	Retail & Carpark	1,201	G	1975	40	100%	732,263	130.00	0%	0.00	100%	130.00	100%	130.00
VII-24	Shops A, B and C on Ground Floor and the Entire Lower Ground Floor, Arts Building, 36-40 Robinson Road, Mid-Levels, Hong Kong	Pelista Limited	Mid-Levels	16 Mar 2854	Retail	552	G	1977	0	100%	233,000	59.90	0%	0.00	100%	59.90	100%	59.90
VII-25	Lower Ground Floor (at Village Road Level) and Parking Spaces Nos. 24 and 24A on Ground Floor (Lower Car Park), Fine Mansion, 32-40 Village Road, Happy Valley, Hong Kong	Tezzini Limited	Happy Valley	15 Dec 2079	Retail & Carpark	1,273	G	1973	2	100%	844,522	193.00	0%	0.00	100%	193.00	100%	193.00
VII-26	Shop Nos. 23 to 26, 81 to 83 on 1st Floor of the Podium, Admiralty Centre, 18 Harcourt Road, Central, Hong Kong	Sandoran Limited	Central	17 Aug 2128	Retail	162	S	1980	0	100%	128,550	37.00	0%	0.00	100%	37.00	100%	37.00

Property No.	Property name	Holding entity	District	Expiry date of land tenure	Type of property	Floor area[1]	(G/S)	Completion date	No. of car parking spaces	Existing occupancy rate	Monthly passing rent	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
						(sq m)					*(HKD)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*
VII-27	Shop Nos. N58, N65, N66, N67 and N68 on Ground Floor, 1-17 Mount Sterling Mall and 10-16 Lai Wan Road, Mei Foo Sun Chuen, Lai Chi Kok, Kowloon	Dinaland Limited	Lai Chi Kok	30 Jun 2047	Retail	474	G	1982	0	100%	425,676	109.00	0%	0.00	100%	109.00	100%	109.00
VII-28	2 Car Parking Spaces on Ground Floor of Fu Bon Court and 15 Car Parking Spaces on Upper Ground Floor of Fu Kar Court, Fortress Garden, Car Parking Spaces on the Ground and Lower Ground Floors in Fullview Court, Fortress Hill Road, North Point, Hong Kong	Cavendish Property Development Limited	North Point	6 May 2101	Carpark	N/A		1981, 1983 and 1988	67	N/A	157,000	31.80	0%	0.00	100%	31.80	100%	31.80
VII-29	Shop D on Ground Floor and the whole of 1st Floor, Flat C on 2nd Floor and Flat Roof, Gardenview Building, 197-209 Sai Yeung Choi Street North, Mongkok, Kowloon	Holylake Properties Limited	Mongkok	30 Jun 2047	Retail & Residential	1,156	G	1983	0	100%	251,366	61.00	0%	0.00	100%	61.00	100%	61.00
VII-30	Shop No. M18 on Mezzanine Floor, Kwun Tong Plaza, 68 Hoi Yuen Road, Kwun Tong, Kowloon	Holylake Properties Limited	Kwun Tong	30 Jun 2047	Retail	8	G	1986	0	100%	35,750	7.80	0%	0.00	100%	7.80	100%	7.80
VII-31	Shop C on Ground Floor and the Lavatory for Shop C on Mezzanine Floor, Silver Commercial Building, 719 Nathan Road, Mongkok, Kowloon	Baba Properties Limited	Mongkok	8 May 2071	Retail	48	G	1980	0	100%	165,000	44.00	0%	0.00	100%	44.00	100%	44.00

Property No.	Property name	Holding entity	District	Expiry date of land tenure	Type of property	Floor area[1]	(G/S)	Completion date	No. of car parking spaces	Existing occupancy rate	Monthly passing rent	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
						(sq m)					*(HKD)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*
VII-32	Flat B on 1st Floor, Flat C on 5th Floor, Flat D on 6th Floor, Flat D on 9th Floor and 16 Car Parking Spaces on Ground and Upper Ground Floors, King's Court, 50 Kai Yuen Street, North Point, Hong Kong	Pogust Limited	North Point	12 Jun 2066	Residential & Carpark	486	G	1973	16	100%	95,300	41.00	0%	0.00	100%	41.00	100%	41.00
VII-33	Flat F on 2nd Floor and Flat G on 6th Floor, Cheong Hong Mansion, 25-33 Johnston Road and 1-3 Thomson Road, Wanchai, Hong Kong	Pogust Limited	Wanchai	24 May 2127 and 14 Apr 2127	Residential	133	S	1966	0	100%	35,000	14.00	0%	0.00	100%	14.00	100%	14.00
VII-34	Flat B on 16th Floor of Block 2 and Flat B on 16th Floor of Block 3, Whampoa Garden Site 1, 121 Baker Street, Hunghom, Kowloon	Pogust Limited	Hunghom	13 Dec 2134	Residential	137	G	1985	0	100%	19,400	13.90	0%	0.00	100%	13.90	100%	13.90
VII-35	23 Coombe Road, The Peak, Hong Kong	Juli May Limited	The Peak	22 Mar 2036	Residential	569	G	pre-war	0	0%	13,613	132.00	0%	0.00	100%	132.00	100%	132.00
VII-36	1st Floor (including the Flat Roof adjacent thereto) of 90 Sai Yee Street, 1st Floor of 92 Sai Yee Street, 1st Floor of 72 & 74 Argyle Street, 2nd Floor of 90 Sai Yee Street and 2nd Floor of 72 Argyle Street, Mongkok, Kowloon	Holylake Properties Limited	Mongkok	23 Mar 2073	Residential	369	S	1959	0	78%	60,500	29.40	0%	0.00	100%	29.40	100%	29.40
VII-37	Houses A, B, D and E, Provident Villas, 29 Sassoon Road and Houses A and B, Provident Villas, 30 Sassoon Road, Pokfulam, Hong Kong	Hina Tor Limited	Pokfulam	2 Apr 2100 and 21 May 2100	Residential & Carpark	1,797	G	1981	12	84%	642,424	423.00	0%	0.00	100%	423.00	100%	423.00
VII-38	Peak Villas, 86-88 Peak Road, The Peak, Hong Kong	Carino Ford Limited	Peak	16 Mar 2029	Residential & Carpark	927	G	1983	6	34%	145,000	269.00	0%	0.00	100%	269.00	100%	269.00
VII-39	Hutchison House, 10 Harcourt Road, Central, Hong Kong	Hongville Limited	Central	28 Sep 2122	Office, Retail & Carpark	46,797	G	1974	5	94%	30,329,224	7,772.40	0%	0.00	100%	7,772.40	100%	7,772.40

Property No.	Property name	Holding entity	District	Expiry date of land tenure	Type of property	Floor area[1]	(G/S)	Completion date	No. of car parking spaces	Existing occupancy rate	Monthly passing rent	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
						(sq m)					*(HKD)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*
VII-40	China Building, 29 Queen's Road Central, Central, Hong Kong	Vember Lord Limited, Harley Development Inc. & Trillium Investment Limited	Central	10 Oct 2071	Office, Retail	24,039	G	1978	0	94%	22,310,637	5,531.00	0%	0.00	100%	5,531.00	100%	5,531.00
VII-41	Office Tower 1, The Harbourfront, 18-22 Tak Fung Street, Hunghom, Kowloon	Elbe Office Investments Limited, Rhine Office Investments Limited and Hutchison Hotel Hong Kong Limited	Hunghom	19 Apr 2090	Office, Retail & Carpark	40,119	G	1995	107	98%	9,787,559	3,105.00[3]	0%	0.00	100%	3,105.00	100%	3,105.00
VII-42	Office Tower 2, The Harbourfront, 18-22 Tak Fung Street, Hunghom, Kowloon	Elbe Office Investments Limited, Rhine Office Investments Limited and Hutchison Hotel Hong Kong Limited	Hunghom	19 Apr 2090	Office, Retail & Carpark	40,055	G	1995	107	98%	9,493,272	3,357.00[4]	0%	0.00	100%	3,357.00	100%	3,357.00
VII-43	Cheung Kong Center, 2 Queen's Road Central, Central, Hong Kong	Turbo Top Limited	Central	30 Jun 2047	Office, Retail & Carpark	117,370	G	1999	1,038	98%	126,090,433	27,000.00	0%	0.00	100%	27,000.00	100%	27,000.00
VII-44	12th Floor, Kwun Tong Harbour Plaza, 182 Wai Yip Street, Kwun Tong, Kowloon	Deroma Limited	Kwun Tong	30 Jun 2047	Office	2,284	G	1988	0	46%	173,558	74.50	0%	0.00	100%	74.50	100%	74.50
VII-45	Portions of 99 Cheung Fai Road, Tsing Yi, New Territories	Dragon View Resources Limited	Tsing Yi	30 Jun 2047	Office & Carpark	27,896	G	2004	68	100%	3,491,255	799.00	0%	0.00	100%	799.00	100%	799.00
VII-46	Portion of Hutchison Logistics Centre, 18 Container Port Road, Kwai Chung, New Territories	Omaha Investments Limited	Kwai Chung	30 Jun 2047	Industrial, Office & Carpark	437,122	G	1993	118	99%	45,707,621	9,738.00	0%	0.00	100%	9,738.00	100%	9,738.00
VII-47	Cavendish Centre, 23 Yip Kan Street, Wong Chuk Hang, Aberdeen, Hong Kong	Valmet Limited	Aberdeen	1 Feb 2129	Industrial & Carpark	31,854	G	1984	50	88%	2,383,271	950.00	0%	0.00	100%	950.00	100%	950.00
VII-48	Workshop on Lower Ground Floor and all that Portion of Land thereto and Car Parking Space Nos. 40 and 41 on Ground Floor, Edwick Industrial Centre, 4-30 Lei Muk Road, Kwai Chung, New Territories	Williston Limited	Kwai Chung	30 Jun 2047	Industrial & Carpark	1,261	G	1979	2	100%	230,690	54.10	0%	0.00	100%	54.10	100%	54.10
VII-49	Watson Centre, 16-22 Kung Yip Street, Kwai Chung, New Territories	Lynnore Limited	Kwai Chung	30 Jun 2047	Industrial & Carpark	63,843	G	1978	95	100%	4,346,846	921.00	0%	0.00	100%	921.00	100%	921.00
VII-50	Watson House, 1-5 Wo Liu Hang Road, Fo Tan, New Territories	Hybonia Limited	Fo Tan	30 Jun 2047	Industrial & Carpark	26,096	G	1982	28	100%	2,156,355	477.00	0%	0.00	100%	477.00	100%	477.00

Property No.	Property name	Holding entity	District	Expiry date of land tenure	Type of property	Floor area[1]	(G/S)	Completion date	No. of car parking spaces	Existing occupancy rate	Monthly passing rent	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
						(sq m)					*(HKD)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*
VII-51	Fanling Sheung Shui Town Lot No. 97, Sheung Shui, New Territories	Kung Hei Investment Limited	Sheung Shui	30 Jun 2047	Industrial & Carpark	13,229	G	1991	20	100%	1,172,918	264.00	0%	0.00	100%	264.00	100%	264.00
VII-52	Unit A on Ground Floor, Unit C on 2nd Floor and Car Parking Space Nos. P14, P15, P17 to P22 and P27 on 1st Floor, Hung Cheung Industrial Centre (Phase II), 10 Tsing Yeung Circuit, Tuen Mun, New Territories	More Faith Limited	Tuen Mun	30 Jun 2047	Industrial & Carpark	1,307	G	1982	9	100%	102,278	25.60	0%	0.00	100%	25.60	100%	25.60
VII-53	Workshop F on 7th Floor, Hop Hing Industrial Building, 704 Castle Peak Road, Lai Chi Kok, Kowloon	Holylake Properties Limited	Lai Chi Kok	30 Jun 2047	Industrial	314	G	1980	0	100%	39,600	10.60	0%	0.00	100%	10.60	100%	10.60
VII-54	Parking Space Nos. SP1 to SP52 at Level 5 and Parking Space Nos. SP53 to SP155 at Level 6, No. 6 Metropolis Drive, The Metropolis, Hung Hom, Kowloon	Becogate Limited	Hunghom	30 Jun 2047	Carpark	N/A		2002	155	N/A	582,755	100.75	50%	50.37	50%	50.37	100%	100.75
VII-55	78 Car Parking Spaces in Greenview Court, 644-654 Castle Peak Road, Tsuen Wan, New Territories	Impromptu Limited	Tsuen Wan	30 Jun 2047	Carpark	N/A		1982	78	N/A	121,000	27.30	0%	0.00	100%	27.30	100%	27.30
VII-56	446 Car Parking Spaces and 46 Motor Cycle Parking Spaces, Rambler Crest, 1 Tsing Yi Road, Tsing Yi, New Territories	Alona Limited	Tsing Yi	30 Jun 2047	Carpark	N/A		2003	446 (CPS) 46 (MPS)	N/A	1,012,000	179.32	30%	53.79	70%	125.52	100%	179.32
VII-57	Houses 1, 5 & 6, Carpark Space Nos. 1, 2 & 8-11, 28 Barker Road	Minto Properties Limited	Peak	12 Aug 2056	Residential & Carpark	1,656	S	2013	6	N/A	Owner-occupied	1,622.00	0%	0.00	100%	1,622.00	100%	1,622.00
	Total											118,068.90		34,577.25		83,190.25		117,767.49

Notes:

1. All areas are stated in approximations.
2. All values are stated in approximations.
3. Including an extension of a gross floor area of about 9,301.00 sq m (100,115 sq ft) for office use with work in progress.
4. Including an extension of a gross floor area of about 16,309.14 sq m (175,550 sq ft) for hotel use with work in progress.

Group VIII – Completed hotel properties held by both property groups for operation in Hong Kong

Valuation Summary as at 28 February 2015

Property No.	Property name	Holding entity	District	Expiry date of land tenure	Type of property	GFA[1]	Completion date	No. of car parking spaces	No. of rooms	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value [2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value [2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value [2] in existing state attributable to both property groups as at the Valuation Date
						(sq m)				*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*
VIII-1	Harbourview Horizon	Bermington Investment Limited	Hunghom	15 Oct 2051	Hotel & Carpark	119,280	Dec 2005	400	1,980	11,450.00	100%	11,450.00	0%	0.00	100%	11,450.00
VIII-2	Harbourfront Horizon	Sino China Enterprises Limited	Hunghom	12 Aug 2051	Hotel & Carpark	107,444	Jan 2006	20	1,662	11,140.00	100%	11,140.00	0%	0.00	100%	11,140.00
VIII-3	The Apex Horizon (excluding retail shops and commercial parking spaces)	Pearl Wisdom Limited	Kwai Chung	3 Jun 2052	Hotel & Carpark	21,190	Nov 2007	3	360	1,053.00	100%	1,053.00	0%	0.00	100%	1,053.00
VIII-4	Harbour Plaza 8 Degrees	Harbour Plaza 8 Degrees Limited	To Kwa Wan	8 May 2088	Hotel & Carpark	21,420	Jun 2009	10	704	2,394.00	100%	2,394.00	0%	0.00	100%	2,394.00
VIII-5	Harbour Plaza Resort City	Harbour Plaza Resort City Limited	Tin Shui Wai	30 Jun 2047	Hotel & Carpark	61,513	Dec 1998 and Jan 1999	8	1,102	2,860.00	98.47%	2,816.24	0%	0.00	98.47%	2,816.24
VIII-6	Harbour Plaza Metropolis	Harbour Plaza Metropolis Limited	Hunghom	30 Jun 2047	Hotel & Carpark	42,857	Nov 2002	6	821	5,074.00	50%	2,537.00	50%	2,537.00	100%	5,074.00
VIII-7	The Kowloon Hotel	The Kowloon Hotel Limited	Tsim Sha Tsui	23 Jun 2039	Hotel & Commercial	30,610	Nov 1985	0	736	7,778.00	50%	3,889.00	50%	3,889.00	100%	7,778.00
VIII-8	Rambler Garden Hotel	Matrica Limited	Tsing Yi	30 Jun 2047	Hotel	19,613	Dec 2003	0	800	1,817.00	30%	545.10	70%	1,271.90	100%	1,817.00
VIII-9	Rambler Oasis Hotel	Matrica Limited	Tsing Yi	30 Jun 2047	Hotel	19,810	Dec 2003	0	822	1,900.00	30%	570.00	70%	1,330.00	100%	1,900.00
VIII-10	Harbour Plaza North Point	Randash Investment Limited	North Point	30 Jun 2047	Hotel & Carpark	31,873	Sep 1999	6	669	2,757.00	60.91%	1,679.28	39.09%	1,077.71	100%	2,757.00
VIII-11	Horizon Suite Hotel	Towerich Limited	Ma On Shan	25 Mar 2048	Hotel & Carpark	56,000	Jun 2002	42	831	2,652.00	51%	1,352.52	49%	1,299.48	100%	2,652.00
VIII-12	Joint venture Interest at Harbour Grand Hong Kong	Harbour Grand Hong Kong Limited	North Point	25 May 2104	Hotel & Carpark	41,341	Dec 2008	38	828	4,440.00	100%	4,440.00	0%	0.00	100%	4,440.00
VIII-13	Harbour Grand Kowloon	Elbe Office Investments Limited, Rhine Office Investments Limited and Hutchison Hotel Hong Kong Limited	Hunghom	19 Apr 2090	Hotel & Carpark	47,467	Jul 1995	14	555	4,647.00	0%	0.00	100%	4,647.00	100%	4,647.00
VIII-14	Sheraton Hong Kong	Consolidated Hotels Limited	Tsim Sha Tsui	27 Nov 2119	Hotel, Commercial & Carpark	61,950	Mar 1974	19	782	10,230.00	0%	0.00	39%	3,989.70	39%	3,989.70
	Total									70,192.00		43,866.15		20,041.79		63,907.94

Notes:

1. All areas are stated in approximations.
2. All values are stated in approximations.

Group IX – Properties held by both property groups under development in Hong Kong

Valuation Summary as at 28 February 2015

Property No.	Property Name	Holding entity	District	Expiry date of land tenure	Type of property	Site area[1]	Planned GFA[1]	Scheduled completion date of construction	No. of car parking spaces	Pre-sale GFA[1]	Pre-sale consideration	Construction cost incurred	Construction cost to be incurred	Development value[2] as if completed as at the Valuation Date	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
						(sq m)	*(sq m)*			*(sq m)*	*(HKD million)*	*(HKD million)*	*(HKD million)*	*(HKD million)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*
IX-1	Mont Vert, Phase 2	Fantastic State Limited	Tai Po	8 Aug 2057	Residential & Carpark	126,347	16,892	Apr 2015	66	15,295	1,426	469	43	1,592.00	1,540.00	100%	1,540.00	0%	0.00	100%	1,540.00
IX-2	DIVA, Electric Road	Regent Land Investments Limited	North Point	18 Dec 2054	Residential & Commercial	722	6,606	Mar 2015	0	6,606	1,392	163	67	1,392.00	1,323.00	100%	1,323.00	0%	0.00	100%	1,323.00
IX-3	Stars by the Harbour	New Harbour Investments Limited	Hung Hom	16 Aug 2060	Residential & Carpark	7,551	33,979	Jun 2015	227	0	0	766	537	6,861.00	5,500.00	100%	5,500.00	0%	0.00	100%	5,500.00
IX-4	The Beaumount II	Oxford Investments Limited	Tseung Kwan O	20 Dec 2060	Residential & Carpark	10,200	51,000	Jun 2016	247	0	0	439	1,015	4,403.00	2,736.00	100%	2,736.00	0%	0.00	100%	2,736.00
IX-5	90 Repulse Bay Road	Kingsmark Investments Limited	Southern	2 Oct 2071	Residential & Carpark	3,295	6,613	Jun 2016	22	0	0	33	332	4,173.00	3,200.00	100%	3,200.00	0%	0.00	100%	3,200.00
IX-6	41 Heung Yip Road	Wide Global Investment Limited	Aberdeen	18 Jan 2120	Office & Carpark	2,006	30,099	Sept 2015	195	30,099	3,300	413	678	3,300.00	2,405.00	100%	2,405.00	0%	0.00	100%	2,405.00
IX-7	Lot No.2129 in Demarcation District No. 121, Ping Shan	Great Art Investment Limited	Yuen Long	8 Jun 2061	Residential & Carpark	6,076	6,076	Jul 2015	41	0	0	118	185	739.00	460.00	100%	460.00	0%	0.00	100%	460.00
IX-8	La Lumière, 9 Lee Kung Street	Alcon Investments Limited	Hung Hom	17 Jul 2061	Residential & Carpark	1,298	9,740	Oct 2015	43	0	0	132	289	1,530.00	1,039.00	100%	1,039.00	0%	0.00	100%	1,039.00
IX-9	Lot No.2086 in Demarcation District No. 105, Ngau Tam Mei	Stanley Investments Limited	Yuen Long	11 May 2061	Residential & Carpark	23,480	9,391	Aug 2016	59	0	0	53	560	1,617.00	750.00	100%	750.00	0%	0.00	100%	750.00
IX-10	77-87 Ma Tau Wai Road	Cheer Good Limited	To Kwa Wan	24 Sep 2049	Residential & Commercial	543	3,577	Oct 2016	0	0	0	23	156	601.00	349.00	100%	349.00	0%	0.00	100%	349.00
IX-11	Yuen Long Town Lot No. 518	Carlford Investments Limited	Yuen Long	23 Mar 2061	Residential, Commercial & Carpark	12,340	61,700	Jun 2016	145	0	0	707	1,479	6,679.00	3,960.00	100%	3,960.00	0%	0.00	100%	3,960.00
IX-12	Sha Tin Town Lot No. 574, Choi Sha Street, Lok Wo Sha	Crown Treasure Investments Limited	Ma On Shan	5 Dec 2062	Residential & Carpark	14,400	52,227	Oct 2016	270	0	0	127	1,666	6,120.00	3,140.00	100%	3,140.00	0%	0.00	100%	3,140.00
IX-13	Inland Lot No. 8920, Oil Street	Ocean Century Investments Limited	North Point	26 Sep 2061	Residential, Hotel & Carpark	7,887	70,200	Dec 2017	199	0	0	491	2,394	14,182.00	8,633.00	100%	8,633.00	0%	0.00	100%	8,633.00
IX-14	Inland Lot No. 8949, Borrett Road	Bristow Investments Limited	Mid-Levels	8 Jun 2061	Residential & Carpark	10,488	40,440	Jun 2017	334	0	0	332	1,672	20,157.00	14,930.00	100%	14,930.00	0%	0.00	100%	14,930.00
IX-15	Development right in Peel Street/ Graham Street (Site B)	King Century Investments Limited	Central	23 Jul 2062	Residential &Commercial	1,690	17,790	Feb 2017	0	0	0	34	841	3,518.00	1,861.00	100%	1,861.00	0%	0.00	100%	1,861.00
IX-16	Development right in West Rail Tsuen Wan Station TW5 Bayside	Jubilee Year Investments Limited	Tsuen Wan	19 Nov 2062	Residential, Commercial & Carpark	42,870	207,650	Mar 2018	469	0	0	298	7,249	23,285.00	11,120.00	100%	11,120.00	0%	0.00	100%	11,120.00
IX-17	Kowloon Inland Lot No. 11125, Argyle Street	Bradford Investments Limited	Ho Man Tin	16 Aug 2060	Residential & Carpark	7,326	36,630	Oct 2015	294	0	0	398	937	8,312.00	6,294.00	80%	5,035.20	0%	0.00	80%	5,035.20
	Total														69,240.00		67,981.20		0.00		67,981.20

Notes:

1. All areas are stated in approximations.
2. All values are stated in approximations.

Group X – Properties held by both property groups for future development in Hong Kong

Valuation Summary as at 28 February 2015

Property No.	Property name	Holding entity	District	Expiry date of land tenure	Type of property	Site area[1]	Planned GFA[1]	Scheduled completion date of construction	No. of car parking spaces	Construction cost to be incurred	Development value[2] as if completed as at the Valuation Date	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
						(sq m)	*(sq m)*			*(HKD million)*	*(HKD million)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*	*(%)*	*(HKD million)*
X-1	Attributable interest in various lots in Demarcation District No. 379, Siu Sau Tsuen	Galaxy Power Investment Limited	Tuen Mun	30 Jun 2047	Agricultural Land Lots	7,166	0	planning	0	0	0.00	28.70	100%	28.70	0%	0.00	100%	28.70
X-2	Various lots in Survey District No. 1 Nga Tsin Wai Village	Sai Ling Realty Limited	Kowloon	30 Jun 2047	Building	3,025	0	planning	0	0	0.00	400.00	100%	400.00	0%	0.00	100%	400.00
X-3	The Remaining Portion of Lot No. 1457 in Demarcation District No. 123, Fung Lok Wai	Mutual Luck Investment Limited	Yuen Long	30 Jun 2047	Agricultural Land Lots	799,983	0	planning	0	0	0.00	946.00	60%	567.60	0%	0.00	60%	567.60
X-4	Development right in Hai Tan Street/ Kweilin Street/Pei Ho Street	Swiss Investments Limited	Shum Shui Po	To be advised[3]	Residential/ Commercial	7,507	55,342	planning	50	2,200	6,477.00	1,280.00	100%	1,280.00	0%	0.00	100%	1,280.00
	Total											2,654.70		2,276.30		0.00		2,276.30

Notes:

1. All areas are stated in approximations.
2. All values are stated in approximations.
3. To be advised subject to execution of land grant document.

Group XI – Property held by both property groups under development in Singapore

Valuation Summary as at 28 February 2015

Property No.	Property name	Holding entity	Expiry date of land tenure	Type of property	Site area	Planned [1] floor area	Scheduled completion date of construction	Pre-sale GFA [1]	Pre-sale consideration	Construction cost incurred	Construction cost to be incurred	Development value [2] as if completed as at the Valuation Date	Market value [2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value [2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value [2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value [2] in existing state attributable to both property groups as at the Valuation Date
					(sq m)	*(sq m)*		*(sq m)*	*(SGD million)*	*(SGD million)*	*(SGD million)*	*(SGD million)*	*(SGD million)*	*(%)*	*(SGD million)*	*(%)*	*(SGD million)*	*(%)*	*(SGD million)*
XI-1	Thomson Grand	Luxury Green Development Pte. Ltd	7 Feb 2109	Residential	20,848	48,159	2015	48,159	641	154	92	641.00	549.00	100%	549.00	0%	0.00	100%	549.00
	Total				20,848	48,159		48,159	641	154	92	641.00	549.00		549.00		0.00		549.00

Notes:

1. All areas are stated in approximations.
2. All values are stated in approximations.

Group XII – Property held by both property groups for future development in Singapore

Valuation Summary as at 28 February 2015

Property No.	Property name	Holding entity	Expiry date of land tenure	Type of property	Site area[1]	Permissible GFA[1]	Market value [2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value [2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value [2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value [2] in existing state attributable to both property groups as at the Valuation Date
					(sq m)	*(sq m)*	*(SGD million)*	*(%)*	*(SGD million)*	*(%)*	*(SGD million)*	*(%)*	*(SGD million)*
XII-1	Land Parcel at Upper Serangoon Road	Kovan Treasure Pte. Ltd.	24 Feb 2114	Residential, Commercial	10,097	30,292	265.00	50%	132.50	50%	132.50	100%	265.00
	Total				10,097	30,292	265.00		132.50		132.50		265.00

Notes:

1. All areas are stated in approximations.
2. All values are stated in approximations.

Group XIII – Property held by both property groups under development in the UK

Valuation Summary as at 28 February 2015

Property No.	Property name	Holding entity	City	Land use	Nature of land tenure	Type of property	Site area[1]	Planned GFA[1]	Date of commencement of construction	Scheduled completion date of construction	No. of car parking spaces	Construction cost incurred	Construction cost to be incurred	Development value[2] as if completed as at the Valuation Date	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
							(sq m)	*(sq m)*				*(GBP million)*	*(GBP million)*	*(GBP million)*	*(GBP million)*	*(%)*	*(GBP million)*	*(%)*	*(GBP million)*	*(%)*	*(GBP million)*
XIII-1	Chelsea Waterfront (Lots Road)	Circadian Limited	London	Residential, Leisure, Commercial, Culture, Carpark	Freehold	Residential led mixed use development	35,620	119,069	2012	2018	618	26	440	1,551.00	515.00	47.5%	244.62	47.5%	244.62	95%	489.25
	Total						35,620	119,069			618	26	440	1,551.00	515.00		244.62		244.62		489.25

Notes:

1. All areas are stated in approximations.
2. All values are stated in approximations.

Group XIV – Property held by both property groups for future development in the UK

Valuation Summary as at 28 February 2015

Property No.	Property name	Holding entity	City	Land use	Nature of land tenure	Type of Property	Site area[1]	Planned GFA[1]	Date of commencement of construction	Scheduled completion date of construction	No. of car parking spaces	Market value[2] in existing state as at the Valuation Date	Interest attributable to the Cheung Kong Property Group	Market value[2] in existing state attributable to the Cheung Kong Property Group as at the Valuation Date	Interest attributable to the Hutchison Property Group	Market value[2] in existing state attributable to the Hutchison Property Group as at the Valuation Date	Interest attributable to both property groups	Market value[2] in existing state attributable to both property groups as at the Valuation Date
							(sq m)	*(sq m)*				*(GBP million)*	*(%)*	*(GBP million)*	*(%)*	*(GBP million)*	*(%)*	*(GBP million)*
XIV-1	Convoys Wharf	Convoys Properties Limited	London	Residential, Restaurant, Leisure/ Hotel Retail, Culture, Wharf uses, Employment Carpark	Freehold	Residential led mixed use development	161,400	419,000	2015	2024	1,840	125.00	50%	62.50	50%	62.50	100%	125.00
	Total						161,400	419,000			1,840	125.00		62.50		62.50		125.00

Notes:

1. All areas are stated in approximations.
2. All values are stated in approximations.

The following is the text of a letter and a summary of valuations prepared for the purpose of incorporation in this listing document received from Gerald Eve LLP, an independent property valuer, in connection with its opinion of the value of certain property interests of the Cheung Kong Property Group and the Hutchison Property Group in the United Kingdom as at 28 February 2015. As stated in "Appendix VIII – Documents Available for Inspection", the full property valuation report is available for public inspection.



GERALDEVE

Gerald Eve LLP
72 Welbeck Street, London, W1G 0AY
www.geraldeve.com

[●] 2015

The Directors
Cheung Kong Property Holdings Limited
7th Floor
Cheung Kong Center
2 Queen's Road Central
Hong Kong

Dear Sirs

Instructions

In accordance with your instructions we have undertaken a valuation of the freehold and long leasehold subject property, Albion Riverside, Hester Road, London, SW11 4AN (the "Property"). We have pleasure in providing this valuation report. We understand that this valuation report is prepared in connection with the listing of the shares of Cheung Kong Property Holdings Limited (the "Company") on the Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange") and is to be used for the purpose of incorporation into the listing document of the Company.

In preparing this report, we confirm that Gerald Eve LLP are acting as independent valuers and we are not aware of any conflict of interest in this respect, albeit we note that Gerald Eve LLP has carried out accounts valuations on the Property within the past 6 months.

Bases of Valuation and Valuation Assumptions

Our report and valuation have been carried out in accordance with the Valuation Practice Statements and Practice Guidance contained in the Valuation – Professional Standards, incorporating the International Valuation Standards of the International Valuation Standards Committee (IVSC), January 2014 ("the Standards"). We confirm that this valuation conforms with the requirements as set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by the Stock Exchange (the "Listing Rules").

In valuing the Property we have adopted a market rent which is defined as "the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

We have also valued on the basis of market value which is "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

As advised by Hutchison Whampoa Limited, the potential tax liability that would arise on the disposal of the Property at the amount valued by us should mainly comprise a corporate tax at 21% (20% from 1 April 2015) on any gain on the freehold interest in the Property and residential ground rents. There is no potential tax liability which should arise upon the disposal of the commercial parts of the Property and the rental income related thereto.

According to our standard practice and in the course of our valuation, we have neither verified nor taken into account such tax liability and we accept no liabilities in relation to the aforementioned tax liability statements.

Method of valuation

We have valued the Property on the basis that it is held as an investment and we have therefore used the investment method of valuation which involves capitalising the rental income with consideration taken as to whether there is any reversionary potential or not in the property. With regard to both the market rent and market value we have referred to comparable market transactions to arrive at a rental rate and net initial yield to be adopted for the Property.

Limitation

Our valuation is totally dependent on the accuracy of the information which has been supplied to us and upon the assumptions set out herein. If they prove to be incorrect or inadequate, the accuracy of the valuation may be affected. We have relied upon information provided by Hutchison Whampoa Properties (Europe) Limited with regard to title documents, leases and have relied upon these as being true copies of the originals.

Investigations

A full inspection of the Property was undertaken by James King (MRICS and RICS Registered Valuer) on 16 February 2015. The valuation reported herein is subject to the assumption that no material changes to either the Property or its immediate locality have taken place between our inspection and the valuation date.

On the day of inspection the buildings of the Property appeared to be in a good condition commensurate with their age. We did not notice any signs of deleterious materials such as asbestos. We would comment that we have not carried out a building survey and our comments relate to a visual inspection of the buildings only. The Property appeared to be served by gas, electricity, mains water and drainage services although we have not tested these services.

The valuation date for the valuation reported herein is 28 February 2015.

This report has been prepared by Nigel Whitehurst MRICS and checked by Michael Riordan MRICS, both of whom are RICS Registered Valuers. We also confirm that the individuals carrying out this valuation have the appropriate knowledge, skills and experience to undertake the valuation competently.

We enclose herewith a summary of our valuations.

Yours faithfully

Nigel Whitehurst MRICS,
RICS Registered Valuer
Partner

For and on behalf of Gerald Eve LLP

Michael Riordan MRICS,
RICS Registered Valuer
Partner

For and on behalf of Gerald Eve LLP

Gerald Eve LLP is a limited liability partnership registered in England and Wales (registered number OC339470) and is regulated by the RICS. The term partner is used to refer to a member of Gerald Eve LLP or an employee or consultant with equivalent standing and qualifications. A list of members and non-members who are designated as partners is open to inspection at our registered office; 72 Welbeck Street, London W1G 0AY and on our website.

1. Location

The Property is situated in Battersea in south west London. The Property is situated some 1.5 miles north of Clapham Junction, 4 miles south west of the West End and 1.5 miles east of Fulham. Further Kings Road is situated some 0.5 miles to the north.

The Property is situated on Hester Road which is accessed via the A3220 (Battersea Bridge Road) immediately to the south of the River Thames in between Battersea Bridge Road and Albert Bridge Road. The site is irregular in shape and is bounded to the north by the River Thames, to the south by residential and Ransome's Dock Business Centre and to the west by Battersea Bridge Road.

The Property forms part of a large development of commercial and residential premises which was constructed in 2004 and forms part of three buildings.

Building 1: **Unit 1** comprises a ground floor retail unit beneath the Peabody residential block.

Main Building: **Units 2-7** are all situated beneath the main residential block whilst **Unit 8** is situated within another detached self-contained residential block. Units 5, 6 and 8 are all irregular in shape. Unit 8 further suffers from intrusion into the office space from the core for the residential block above.

Building 2: Finally the offices are situated on the south side of Hester Road and again are self-contained.

At the time of our inspection the Property appeared to be served by mains electricity, gas, water and drainage services.

None of these services were tested at the time of inspection, but, for the purpose of the valuation reported herein, we have assumed all services to be fully operational.

2. Accommodation

We have relied on floor areas provided by Hutchison Whampoa Properties (Europe) Limited which show the Property having a total net internal floor area of 6,378.71 sq m (68,622 sq ft) on a site of 14,949.06 sq m (3.694 acres).

3. Condition

The inspection we have carried out was for valuation purposes only and did not include a full building survey. However, from our observation, with regard to the general condition of the subject premises, we would comment as follows.

The subject premises were generally in a good condition. We did not notice any major structural defects or wants of repair and would expect the Property to let and/or sell readily in its current condition.

Upon inspection we did not notice any obvious sign of deleterious and/or hazardous materials nor would we expect any as the buildings were only constructed within the last 10 years. Accordingly, for the purpose of the valuation reported herein we have assumed that the subject premises are free from such materials.

With regard to physical obsolescence, if a regular maintenance programme is adhered to we would expect the subject premises to have a useful life in excess of twenty five years as the buildings were constructed in 2004.

4. Environmental Issues

The inspection we have carried out was for valuation purposes only and did not include an environmental survey. However, we have commissioned and reviewed an Enviroscreen desktop environmental survey (the "Enviroscreen survey") which provides a basic indication as to whether there is potentially contamination on the site from previous uses either on the site or nearby. As stated below historical maps are used to ascertain this information.

The findings of Enviroscreen survey are as follows.

"From a review of historical map data the Enviroscreen data has identified that the site is located on or within 25 metres of metal casting/foundries, weapons & ammunition manufacture and storage, road haulage.

A review of selected 1:2,500 and 1:1,250 scale Ordnance Survey mapping covering a period from 1943 to 1996 has identified that the site is on or within 25 metres of potential tanks, tanks, electrical sub station facilities.

Larger scale mapping has also been considered in order to formulate this certificate. The 1874 edition 1:2,500 map indicates that a lead works, timber yard and saltpetre works was located on site".

We would comment however that the Property was only developed in the last 10 years and any contamination should have been dealt with at that point.

We can accept no liability with regard to the accuracy of the Enviroscreen survey. However, for the purpose of the valuation reported herein, we have assumed that the subject premises do not suffer from any environmental issues which might adversely affect their value.

We have had reference to the Environment Agency's flood map. The flood map identifies sites that may be at risk from sea or river flooding. The assessment of flood risk for the site of the Property is as follows.

Low – "...unlikely to flood except in extreme conditions. The chance of flooding each year is 0.5% (1 in 200)". Whilst the Property is adjacent to the River Thames there are flood defenses in place (most notably the Thames Barrier).

5. Planning

We have had reference to the planning policies of the London Borough of Wandsworth whose planning policies are contained within the Wandsworth Local Plan of which the Core Strategy adopted in October 2010 is the most important document. Within the proposals map adopted in February 2012 the Property is situated in the Wandsworth Thames Policy Area and Focal Points of Activity. Both of these are covered by Policy 6, Meeting the needs of the local economy and Policy 9, River Thames and the riverside.

We have made enquiries of the London Borough of Wandsworth and can confirm that the subject premises have planning permission for their current B1 (office), D1 (Art Gallery and non residential), D2 (dance/sports hall/gym/leisure uses), A2 (financial and professional services), A3 and A1 (retail) uses.

We have had reference to the planning website of the London Borough of Wandsworth and note the Property is subject to various planning permissions between 15 March 2001 and 12 January 2015 relating to the construction of the original development to changes of use.

The subject premises are not listed as a building of special architectural or historic interest nor are they situated within a conservation area.

We understand that the property is accessed via a public highway and are not aware of any planning or highway proposals for the surrounding area which might adversely affect the Property.

6. Tenure

The Property is held long leasehold on four 999 year leases all at a peppercorn rent (virtual freehold) between Albion Properties Limited (freeholder) and Albion Residential Limited (leaseholder) and Albion Properties Limited (freeholder) and Albion Riverside Commercial Limited (leaseholder).

Title Investigation

We have been provided with copies of the following Land Registry documents by Hutchison Whampoa Properties (Europe) Limited and we have relied upon these documents as being true copies of the originals. We have relied upon these documents in the course of our valuation as well as any information provided by Hutchison Whampoa Properties (Europe) Limited relating to number of car parking spaces and ground rents payable from the residential property.

Having reviewed the Land Registry documents we would comment that the long leasehold interests are free from any encumbrances, unduly onerous or unusual easements, rights of way, rights of light, restrictions, outgoings or conditions which would have an adverse effect upon the value of the Property. Within the title documents there are a number of charges relating to a variety of transfers and also agreements made pursuant to Section 106 of the Town and Country Planning Act 1990 when the site was developed in 2004. Further there is a charge to HSBC Bank plc which relates to a mortgage taken out over the commercial parts of the Property.

If we are subsequently provided with a report on title we would be pleased to comment upon what impact its content would have upon the valuation reported herein. We would remind you that if information should come to light which contradicts the assumptions made herein this could have a material effect upon our valuation. We, therefore, reserve the right to amend our valuation accordingly should this prove necessary.

7. Tenancy

We have been provided with a copy of all of the leases by Hutchison Whampoa Properties (Europe) Limited and have relied upon these as being true copies of the originals. All of the leases are on standard institutional leases with full repairing and insuring terms and are subject to 5 yearly upwards only rent reviews to open market rent.

The ground floor commercial units are let on 10 leases and 17 motorbike/car parking spaces whilst the offices are let on 10 leases and 3 motorbike/car parking spaces. All of the flats and residential car parking spaces have been sold off on 989 year leases.

The total monthly rent is £126,931.83 per month (£1,523,182 per annum).

8. Market Commentary

The UK commercial real estate market continued to perform strongly during Q3 2014, with values rising on average by 3.0% for all property. This rate of growth however was slightly down on the 3.3% for the second quarter, after five successive quarters of accelerating growth. The strong level of value growth contributed to a total return of 4.4% for the quarter, the second highest since Q1 2010. A total return of 4.4% exceeds the performance of both bonds and equities over the period, which returned 2.9% and -0.9% respectively (JP Morgan 7-10 year/MSCI UK).

Rental value growth improved marginally across all UK property, rising from on average 0.7% in Q2 to 0.8% in Q3. Nevertheless, the majority of capital value growth stemmed from continued improvements in investor sentiment as yield compression added 2.7% to values over the quarter.

Looking at the twelve months to September 2014, UK commercial property posted on average a total return of 18.3%, up on the return of 16.4% in the twelve months to end June. The return to the end of Q3 was also the highest level recorded since 2010, reflecting the continuing market upswing across the country. Disaggregating returns by geography shows the continued strong performance of the London market, driven by the capital's retailing and its office occupier demand. However, many UK regions, even if looking slightly more subdued than in Q2, are still sharing in the overall picture of solid rental markets and rising values.

The office sector performed robustly with a total return of 5.1% on average for the quarter based on capital growth of 3.9%. West End office growth decelerated compared to Q2, but offices on the inner London fringes and in outer London picked up. Offices in the capital continued to see by far the strongest rental value growth in the UK, reflecting buoyant occupier conditions whilst the regional office market has been aided by strong investor demand.

The Property is not situated in an established office location but as evidenced by the recent sub letting to Victoria Beckham Limited the offices can attract well known occupiers to the area. This is in part due to the location close to Kings Road but also the more competitive office rents than those being achieved in the West End or areas immediately to the north of the river. There are other offices in the Battersea area including Glassmill at 1 Battersea Bridge but these tend to be older buildings, above retail units or converted warehouses along the river and do not offer much competition for the Property which provides higher specified Grade A space.

9. Method of Valuation

In valuing the Property we have adopted a market rent which is defined as:

"The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

We have also valued on the basis of market value:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

We have valued the Property on the basis that it is held as an investment and we have therefore used the investment method of valuation which involves capitalising the rental income with consideration taken as to whether there is any reversionary potential or not in the Property. With regard to both the market rent and market value we have referred to comparable market transactions to arrive at a rental rate and net initial yield to be adopted for the Property.

10. Market Rent

Due to the lack of similar office buildings in the immediate area we researched rental comparables north of the River Thames rental levels in Millbank Tower, which is closer to the House of Parliament and Westminster, at annual rent of around £312.04 per sq m to £322.80 per sq m (£29 per sq ft to £30 per sq ft) with a further letting at Harbour Yard in Chelsea Harbour achieving £349.70 per sq m (£32.50 per sq ft). However the most pertinent evidence comes from within the Property where a letting at a rent of £285.14 per sq m (£26.50 per sq ft) was agreed last year.

With regard to the Property we have adopted rental values of between £247.48 per sq m to £285.14 per sq m (£23 per sq ft to £26.50 per sq ft) on the ground floor only units reflecting the irregular shapes and locations within the Property.

Further we have adopted a rental value of £295.90 per sq m (£27.50 per sq ft) on the 1st to 4th floors and £269 per sq m (£25 per sq ft) on the ground floor of Building 2 reflecting the uniform shape and specification of the building.

We have then added on the ground rent of £57,925 per annum for the residential property.

Having had reference to the above evidence, we are of the opinion that, as at 28 February 2015, the subject premises could command a market rent of:

£1,903,000 per annum rounded (net)

11. Lettability

Given the nature of the subject premises we would expect them let fairly readily should they become vacant in the near future.

With reference to current market conditions, if the Property is vacant as at the valuation date we would expect a marketing period of 9 months and a rent free period of 6-9 months to be required to achieve lettings at the market rents reported above.

12. Market Value

Due to the location and size of the Property we have researched investment sales in the wider central London area with deals most notably being from around Holborn in an area known as mid town. Net initial yields (the initial immediate return of the property at the stated valuation/price based on the

present income the property produces. This is calculated by reference to current passing rent divided by the gross value before deduction of purchasers costs taken as 5.8%) range from 3.34% to 5.5% dependant on lot sizes, unexpired lease terms and covenant strengths of the tenants. Currently net initial yields for office buildings in central London are reflecting good demand from investors. The Property is outside of the West End in a non office location but is a modern building let to strong covenants. We have therefore adopted an overall net initial yield of 5.25% reflecting the above. This excludes the residential ground rents.

All of the comparables show net initial yields which we then refer to in order to arrive at a net initial yield for the Property reflecting the location, how long is left on the leases and how strong the tenants are financially.

Further there is currently a strong demand from funds for ground rent investments with yields ranging from sub 4% for investments with fixed rental increases to over 6% for those without. With regards to the ground rents we have adopted a net initial yield of 5% reflecting the location of the block above offices but on the River Thames and the rental increases.

Market Value

In assessing the market value of the subject premises we have followed the investment method of valuation. We have valued the ground units, detached office block and car parking spaces individually to reflect the different lease lengths and covenant strengths of the tenants. We have therefore valued the ground units at a net initial yield of 4.54% (although there is a rent free on Unit 1 which means the net initial yield is artificially low), 6% on the offices and 7% on the car parking spaces. This shows an overall net initial yield of 5.25% and a reversionary yield of 6.35% for the entire property.

Where there are outstanding rent reviews we have assumed that where market rents are higher than the passing rent the review is settled at a mid-way point (as a rent review is subject to negotiation between the 2 parties).

We have valued the residential ground rent at a net initial yield of 5%.

We are of the opinion that the market value of the long leasehold interests in the subject premises, subject to the existing tenancies, as at 28 February 2015, is in the sum of:

£28,340,000
(Twenty Eight Million Three Hundred and Forty Thousand Pounds)

13. Saleability

The market value stated above, makes the assumption that, prior to the valuation date, the Property is exposed to the market in the most appropriate manner and over a sufficient length of time so as to effect its disposal at the best price reasonably obtainable.

We are of the opinion that a sale of the subject premises would take in the order of six months from commencement of marketing to exchange of contracts.

We would expect potential purchasers to include funds or wealthy private individuals.

Summary disclosure

Property held for investment

Albion Riverside, Hester Road, London, SW11 4AN

United Kingdom

Use and Brief Description of Project	Total Gross Floor Area	Leasable/ Saleable Area	Number of Rooms/ Units	Number of Car Parking Spaces	Terms of Tenure (Year of Leasehold Expiry)	Construction Commencement Date (if under Development)	Year of Completion	Development Cost, where Property is being Developed (as required under rule 5.06(3)(e))	Average Occupancy Rate	Average Effective Rent (as required under rule 5.06(2))	Market Value in Existing State as at 28 February 2015	Interest Attributable to the Cheung Kong Property Group	Market Value in Existing State Attributable to the Cheung Kong Property Group as at 28 February 2015	Interest Attributable to the Hutchison Property Group	Market Value in Existing State Attributable to the Hutchison Property Group as at 28 February 2015	Interest Attributable to Both Property Groups	Market Value in Existing state Attributable to Both Property Groups as at 28 February 2015
Freehold (ground rent)	N/A	N/A	N/A	N/A	N/A	N/A	2004	N/A	N/A	£4,827.08 per month	£1,095,000	45%	£492,750	45%	£492,750	90%	£985,500
Office/Commercial	7,331.23 sq m (78,915 sq ft)	6,378.71 sq m (68,622 sq ft)	22	24	999 years (3002)	N/A	2004	N/A	100%	£122,104.75 per month	£27,245,000	45%	£12,260,250	45%	£12,260,250	90%	£24,520,500
																	£25,506,000

The following is the text of a letter and a summary of valuations prepared for the purpose of incorporation in this listing document received from Smiths Gore, an independent property valuer, in connection with its opinion of the value of certain property interests of the Cheung Kong Property Group and Hutchison Property Group in the United Kingdom as at 28 February 2015. As stated in "Appendix VIII – Documents Available for Inspection", the full property valuation report is available for public inspection.



Smiths Gore
17-18 Old Bond Street
London WIS 4PT
United Kingdom

[●] 2015

The Directors
Cheung Kong Property Holdings Limited
7th Floor
Cheung Kong Center
2 Queen's Road Central
Hong Kong

1.0 VALUATION TERMS

1.1 Instructions

In accordance with your instructions, we have undertaken a valuation of the freehold interest in the property known as the land at Teversham Road, Fulbourn, Cambridgeshire with vacant possession (the "Property") held for future development. The asset valued will be referred to in this report as the Property and essentially comprises approximately 68,500 square metres (16.93 acres) of bare land adjoining the village of Fulbourn. The Property is jointly owned by Cheung Kong (Holdings) Limited and Hutchison Whampoa Limited, with each holding a 50% interest in the Property.

This valuation is carried out in accordance with our standard assumptions for the preparation of valuations.

All valuations are carried out in accordance with The Royal Institution of Chartered Surveyors (the "RICS") Valuation – Professional Standards January 2014 (the "Standards") which is fully compliant with the International Valuation Standards of the International Valuation Standards Council.

We confirm that this valuation conforms with the requirements set out in Chapter 5 and Practice Note 12 of the Rules of Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("The Hong Kong Stock Exchange Listing Rules").

1.2 Purpose and valuation basis

The valuation is to be used for the purpose of incorporation into the listing document of Cheung Kong Property Holdings Limited.

The basis of valuation is **Fair Value** as adopted by the International Accounting Standards Board (IASB) in International Financial Reporting Standards (IFRS 13), which is defined as:–

"The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date"

For reference, the HKIS (Hong Kong Institute of Surveyors) Valuation Standards 2012 Valuation Standard 9 – Valuations for Financial Statements and Accounts Reporting – follows the same definition of "Fair Value" as defined by the IFRS 13 (HKFRS 13).

The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability). The references in IFRS 13 to market participants and a sale make it clear that for most practical purposes, Fair Value is consistent with the concept of Market Value, the most commonly used valuation base.

1.3 Date of valuation

The date of the valuation is the 28th February 2015.

1.4 Disclosure of prior involvement

Patrick Moseley (joint valuer) has previously provided advice pertaining to the subject property to Castlefield International Ltd but we do not consider this poses a conflict of interest.

1.5 Status of the valuer

The valuation is carried out by Thomas Lockton MA(Cantab) MSc MRICS FAAV (RICS Registered Valuer) and Patrick Moseley MSc MRICS (RICS Registered Valuer) acting as external valuers having no material links with the client, an agent acting on behalf of the client or the subject. We confirm that Thomas Lockton and Patrick Moseley have the necessary skill and knowledge of the market to undertake this valuation competently.

1.6 Extent of investigations

The Property was inspected by Patrick Moseley on 28th November 2014. As stated in 2.4 and 2.5 of this report, no ground or environmental surveys have been carried-out.

1.7 Nature and sources of information relied upon

We were provided with the following from Hutchison Whampoa Properties (Europe) Limited ("Hutchison Whampoa") which we have relied upon in our valuation:

- Title Register and Title Plan of the Property
- Verbal information regarding the Property's attributes and current planning status

We have also carried out our own investigations into the site's planning situation.

2.0 PROPERTY DESCRIPTION

2.1 Location & Description

The Property is a plot of land situated on the northern edge of the village of Fulbourn, bounded by Cow Lane to the south and Teversham Road to the west. Fulbourn itself is located approximately 3 miles to the East of Cambridge.

The Property has no existing use. It is capable of agricultural, horticultural, equestrian or amenity use but as far as we are aware is not used for such and lies vacant.

The Property is held for potential future development.

The Property extends to approximately 68,500 square metres (16.93 acres) predominantly comprising pasture and divided into two main blocks. Approximately 6,880 square metres (1.70 acres) is made up of a pond and woodland. The Property is bounded along the northern boundary by a railway line and by residential properties on the western, southern and eastern boundaries.

2.1.1 Buildings

There are no buildings on the site.

2.2 Condition

The Property appears to be in good condition but is not cultivated and subject to minimal management. There is evidence of (unauthorised) public access.

2.3 Site and Ground Conditions

There were no obvious signs of any adverse ground conditions noted during our inspection of the site or in the immediate locality. We are unaware of any soil investigations having been undertaken on the site and have assumed, therefore, that there are no adverse ground conditions.

2.4 Environmental factors

We have not undertaken or commissioned an environmental assessment or soil test to establish whether contamination exists or may exist. We are not aware of any such assessments having been prepared by a specialist advisor in respect of the Property and its environs. In practice, purchasers in the property market do require knowledge about contamination and other environmental factors. A prudent purchaser of the Property would be likely to require appropriate investigations to be made to assess any risk before completing a transaction. Should it be established that contamination does exist, or the property is affected by other environmental factors, this might reduce the value now reported.

During our inspection we did not observe any evidence of potential or actual contamination or deleterious materials in the Property itself or its immediate vicinity that we consider would be likely to affect our valuations. However we would emphasise that we have not undertaken any detailed site investigations. Our inspection was only of a limited visual nature and we cannot give any assurances that previous uses on the site or in the surrounding areas have not contaminated subsoils or groundwaters.

For the purposes of this valuation, we have therefore assumed that neither contamination nor deleterious materials exist within the Property that would affect our opinions of value reported herein. However, we would stress that should this assumption prove to be incorrect, we would reserve the right to reconsider the market values reported herein.

3.0 LEGAL AND TITLE MATTERS

3.1 Title

We are to value the freehold of the Property subject to any tenancies identified below.

The Property consists of 2 Titles:

1. Title No. CB344724 (access land off Teversham Road)

2. Title No. CB292379 (main block of land)

The Property is jointly owned by Cheung Kong (Holdings) Limited and Hutchison Whampoa Limited, with each holding a 50% interest in the Property.

We have had sight of the Title Register (Title No. CB344724) and Title Plan of the Property (provided by Hutchison Whampoa) which appears to show that there is good and marketable title and not subject to any onerous restrictive covenants or encumbrances, and thus have valued on this assumption:

- The Registered Proprietor is listed as "Castlefield International Limited care of Cheung Kong International Limited"

- The date of registration appears to be the 28th April 2009

We have had sight of the Title Register (Title No. CB292379) and Title Plan of the Property (provided by Hutchison Whampoa) which appears to show that there is good and marketable title:

- The Registered Proprietor is listed as "Castlefield International Limited care of Cheung Kong International Limited"

- The date of registration appears to be the 14th February 2005

We have relied on the information provided by Hutchison Whampoa regarding the title to the Property. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

We have assumed that the minerals and sporting rights are included in the Titles.

3.2 Access

Access is taken from Teversham Road at the Western end of the site. There is also potential access off Cox's Drove which runs along the eastern boundary. We have assumed the property has vehicular and pedestrian access from the public highway for the current use and for any future development.

3.3 Subsidies and grants

We are not aware of any subsidies or grants in favour of the Property and have valued upon the assumption that there are none.

3.4 Tenancies

We have been informed by Hutchison Whampoa that there are no tenancies or occupational agreements over the land and thus have valued on the basis of Vacant Possession.

3.5 Services

We have assumed that the Property is currently not supplied with any services but that if developed, the land could be connected at a reasonable cost to all necessary services. In accordance with our Standard Assumptions, these services have not been tested or verified.

3.6 Planning

The site falls within the planning jurisdiction of South Cambridgeshire District Council, who submitted their new Local Plan (2011-2031) and its supporting documents for independent examination to the Secretary of State for Communities and Local Government via the Planning Inspectorate in March 2014 with the next block of hearings scheduled for the first quarter of 2015.

The proposed policies inset map for Fulbourn which shows the land provisionally designated as "Local Green Space". However, we understand that this designation will be contested at the Examination in Public.

The site is subject to a Planning Application for Outline Planning Permission for "Land at Teversham Road, Fulbourn – High quality residential development of up to 110 dwellings with areas of landscaping and public open space, one access point and associated infrastructure works" (the "Planning Application").

The Planning Application was registered on the 19th September 2014; the publicity period began on the 14th of October and ended on the 4th of November 2014. No decision has been made as at the date of valuation. We understand that the Planning Application is to be heard by the South Cambridgeshire District Council Planning Committee in April 2015.

4.0 MARKET COMMENTARY AND VALUATION

4.1 UK Market Commentary

4.1.1 Farmland – England and Wales

With a decrease in commodity prices over the last year, an anticipated increase in interest rate and reduced land-related subsidies one would expect to see that the pressure on land prices should ease. Nevertheless over the last year we have seen examples of record breaking prices being achieved and our research suggests overall prices are up 3% over the year, with prices of bare land up 7%.

In certain parts of the country prices are rising, especially in the Hampshire/Wiltshire/ Gloucestershire area, where values have not only increased, but some have been well above the general market level. We have noticed a general trend of size premium developing in the market of late, and there have been many more such examples over the last six months, but mainly for primarily arable land in sought after regions.

These well publicised sales and national price movements are however only part of the story. In much of the rest of the country, where sales are taking longer to transact and in a number of instances, guide prices are not being achieved. However, with increasing evidence of guide prices not being achieved, we have reason to believe that the data, which is based on guide prices, may be belying true market sentiment and that for many parts of the country we do not believe there has been much of an increase in land values.

Therefore although the national data suggests a rise in values, for most areas this may not be applicable, since these national movements hide some wide variations in prices as well as differences in market sentiment. The valuation of farmland is becoming increasingly difficult over the last year and much more localised. The range of values between quality has not only increased, but so too, the spread between regions, with some areas becoming extremely competitive, especially the fashionable parts of the country of easily workable arable land in large contiguous blocks. Elsewhere the picture is more mixed.

4.2 Valuation Methodology & Commentary

As at the date of valuation there has been no decision made on the Planning Application (as stated in 3.6 of this report). There currently exists 'Hope Value' attached to the land with respect to the possibility of the current Planning Application (or another future application for a revised residential scheme) being granted.

When quantifying Hope Value, there exists a degree of uncertainty as land with such development potential is rarely sold in the open Market; i.e. the land is either held until permission is granted or refused. We have valued on a **Comparable Basis**.

We consider the level of Hope Value premium the Market would attach to the land is modest given the current planning situation. Principally, the fact that the Property was rejected for proposed residential development in the South Cambridgeshire District Council's Strategic Housing Land Availability Assessment (SHLAA, 2012) and designated as 'Local Green Space' in the draft Local Plan would suggest prima facie that the likelihood of permission being granted for the current Planning Application is unlikely. That is not to say that if the decision were appealed that permission may not be possible, but at this stage with no certainty over viability, we are of the opinion that the Market would deem the risk too high to pay beyond quite modest Hope Value over and above its Existing Use Value (as grazing pasture, pony paddocks, amenity land). However from our knowledge of marketing such sites, as the lot size is relatively small, the site should appeal to a wide variety of purchasers and in particular to private individuals who would be prepared to take a gamble on such a site.

The comparables we have analysed show a range of values, which generally reflects local demand (i.e. farmers looking to expand their existing holdings) rather than from national investors. A selection of comparables considered is listed below:

1. Cambridge Road, Waterbeach, Cambridgeshire

A block of Grade 2 arable land strategically located on the edge of Waterbeach village. The land is classified as Milton series being deep calcareous loamy soil, suitable for growing combinable crops, is currently in arable rotation and is ring fenced. Sold August 2014 for around £20,000/acre or £4.94/square metre.

2. Land South of St Johns Church, Waterbeach, Cambridge

15 acres of grazing land. Marketed since March 2012 and still for sale. No offers and agent believes it is priced too high at £33,000/acre or £8.15/square metre.

3. Walden Road, Little Chesterford, Essex

About 11 acres of paddock/amenity land in an accessible location a few miles from Saffron Walden. Marketed from November to December 2014. Withdrawn but had a guide of £250,000 (£22,727/acre or £5.62/square metre).

4. Land at West Wickham, Cambridgeshire

A single rectangular field classified Grade 2 and of the Ragdale soil series, suitable for growing winter cereals, some arable crops and grass. 10.18 acres (4.12 ha). Sold in September 2013 in excess of the guide price of £85,000 (£8,350/acre or £2.06/square metre).

We deem the best comparable is the first on the schedule due its relatively close proximity to the Property and its 'strategic' village edge location, however, given the advanced planning position of the Property we consider it would command a premium.

We consider the Existing Use Value to be around £12,500/ac or £3.09/square metre (i.e. £211,625 total over 68,500 square metres/16.93 acres).

With respect to the additional Hope Value, bearing in-mind the uncertainties over planning, we are of the opinion that the Fair Value as at the valuation date to be in the region of £25,000/ac or £6.18/ square metre (i.e. £423,250 total over 68,500 square metres/16.93 acres, say £425,000).

Clearly, as the planning situation progresses this value will alter significantly.

4.3 Valuation

We are of the opinion that the current **Fair Value** of the freehold of the Property, on our Standard Assumptions as of **28th February 2015** is **£425,000 (Four Hundred and Twenty Five Thousand Pounds)**.

As advised by the owners of the Property, there is no potential tax liability which would arise on the disposal of the Property at the amount valued by us.

For and on behalf of Smiths Gore

Thomas Lockton MA(Cantab) MSc MRICS FAAV (RICS Registered Valuer)

Patrick Moseley MSc MRICS (RICS Registered Valuer)

Summary Disclosure

Property held for development

Land at Teversham Road, Fulbourn, Cambridgeshire

United Kingdom

Use and Brief Description of Project	Total Site Area	Leaseable/ Saleable Area	Number of Rooms/ Units	Number of Car Parking Spaces	Terms of Tenure (Year of Leasehold Expiry)	Construction Commencement Date (if Under Development)	Year of Completion/ Expected Completion Date	Development Cost, where Property is being Developed (as required under Rule 5.06(3)(e))	Average Occupancy Rates	Average Effective Rent (as required under Rule 5.06(2))	Market Value in Existing State as at 28 February 2015	Interest Attributable to the Cheung Kong Property Group	Market value in Existing State Attributable to the Cheung Kong Property Group as at 28 February 2015	Interest Attributable to the Hutchison Property Group	Market Value in Existing State Attributable to the Hutchison Property Group as at 28 February 2105	Interest Attributable to Both Property Groups	Market Value in Existing State Attributable to Both Property Groups as at 28 February 2015
Land at Teversham road, Fulbourn, Cambridgeshire – vacant land held for development	68,500 sq. m.	68,500 sq. m	N/A (bare land)	N/A (bare land)	Freehold	N/A	N/A	N/A	N/A	N/A	£425,000	50%	£212,500	50%	£212,500	100%	£425,000

The following is the text of a letter and a summary of valuations prepared for the purpose of incorporation in this listing document received from CBRE, Inc., an independent property valuer, in connection with its opinion of the value of certain property interests of the Hutchison Property Group in The Bahamas as at 28 February 2015. As stated in "Appendix VIII – Documents Available for Inspection", the full property valuation report is available for public inspection.

CBRE

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[●] 2015

The Directors
CHEUNG KONG PROPERTY HOLDINGS LIMITED
7/F Cheung Kong Center, 2 Queen's Road Central, Hong Kong

RE: Appraisal of Silver Point Beach Land Freeport,
Grand Bahama Island

Dear Sirs:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property (the "Property"). Our analysis is presented in the following appraisal report. The Property includes the Silver Point Beach Land held by Hutchison Whampoa Limited. This would include approximately 17 acres of land (excluding 1.05 acre of road easement) which is near the Port Lucaya area of Grand Bahama. The aforementioned lands total approximately 68,796.62 square metres according to information that is provided to the appraisers for the purpose of this appraisal.

Based on the analysis contained in the following report (which refers to our full appraisal), the market value of the subject is concluded as follows:

MARKET VALUE CONCLUSION

Appraisal Premise	Interest Appraised	Date of Value	Exposure Time	Value Conclusion
Silver Point Beach Land Value	Fee Simple	28 February 2015	12 Months	USD2,100,000

Compiled by CBRE

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Bahamian Licensing requirements. It also conforms to Title XI Regulations and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) updated in 1994 and further updated by the Interagency Appraisal and Evaluation Guidelines promulgated in 2010 and International Valuation Standards (IVS).

Respectfully submitted,

CBRE, Inc. – VALUATION & ADVISORY SERVICES

Draft

Scott L. Webb
Senior Appraiser – Hospitality Specialist
Florida Cert Gen RZ2002

Draft

James E. Agner, MAI, SGA, MRICS
Managing Director – Florida/Caribbean
Florida Cert Gen RZ382

Draft

Robin Brownrigg, CCRA, CREA
Bahamas Realty

SUMMARY OF SALIENT FACTS

Property Name	Silver Point Beach Land	
Location	Royal Palm Way, Freeport, Grand Bahama Island	
Highest and Best Use		
As Though Vacant	Resort/Residential	
As Improved	Resort/Residential	
Property Rights Appraised	Fee Simple	
Total Land Area Acres/Square Feet*	17.00	740,520
Total Land Area Hectacres/Square Metres*	6.88	68,797
Estimated Exposure/Marketing Time	12 Months	

* Excluding road easement.

VALUATION PREMISE	DATE OF VALUE	TOTAL	Per Acre
Total Land Value	28 February 2015	USD2,100,000	USD123,529
Silver Point Beach Land	28 February 2015	USD2,100,000	USD123,529

CONCLUDED MARKET VALUE

Appraisal Premise	Interest Appraised	Date of Value	Value
Silver Point Beach Land Value	Fee Simple	28 February 2015	USD2,100,000
Total Land Value	Fee Simple	28 February 2015	USD2,100,000

Compiled by CBRE

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the Property. The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;

2. both parties are well informed or well advised, and acting in what they consider their own best interests;

3. a reasonable time is allowed for exposure in the open market;

4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[1]

EXTRAORDINARY ASSUMPTIONS

An *extraordinary assumption* is defined as "an assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analyst"[2]

- Extraordinary assumptions associated with this analysis are that the general descriptions and maps provided to the appraiser are essentially correct. Additionally, we have assumed as an extraordinary assumption, that we have relied on information provided by the owner being correct and accurate and should an actual survey be provided to the appraisers that indicates that the property being appraised is less than or greater than the amounts indicted on the description of the property being appraised, that our appraisal and value conclusions may be subject to change.

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as "that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the Property; or about conditions external to the Property, such as market conditions or trends; or about the integrity of data used in an analysis."[3]

- There are no hypothetical assumptions associated with this analysis.

Notes:

1 Appraisal Institute, *The Appraisal of Real Estate Appraisal*, 14th ed. (Chicago: Appraisal Institute, 2013), 132.

2 The Appraisal Foundation, *USPAP*, 2014-2015 ed., U-3.

3 *Dictionary of Real Estate Appraisal*, 97.

PROPERTY IDENTIFICATION

The Property is identified through maps and information provided to the appraisers and consists of approximately 68,797 square metres of land owned by Hutchison Whampoa Properties Limited (the "owner"). The site is located on Grand Bahama Island in the Commonwealth of The Bahamas near the Port Lucaya area. The subject site is more fully described within the enclosed report.

OWNERSHIP AND PROPERTY HISTORY

Title to the Property is effectively held by Hutchison Whampoa Limited as to 100%. According to Graham Torode, Chief Executive Officer of The Grand Bahama Development Company, the Property was acquired more than 9 years ago. To the best of our knowledge, there has been no other ownership transfer of the Property during the previous three years. It is our understanding that the Property is not being marketed for sale at this time.

PREMISE OF THE APPRAISAL/RELEVANT DATES

The various dates associated with the valuation of the subject and the valuation premise(s) are illustrated as follows:

PREMISE OF THE APPRAISAL/RELEVANT DATES

Date of Report:	28 February 2015
Date of Inspection:	14 January 2015
Dates of Value Silver Point Beach Land Value	28 February 2015

Compiled by CBRE

INTENDED USE OF REPORT

This appraisal is to be used for the purpose of incorporation into the listing document of Cheung Kong Property Holdings Limited.

DESCRIPTION OF THE PROPERTY

The following chart summarizes the salient characteristics of the subject site.

SITE SUMMARY AND ANALYSIS

Physical Description			
Gross Site Area* (Acres/Square Feet)		17.00	740,520
Gross Site Area* (Hectacres/Square Metres)		6.88	68,797
Additional Frontage	Atlantic Ocean	670 Feet/204 Metres	
Shape	Irregular		
Topography	Generally Level at Grade		
Zoning District	Mixed Use		
Flood Map Panel No.	No Flood Zones in Bahamas		
Flood Zone	No Flood Zones in Bahamas		
Adjacent Land Uses	Hotels, Retail, Commercial and Residential		

* Excluding road easement

Comparative Analysis

	Rating
Access	Good
Visibility	Good
Functional Utility	Good
Traffic Volume	Average
Adequacy of Utilities	Serviced by Utilities
Landscaping	None
Drainage	Assumed Adequate

Utilities

		Adequacy
Water	Grand Bahama Utility Company	Yes
Sewer	Grand Bahama Utility Company	Yes
Natural Gas	None	N/A
Electricity	Grand Bahama Power Company (GBPC)	Yes
Telephone	Bahama Telephone Company (BTC)	Yes
Mass Transit	None	N/A

Other	**No**	**Unknown**
Detrimental Easements		X
Encroachments		X
Deed Restrictions		X
Reciprocal Parking Rights		X
Common Ingress/Egress		X

Source: Various sources compiled by CBRE and the owner of the Property

COVENANTS, CONDITIONS AND RESTRICTIONS

There are no known covenants, conditions and restrictions impacting the Property that are considered to affect the marketability or highest and best use, other than zoning restrictions, which are somewhat vague in The Bahamas. The Property is designated for use as a multi-family or hotel use, but any plan would need specific approval by the local authorities.

CURRENT DEVELOPMENT

The Property is currently vacant with no planned development for the near future. There is no development budget, plans and there is no completion date. The land is owned in freehold and there are no known leases involved to the knowledge of the appraisers. There are no buildings on the Property and the only improvements are a seawall along the canal portions of the Property. All utilities including a road are available to the edge of the Property. We have relied upon the owner of the Property for many of the Property details regarding size, potential uses etc. The site once had potential plans for a multi-family development according to the owner but the plans were scrapped due to lack of demand. Detailed development plans were not provided. We do not see that demand existing at the current time or in the near future. As such, the highest and best use of the Property at this time is for holding until such time that demand exists to support development. The Property is not currently listed for sale to the knowledge of the appraisers. No information indicating clarity or defect of title was provided by the client. As such, we can neither confirm nor deny any defect on title.

ENVIRONMENTAL ISSUES

CBRE has not observed, yet is not qualified to detect, the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may have an effect on the value of the Property. For this appraisal, CBRE has specifically assumed that any hazardous materials and/or underground storage tanks that may be present on or near the Property do not affect the Property.

Data Resources Utilized in the Analysis

	RESOURCE VERIFICATION
Site Data	*Source/Verification:*
Size and Shape	Information provided by the owner
Character of Site	Inspection and information provided by the owner

Compiled by CBRE

Extent to which the Property is inspected

CBRE inspected the exterior of the subject, as well as its surrounding environs on 14 January 2015. The date of value is the prospective date of 28 February 2015 per the client's request. This included the following:

- subject exterior
- subject sites topography
- subject sites exposure to water/ocean

This inspection sample was considered an adequate representation of the Property and is the basis for our findings.

CONCLUSION

The Property is vacant and is located in the resort/residential areas of island of Grand Bahama in the Commonwealth of The Bahamas. The site of the Property is serviced by utilities and has street frontage along the Royal Palm Way. Portions of the site have frontage along internal canals and portions have direct ocean frontage (approximately 670 front feet or 204 front metres). The portion of the site that has beach frontage along the Atlantic Ocean is considered to have a very positive value attribute. Overall, there are no known factors which are considered to prevent the site from development to its highest and best use, as if vacant.

APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available. We have taken these factors into consideration when determining which valuation method is the most appropriate for the valuation of a particular asset. In the case of the subject, which is vacant land, the sales comparison approach is deemed most appropriate.

SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per acre, price per room, price per suite, or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons. Typically, the sales comparison approach is the primary approach utilized for vacant land.

METHODOLOGY APPLICABLE TO THE PROPERTY

In valuing the subject sites, only the sales comparison approach is deemed applicable and has been utilized exclusively.

COMPARABLE LAND SALES AND LISTINGS

The following summary chart shows the sales and listings we have utilized from the Caribbean and The Bahamas.

SUMMARY OF COMPARABLE LAND SALES

		Transaction								
No.	Property Location	Type	Date	Proposed Use	Actual Sale Price	Adjusted Sale Price[1]	Size (SF)	Price Per Acre	Price Per SF	Price Per SQ.M.
1	Lot 390 Great River Avenue, St. Anne, Jamaica	Sale	Jun-10	Resort	USD1,300,000	USD1,300,000	615,699	USD91,974	USD2.11	USD22.73
2	Frenchman Bay, St. Thomas, USVI	Sale	Jun-10	Resort/ Residential	USD7,000,000	USD7,000,000	5,662,800	USD53,846	USD1.24	USD13.31
3	Norman Manley Boulevard Negril, St. Anne, Jamaica	Sale	Jun-10	Resort	USD4,000,000	USD4,000,000	1,200,000	USD145,200	USD3.33	USD35.88
4	Private Island Exuma, Exuma, Bahamas	Sale	Oct-13	Residential	USD29,000,000	USD29,000,000	7,274,520	USD173,653	USD3.99	USD42.91
5	Banks Road, Govenor's Harbour, Eleuthera, Bahamas	Listing	Dec-14	Hotel/ Residential	USD2,500,000	USD2,500,000	805,860	USD135,135	USD3.10	USD33.39
Subject	Royal Palm Way, Freeport, Grand Bahama Island	–	–	Resort/ Residential	–	–	–	–	–	

Note:

[1] Transaction amount adjusted for cash equivalency and/or development costs (where applicable)
Compiled by CBRE

The sales utilized were chosen based upon their location in the Caribbean, their sold or listed status along with physical and developmental properties of the comparable sales. The adjustments made to the comparable sales were based upon differences in location, frontage, development potential, date of sale, site size and other differences in physical characteristics. After adjusting for such differences, the sales ranged from USD18.44 to USD40.76 per sq.m..

RECONCILIATION OF VALUE

The value indications from the approaches to value are summarized as follows:

MARKET VALUE CONCLUSION

Appraisal Premise	Interest Appraised	Date of Value	Exposure Time	Value Conclusion
Silver Point Beach Land Value	Fee Simple	28 February 2015	12 Months	USD2,100,000

Compiled by CBRE

As advised by the owner of the Property, the potential tax liability which would arise on the direct disposal of the Property at the amount valued by us is the Bahamian stamp duty at progressive rates from 4% to 10% of the transaction amount of which both the seller and the buyer are jointly and severally liable.

The likelihood of the tax liability being crystallized is remote as the owner has no plans for the disposal of the Property yet.

Summary Disclosure

Property held for development

Silver Point Beach Land

Commonwealth of The Bahamas

Use and Brief Description of Project	Total Site Area	Number of Rooms/Units	Number of Car Parking Spaces	Terms of Tenure (Year of Leasehold Expiry)	Construction Commencement Date (if Under Development)	Year of Completion/ Expected Completion Date	Development Cost, where Property is being Developed (as required under Rule 5.06(3)(e))	Average Occupancy Rates	Average Effective Rent (as require under Rule 5.06(2))	Market Value in Existing State as at 28 February 2015	Interest Attributable to the Hutchison Property Group	Market Value in Existing State Attributable to the Hutchison Property Group as at 28 February 2015
Silver Point Beach Land (excluding road easement) – vacant land held for development	68,797 sq.m.	N/A	N/A	Freehold	N/A	N/A	N/A	N/A	N/A	USD2,100,000	100%	USD2,100,000

The following is the text of a letter and a summary of valuations prepared for the purpose of incorporation in this listing document received from CBRE, Inc., an independent property valuer, in connection with its opinion of the value of certain property interests of the Hutchison Property Group in The Bahamas as at 28 February 2015. As stated in "Appendix VIII – Documents Available for Inspection", the full property valuation report is available for public inspection.

CBRE

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[●] 2015

The Directors
CHEUNG KONG PROPERTY HOLDINGS LIMITED
7/F Cheung Kong Center, 2 Queen's Road Central, Hong Kong

RE: Appraisal of Grand Lucayan Beach and Golf Resort
1 Sea Horse Lane,
Freeport, Grand Bahama Island

Dear Sirs:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property (the "Property") that includes three hotel structures, a casino, retail building, central services building and two golf courses. Currently only two of the hotel structures and one of the golf courses are in operation. The other building has been closed during the last few years. While the hotel contains 1,271 total units, it is effectively operating as a 542-unit resort. Additionally, Hutchison Whampoa Limited (the "owner") has recently leased out one of the other two hotel buildings to a high-end, all-inclusive operator. The lease commencement date is February of 2014 and it runs for seven years with a five year renewal. The lease is essentially a net lease. The renovations were completed in February of 2014. As such, the entire project is not considered stabilized. Therefore, we have also estimated the prospective market values as is and at stabilized operation. In addition to the leased out hotel, the Property also contains a casino which is currently operating and leased out to a third party operator. That revenue stream has been included in the value of the entire project.

Based on the analysis contained in the following report (which refers to our full appraisal), the market value of the Property is concluded as follows:

MARKET VALUE CONCLUSION

Appraisal Premise	Interest Appraised	Date of Value	Exposure Time	Value Conclusion
Prospective As Is	Leased Fee	28 February 2015	12 Months	USD57,000,000
Prospective As Stabilized	Leased Fee	28 February 2017	12 Months	USD63,100,000

Compiled by CBRE

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Bahamian Licensing requirements. It also conforms to Title XI Regulations and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) updated in 1994 and further updated by the Interagency Appraisal and Evaluation Guidelines promulgated in 2010 and International Valuation Standards (IVS).

Respectfully submitted,

CBRE, Inc. – VALUATION & ADVISORY SERVICES

Draft

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SUMMARY OF SALIENT FACTS

Property Name	Grand Lucayan Beach and Golf Resort	
Location	1 Sea Horse Lane, Lucaya, Freeport, Grand Bahama Island	
Highest and Best Use		
As Though Vacant	Hotel	
As Improved	Hotel	
Property Rights Appraised	Leased Fee	
Total Land Area Acres/Square Feet	405.0	17,641,800
Total Land Area Hectacres/ Square Metres	163.9	1,638,978
Improvements – Upon Renovation/Construction		
Number of Buildings	7	
Number of Stories	1 to 10	
Gross Building Area (Combined)	1,027,494 SF	
Number of Rooms	1271 (With 542 Rooms Operated/522 Leased Out & 207 Currently Closed)	
Restaurant/Lounge	19	
Total Meeting Space (Square Feet/Square Metres)	45,000 Sq. Ft./4,181 Sq m (Air conditioned)	
Property Amenities	3 pools, multiple restaurants and bars, beach, casino, spa, golf course and convention center	
Year Built	1963 and 2000	
Condition	Good	
Estimated Exposure/Marketing Time	12 Months	
Financial Indicators		
Projected Year 1 Occupancy	66.0%	
Stabilized Occupancy	68.0%	
Estimated Stabilization	Feb-17	
Projected Year 1 Average Daily Rate	USD117.79	
Stabilized Average Daily Rate	USD134.22	
Projected Inflation Rates	ADR	Expenses
Year 1	5.5%	3.0%
Year 2	6.5%	3.0%
Year 3	7.0%	3.0%
Stabilized	3.0%	3.0%
Going-In Capitalization Rate	8.50%	
Terminal Capitalization Rate	9.00%	
Discount Rate	11.00%	

Year 1 Operating Data	Total	Per Room (542 Rooms)
Total Revenue	USD41,529,666	USD76,623
Operating Expenses	USD38,299,903	USD70,664
Expense Ratio	92.22%	
Net Operating Income (EBITDA)	USD3,229,763	USD5,959

Stabilized Operating Data – Year 3	Total	Per Room (542 Rooms)
Total Revenue	USD46,455,061	USD85,710
Operating Expenses	USD41,085,561	USD75,804
Expense Ratio	88.44%	
Net Operating Income (EBITDA)	USD5,369,500	USD9,906

VALUATION PREMISE	DATE OF VALUE	TOTAL	Per Room (542 Rooms)
Prospective As Is Analysis	28 February 2015		
Sales Comparison Approach		USD63,300,000	USD116,790
Income Capitalization Approach		USD57,000,000	USD105,166
Prospective As Stabilized Analysis	28 February 2017		
Sales Comparison Approach		USD69,400,000	USD128,044
Income Capitalization Approach		USD63,100,000	USD116,421

CONCLUDED MARKET VALUE

Appraisal Premise	Interest Appraised	Date of Value	Value
Prospective As Is	Leased Fee	28 February 2015	USD57,000,000
Prospective As Stabilized	Leased Fee	28 February 2017	USD63,100,000

Compiled by CBRE

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the Property. The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;

2. both parties are well informed or well advised, and acting in what they consider their own best interests;

3. a reasonable time is allowed for exposure in the open market;

4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[1]

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as "an assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the Property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analyst" [2]

- Extraordinary assumptions associated with this analysis are that the existing lease that began in February of 2014 will continue for its term of 7 years. Additionally, we have assumed as an extraordinary assumption, that we have relied on information provided by the owner being correct and accurate and should an actual survey be provided to the appraisers that indicates that the Property being appraised is less than or greater than the amounts indicted on the description of the Property being appraised, that our appraisal and value conclusions may be subject to change.

Note:

[1] Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 73.

HYPOTHETICAL CONDITION

A hypothetical condition is defined as "that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the Property; or about conditions external to the Property, such as market conditions or trends; or about the integrity of data used in an analysis."[3]

There are no hypothetical assumptions associated with this analysis.

Notes:

1 Appraisal Institute, *The Appraisal of Real Estate Appraisal*, 14th ed. (Chicago: Appraisal Institute, 2013), 132.

2 The Appraisal Foundation, *USPAP*, 2014-2015 ed., U-3.

3 *Dictionary of Real Estate Appraisal*, 97.

PROPERTY IDENTIFICATION

The Property is a 1,271-room full service hotel property built in 1963 and 2000 which has had approximately 729 rooms closed for several years. The current owner recently renovated approximately 522 of the rooms and leased them to a third party (Sunwing). The Property is situated on a 405-acre (1,638,978-square metre) site in Freeport, Grand Bahama Island. The Property is operated as a beach and golf resort facility with one functioning golf course and one that has been closed for a few years. The Property address is 1 Sea Horse Lane, Freeport, Grand Bahama Island.

Additionally, the golf course which is not being utilized and is might have some additional value. This value would be created by a potential conversion of the site to residential land. However, there is currently no plan to do and it is unknown whether the government would allow such a conversion. No soil sample has been performed to determine if the chemicals/fertilizers utilized on the property as a golf course would cause a contamination issue and no estimates of the cost to convert the land to a potential residential use have been performed. As such, it is impossible for the appraiser to determine whether this could generate additional value for this site.

OWNERSHIP AND PROPERTY HISTORY

Title to the Property is effectively 100% held by Hutchison Whampoa Limited. According to Graham Torode, Chief Executive Officer of The Grand Bahama Development Company, the Property was acquired more than 10 years ago and has been expanded to include the current structures. To the best of our knowledge, there has been no other ownership transfer of the Property during the previous three years. It is our understanding that the Property is not being marketed for sale at this time.

PREMISE OF THE APPRAISAL/RELEVANT DATES

The various dates associated with the valuation of the Property and the valuation premise(s) are illustrated as follows:

PREMISE OF THE APPRAISAL/RELEVANT DATES

Date of Report:	28 February 2015
Date of Inspection:	14 January 2015
Dates of Value	
Prospective As Is	28 February 2015
Prospective As Stabilized	28 February 2017

Compiled by CBRE

INTENDED USE OF REPORT

This appraisal is to be used for incorporation into the listing document of Cheung Kong Property Holdings Limited.

DESCRIPTION OF THE PROPERTY

The following charts summarize the salient characteristics of the Property site and improvements.

SITE SUMMARY AND ANALYSIS

Physical Description		**Square Feet**	**Square Metres**
Gross Resort Site Area (Including Golf Courses)	405 Acres	17,641,800	1,638,978
Total Hotel Site Area	54.3 Acres	2,365,308	298,658
Grand Lucayan Site Area	30.4 Acres	1,324,224	123,025
Reef Hotel Site Area	21.7 Acres	945,252	87,817
Laundry Facility	2.2 Acres	95,832	8,903
Golf Course Site Area	350.7 Acres	15,276,492	1,419,234
Primary Road Frontage	Sea Horse Lane		
Additional Frontage	Atlantic Ocean		
Excess Land Area	None		
Shape	Irregular		
Topography	Generally Level at Grade		
Zoning District	Tourist		
Flood Map Panel No.	No Flood Zones in Bahamas		
Flood Zone	No Flood Zones in Bahamas		
Adjacent Land Uses	Hotels, Retail, Restaurant and Residential		

Comparative Analysis

	Rating
Access	Good
Visibility	Good
Functional Utility	Average
Traffic Volume	Average
Adequacy of Utilities	Average
Landscaping	Good
Drainage	Assumed adequate

Utilities

		Adequacy
Water	Grand Bahama Utility Company	Yes
Sewer	Grand Bahama Utility Company	Yes
Natural Gas	None	N/A
Electricity	Grand Bahama Power Company (GBPC)	Yes
Telephone	Bahama Telephone Company (BTC)	Yes
Mass Transit	None	N/A

Other	No	Unknown
Detrimental Easements		
Encroachments		X
Deed Restrictions		X
Reciprocal Parking Rights		X
Common Ingress/Egress		X

Source: *Various sources compiled by CBRE*

COVENANTS, CONDITIONS AND RESTRICTIONS

There are no known covenants, conditions and restrictions impacting the site that are considered to affect the marketability or highest and best use, other than zoning restrictions.

ENVIRONMENTAL ISSUES

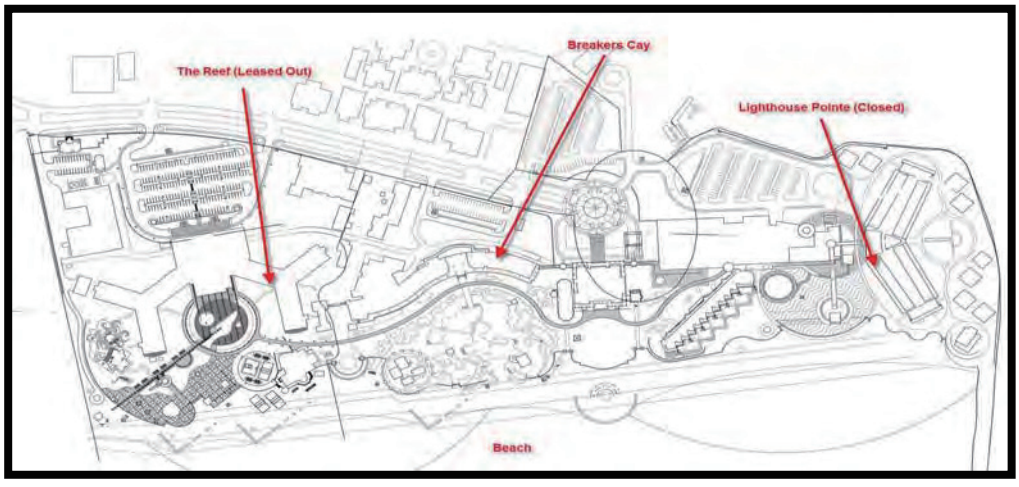
CBRE has not observed, yet is not qualified to detect, the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may have an effect on the value of the Property. For this appraisal, CBRE has specifically assumed that any hazardous materials and/or underground storage tanks that may be present on or near the Property do not affect the Property.

CONCLUSION

The site is well located and afforded average access and good visibility from roadway frontage. The size of the site is typical for the area and use, and there are no known detrimental uses in the immediate vicinity. The street frontage along Seahorse Lane and the beach frontage along the Atlantic Ocean is considered to provide a very positive value attribute. Overall, there are no known factors which are considered to prevent the site from development to its highest and best use, as if vacant, or adverse to the existing use of the site.

IMPROVEMENTS ANALYSIS

The quality of a lodging facility's physical building and site improvements (as well as any other amenities) has a direct influence on its marketability and operating success. Design and functionality can also affect the operations and profitability. The Property's physical building, site improvements, and furniture, fittings and equipments (FF&E) are analyzed and presented below.



IMPROVEMENT SUMMARY AND ANALYSIS

Number of Buildings	7	
Number of Stories	1 to 10	
Gross Building Area (SF/Sq M.)	1,027,494 SF	95,457 Sq M.
Number of Guest Rooms	1,271 Total with 542 operated as Grand Lucayan and 522 leased out to Sunwing. The remaining 207 rooms are not currently operating	
Meeting/Banquet Rooms	Yes	
Site Amenities	3 pools, multiple restaurants and bars, beach, casino, spa, golf course and convention center	
Golf Course	36 total with 18 holes currently operating (designed by Robert Trent Jones Jr. and 18 currently closed (designed by Dick Wilson)	
Parking Type	Surface level parking	
Number of Parking Spaces	500	
Functional Utility	Typical	

Building	Square Feet	Square Metres	Year Built	% of Total
Reef Village	275,270	25,573	1963	26.8%
Breakers Cay	330,214	30,678	2000	32.1%
Lighthouse Pointe	220,018	20,440	1965	21.4%
Manor House	40,862	3,796	2000	4.0%
Central Services Building	26,710	2,481	2000	2.6%
Laundry Building	19,300	1,793	2000	1.9%
Casino Building	115,120	10,695	2000	11.2%
Total	1,027,494	95,457		100.0%

Source: Various sources compiled by CBRE

QUALITY AND STRUCTURAL CONDITION

The Property is in good condition after the recent renovations. CBRE did not observe any evidence of structural fatigue, and the improvements appear structurally sound for occupancy. However, CBRE is not qualified to determine structural integrity, and it is recommended that the client/reader retain the services of a qualified, independent engineer or contractor to determine the structural integrity of the improvements prior to making a business decision.

FUNCTIONAL UTILITY

The current design characteristics of the Property appear to meet modern standards. All of the floor plans are considered to feature functional layouts and the overall layout of the Property is considered functional in utility. The unit mix appears functional and no conversion is warranted.

ENVIRONMENTAL ISSUES

CBRE has not observed, yet is not qualified to detect, the existence of any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation or other potentially hazardous construction materials on or in the improvements. The existence of such substances may have an effect on the value of the Property. For the purpose of this assignment, we have specifically assumed that the Property is not affected by any hazardous materials which would cause a loss in value.

DEFERRED MAINTENANCE

No deferred maintenance is expected due to the recently renovated condition of the subject property.

ECONOMIC AGE AND LIFE

Since the Property was built over several years, CBRE's estimate of the Property improvements effective age and remaining economic life takes into account blended age of the subject properties and their respective condition. This estimate is depicted in the following chart:

ECONOMIC AGE AND LIFE

Actual Age	52 Years
Effective Age	15 Years
MVS Expected Life	45 Years
Remaining Economic Life	30 Years
Accrued Physical Incurable Depreciation	33.3%

Compiled by CBRE

The overall life expectancy is based upon our on-site observations and a comparative analysis of typical life expectancies reported for buildings of similar construction as published by Marshall and Swift, LLC, in the Marshall Valuation Service cost guide. While CBRE did not observe anything to suggest a different economic life, a capital improvement program could extend the life expectancy.

LEASE DETAILS

The revenues that are derived from the subject's ancillary operations which include a lease of approximately 522 units to Sunwing, a leased out casino and various retail shops that are also leased out. Most of these leased out areas are subject to a 3.0% increase per year. In some cases, the rent can be variable based upon a percentage of revenue. Details of all of the leases were not provided to the appraiser. These income items have been expressed on a net of any expenses basis in all of our projections.

OWNERSHIP RIGHTS

The owner of the Property has leased out one of the hotel buildings to another party (Sunwing) as noted previously in the report. This results in the Property's freehold ownership converting to one of a leased fee ownership (subject to the aforementioned lease). The Property is not currently listed for sale to the knowledge of the appraisers. No information indicating clarity or defect of title was provided by the client. As such, we can neither confirm nor deny any defect on title.

Data Resources Utilized in the Analysis

RESOURCE VERIFICATION	
Site Data	Source/Verification:
Size	Information provided by owner
Improved Data	Source/Verification:
No. of Rooms	Building Engineer/Prior CBRE Appraisal
No. Bldgs.	Inspection
Parking Spaces	Building Engineer/Prior CBRE Appraisal
YOC	Building Engineer/Prior CBRE Appraisal
Economic Data	Source/Verification:
Income Data:	STR Host Report/Expense Comparables/PKF Trends Data/ Information from the owner
Expense Data:	STR Host Report/Expense Comparables/PKF Trends Data/ Information from the owner

Compiled by CBRE

Extent to Which the Property is Inspected

CBRE, Inc. inspected the interior and exterior of the subject, as well as its surrounding environs on 14 January 2015. The date of value is the prospective value date of 28 February 2015 per the client request. This included the following:

- subject exterior
- subject interior units
- subject common areas
- subject golf courses

This inspection sample was considered an adequate representation of the subject property and is the basis for our findings.

CONCLUSION

The improvements are considered to be in good overall condition and are considered to be typical for the age and location in regard to improvement design and layout, as well as interior and exterior amenities. Overall, there are no known factors that could be considered to adversely impact the marketability of the improvements.

APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available. We have taken these factors into consideration when determining which valuation method is the most appropriate for the valuation of a particular asset. In the case of the subject, which is a beach and golf resort, the sales comparison approach and the income approach are deemed most appropriate.

SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per room, price per suite, or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value.Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons. Typically, the sales comparison approach is used to bracket the indication provided by the income capitalization approach.

INCOME CAPITALIZATION APPROACH

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are discounted cash flow (DCF) analysis and direct capitalization.

METHODOLOGY APPLICABLE TO THE SUBJECT

In valuing the subject, only the sales comparison and income capitalization approaches are applicable and have been used. The cost approach is not applicable in the estimation of market value due to the fact that the subject was built over a long period of time and is on average more than 15 years in age. Additionally, the property has been renovated several times throughout the years rendering estimates of depreciation even more highly speculative. Additionally, and more importantly, buyers of hotels such as the subject do not typically consider the cost approach in a potential acquisition.

SALES COMPARISON APPROACH

The following sales were utilized in our price per unit estimate of market value via the sales comparison approach.

SUMMARY OF COMPARABLE HOTEL SALES

No.	Name	Transaction Type	Transaction Date	Year Built	No. Rooms	Actual Sale Price	Adjusted Sale Price[1]	Price Per Room[1]	Gross Rev. Multiplier	OAR
1	San Juan Marriott Resort and Stellaris Casino, San Juan, Puerto Rico	Sale	Mar-11	1964	525	$133,000,000	$133,000,000	$253,333	N/A	N/A
2	Breezes Runaway Bay, Runaway Bay, Jamaica	Sale	Apr-12	1960	266	$24,800,000	$24,800,000	$93,233	N/A	N/A
3	ME by Melia Cancun, Cancun, Mexico	Sale	Jul-12	1999	417	$77,488,380	$77,488,380	$185,823	N/A	N/A
4	Renaissance La Concha San Juan Resort, San Juan, Puerto Rico	Sale	Mar-14	1958	483	$205,000,000	$184,660,000	$382,319	N/A	N/A
Subject	Grand Lucayan Beach and Golf Resort, Freeport, Grand Bahama Island	–	–	1963 and 2000	542					

Note:

[1] Transaction amount adjusted for cash equivalency and/or deferred maintenance (where applicable)

Subject is effectively operating as a 542 unit hotel

Compiled by CBRE

The sales utilized were chosen based upon their location in the Caribbean, their sold or listed status along with physical and operational properties of the comparable sales. The adjustments made to the comparable sales were based upon differences in property rights conveyed, financing, conditions of sale, market conditions, location, condition, size and operational characteristics of the sales. After adjusting for such differences, the sales ranged from USD111,467 to USD 152,928. In addition, we utilized a GRM analysis of recent golf and beach resort sales shown in the chart below:

RECENT GOLF RESORT SALES GROSS REVENUE MULTIPLIERS

Sale No.	Sale Date	GRM
Wyndham Bay Panama City Beach, Florida	May-14	1.02
Pheasant Run Resort St. Charles, Illinois	Mar-14	0.57
Marriott Rancho Las Palmas, Rancho Mirage, California	Jul-14	2.80
Doral Resort and Spa, Doral, Florida	Jun-14	3.39

GROSS REVENUE MULTIPLIER VALUE INDICATION

Gross Revenue		GRM		Value Indication
$46,455,061	x	1.50	=	$69,682,592
Rounded				$69,700,000

Compiled by CBRE

Based upon our analysis of the aforementioned sales comparables, we concluded a market value indication via the sales comparison approach as follows:

SALES COMPARISON APPROACH CONCLUSION

Method	Indicated Value
Price Per Room Valuation	$69,100,000
Gross Revenue Multipliers	$69,700,000
Reconciled Value Indication "As Stabilized"	**$69,400,000**
Stabilization Discount	($6,100,000)
"As Is" Value Indication	**$63,300,000**
Rounded	**$63,300,000**
Value Per Room (542 Rooms)	**$116,790**
Value Per Room (1,271 Rooms)	**$49,803**

Compiled by CBRE

INCOME CAPITALIZATION APPROACH

The following table summarizes the comparable data used in the valuation of the Property.

PRIMARY COMPETITIVE HOTELS

				12 Months Ending October 31, 2014							
Property	Number of Rooms	Percentage Competitive	Year Built	Occ.	Percent of Yr. Open	Total Room Nights	Occupied Room Nights	Occupancy Penetration	ADR	ADR Penetration	RevPAR
Grand Lucayan Beach and Golf Resort	542	100%	1963 and 2000	57%	100%	197,830	112,170	91%	$110.54	82%	$62.67
Melia Nassau Beach	694	100%	1983	70%	100%	253,310	177,317	112%	$145	108%	$101.50
Wyndham Resort Nassau & Crystal Palace	559	100%	1988	50%	50%	101,201	50,325	80%	$120	89%	$59.67
Comfort Suites Paradise Island	223	100%	1991	65%	100%	81,395	52,907	104%	$135	100%	$87.63
Hilton British Colonial	288	100%	1999	65%	100%	105,120	68,328	104%	$155	115%	$100.75
Primary Totals/Averages	2,306			62%	88%	738,856	461,046		$134.20		$83.74

SUBJECT ESTIMATED OCCUPANCY AND ADR

The following chart shows our estimate of occupancy and ADR.

OCCUPANCY, ADR, & ROOMS REVENUE CONCLUSIONS

Fiscal Year Ending 2/27	2016	2017	2018
Avg. Available Rooms	542	542	542
Annual Room Nights	197,830	197,830	197,830
Occupancy	66%	67%	68%
Occupied Rooms	130,568	132,546	134,524
ADR	$ 117.79	$ 125.44	$ 134.22
RevPAR	$ 77.74	$ 84.05	$ 91.27
Total Rooms Revenue	$15,379,045	$16,626,845	$18,056,258

Source: CBRE

DISCOUNTED CASH FLOW ANALYSIS

The discounted cash flow analysis relies on a projection of net operating income over a fixed holding period and a future sale of the property at the end of the holding period. This is consistent with current investor trends for analyzing this property type. The discounted cash flow analysis takes into consideration the timing and degree of the projected changes in average daily rate, occupancy, and expenses for the subject.

FINANCIAL ASSUMPTIONS

SUMMARY OF GROWTH RATES

Growth Rate Indicator	ADR	Other Revenue	Expenses	General Inflation
U.S. Bureau of Labor Statistics (CPI-U) 10-Year Snapshot Average as of Nov-14				2.15%
Surveyed Market Participants	3.00%	3.00%	3.00%	3.00%
CBRE Estimates				
Year 1	**5.50%**	**3.00%**	**3.00%**	**3.00%**
Year 2	**6.50%**	**3.00%**	**3.00%**	**3.00%**
Year 3	**7.00%**	**3.00%**	**3.00%**	**3.00%**
Year 4	**3.00%**	**3.00%**	**3.00%**	**3.00%**
Year 5	**3.00%**	**3.00%**	**3.00%**	**3.00%**
Year 6	**3.00%**	**3.00%**	**3.00%**	**3.00%**
Stabilized	**3.00%**	**3.00%**	**3.00%**	**3.00%**

Source: PwC Real Estate Investment Survey & www.bls.gov

HOTEL INVESTOR RATES

Provided on the following pages is a summary of the discount, overall and terminal capitalization rates.

Capitalization Rate Conclusion

The following chart summarizes the OAR conclusions.

OVERALL CAPITALIZATION RATE – CONCLUSION

Source	Indicated OAR
Hotel Investor Survey	8.50%
Market Participants	8.50%
Band of Investment	8.40%
CBRE, Inc. Estimate	8.50%

Compiled by CBRE

DISCOUNTED CASH FLOW ANALYSIS (DCF)

The DCF assumptions concluded for the subject are summarized as follows:

SUMMARY OF DISCOUNTED CASH FLOW ASSUMPTIONS

General Assumptions	
Start Date	February 28, 2015
Terms of Analysis	10 Years
Basis	Fiscal
Software	Excel
Growth Rate Assumptions	
Income Growth	3.00%
Expense Growth	3.00%
Inflation (CPI)	3.00%
Real Estate Tax Growth	3.00%
Revenue Assumptions	
Current/TTM Average Daily Rate	$112.14
Stabilized Average Daily Rate	$134.22
Occupancy Assumptions	
Stabilized Occupancy	68.0%
Estimated Stabilization	Feb-17
Financial Assumptions	
As Complete Discount Rate	11.00%
As Complete Terminal Capitalization Rate	9.00%
As Stabilized Terminal Capitalization Rate	9.00%
Other Assumptions	
Cost of Sale	2.0%

Compiled by CBRE

DIRECT CAPITALIZATION SUMMARY

Analysis Premise	Discounted Cash Flow Stabilized Income (YR 3)
Number of Rooms:	542
Annual Rooms Available:	197,830
Occupied Rooms:	134,524
Occupancy:	68%
Average Rate:	USD134.22
RevPAR:	USD91.27

	Total $	Percent	$ Per Available (542 Rooms)	$ Per Available (1,271 Rooms)
NET OPERATING INCOME	**5,369,500**	**11.6%**		
OAR		**8.50%**		
Rounded Indicated Capitalized Value (As Stabilized)		**USD63,200,000**		
Stabilization Discount		(USD6,100,000)		
Indicated Capitalized Value (As Is)		**USD57,100,000**		
Rounded		**USD57,100,000**		
Per Room		**USD105,351**	**USD105,351**	**$44,925**

Compiled by CBRE

CONCLUSION OF INCOME CAPITALIZATION APPROACH

The conclusions via the valuation methods employed for this approach are as follows:

INCOME CAPITALIZATION APPROACH VALUES

Appraisal Premise	As Is	Prospective As Stabilized
Direct Capitalization Method	USD57,100,000	USD63,200,000
Discounted Cash Flow Analysis	USD56,900,000	USD63,000,000
Reconciled Value	USD57,000,000	USD63,100,000

Compiled by CBRE

RECONCILIATION OF VALUE

The value indications from the approaches to value are summarized as follows:

SUMMARY OF VALUE CONCLUSIONS

Appraisal Premise	Prospective As Is	Prospective As Stabilized
Sales Comparison Approach	USD63,300,000	USD69,400,000
Income Capitalization Approach	USD57,000,000	USD63,000,000
Reconciled Value	USD57,000,000	USD63,100,000

* *Value indications expressed in current dollars. Compiled by CBRE*

In valuing the Property, the income approach is considered most reliable and has been given primary emphasis, with secondary emphasis placed on the sales comparison approach. Based on the foregoing, the market value of the Property has been concluded as follows:

MARKET VALUE CONCLUSION

Appraisal Premise	Interest Appraised	Date of Value	Exposure Time	Value Conclusion
Prospective As Is	Leased Fee	28 February 2015	12 Months	USD57,000,000
Prospective As Stabilized	Leased Fee	28 February 2017	12 Months	USD63,100,000

Compiled by CBRE

As advised by the owner of the Property, the potential tax liability which would arise on the direct disposal of the Property at the amount valued by us is the Bahamian stamp duty at progressive rates from 4% to 10% of the transaction amount of which both the seller and the buyer are jointly and severally liable.

The likelihood of the tax liability being crystallized is remote as the owner has no plans for the disposal of the Property yet.

Summary Disclosure

Property held for investment

Grand Lucayan Beach and Golf Resort

Commonwealth of The Bahamas

Use and Brief Description of Project	Total Gross Floor Area	Leaseable/ Saleable Area	Number of Rooms/Units	Number of Car Parking Spaces	Terms of Tenure (Year of Leasehold Expiry)	Construction Commencement Date (if Under Development)	Year of Completion	Development Cost, where Property is being Developed (as required under Rule 5.06(3)(e))	Average Occupancy Rates	Average Effective Rent (as require under Rule 5.06(2))	Market Value in Existing State as at 28 February 2015	Interest Attributable to the Hutchison Property Group	Market Value in Existing State Attributable to the Hutchison Property Group as at 28 February 2015
Hotel	95,457 sq. m.	N/A	1,271	500	Freehold	N/A	1963 – 2000	N/A	56.7%	USD62.76	USD57,000,000	100%	USD57,000,000

The following is a brief summary of the laws and regulations that currently materially affect the Group in its operations in the property industry in Hong Kong and the PRC.

A. REGULATORY OVERVIEW OF THE HONG KONG PROPERTY INDUSTRY

(a) The Land System in Hong Kong

The freehold of all land in Hong Kong (except St. John's Cathedral located in Central, Hong Kong) is owned by the Hong Kong government. In general, the Hong Kong government sells or grants land on a leasehold system. Land is commonly leased to private parties by the Hong Kong government by way of long-term leases. Such leases are in the form of "government leases" which typically contain certain standard restrictions and carry a nominal annual rent, or in the form of "conditions of grant" which usually contain more restrictions and an annual rent linked to rateable value of the land and under which the lessee will, subject to compliance with the conditions, be entitled to a lease of the land. The lessee of the government lease or conditions of grant is normally referred to as the owner of the leased property.

There are various covenants in the conditions of grant and in the government leases, including land use and development restrictions. If a lessee wishes to modify the land use restrictions or remove or modify development restrictions in a government lease or conditions of grant, the lessee must make an application to the Director of Lands, and is usually required to pay a premium for this.

(b) Terms of Government Lease

The terms of government leases vary according to the land policies prevailing at the time. In the early days of Hong Kong as a colony, government leases had been granted for fixed terms of 75 years, 99 years, 150 years or 999 years with or without right of renewal. At present, leases or conditions of grants are usually granted for a term of 50 years. In the New Territories, pursuant to the New Territories Leases (Extension) Ordinance (Chapter 150 of the Laws of Hong Kong), with the exception of short term tenancies and leases for special purposes, the terms of government leases have been automatically extended to 30 June 2047, without payment of any additional premium, although the lessees are required under section 8 of the New Territories Leases (Extension) Ordinance to pay from the date of extension an annual rent at 3% of the rateable value of the land from time to time to the Hong Kong government.

Since 1 July 1997, the Basic Law of Hong Kong (the "**Basic Law**") came into effect. Article 8 of the Basic Law provides that all laws previously in force in Hong Kong prior to 1 July 1997 (including the rules of equity, ordinances, subordinate legislation and customary law) shall be maintained, except for any that contravene the Basic Law, and subject to any amendment(s) by the legislature of Hong Kong. It is further provided under Article 120 of the Basic Law that all leases granted, decided upon or renewed before the establishment of the HKSAR which extend beyond 30 June 1997, and all rights in relation to such leases, shall continue to be recognised and protected under the laws of Hong Kong and the policies formulated by the Hong Kong government. In respect of leases of land without a right of renewal which expire after the establishment of the HKSAR, Article 123 of the Basic Law provides that such leases shall be dealt with in accordance with the laws and policies formulated by the Hong Kong government on its own.

(c) The Disposal of Land by the Hong Kong government

Government land in Hong Kong is normally disposed of by way of public auction or tender under which the Hong Kong government sells the land to the highest bidder or tenderer for a premium.

During the course of the 2014-2015 Land Sale Programme, land sales are conducted through regular tenders. The Hong Kong government includes sites in the Land Sale Programme that it expects will be available for sale and announces in advance on a quarterly schedule the Land Sale Programme. This allows the Hong Kong government to initiate sales of sites and control land supply, taking into consideration of market needs at the time and providing transparency and certainty for the market.

(d) Multi-storey Buildings and Deeds of Mutual Covenant

Multi-storey buildings are extremely common in Hong Kong and units in such buildings are usually the subject matter of sale and purchase and other dealings. The Hong Kong government does not issue a separate government lease for each unit in a multi-storey building. Generally, a document known as a "deed of mutual covenant" notionally divides the building and land granted under the government lease or conditions of grant into a number of equal undivided shares. The owners of units in a multi-storey building own collectively both the land, by way of leasehold, and the building on it. In conjunction, the land and building are held by the co-owners as tenants in common in the proportions of these undivided shares which typically bear some correlation to the size/area of the individual units held by the various owners within the building.

Deeds of mutual covenant contain co-owners' agreements as to the manner of regulating their co-ownership of the land and the building and the effective management and maintenance of the land and the building. Some deeds of mutual covenant may also provide for management shares to be allocated to each unit for the purposes of calculating a co-owner's contribution to management expenses. Under a deed of mutual covenant, each co-owner is allocated a number of undivided shares which entitle that co-owner to the exclusive use, enjoyment and occupation of the co-owner's unit(s) to the exclusion of other co-owners, and give each co-owner certain rights and obligations in relation to the use, maintenance and repair of the common parts and facilities of the building(s), to which each co-owner is bound to contribute a proportionate share of the associated costs and expenses in accordance with the undivided shares or management shares allocated to the co-owner's unit(s). The majority of deeds of mutual covenant also require a co-owner to pay management fee deposits and to make contributions to the management funds before taking possession of a unit.

A vendor is required to submit the draft deed of mutual covenant to the Legal Advisory and Conveyancing Office (the "**LACO**") of the Lands Department if the government grant contains a condition restricting the vendor from assigning, charging or disposing of any interest in the land subject to the vendor first obtaining the approval in writing of the Director of Lands to the deed of mutual covenant. For the purpose of providing a system of building management in private developments involving the vendors and purchasers as co-owners and property managers, the LACO has produced a set of guidelines (the "**LACO DMC Guidelines**") for the approval of deed of mutual covenants on behalf of the Director of Lands where required under conditions of the government grant.

In the absence of the condition requiring deeds of mutual covenants to be approved by the Director of Lands in the government grant, the solicitor acting for the vendor in the drafting of such deeds of mutual covenants must adhere to the guidelines for drafting deeds of mutual covenants issued by the Law Society of Hong Kong (the "**Law Society's DMC Guidelines**"), which closely follows the LACO DMC Guidelines. A solicitor who wishes to deviate from the Law Society's DMC Guidelines must apply to the Law Society for waivers in the prescribed application form with payment of the prescribed fee.

(e) Pre-sale Consent

The Lands Department Consent Scheme, as introduced in 1961, is administered by the LACO on behalf of the Director of Lands.

Where the land on which a development is being erected is:

(i) subject to a restriction on alienation prior to compliance with all the conditions in the land grant governing the land; or

(ii) subject to an exclusion order issued by the Lands Tribunal under the Landlord and Tenant (Consolidation) Ordinance,

if a registered land owner wants to sell any units in the development before it is completed, the sale is governed by the Lands Department Consent Scheme. The registered land owner must apply through its solicitors to the LACO for the consent of the Director of Lands to enter into agreements for sale and purchase of the units.

Before the issue of the consent to enter into agreements for sale and purchase, a number of criteria must be fulfilled. The consent is given at the sole discretion of the Director of Lands and if given, is subject to various conditions that may be imposed by the Director of Lands.

The LACO has issued circular memoranda setting out the criteria to be fulfilled, rules and other information applicable to the Lands Department Consent Scheme in relation to the sale of units in an uncompleted development, uncompleted phase, completed development pending compliance, or completed phase pending compliance which are governed by the Lands Department Consent Scheme.

(f) Compulsory Acquisition of Land

As many old buildings in Hong Kong are held under co-ownership as provided in paragraph (d) above, in order to redevelop an old building, a developer needs to acquire all units in the building from each individual co-owner. Prior to 1999, in the event where one minority co-owner of a building refused to sell his unit to the majority owner and developer, the redevelopment of the building could not proceed. To overcome this situation, the Land (Compulsory Sale for Redevelopment) Ordinance (Chapter 545 of the Laws of Hong Kong) was enacted in 1998 and came into operation in 1999, whereby a person who owns (or persons who together own, other than as mortgages) not less than 90% of the undivided shares in a lot may make an application to the Lands Tribunal for an order for the sale of the whole building for the purpose of redevelopment. The Land (Compulsory Sale for Redevelopment) Ordinance applies to all types of properties and is not limited to residential properties. If an applicant can prove to the satisfaction of the Lands Tribunal that certain specified requirements have been met, the Lands Tribunal may order the whole lot, including all the units owned by the

minority owners, to be sold by way of public auction. Under the Land (Compulsory Sale for Redevelopment) Ordinance, an applicant may apply to the Lands Tribunal for an order for compulsory sale for the whole lot if, amongst other things, the following conditions are satisfied:

(i) the owner has already acquired not less than 90% of the undivided shares in the lot;

(ii) redevelopment is justified due to the age or state of repair of the building; and

(iii) the majority owner has taken reasonable steps to acquire all the undivided shares in the lot (including negotiating for the purchase of the shares owned by a minority owner on terms that are fair and reasonable).

The Land (Compulsory Sale for Redevelopment) (Specification of Lower Percentage) Notice (Chapter 545A of the Laws of Hong Kong), which came into force on 1 April 2010, has lowered the compulsory sale application threshold to 80% to the following three classes of lots:

(i) a lot with each of the units on the lot representing more than 10% of all the undivided shares in the lot. In such a case, the building must have less than ten units;

(ii) a lot where the building is more than 50 years old; or

(iii) a lot where the building is an industrial building which is more than 30 years old and lies within a non-industrial zone under a draft or approved Outline Zoning Plan prepared under the Town Planning Ordinance (Chapter 131 of the Laws of Hong Kong).

An applicant applying for a compulsory sale order under the above three categories must also satisfy the Lands Tribunal that (a) the redevelopment of the lot is justified due to the age or state of repair of the existing building; and (b) the majority owner has taken reasonable steps to acquire all the undivided shares in the lot.

(g) Town Planning Board and Outline Zoning Plans

The Town Planning Board is a statutory body established under the provisions of the Town Planning Ordinance (Chapter 131 of the Laws of Hong Kong). One type of statutory plan prepared and published by the Town Planning Board is known as the "outline zoning plan", which shows the land use zones, development parameters and major road systems of an individual planning area. Areas covered by outline zoning plans are, in general, zoned for purpose, such as residential, commercial, industrial, green belt, open space, government/ institution/community uses or other specified purposes. Each outline zoning plan includes as an attachment a "schedule of notes" setting out the uses which are always permitted (Column 1 uses) in a particular zone, and other uses for which prior permission must be sought from the Town Planning Board (Column 2 uses).

Under section 25 of the Urban Renewal Authority Ordinance (Chapter 563 of the Laws of Hong Kong), the Urban Renewal Authority (the "**URA**") may submit any plan prepared under subsection (3)(a) of the Ordinance to the Town Planning Board for consideration. A plan which the Town Planning Board deems suitable for publication under the Urban Renewal Authority Ordinance shall be deemed to be a draft plan prepared by the Town Planning Board for the purposes of the Town Planning Ordinance and the provisions of the Town Planning Ordinance shall apply accordingly.

(h) The Buildings Department and the Building Authority

Amongst other things, the Buildings Department provides services to owners and occupants of both existing and new premises in the private sector through the enforcement of the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong) and related legislation. Such services include the reduction or elimination of dangers and nuisances created by unauthorised building works and advertisement signboards, promoting proper repairs and maintenance of old buildings, drainage and slopes; considering and approving alteration and addition works; processing submissions under the simplified requirements and the household minor works validation scheme of the minor works control system; improving fire safety measures in buildings and providing advice on the suitability of premises for the issue of licences for specified commercial uses. Any alterations to the premises, including building as well as demolition of structures, which have been carried out without the requisite permits and consents under the authority of the Buildings Department may be subject to warning notices, and subsequently building orders issued by the Building Authority.

The enforcement policy of the Buildings Department

The Buildings Department issued a revised enforcement policy on the prioritisation of enforcement work of the Buildings Department against unauthorised building works, which came into effect from 1 April 2011. The policy stated, amongst other things, that in respect of unauthorised structures on rooftops, flat roofs as well as those in yards and lanes of buildings, irrespective of their level of risk to public safety or whether they are newly constructed, the Buildings Department will no longer issue warning notices, and will, instead, issue building orders.

Pursuant to section 40 (1BA) of the Buildings Ordinance, any person who, without reasonable excuse, fails to comply with building orders issued under section 24(1) of the Buildings Ordinance is liable on conviction to a fine of HK$200,000 and to imprisonment for one year, as well as a further fine of HK$20,000 for each day during which failure to comply with the said order has continued.

Pursuant to section 40 (1B) of the Buildings Ordinance, any person who, without reasonable excuse, fails to comply with building orders issued under sections 26(1) or 28(3) of the Buildings Ordinance is liable on conviction to a fine of HK$50,000 and to imprisonment for one year, as well as a further fine of HK$5,000 for each day during which failure to comply with the said order has continued. Any prosecution under the Buildings Ordinance may be commenced within 12 months of non-compliance with the relevant building order or within 12 months of such non-compliance being discovered by or coming into notice of the Building Authority. In addition, if an order to remove unauthorised building works is not complied with, the Building Authority may direct the work to be carried out by a government contractor and bill the owner of the property as at the date of completion of the work for all costs incurred, plus a supervision charge.

Mandatory Building Inspection Scheme and Mandatory Window Inspection Scheme

The Mandatory Building Inspection Scheme (the "**MBIS**") and the Mandatory Window Inspection Scheme (the "**MWIS**") were introduced in June and December 2011 respectively with the enactment of relevant amendments to the Buildings Ordinance through the Buildings (Amendment) Ordinance 2011 (Ordinance No. 16 of 2011) and the subsidiary legislation including the Building (Inspection and Repair) Regulation (Chapter 123P of the Laws of Hong Kong). The legislation empowers the Building Authority to issue statutory notices to owners as necessary and persons served with any such notices are legally required to carry out prescribed inspections and repairs of their buildings and windows every 10 years and 5 years respectively.

The owner(s) or Owners' Corporations of building(s) (the "**OC**") who fail to comply with a statutory notice for mandatory building inspection without any reasonable excuse may be prosecuted and are/is liable upon conviction to a fine of HK$50,000 and imprisonment for one year. The owner(s)/ OC who fail to comply with a statutory notice for mandatory window inspection without any reasonable excuse may be served with a penalty notice for a fixed fine of HK$1,500. Repeated offenders may be prosecuted and are liable upon conviction to a fine of HK$25,000 and three months' imprisonment. The Buildings Department may also arrange for the required inspection and repair works to be carried out by its consultant and contractor, and then recover the cost of inspection and repair works as well as the supervision charge from the owners/OC, together with a surcharge of not exceeding 20% of the cost.

(i) Occupation Permit

An occupation permit is a document issued by the Buildings Department under the provisions of the Buildings Ordinance which stipulates the designated user of the property as at the time of issue, and may be issued in respect of the whole or part of a new building. If any material change is intended to be made to the use of the premises which would contravene the designated user specified in the occupation permit, one month's notice must be given to the BA of the intended change and the BA may prohibit such change of use where, in its opinion, the building is not suitable by reason of its construction for the intended use. The occupation permit is important to a purchaser of a unit in a building as it confirms that the statutory requirements of the Buildings Ordinance have been complied with, and will also show the permitted use of the building. As a usual practice, the occupation permit must be produced by a vendor to prove title in a property transaction.

(j) Government Rates in Hong Kong

Government rates in Hong Kong is a form of indirect tax levied on properties by the Hong Kong government. The revenue collected from government rates forms part of the Hong Kong government's general revenue. Government rates are charged at a percentage of the rateable value. Rateable value is an estimated annual rental value of a property at a designated valuation reference date, assuming that the property was then vacant and to let from year to year, on the basis that the tenant undertakes to pay all usual tenant's rates and taxes, whilst the landlord undertakes to pay the Hong Kong government rent, the costs of repairs and insurance and any other expenses necessary to maintain the tenement to a state to command that rent.

Rateable values are subject to annual review by the Rating and Valuation Department of the Hong Kong government in order to reflect more precisely changes in market rental values of properties. In general, properties in all parts of Hong Kong are liable to be assessed to rates under the Rating Ordinance (Chapter 116 of the Laws of Hong Kong). Both the owner and the occupier are liable for rates. In practice, payment of government rates is dependent upon the terms of the agreement between the owner and occupier of the premises. In the absence of any agreement to the contrary, liability for rates rests with the occupier.

For the current financial year of 2014-2015, the percentage charge for government rates is 5%. The designated valuation reference date for 2014-2015 revaluation is 1 October 2013 and the rateable values take effect from 1 April 2014.

(k) Stamp Duty in Hong Kong

The Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) imposes duty, payable within a specified time frame, on certain types of transaction documents which include, but are not limited to, the following:

(i) Conveyance on sale (i.e. Assignment)

(ii) Agreement for sale of residential property

(iii) Lease of immovable property (i.e. Tenancy Agreement)

The parties and all other persons executing the above types of transaction documents are liable for stamp duty.

If a chargeable document is not duly stamped, any person who uses such document is also liable for the stamp duty and any penalty. Non-payment of penalties under the Stamp Duty Ordinance will attract civil liability, and any chargeable instrument which is not duly stamped will generally not be admissible in evidence in any proceedings except criminal proceedings and civil proceedings by the Collector of Stamp Revenue to recover stamp duty or any penalty payable under the Stamp Duty Ordinance, or be available for any other purpose whatsoever, unless such document is duly stamped.

The time limit for stamping is two to 30 days depending on the type of the instrument. A penalty of up to ten times the amount of stamp duty may be payable for late stamping. However, under some circumstances, the penalty may be remitted upon written request.

SSD

The Stamp Duty (Amendment) Ordinance 2014 (the "**1st Amendment Ordinance**") was published in the gazette on 28 February 2014 and is deemed to have come into operation on 27 October 2012. The 1st Amendment Ordinance aims to amend the Stamp Duty Ordinance to impose a higher rate of SSD and extend the property holding period on certain transactions of residential property acquired on or after 27 October 2012 if those transactions occur within 36 months after the acquisition.

According to the 1st Amendment Ordinance, unless the transaction is exempted from SSD or SSD is not applicable, SSD shall be charged on the purchaser and/or the sub-purchaser on transactions in resale of residential properties if the properties are acquired and resold within 36 months after acquisition.

The adjusted SSD has three different rates for different holding periods:

(i) 20% if the property has been held for 6 months or less;

(ii) 15% if the property has been held for more than 6 months but for 12 months or less; and

(iii) 10% if the property has been held for more than 12 months but for 36 months or less.

BSD

The 1st Amendment Ordinance also imposes BSD on certain agreements for sale and conveyances on sale of residential property executed on or after 27 October 2012. BSD will be charged at a flat rate of 15% (on top of the ad valorem stamp duty and SSD) on all residential properties acquired by any person or company (regardless of where it is incorporated), except a Hong Kong Permanent Resident (the "**HKPR**").

Ad valorem stamp duty

The Stamp Duty (Amendment) (No. 2) Ordinance 2014 (the "**2nd Amendment Ordinance**") was published in the gazette on 25 July 2014 and is deemed to have come into operation on 23 February 2013. The 2nd Amendment Ordinance aims to further amend the Stamp Duty Ordinance to adjust the ad valorem stamp duty (the "**AVD**") rates and to advance the charging of AVD on non-residential property transactions from the conveyance on sale to the agreement for sale.

The main details of the 2nd Amendment Ordinance are as follows:–

(i) Any agreement for sale for the acquisition of any residential property or non-residential property acquired on or after 23 February 2013, either by an individual or a company, will be subject to the new rates of AVD unless specifically exempted or excepted under the 2nd Amendment Ordinance.

(ii) The new AVD rates are set out below:

Consideration or value of the property (whichever is the higher)	**New AVD rates**
Up to HK$2,000,000	1.50%
HK$2,000,001 to HK $2,176,470	HK$30,000 + 20% of the excess over HK$2,000,000
HK$2,176,471 to HK$3,000,000	3.00%
HK$3,000,001 to HK$3,290,330	HK$90,000 + 20% of the excess over HK$3,000,000
HK$3,290,331 to HK$4,000,000	4.50%
HK$4,000,001 to HK$4,428,580	HK$180,000 + 20% of the excess over HK$4,000,000
HK$4,428,581 to HK$6,000,000	6.00%
HK$6,000,001 to HK$6,720,000	HK$360,000 + 20% of the excess over HK$6,000,000
HK$6,720,001 to HK$20,000,000	7.50%
HK$20,000,001 to HK$21,739,130	HK$1,500,000 + 20% of the excess over HK$20,000,000
Exceed HK$21,739,131	8.50%

The new AVD is not applicable in certain circumstances including, for example, those involving acquisition of residential property by HKPR(s) who is/are acting on his/their own behalf and does not/do not own any other residential property in Hong Kong at the time of acquisition or by a HKPR jointly with close relative(s) (i.e. spouse, parents, children, brothers and sisters) who is/are not HKPR and each of them is acting on his own behalf and does not own any other residential property in Hong Kong at the time of acquisition.

(l) The Residential Properties (First-hand Sales) Ordinance

The Residential Properties (First-hand Sales) Ordinance (Chapter 621 of the Laws of Hong Kong) (the "**RPFSO**") came into effect on 29 April 2013. The RPFSO regulates the sales of first-hand uncompleted and completed residential properties.

Generally speaking, the sales of almost all of the first-hand residential properties being offered for sale by a vendor to the general public will fall under the scope of the RPFSO, including uncompleted and completed first-hand residential properties and regardless of whether they are under the Lands Department's Consent Scheme or not.

The RPFSO sets out detailed requirements for vendors of first-hand residential properties to comply with in relation to sales brochures, price lists, show flats, disclosure of transaction information, advertisements, sales arrangements, and the mandatory provisions for the Preliminary Agreement for Sale and Purchase and Agreement for Sale and Purchase for the sales of first-hand residential properties. It also provides for prohibitions against misrepresentation and the dissemination of false or misleading information.

Saleable Area

Under the RPFSO, saleable area will be the only basis that can be used to quote property size and property price per square foot/per square meter in the sales brochures, price lists and advertisements of first-hand residential properties.

"Saleable area", as defined in the RPFSO, means the floor area of the residential property including the floor area of a balcony, a utility platform and a verandah, but excluding the area of an air-conditioning plant room, a bay window, a cockloft, a flat roof, a garden, a parking space, a roof, a stairhood, a terrace and a yard.

Sales Brochures

Vendors must prepare and make available the sales brochure for collection by the public free of charge during a period of at least seven days immediately before the commencement of sale and on every day of sale. In addition, vendors should make available the sales brochure on its own designated website for inspection by the public during the same period of time.

The sales brochure made available to the public should be updated once every three months.

The sales brochure should set out information on any matter that is likely to materially affect the enjoyment of the residential property or the development. The sales brochure must not set out information other than required or authorised by the RPFSO, e.g. pictures or images of an artist's impression.

Price Lists

Vendors must prepare and make available the price list for collection by the public free of charge during a period of at least three days immediately before the commencement of sale and on every day of sale. In addition, vendors should make available the price list on its own designated website for inspection by the public during the same period of time.

Each price list should set out the prices of the minimum number of residential properties as required by the RPFSO in the format prescribed by the Sales of First-hand Residential Properties Authority.

If a vendor has already set out the price of a residential property in a price list and subsequently wishes to make changes to the price of that property, he has to make changes on that relevant price list. Further, the residential property concerned should not be sold earlier than three days after the issue of the revised price list.

Reservation of specific residential property is prohibited before the first date of sale of that particular residential property.

Show Flats for Uncompleted Developments

Vendors are not required to provide show flats. If show flats are provided, the show flats should be constructed according to the requirements in the Ordinance.

For any "modified show flat" for a residential property to be provided for viewing by the general public, there must first be an "unmodified show flat" for the same property.

For unmodified show flats, the vendor should not restrict the viewers from taking measurements, photographs and videos of the show flats. For modified show flats, the vendor should not restrict the viewers from taking measurements of the show flats.

Sales brochures must have been made available to the public by the vendors when the show flats are made available for viewing.

Viewing of Property in Completed Developments

Vendors should, before the signing of the preliminary agreement for sale and purchase, arrange the purchaser to view the particular property that he/she wishes to purchase. If it is not reasonably practicable to arrange viewing of that particular property, the vendor should arrange the prospective purchaser to view a comparable property.

Sales Arrangements

Vendors should make available for collection, and on its own designated website for inspection, by the public for a period of at least three days immediately before the commencement of sale the following information on sales arrangements -

(i) the date, time and the place for the commencement of sales of the residential properties;

(ii) which residential properties will be offered to be offered to be sold on that date; and

(iii) the method to be used to determine the order of priority among prospective purchasers for the selection of residential properties.

Preliminary Agreements and Agreements for Sale and Purchase

If a purchaser decides not to proceed to the signing of the Agreement for Sale and Purchase (the "**ASP**") within 5 working days after the signing of the Preliminary Agreement for Sale and Purchase (the "**PASP**"):

(i) the PASP is terminated;

(ii) the preliminary deposit, which amounts to 5% of the purchase price, will be forfeited; and

(iii) the vendor does not have any further claim against the purchaser.

Registers of Transactions

On each day of sale, the vendor must keep a register of transactions of the development or a phase of the development at the sales office and on the vendor's own designated website.

The register of transactions should include key transaction information of the development or a phase of the development such as the dates on which the agreements (including the PASP and the ASP) were signed, the transacted prices, and the dates on which the agreements were terminated (if applicable), the terms of payment and whether a transaction involves a related party to the vendor.

The vendor should disclose in the register of transactions information on a PASP within 24 hours after the PASP is signed, and disclose information on an ASP within 1 working day after the ASP is signed.

Advertisements

If an advertisement is published by the vendor or by another person with the consent of the vendor, the advertisement must state that fact. Advertisements must not contain false or misleading information.

Printed advertisements showing artist impressions of the development or its surrounding area must carry a statement reminding prospective purchasers to make reference to the sales brochures and to conduct on-site visits.

Misrepresentation and Dissemination of False or Misleading Information

A person who makes a fraudulent misrepresentation or a reckless misrepresentation for the purpose of inducing another person to purchase first-hand residential properties commits an offence under the RPFSO.

A person who disseminates or authorizes information that is likely to induce another person to purchase first-hand residential properties and if he knows that, or is reckless as to whether, the information is false or misleading as to a material fact, commits an offence.

Contravention of the requirements set out in the RPFSO may attract criminal liabilities, the maximum penalty of which is up to a fine of HK$5 million and imprisonment of seven years.

(m) Property mortgage loans

Apart from the laws and regulations mentioned above in this section, the measures implemented by other regulatory bodies in Hong Kong may also affect the Group in its operations in the property industry in Hong Kong.

The Hong Kong Monetary Authority (the "**HKMA**") has issued several circulars to authorized institutions, including registered banks in Hong Kong, requiring them to apply a lowered loan-to-value ratio when granting residential property mortgage loans. For instance, on 10 June 2011, the HKMA issued guidelines to the banks requiring them to implement measures to strengthen risk management in residential mortgage lending business. Some measures are as follows:

(i) The maximum loan-to-value (the "**LTV**") ratio for residential properties with a value between HK$10 million and HK$12 million was lowered to 50%. In other words, the 50% maximum LTV ratio introduced in November 2010 was applicable to all residential properties with a value of HK$10 million or above.

(ii) The maximum LTV ratio for residential properties with a value between HK$7 million and HK$10 million was lowered to 60%, with the maximum loan amount capped at HK$5 million.

(iii) The maximum LTV ratio for residential properties with a value below HK$7 million was 70%, with the maximum loan amount capped at HK$4.2 million.

On 27 February 2015, the HKMA issued another set of guidelines to banks on a new round of supervisory measures on property mortgage to strengthen banks' risk management and resilience. Some measures are as follows:

(i) The maximum LTV ratio for self-use residential properties with value below HK$7 million was lowered by a maximum of 10 percentage points. For example, the maximum LTV ratio applicable to properties with value at HK$6 million or below and subject to the LTV cap of 70% was lowered to 60%.

(ii) The maximum debt-servicing ratio (the "**DSR**") for borrowers who buy a second residential property for self-use was lowered to 40% from 50%, and the stressed-DSR (that is the DSR assuming an increase in mortgage rates of at least three percentage points) cap was lowered to 50% from 60%.

(iii) The maximum DSR of mortgage loans for all non-self-use properties, including residential properties, commercial and industrial properties and car park spaces, was lowered to 40% from 50%, and the stressed-DSR cap was lowered to 50% from 60%.

Such measures could have the effect of reducing the number of applicants eligible for mortgage loans.

B. REGULATORY OVERVIEW OF THE HONG KONG HOTEL, RESTAURANT AND CATERING INDUSTRY

(a) Hotel and guesthouse licence

A hotel and guesthouse licence is a document issued by the Office of the Licensing Authority of the Home Affairs Department of the Hong Kong government (the "**Licensing Authority**"), which processes applications for new licences of hotels and guesthouses, their renewal as well as their transfer, under the provisions of the Hotel and Guesthouse Accommodation Ordinance (Chapter 349 of the Laws of Hong Kong) (the "**HGAO**").

According to the HGAO, a "hotel" or a "guesthouse" means any premises whose occupier, proprietor or tenant holds out that, to the extent of his available accommodation, he will provide sleeping accommodation for any person presenting himself who appears able and willing to pay a reasonable sum for the services and facilities provided for a period of less than 28 continuous days and is in a fit state to be received.

All new establishments must apply for a licence from the Licensing Authority prior to commencing operations unless a certificate of exemption has been issued or if the premises is excluded from the application of the HGAO under the Hotel Guesthouse Accommodation (Exclusion) Order (Chapter 349C of the Laws of Hong Kong) by reason of the sleeping accommodation being exclusively provided on a basis of a minimum period of 28 continuous days for each letting.

Validity periods of licences range from 12 to 84 months and are subject to renewal upon their expiration. The holder of a licence should apply for a renewal not less than three months prior to the expiry of the licence. It is the responsibility of the applicant to ensure that his premises do comply with the lease conditions, deed of mutual covenant and other regulations or laws of Hong Kong.

(b) Food and Beverage

Any person operating a restaurant in Hong Kong is required to obtain a restaurant licence from the Food and Environmental Hygiene Department of the Hong Kong government (the "**FEHD**") under the Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong) and the Food Business Regulations (Chapter 132X of the Laws of Hong Kong) (the "**FBR**") before commencing a restaurant business. It is provided under section 31(1) of the FBR that no person shall carry on or cause, permit or suffer to be carried on any restaurant business except with a restaurant licence, which involves the sale of meals or unbottled non-alcoholic drinks other than Chinese herbal tea for consumption on the premises, but does not involve a factory canteen or any business carried out by hawker who is the holder of a licence under the Hawker Regulation (Chapter 132 AI of the Laws of Hong Kong).

A general restaurant licence or light refreshment licence will be issued by the FEHD depending on the type of food to be served on the premises. A provisional licence valid for a period of six months or a lesser period can be issued to licensees pending the issue of a full licence, during which time the licensee has to complete all outstanding requirements for the issue of a full licence. A full licence is generally valid for a period of 12 months from and including the date of its issue.

In Hong Kong, a person must obtain a liquor licence from the Liquor Licensing Board under the Dutiable Commodities (Liquor) Regulations (Chapter 109B of the Laws of Hong Kong) (the "**DCR**") before the commencement of sale of liquor for consumption on the premises.

A liquor licence will only be valid if the premises remain licensed as a restaurant. In general, a liquor licence is valid for a period of 12 months or lesser period, subject to continuous compliance with the requirements under the relevant legislation and regulations, and is subject to renewal upon expiration. A holder of a licence should apply for renewal not more than three months but not less than two months prior to the expiry of the liquor licence.

(c) Water pollution control licence

For certain of our operations in Hong Kong, we are required to obtain water pollution control licences from the Environmental Protection Department of the Hong Kong government prior to any discharge of trade effluents under the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong) (the "**WPCO**"). These include effluents from all types of industrial, manufacturing, commercial, institutional and construction activities.

Under sections 8(1) and 8(2) of the WPCO, a person who discharges (i) any waste or pollutants into the waters of Hong Kong in a water control zone; or (ii) any matter into any inland waters in a water control zone which tends (either directly or in combination with other matter which has entered into those waters) to impede the proper flow of the water in a manner leading or likely to lead to a substantial aggravation of pollution commits an offence. The occupier of the premises also commits an offence. Under sections 9(1) and 9(2) of the WCPO, a person who discharges any matter into a communal sewer or communal drain in a water control zone commits an offence and where any such matter is discharged into a communal sewer or communal drain in a water control zone commits an offence. Section 12(1)(b) of the WCPO however, states that a person does not commit an offence under the aforementioned sections should the discharge or deposit in question be made under, and in accordance with, a water pollution control licence.

A licence will be granted with terms and conditions specifying requirements relevant to the discharge, such as the discharge location, provision of wastewater treatment facilities, maximum allowable quantity, effluent standards, self-monitoring requirements and keeping records. A discharge should be made in accordance with the terms and conditions of a licence. Authorised officers may carry out inspections to ensure the compliance of the discharge.

A water pollution control licence is generally valid for five years, subject to continuous compliance with the requirements under the relevant legislation and regulations. A water pollution control licence is renewable.

(d) Hotel television (transmission) licence

A hotel television (transmission) licence is a document issued by the Communications Authority pursuant to section 6(D)(2)(a) of the Telecommunications Ordinance (Chapter 106 of the Laws of Hong Kong). A person is required to obtain a telecommunications licence to establish or maintain a means of telecommunication. The person who wants to establish or maintain a telecommunications system for the provision of television entertainment and information services within a hotel is required to apply for a hotel television (transmission) licence. Only hotels licenced by the Licensing Authority under the Hotel and Guesthouse Accommodation Ordinance will be considered by the Communications Authority for the issuance of a hotel television (transmission) licence.

A hotel television (transmission) licence is usually valid until the first day, in the year next following the year in which it was issued, of the month next following the month in which it was issued, and subject to the discretion of the Communications Authority, may be renewed for a period of one year at a time.

C. REGULATORY OVERVIEW OF THE PRC PROPERTY INDUSTRY

(a) The Land System in the PRC

All land in the PRC is either state-owned or collectively owned, depending on its location. All land in the urban areas of a city or town is state-owned, and all land in the rural areas of a city or town and all rural land is, unless otherwise specified by law, collectively owned. The state has the right to requisition its ownership of land or land use rights in accordance with the law for public interest, and compensation shall be paid by the state.

Although all land in the PRC is owned by the state or by collectives, private individuals, businesses and other organisations are permitted to hold, lease and develop land for which they are granted land use rights.

(b) National Legislation

In April 1988, the Constitution of the PRC was amended by the National People's Congress (the "**NPC**") to allow for the transfer of land use rights for value. In December 1988, the PRC Land Administration Law (《中華人民共和國土地管理法》) (the "**Land Law**") was amended to permit the transfer of land use rights for value. According to the amendment in January 1998, a construction unit that wishes to use state-owned land may obtain the right to use state-owned land by way of a grant of land use rights or by way of an allocation of land with approval of the PRC government. On 28 August 2004, the Land Law was amended to allow the state to expropriate or requisition land for public interest with appropriate compensation.

Under the Regulations on the Implementation of the PRC Land Administration Law (《土地管理法實施條例》) promulgated by the State Council on the basis of the Land Law on 27 December 1998 (amended on 8 January 2011 and 29 July 2014), the state implemented a system of land registration and issuance of land certificates. Land ownership and land use rights registered according to law are protected by law.

Under the Interim Regulations of the PRC on Grant and Transfer of the Right to Use State-owned Urban Land (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》) ("**Interim Regulations on Grant and Transfer**") promulgated in May 1990, local governments at or above county level have the power to grant land use rights for specific purposes and for a definite period to a land user pursuant to a contract for the grant of land use rights against payment of a grant premium.

Under the Interim Regulations on Grant and Transfer, there are different maximum periods of grant for different uses of land. They are generally as follows:

Use of Land	Maximum Period in Years
Commercial, tourism, entertainment	40
Residential	70
Industrial	50
Public utilities	50
Others	50

Under the Interim Regulations on Grant and Transfer, all domestic and foreign enterprises are permitted to acquire land use rights unless the law provides otherwise. The state may not repossess lawfully granted land use rights prior to the expiration of the term of grant unless public interest requires repossession by the state under special circumstances, in which case compensation will be paid by the state. A land grantee may lawfully transfer, mortgage or lease its land use rights to a third party for the remainder of the term of grant.

Upon paying in full the land premium pursuant to the terms of the contract, a grantee of land may apply to the relevant land bureau for a land use rights certificate. In accordance with the PRC Property Rights Law（《中華人民共和國物權法》), which was enacted on 16 March 2007 and came into effect on 1 October 2007, the term of land use rights for land for residential use will automatically be renewed upon expiry. The renewal of the term of land use rights for other uses shall be dealt with according to the then-current property laws. In addition, if the state requisitions land for public interest during the term of the relevant land use rights, compensation shall be paid to the owners of the residential properties and other real estate on the land, and the relevant land premium shall be refunded by the state.

Upon expiry of the term of grant, renewal is subject to the execution of a new contract for the grant of land use rights and payment of a premium. If the term of the grant is not renewed, the land use rights and ownership of any buildings erected on the land will revert to the state without compensation.

(c) Grant

PRC law distinguishes between the ownership of land and the right to use land. Land use rights can be granted by the state to individuals or entities to entitle individuals or entities to the exclusive use of a piece of land for a specified purpose within a specified term and on such other terms and conditions as may be prescribed. A premium is payable in exchange for the grant of land use rights. The maximum term that can be granted for the right to use a piece of land depends on the purpose for which the land is used. As described above, the maximum limits specified in the relevant regulations vary from 40 to 70 years depending on the purpose for which the land is used.

In accordance with the Regulations on the Grant of State-owned Land Use Rights Through Competitive Bidding, Public Auction and Listing-for-Sale promulgated by the Ministry of Land and Resources（《招標拍賣掛牌出讓國有土地使用權規定》）on 9 May 2002 and implemented on 1 July 2002, and the Urban Real Estate Administration Law of the People's Republic of China（《中華人民共和國城市房地產管理法》）implemented on 1 January 1995 and amended on 30 August 2007 and 27 August 2009,

respectively (the "**Urban Real Estate Law**"), land for commercial use, tourism, entertainment and commodity housing development must be granted by means of competitive bidding, public auction or listing-for-sale.

According to the Regulations on the Grant of State-owned Construction Land Use Rights through Competitive Bidding, Public Auction and Listing-for-Sale (《招標拍賣掛牌出讓國有建設用地使用權規定》) promulgated by the Ministry of Land and Resources on 28 September 2007 and implemented on 1 November 2007, land for industrial use, commercial use, tourism, entertainment, commodity housing development and land which attracts two or more applicants must be granted by means of competitive bidding, public auction or listing-for-sale.

On 11 May 2011, the Ministry of Land and Resources promulgated the Opinions on Upholding and Improving the System for the Transfer of Land by Tender, Auction and Listing-for-Bidding (《關於堅持和完善土地招標拍賣掛牌出讓制度的意見》), which specifies, among other things, (i) the correct utilisation of the regulating and controlling effects of the land transfer policy through tender, auction and listing-for-bidding; (ii) improvement on the transparency of the system of tender, auction and listing-for-bidding for housing land; (iii) adjustment and improvement on the land transfer policy through tender, auction and listing-for-bidding, including (a) limitation on house price or land price, and transfer of policy-related housing land by listing-for-bidding or auction; (b) limitation on the GFA of allocated security housing, and transfer of commodity housing land by listing or auction; and (c) implementation of comprehensive assessment on conditions of land development and utilisation and land transfer prices, and determination of entitlement to land use rights by tender; (iv) promotion of online operation of land use rights transfers, such as publishing the transfer announcement on the Internet, organising online quotation and auction to determine the winning bid; and (v) supplement and improvement on the content of the transfer contracts for land transfer through tender, auction and listing-for-bidding.

Under the Regulations on the Grant of State-owned Land Use Rights Through Competitive Bidding, Public Auction and Listing-for-Sale (《招標拍賣掛牌出讓土地使用權規定》), competitive bidding for land use rights is where the relevant land administration authority (the "**grantor**") issues a bidding announcement, inviting individuals, legal persons or other organisations (either specified or otherwise) to tender bids for the land use rights of a particular parcel of land by submitting bid documents for review by the bid evaluation committee, with the land user to be determined according to the results of the bidding at the time and place specified in the bidding announcement. Auction for land use rights is where the grantor issues an auction announcement, and the bidders can at specified time and location openly bid for a parcel of land. Listing-for-sale is where the grantor issues a listing-for-sale announcement, and in accordance with the announcement, the land grant conditions will be listed in a specified land grant exchange within a specified period, bidders' payment applications will be listed and the land use will be granted according to the bidder's payment applications at the end of such listing period. The procedures are as follows:

(i) the land authority under the government of the city and county issues an announcement at least 20 days prior to the day of competitive bidding, public auction or listing-for-sale. The announcement should include, without limitation, basic particulars of the land parcel, qualification requirements of the bidder and auction applicants, the methods and criteria used to confirm the winning tender or winning bidder, and the deposit of the bid;

(ii) the grantor conducts a qualification verification of the bidding applicants and auction applicants and instructs the applicants who satisfy the requirements of the announcement to attend the competitive bidding, public auction or listing-for-sale;

(iii) after determining the winning tender or the winning bid by holding a competitive bidding, public auction or listing-for-sale, the grantor and the person who made the winning tender or winning bid then sign a written confirmation. The grantor refunds the other applicants their deposits;

(iv) the grantor and the winning tender or winning bid then enter into a land use rights grant contract at the time and venue set in the confirmation. The deposit of the bid paid by the person who made the winning tender or winning bid is deemed to form part of the consideration for assignment price of the state-owned land use rights; and

(v) the person who made the winning tender or winning bid applies for the land registration after paying the assignment price. The government at county level or above then issues the "Land Use Rights Certificate".

The Regulations on the Grant of State-owned Construction Land Use Rights through Competitive Bidding, Public Auction and Listing-for-Sale further stipulate that the person who makes the winning tender or winning bid must apply for registration of the land after paying the entire premium, in accordance with the State-owned Construction Land Use Rights Assignment, before obtaining the State-owned Construction Land Use Rights Certificate. If the person who makes the winning tender or winning bid does not pay the entire assignment price, they will not be granted the state-owned construction land use rights certificate. Proportional division and grant of the state-owned construction land use rights certificate corresponding to the amount of the assignment price paid is not allowed.

In June 2003, the Ministry of Land and Resources of the PRC promulgated the Regulation on Transfer of State-Owned Land Use Rights by Agreement (《協議出讓國有土地使用權規定》). According to this regulation, if there is only one entity interested in using the land, the land use rights (excluding land use rights used for business purposes including commercial, tourism, entertainment and commodity residential properties) may be granted by way of agreement. The local land bureau, together with other relevant government departments including the city planning authority, will formulate a plan concerning issues such as the specific location, boundary, purpose of use, area, term of grant, conditions of use, conditions for planning and design as well as the proposed land premium, which shall not be lower than the minimum price regulated by the state, and submit such plan to the relevant government for approval. After that, the local land bureau and the person who is interested will negotiate and enter into the grant contract based on the above-mentioned plan. If two or more entities are interested in the land use rights to be granted, such land use rights shall be granted by means of tender, auction or listing-for-sale.

Upon signing the land grant contract, the grantee is required to pay the land premium pursuant to the terms of the contract and the contract is then submitted to the relevant local bureau for the issue of the land use right certificate. Upon expiration of the term of grant, the grantee may apply for its renewal. Upon approval by the relevant local land bureau, a new contract is entered into to renew the grant, and a grant premium shall be paid.

In order to control and facilitate the procedure for obtaining land use rights, several local governments have stipulated standard provisions in land grant contracts. Such provisions generally include terms such as use of land, land premium and manner of payment, building restrictions including site coverage, total GFA and height limitations, constructions of public facilities, submission of building plans and approvals, deadlines for completion of construction, town planning requirements, restrictions against alienation before payment of premiums and completion of prescribed development and liabilities for breach of contract. Any change requested by the land user in the specified use of land after the

execution of a land grant contract will be subject to approvals from the relevant land bureau and the relevant urban planning department, and a new land use contract may have to be signed and the land premium may have to be adjusted to reflect the appreciation of the new use. Registration procedures must then be carried out immediately. The municipal land and resources management departments enter into contracts in accordance with the Model Contract for the Assignment of the Right to Use State-owned Construction Land (《國有建設用地使用權出讓合同示範文本》), which was published by the Ministry of Land and Resources and the State Administration for Industry and Commerce (the "**SAIC**") on 28 April 2008 and which came into effect on 1 July 2008.

On 30 May 2006, the Ministry of Land and Resources issued the Urgent Notice on Ulteriorly Strengthening the Administration of Land (《關於當前進一步從嚴土地管理的緊急通知》). The notice stated, among other things, that (i) land for property development must be assigned by competitive bidding, public auction or listing-for-sale and (ii) the supervision and examination of the performance of land use contract should be strengthened, and defaulting parties should be prosecuted.

The Ministry of Land and Resources issued the Circular on Certain Issues Concerning Strengthening Land Supply and Supervision for Real Estate (《國土資源部關於加强房地產用地供應和監管有關問題的通知》) on 8 March 2010. The circular requires developers to make a 50% down payment of the land premiums within one month from the date of the land grant contract, and to make the rest of the payment within a year. Where a developer enters into a land grant contract but fails to pay land premiums, the relevant land shall be confiscated.

According to the Notice of the Ministry of Land and Resources on Relevant Issues Concerning the Strengthening of Examination and Approval of Land Use in Urban Construction (《關於加強城市建設用地審查報批工作有關問題的通知》) enacted by the Ministry of Land and Resources on 4 September 2003, effective from the date of promulgation, land use for luxurious commodity houses shall be stringently controlled, and applications for land use rights to build villas shall be denied. According to the Circular on the Distribution of the Catalogue for Restricted Land Use Projects (2012 Edition) and the Catalogue for Prohibited Land Use Projects (2012 Edition) (《關於印發〈限制用地項目目錄(2012年本)〉和〈禁止用地項目目錄(2012年本)〉的通知》) promulgated by the Ministry of Land and Resources and the National Development and Reform Commission (the "**NDRC**") in May 2012, the area of residential housing projects granted should not exceed (i) seven hectares for small cities and towns, (ii) 14 hectares for medium-sized cities, or (iii) 20 hectares for large cities, and the plot ratio should not be lower than 1.0.

On 17 April 2010, the State Council issued the Notice on Resolutely Curbing the Soaring of Housing Prices in Some Cities (《國務院關於堅決遏制部分城市房價過快上漲的通知》), which strengthens the supervision of land purchases and financing by real estate development enterprises. According to the notice, the departments of land and resources shall restrain the enterprises which have violated laws and regulations when purchasing new land. When a real estate development enterprise participates in the auction, development and construction of land, its shareholder(s) shall not illegally provide loans, on-lending, guarantee or other relevant financing to it. Commercial banks are required to enforce the pre-loan examination and post-loan management on development loans extended to real estate enterprises. Commercial banks are required not to grant loans for new development projects to real estate development enterprises which have left any land idle or engaged in land speculation and the securities regulatory departments are required to suspend the approval of their listing, refinancing and restructuring of major assets.

(d) Transfer

After land use rights relating to a particular area of land have been granted by the state, unless any restriction is imposed, the party to whom such land use rights have been granted may transfer, lease or mortgage such land use rights for a term not exceeding the term which has been granted by the state. The difference between a transfer and a lease is that a transfer involves the vesting of the land use rights by the transferor in the transferee during the term for which such land use rights are vested in the transferor. A lease, on the other hand, does not involve a transfer of such rights by the lessor to the lessee. Furthermore, a lease, unlike a transfer, does not usually involve the payment of a premium. Instead, a rent is payable during the term of the lease. Land use rights cannot be transferred, leased or mortgaged if the provisions of the land grant contract, with respect to the prescribed period and conditions of investment, development and use of the land, have not been complied with. In addition, different areas of the PRC have different conditions which must have been fulfilled before the respective land use rights can be transferred, leased or mortgaged.

All transfers, mortgages and leases of land use rights must be evidenced by a written contract registered with the relevant local land bureau at municipality or county level. Upon a transfer of land use rights, all rights and obligations contained in the contract pursuant to which the land use rights were originally granted by the state are deemed to be incorporated as part of the terms and conditions of such transfer, depending on the nature of the transaction.

Under Article 38 of the Urban Real Estate Law, real property that has not been registered and a title certificate for which has not been obtained in accordance with the law cannot be transferred. Under Article 39 of the Urban Real Estate Law, if land use rights are acquired by means of grant, the following conditions must have been met before the land use rights may be transferred: (i) the premium for the grant of land use rights must have been paid in full in accordance with the land grant contract and a land use rights certificate must have been obtained; (ii) investment or development must have been made or carried out in accordance with terms of the land grant contract; (iii) for housing construction projects, more than 25% of the total amount of development for investment must have been made or completed; and (iv) where the development or investment involves a large tract of land, conditions for use of the land for industrial or other construction purpose must have been achieved.

(e) Land Reserve for Real Estate Development

According to the Measures on Administration of Land Reserve (《土地儲備管理辦法》) promulgated by the Ministry of Land and Resources, the Ministry of Finance and the PBOC on 19 November 2007, the land reserve institution is a separate legal entity which is affiliated to the land administrative bureau, and the following land may be brought into the land reserve: (i) state-owned land requisitioned in accordance with the law; (ii) land repurchased by the government; (iii) land obtained by the government by exercising priority purchase right; (iv) agricultural land that has gone through usage modification and expropriation process; and (v) other land obtained in accordance with the law.

Where land is expropriated in order to reconstruct an old town, the local land resource administration shall apply to the competent government for approval and pay compensation to the users of the expropriated land. The land reserve authority may also purchase the relevant land from the land users through negotiation, in which case it shall enter into a land use rights purchase contract with the land user, and the compensation shall be negotiated between the land reserve authority and the land user based on the assessed value of the land, and approved by the state-owned land resources administrative authority, the financial department and the institutions stipulated by local regulations.

With the approval of the stated-owned land resources administrating authority, the land reserve authority has the right to conduct activities such as preliminary development, protection, management, temporary usage and financing on the land reserve. After preliminary development, the relevant land in the reserve may be brought into the local land supply.

(f) Termination

A land use right terminates upon the expiry of the term of grant specified in the land grant contract and the resumption by the state of that right.

The state generally will not withdraw a land use right before the expiration of its term of grant and if it does so for special reasons, such as in the public interest, it must offer proper compensation to the land user, having regard to the surrounding circumstances and the period for which the land use rights has been with the user.

If the term of a land use right is not renewed, upon expiry, the land use rights and ownership of the related buildings erected on the land and other attachments is acquired by the state without compensation. The land user shall take steps to surrender the land use rights certificate and cancel the registration of the certificate in accordance with the Regulations on the Implementation of the Land Administration Law (《土地管理法實施條例》) and other relevant regulations. However, in accordance with the Property Rights Law of the PRC (《中華人民共和國物權法》), the term of land use rights of land for residential use will automatically be renewed upon expiry. The renewal of the term of land use rights of land for other uses shall be dealt with in accordance with the then-current relevant laws.

A land user may apply for renewal of the land use rights and, if the application is granted, the land user is required to enter into a new land grant contract, pay a premium and effect the required registration for the renewal grant.

(g) Document of Title

In the PRC, there are two registers for real estate. Land registration is achieved by the issue of a land use rights certificate by the relevant authorities to the land user. It serves as evidence that the land user has obtained land use rights which can be transferred, mortgaged or leased. The building registration is the issue of a real estate certificate to the owner. It serves as evidence that the owner has obtained building ownership rights in respect of the buildings erected on that piece of land. According to the Measures for Land Registration (《土地登記辦法》) promulgated by the Ministry of Land and Resources on 30 December 2007 and implemented on 1 February 2008, and the Measures for Building Registration (《房屋登記辦法》) promulgated by the Ministry of Construction on 15 February 2008 and implemented on 1 July 2008, all duly registered land use rights and building ownership rights are protected by the law. According to the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》) promulgated by the State Council on 24 November 2014 and implemented on 1 March 2015, the state applies a uniform registration system over real estate.

In connection with these registration systems, real estate and land registries have been established in the PRC. In most cities in the PRC, the above systems are maintained separately. However, in certain cities such as Shanghai, the two systems have been consolidated and a single composite real estate and land use rights certificate will be issued evidencing the ownership of both land use rights and the buildings erected on the land.

(h) Establishment of a Real Estate Development Enterprise

According to the Urban Real Estate Law, a real estate developer is defined as an enterprise which engages in the development and sale of real estate for the purpose of making profits. Under the Regulations on Administration of Development of Urban Real Estate (《城市房地產開發經營管理條例》) (the "**Development Regulations**") promulgated by the State Council on 20 July 1998, in addition to requirements on establishing enterprises, an enterprise that engages in development of real estate must satisfy the following requirements: (i) its registered capital must be RMB1 million or more and (ii) it must have four or more full-time professional real estate or construction technicians and two or more full-time accounting officers, each of whom must hold the relevant qualification certificate. The local government of a province, autonomous region or municipality directly under the central government may, based on local circumstances, impose more stringent requirements on the registered capital and the professional personnel of a real estate developer.

To establish a real estate development enterprise, the developer should apply for registration with the administration for industry and commerce on or above the county level. The real estate developer must also report its establishment to the real estate development authority in the location of the registration authority, within 30 days of the receipt of its business license.

On 11 July 2006, the Ministry of Construction, the MOFCOM, the NDRC, the PBOC, the SAIC and the State Administration of Foreign Exchange ("**SAFE**") jointly promulgated the Circular on Standardising the Admittance and Administration of Foreign Capital in the Real Estate Market (《關於規範房地產市場外資准入和管理的意見》), which states that: (i) an overseas entity or individual investing in real estate in the PRC other than for self-use, shall apply for the establishment of a Foreign Invested Real Estate Enterprise (the "**FIREE**") in accordance with applicable PRC laws and shall only conduct operations within the authorised business scope after obtaining the relevant approvals from and registering with the relevant governmental authorities; (ii) the registered capital of a FIREE with a total investment of US$10 million or more shall not be less than 50% of its total investment amount, whereas for a FIREE with a total investment of less than US$10 million, the current provision on registered capital shall apply pursuant to the Tentative Regulations of the State Administration for Industry and Commerce on the Proportion of the Registered Capital to the Total Amount of Investment of Sino-foreign Equity Joint Ventures which was promulgated on 17 February 1987 by the SAIC; (iii) a newly established FIREE can first obtain an approval certificate and business license which are valid for one year. The official approval certificate and business license can be obtained by submitting the land use rights certificate to the relevant government departments after the land grant premium for the land has been paid; (iv) an equity transfer of a FIREE or the transfer of its projects, as well as the acquisition of a domestic real estate enterprise by foreign investors, must first be approved by the commercial authorities. The investor shall submit a letter to the commercial authorities confirming that it will abide by the land grant contract, the construction land planning permit and the construction works planning permit. In addition, the investor shall also submit the land use rights certificate, the evidence from the construction authorities confirming the alteration of archives and evidence from the tax authorities confirming that tax relating to the transfer has been fully paid; (v) foreign investors acquiring a domestic real estate enterprise through an equity transfer, acquiring the Chinese investors' equity interest in an equity joint venture or through any other methods shall pay the purchase price from its own capital in a lump sum rather than by instalments and shall ensure that the enterprise's employees and bank loans are treated and dealt with in accordance with applicable PRC laws; (vi) if the registered capital of a FIREE is not fully paid up, its land use rights certificate has not been obtained or the paid-in capital is less than 35% of the total investment amount of the project, the FIREE is prohibited from borrowing from any domestic or foreign lenders and SAFE shall not approve the settlement of any foreign loans; (vii) the investors in a FIREE shall not in any manner stipulate a

fixed return clause or equivalent clause in their joint venture contract or in any other documents; and (viii) a branch or representative office established by a foreign investor in the PRC (other than a FIREE), or a foreign individual working or studying in the PRC for more than one year, is permitted to purchase commodity residential properties located in the PRC only for the purpose of either self-occupation or self-residence. Residents of Hong Kong, Macau and Taiwan and overseas Chinese may purchase commodity residential properties limited to a certain floor area based on their living requirements in the PRC for self-residence purposes.

On 23 May 2007, the MOC and SAFE jointly issued the Notice on Further Strengthening and Regulating the Approval and Supervision on Foreign Investment in Real Estate Sector in the PRC (《關於進一步加强、規範外商直接投資房地產業審批和監管的通知》) which has the following requirements for approval and supervision of foreign investment in real estate:

(i) foreign investment in the real estate sector in the PRC relating to high-grade properties will be strictly controlled; before obtaining approval for the setup of real estate entities with foreign investment, either both the land use rights certificates and housing ownership right certificates must be obtained, or contracts for obtaining land use rights or housing ownership rights must be entered into;

(ii) entities which have been set up with foreign investment need to obtain approval before they expand their business operations into the real estate sector and entities which have been set up with foreign investment for real estate development operation need to obtain new approval if they are engaged in new real estate development projects;

(iii) acquisitions of real estate entities and foreign investment in the real estate sector by way of round trip investment will be strictly regulated. Foreign investors must not avoid approval procedures by changing actual controlling persons of domestic real estate enterprises;

(iv) parties to real estate entities with foreign investment should not in any way guarantee a fixed investment return;

(v) local approval authorities should file the approvals of establishment of foreign investment real estate entities with the MOC for their records in a timely manner according to applicable laws;

(vi) foreign exchange administration authorities and banks authorised to conduct foreign exchange business should not effect foreign exchange settlements regarding capital account items to those that fail to file with the MOC or fail to pass the annual reviews; and

(vii) for establishment of real estate entities which are illegally approved by local authorities, (i) the MOC should carry out investigation, order punishment and make rectification, and (ii) foreign exchange administrative authorities should not carry out foreign exchange registrations for such illegally established real estate entities.

On 18 June 2008, the MOC issued the Notice Regarding the Registration of Foreign-Invested Real Estate Industry (《商務部關於做好外商投資房地產業備案工作的通知》) ("**Circular 23**"), which requires registrations to be preliminarily examined by the provincial branch of the MOC before submitting to the MOC for registration. Pursuant to Circular 23, the MOC may randomly select registered foreign-invested real estate enterprises for examination. For enterprises which are found to be in

violation of the existing regulations, their foreign currency registrations shall be cancelled and the foreign investment statistics of such enterprises shall be nullified by SAFE upon the notice from the MOC.

On 24 June 2014, the MOC and SAFE jointly issued the Notice Regarding the Improvement of Registration of Foreign-Invested Real Estate Industry (《關於改進外商投資房地產備案工作的通知》), which adopts an electronic registration system to simplify the registration process and emphasises post-registration governance.

(i) Qualifications of a Real Estate Developer

Under the Development Regulations, the real estate development authorities shall examine applications for registration of qualifications of a real estate developer when it reports its establishment, by considering its assets, professional personnel and business results. A real estate developer shall only undertake real estate development projects in compliance with the approved qualification registration.

In accordance with the Provisions on Administration of Qualifications of Real Estate Developers (《房地產開發企業資質管理規定》) (the "**Provisions on Administration of Qualifications**") promulgated by the Ministry of Construction on 29 March 2000, a real estate developer shall apply for registration of its qualifications according to such Provisions. An enterprise may not engage in development and sale of real estate without a qualification classification certificate for real estate development. The construction authority under the State Council oversees the qualifications of real estate developers throughout the country, and the real estate development authority under a local government on or above the county level shall oversee the qualifications of local real estate developers.

In accordance with the Provisions on Administration of Qualifications, real estate developers are classified into four classes. The approval system is tiered, so that confirmation of class 1 qualifications shall be subject to preliminary examination by the construction authority under the people's government of the relevant province, autonomous region or municipality directly under the central government and then final approval of the construction authority under the State Council. Procedures for approval of developers of class 2 or lower qualifications shall be formulated by the construction authority under the people's government of the relevant province, autonomous region or municipality directly under the central government. A developer that passes the qualification examination will be issued a qualification certificate of the relevant class by the qualification examination authority.

After a newly established real estate developer reports its establishment to the real estate development authority, the latter shall issue a Provisional Qualification Certificate to the eligible developer within 30 days of its receipt of the above report. The valid period of the Provisional Qualification Certificate is one year, and the real estate development authority can extend the period according to the developer's specific operating circumstances. However, the period of extension may not exceed two years. The real estate developer may apply for qualification classification by the real estate development authority within one month before expiry of the Provisional Qualification Certificate (《暫定資質證書》).

A developer of any qualification classification may only engage in the development and sale of real estate within its approved scope of business and may not engage in business which is limited to another classification. A class 1 real estate developer is not restricted as to the scale of real estate project to be developed and may undertake a real estate development project anywhere in the country. A real estate developer of class 2 or lower may undertake a project with a GFA of less than 250,000

square metres and the specific scope of business shall be as confirmed by the construction authority under the people's government of the relevant province, autonomous region or municipality directly under the central government.

(j) Development of a Real Estate Project

The Development Regulations provide that a real estate development project may be carried out having regard to the overall land use plan, annual construction land schedule, applicable municipal zoning plan and the annual property development scheme. Those projects which should be approved by the planning control authorities in accordance with the relevant rules should also be reported and approved by the planning control authorities and be brought into the annual planning of the investment in fixed assets.

Under the Foreign Investment Industrial Guidance Catalogue (Amended in 2015) (《外商投資產業指導目錄(2015修訂)》) jointly promulgated by the MOC and the NDRC in March 2011, which came into effect on 1 April 2015, construction and operation of villas falls within the category of industries in which foreign investment is prohibited.

Pursuant to the Circular of the State Council on Promulgating the Catalogue of Investment Projects Subject to the Approval of the Government (2014 Version) (《國務院關於發佈政府核准的投資項目目錄(2014年本)的通知》) issued by State Council on 31 October 2014, which came to effect on the same date, restricted real estate projects and other restricted projects with total investment (including capital increase) of less than US$100 million in the Catalogue for the Guidance of Foreign Investment Industries shall be subject to the approval of provincial-level governments.

Under the Interim Regulations on Grant and Transfer, a system of grant and transfer of the right to use state-owned land is adopted. A land user shall pay a grant price to the state as consideration for the grant of the right to use a land site within a certain term, and the land user may transfer, lease out, mortgage or otherwise commercially exploit the land use right within the term of use. Under the Interim Regulations on Grant and Transfer and the Urban Real Estate Law, the land administration authority under the local government of the relevant city or county shall enter into a grant contract with the land user to provide for the grant of land use right. The land user shall pay the grant price as provided by the grant contract. After payment in full of the grant price, the land user shall register with the land administration authority and obtain a Land Use Rights Certificate which evidences the acquisition of land use rights.

The Urban Real Estate Law and the Development Regulations provide that, except for land use rights which may be obtained through allocation pursuant to PRC laws or the stipulations of the State Council, land use rights for a site intended for real estate development shall be obtained through grant.

Under the Regulations on the Grant of State-Owned Land Use Rights Through Competitive Bidding, Public Auction and Listing-for-Sale (《招標拍賣掛牌出讓國有土地使用權規定》) effective from 1 July 2002, which was revised as Regulations on Granting State-Owned Construction Land Use Right through Tenders, Auction and Listing-for-Bidding (《招標拍賣掛牌出讓國有建設用地使用權規定》) on 28 September 2007 and which came into effect on 1 November 2007, and the Urban Real Estate Law of the People's Republic of China, state-owned land use rights for the purposes of commercial use, tourism, entertainment and commodity residential property development in the PRC may be granted by the government only through public tender, auction and listing-for-sale.

The Development Regulations also provide that a real estate developer shall record any major events which occur in the course of construction in the Real Estate Development Project Manual and periodically submit the same to the real estate development authority for its records.

Under the Measures for Control and Administration of Grant and Transfer of Right to Use Urban State-owned Land (《城市國有土地使用權出讓轉讓規劃管理辦法》) promulgated by the Ministry of Construction in December 1992 and amended in January 2011, a real estate developer shall apply for a construction land planning permit (《建設用地規劃許可證》) from the municipal planning authority.

After obtaining a Planning Permit for Land Use, a real estate developer shall organise the necessary survey, planning and design work having regard to planning and design requirements. For the planning and design proposal in respect of a real estate development project, the relevant report and approval procedures required by the Law of the PRC on Urban and Rural Planning (《中華人民共和國城鄉規劃法》) promulgated by the Standing Committee of the National People's Congress in October 2007, and local statutes on municipal planning must be followed and a Planning Permit for Construction Projects must be obtained from the municipal planning authority.

Pursuant to the Circular on Certain Issues Concerning Strengthening Land Supply and Supervision for Real Estate (《國土資源部關於加强房地產用地供應和監管有關問題的通知》) issued by the PRC Ministry of Land and Resources on 8 March 2010, a real estate developer shall file written reports with the department of land and resources upon the commencement and completion of a project. If the real estate developer fails to commence or complete the construction within the period prescribed in the land grant contract, it shall report the reason for delay to the department of land and resources within 15 days before the end of the period. Any real estate developer which fails to file reports shall be prohibited from acquiring land in the PRC for at least one year.

(k) Real Estate Financing

In recent years, the PRC government promulgated various rules and policies to regulate real estate project financing, which may limit the foreign-owned real estate companies' ability to use bank loans to finance their property projects.

In June 2003, the PBOC issued the Circular on Further Strengthening the Management of Real Estate Credit Business (《關於進一步加強房地產信貸業務管理的通知》) to strengthen the enforcement of lending regulations in the property industry. These measures:

(i) prohibit PRC commercial banks from financing the payment of land premium;

(ii) restrict PRC commercial banks from financing the development of luxury residential properties and villas;

(iii) prohibit PRC commercial banks from granting project loans to property developers if the property developer has failed to acquire the relevant land use rights certificate, construction land use planning permit, construction planning permit or construction permit, or if the property developer 's internal funds for the project are less than 30% (which was later raised to 35%) of the estimated total capital required for that project; and

(iv) prohibit property developers from financing property developments with loans obtained from banks in regions outside where the relevant property development is located.

On August 12, 2003, the State Council published the Notice on Facilitating Sustained and Healthy Development of the Real Estate Market (《國務院辦公廳關於促進房地產市場持續健康發展的通知》). This notice provides a series of measures to regulate the real estate market, including but not limited to enhancing the gathering and granting of public housing fund, perfecting the security of housing loans and strengthening the supervision of real estate loans. The purpose of the notice is to create a positive influence on the long-term development of the real estate market in China.

On 30 August 2004, the CBRC issued the Guideline for Commercial Banks on Risks of Real Estate Loans (《商業銀行房地產貸款風險管理指引》). According to this guideline, no loans shall be granted to projects which have not obtained the requisite land use rights certificates, construction land planning permits, construction works planning permits and construction work commencement permits. The guideline also stipulated that bank loans shall only be extended to real estate developers that contributed not less than 35% of the total investment of the property development project with its own capital. In addition, the guideline provides that commercial banks shall set up strict approval systems for granting loans.

In September 2007, the PBOC and the CBRC jointly issued the Notice on Strengthening the Administration of Commercial Real Estate Credit Loans (《關於加強商業性房地產信貸管理的通知》) to further regulate the management of loans for commercial real estate. Under this notice, the PRC government has tightened its control over loans from commercial banks to property developers in order to prevent excessive credit granting by such banks. The notice emphasises that commercial banks shall not offer loans to property developers who have been found by state land resource and construction authorities as hoarding land and buildings. Commercial banks are also prohibited from accepting commercial properties that have been vacant for more than three years as security for loans. The notice implements measures that:

(i) prohibit commercial banks from lending to projects with an internal capital ratio (owners' equity) of less than 35%, or without a land use rights certificate, construction land use planning permit, construction planning permit and construction permit;

(ii) prohibit commercial banks from lending to property developers solely for the payment of land premium; and

(iii) require commercial properties purchased with loans to have been completed and passed the relevant completion acceptance inspection.

On 29 July 2008, the PBOC and the CBRC jointly issued the Notice on Financially Promoting Land Saving and Efficient Use (《關於金融促進節約集約用地的通知》) which, among other things:

(i) restricts the granting of loans to property developers for the purpose of paying land premium;

(ii) provides that, for secured loans for land reserve, legal land use rights certificates shall be obtained, the loan mortgage shall not exceed 70% of the appraised value of the collateral, and the loan term shall be no more than two years in principle;

(iii) provides that for property developers who (1) delay the date of commencement of development specified in the land grant agreement for more than one year, (2) have not completed at least one-third of the intended project, or (3) have not invested at least one-fourth of the intended total project investment, loans shall be granted or extended to them prudently;

(iv) restricts the granting of loans to property developers whose land has been idle for more than two years; and

(v) prohibits taking idle land as security for loans.

In accordance with the Notice Regarding Adjusting Capital Ratio of Fixed Assets Investment Project (《固定資產投資項目資本金比例的通知》) promulgated by the State Council on 25 May 2009, the minimum capital ratio for real estate development projects (other than low-income and ordinary commercial housing projects) is 30%. When providing credit support and services, financial institutions shall carry out independent assessments to prevent financial risks and conduct comprehensive assessments and evaluations on the source of capital, returns on investment and credit risks with reference to the capital ratio requirements promulgated by the state and the actual status of the borrower and the project, and to independently decide whether to grant the loan and the specific amount and proportion of the loan.

On 7 January 2010, the General Office of the State Council issued the Circular on Promoting the Stable and Healthy Development of Real Estate Market (《國務院辦公廳關於促進房地產市場平穩健康發展的通知》), pursuant to which, financial institutions are required to adhere strictly to requirements regarding internal capital ratios for real estate projects, and are prohibited from advancing funds to developers or projects that do not satisfy the requirements under the relevant credit policies in relation to real estate development.

On 29 September 2010, the PBOC and CBRC jointly issued the Notice on Issues Concerning the Improvement of Differential Housing Credit Policies (《中國人民銀行、中國銀行業監督管理委員會關於完善差別化住房信貸政策有關問題的通知》), pursuant to which all commercial banks are required to suspend the granting of loans for new development projects and to suspend the extension of loans to any real estate developers which have left any land idle, changed the uses and nature of land, delayed the commencement of property projects or the completion of their construction, held back housing units for sale or violated any of laws or regulations.

Notice on Further Improving Housing Financial Services (《中國人民銀行、中國銀行業監督管理委員會關於進一步做好住房金融服務工作的通知》), promulgated on 29 September 2014 by the PBOC and CBRC, provides that banking financial institutions shall, under the premise of risk control, reasonably allocate credit resources to support qualified real estate developers which operate with integrity in their property development, so as to support their reasonable financing needs for completing property projects with market prospects. The Notice also provides for the expansion of market-oriented financing channels, support for qualified real estate developers to issue debt financing instruments in the interbank bond market, and the active and steady implementation of the pilot scheme of REITs.

(l) Idle Land

According to the Measures on Disposing Idle Land (《閒置土地處置辦法》) enacted and enforced by the Ministry of Land and Resources on 28 April 1999 and revised on 1 June 2012, land can be classified as idle land under any of the following circumstances:

(i) development and construction of the state-owned land has not commenced within one year after the time limit prescribed in the land use rights grant contract or allocation decision; or

(ii) the development and construction of the state-owned idle land has commenced but the area of which development and construction has commenced is less than one-third of the total area to be developed and constructed, or the invested amount is less than 25% of the total amount of investment, and the development and construction have been continuously suspended for one year or more without any approval.

Where the delay of commencement of development is caused by the government or due to natural disasters, the land administrative authorities shall discuss with the state-owned construction land use rights holder to proceed with one of the following:

(i) extending the time limit for commencing development. The government and the relevant state-owned construction land use rights holder shall enter into a supplemental agreement and specify the revised time limit for commencing development and construction completion and the liability for breach of such agreement. The time limit for commencing development shall not be extended over one year from the date of the commencement of development specified on the supplemental agreement;

(ii) adjusting the land use and planning conditions. The relevant land use procedure shall be revisited and the land grant premium shall be reviewed, collected or returned according to the new land use and/or planning conditions;

(iii) arranging for temporary use for the idle land by the government. The relevant state-owned construction land use rights holder shall resume the development and construction of the idle land when the original project is ready for development and construction. The time limit of temporary use shall not exceed two years from the prescribed start date of temporary use;

(iv) requisition of the use right of the state-owned construction land by the government with compensation;

(v) exchanging the idle land for other land. When the land grant premium of the idle land has been paid up, the project funding has been completed and the idle status is caused by lawful amendment to the plan, the government can offer other state-owned construction land of the same value and use to the relevant state-owned construction land use rights holder in exchange. The state-owned construction land use rights holder and the government shall enter into a new land grant contract, which shall specify the land as land offered in exchange; and

(vi) other measures as determined by the relevant city-level and county-level land administrative authorities based on actual circumstances.

Save for the above item (iv), the time limit for commencing development shall be re-calculated according to the newly agreed or stipulated time.

On 8 September 2007, the Ministry of Land and Resources promulgated the Notice on Strengthening the Disposal of Idle Land (《關於加大閒置土地處置力度的通知》), which provides that the surcharge on idle land shall be 20% of the land grant premium in principle, and where confiscation measures imposed by the law, such measures shall be strictly implemented.

On 3 January 2008, the State Council issued the Notice on Promoting Economical and Intensive Use of Land (《關於促進節約集約用地的通知》), which presses for the full and effective use of existing construction land and the preservation of farm land. The notice also stipulates that the amount of idle land fees for any land left idle for over one year but less than two years shall be equal to 20% of the land premium.

According to the Notice on Promoting Steady and Healthy Development of the Real Estate Market (《關於促進房地產市場平穩健康發展的通知》) issued by the General Office of the State Council on 7 January 2010, the land resource authorities shall strengthen the investigation and handling of idle land.

On 26 January 2011, the State Council issued the Notice on Further Improvement of the Regulation and Control of Real Estate Market (《國務院辦公廳關於進一步做好房地產市場調控工作有關問題的通知》), pursuant to which the qualification certificates and the sources of capital of real estate enterprises will be examined. If a real estate development enterprise fails to obtain a construction permit two years after the land is provided, the land will be confiscated and fines will be imposed accordingly.

(m) Demolition and Removal

Under the Regulations on Demolition as repealed by the Regulations on the Expropriation and Compensation of Houses on State-owned Land (《國有土地上房屋徵收與補償條例》) (the "**Expropriation Rules**") promulgated by the State Council, which came into effect on 21 January 2011 and superseded the Regulations for the Administration of Demolition and Removal of Urban Housing (《城市房屋拆遷管理條例》) promulgated on 13 June 2001, buildings on state-owned land can be expropriated for public interest reasons, and those owners of expropriated buildings which are located on state-owned land are entitled to fair indemnification. Where a building is expropriated according to law, the corresponding right to use the state-owned land shall be retracted at the same time. Compensation agreements regarding the compensation methods, compensation amount, payment terms and other relevant issues shall be entered into between those owners of expropriated buildings and the relevant PRC governmental authorities responsible for the expropriation. The compensation for the value of the expropriated building shall not be less than the market price of a property similar to the expropriated building on the date of announcement of the decision to expropriate the building. The value of the expropriated building shall be assessed by a qualified real estate price assessment institution according to the assessment measures for building expropriation. The compensation shall be paid prior to the relocation. In the event that no compensation agreement is reached within the time limit, the city or county government may make an administrative decision on the compensation according to the application of the relevant PRC governmental authorities responsible for house expropriation and publish a government notice within the area of the expropriation. No enterprise or individual may compel the expropriated owners to relocate by means of violence, threat or other illegal methods. Property developers are prohibited from participating in relocation arrangements.

(n) Construction

Before commencing any construction work, the developer shall apply for a Permit for Erection of Construction Projects from the construction authority under the local government above the county level according to the Measures for Administration of Granting Permission for Commencement of Construction Works (《建築工程施工許可管理辦法》) promulgated by the MOHURD on 25 June 2014 and effective from 25 October 2014.

The Building Construction and Municipal Facilities Construction Tender Management Regulations (《房屋建築和市政基礎設施工程施工招標投標管理辦法》) (the "**Tender Regulations**") promulgated in June 2001 state that a Tender Appraisal Committee should be set up for the appraisal of the tender for construction works for a project. According to the Tender Regulations, the Tender Appraisal Committee to be organised by the tenderee shall include representatives of the tenderee and relevant specialists selected by the tenderee from a list certified by the construction administration authorities. The number of members of the Tender Appraisal Committee shall be an odd number and shall consist of at least five members. The relevant specialists shall make up no less than two-thirds of the membership. In accordance with the Tender Regulations, if the estimated price of a single construction contract amounts to at least RMB2 million or the total investment of the project is at least RMB30 million, the developer is required to undertake a bidding process for the award of the construction contracts.

Pursuant to the Development Regulations and the Interim Measures for the Administration of the Registration of the Inspection and Acceptance of the Completed Building Construction Works and the Municipal Infrastructure Facilities (《房屋建築工程和市政基礎設施工程竣工驗收備案管理暫行辦法》) promulgated by the Ministry of Construction in April 2000 (amended in October 2009) and the Interim Provisions on Acceptance Examination Upon Completion of Buildings and Municipal Infrastructure (《房屋建築工程和市政基礎設施工程竣工驗收暫行規定》) promulgated by the MOHURD on 2 December 2013, upon the completion of real estate development project, the developer shall arrange for the examination of the project and file the construction completion examination and acceptance report with the competent department of real estate development of the local people's government at or above county level, where the project is located within 15 days after the acceptance examination is completed.

(o) Warranty and Maintenance of Buildings

Under the Regulations on Quality Management of Construction Projects (《建設工程質量管理條例》) which was promulgated by the State Council on 30 January 2000, when a construction contractor hands over a construction completion examination and acceptance report, it should provide the Quality Guarantee, which should specify scope, term and responsibilities of the warranty as to the quality of the construction.

According to the Measures on the Warranty and Maintenance of Building Construction Projects (《房屋建築工程質量保修辦法》) which was promulgated by the Ministry of Construction on 30 June 2000, in normal circumstances, the warranty and maintenance period for different parts of a construction project should not be shorter than the following:

(i) the reasonable use as stipulated by the project design documents for the groundwork foundation and main body structure project;

(ii) five years for anti-leakage project of the roofs, toilets, rooms and the outer walls;

(iii) two heating periods/cooling periods for the heating and cooling system; and

(iv) two years for decoration projects.

The warranty and maintenance period of other parts of the construction projects may be determined by agreement between the real estate developers and the builder.

(p) Leases of Buildings

Both the Interim Regulations on Grant and Transfer and the Real Estate Law permit leasing of granted land use rights and the buildings or homes constructed on the land. Leasing of properties situated in urban areas has been governed by the Measures for Administration of Leasing of Urban Building (《城市房屋租賃管理辦法》) prior to 1 February 2011 and is governed by the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》) (the "**Leasing Measures**") since 1 February 2011. The Leasing Measures permit property owners to lease their properties to others for residential or commercial property uses except as otherwise prohibited by relevant law. The landlords and tenants who are the parties to a property lease transaction are required to enter into a written lease agreement specifying all of the terms of the lease arrangement as required by statute. Leasing of buildings and the underlying land use rights shall not exceed 20 years. The lease agreement becomes effective upon signing; however, it must be registered with the relevant real estate administration authority at the municipality or county level within 30 days after its execution for the purpose of protecting the tenant's interest against claims from third parties. A tenant may, upon obtaining consent from the landlord, assign or sublet the premises to sub-tenants. In addition, the Leasing Measures further strengthens the administration of leasing by stipulating more specific procedural rules for lease registration with local real estate administration authority.

On 30 July 2009, the Supreme People's Court issued the Interpretation of Certain Issues concerning the Application of Law for Judging Disputes over Urban Building Leasing Contracts (《關於審理城鎮房屋租賃合同糾紛案件具體應用法律若干問題的解釋》) which became effective on 1 September 2009 (the "**Leasing Interpretation**"). The Leasing Interpretation clarifies that courts should not uphold the claim that a building leasing contract is invalid due to the failure of registration. However, if parties agreed on such registration being a condition precedent to the effectiveness of building leasing contract, the agreement prevails, unless that one party has performed major obligations which were accepted by the other party.

(q) Insurance

There are no nationwide mandatory requirements in the PRC laws, regulations or governmental rules requiring a real estate developer to maintain insurance for its real estate projects. According to the Construction Law of the People's Republic of China (《中華人民共和國建築法》) promulgated by the Standing Committee of the NPC on 1 November 1997 (which came into effect on 1 March 1998) and amended on 22 April 2011, construction enterprises shall pay the premium for industrial injury insurance for employees to participate in such insurance. Construction enterprises are also encouraged to maintain accidental injury insurance and pay the relevant insurance premium for employees engaging in dangerous operations.

(r) Major Environmental Protection Requirements

In accordance with the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) adopted by the Standing Committee of the NPC on 26 December 1989, which was amended on 24 April 2014 and came into effect on 1 January 2015, the Administration Supervisory Department of Environmental Protection of the State Council sets the national guidelines for the discharge of pollutants. The people's governments of provinces, autonomous regions and municipalities directly under the central government may also set their own guidelines which are more stringent than the national standards for the discharge of pollutants within their own provinces or districts in the event that the national guidelines are inadequate and submit the same to the competent department of environmental protection under the State Council for record.

The state implements a pollution discharge license management system. Companies with a pollution discharge license are permitted to discharge pollutants according to the requirements specified in the license; those that fail to obtain a pollution discharge license are not permitted to discharge pollutants. In preparing for the relevant development and utilisation plans and the construction of projects that would affect the environment, an environmental impact assessment shall be conducted in accordance with the law. Any development and utilisation plan for which an environmental impact assessment has not been conducted in accordance with the law may not be implemented; any construction project for which an environmental impact assessment has not been conducted in accordance with the law may not commence construction.

A company or enterprise which causes environmental pollution and discharges other pollutants which endanger the public should implement environmental protection methods and procedures into their business operations. This may be achieved by setting up a system of accountability within the company's business structure for environmental protection; adopting effective procedures to prevent environmental hazards such as waste gases, water and residues, dust powder, radioactive materials and noise arising from production, construction and other activities from polluting and endangering the environment. The environmental protection system and procedures should be implemented simultaneously with the commencement of and during the operation of construction, production and other activities undertaken by the company.

Key entities that discharge pollutants shall install and use monitoring equipment in accordance with the relevant state provisions and monitoring standards, ensure the normal operation of such monitoring equipment, and keep the original monitoring record. These companies and entities shall also truthfully disclose the names of their main pollutants, how such pollutants are discharged, the emission concentration, total emissions, any excessive emissions as well as the construction and operation of pollution prevention and control facilities, and be subject to social supervision. If they do not disclose or untruthfully disclose environmental information in violation of the law, the competent departments of environmental protection at county-level or above shall order them to disclose such information, impose fines and publicise the relevant violation. In respect of construction projects for which environmental impact reports are required by the law, the developer shall, when preparing the reports, disclose and explain to the public that may be affected and solicit their opinions.

A fee may also be imposed for the cost of any work required to restore the environment to its original state. Where an environmental protection tax is levied, no fees for pollutant discharge shall be imposed.

If a company or enterprise illegally discharges pollutants, it may be fined and ordered to rectify the matter. If a company or enterprise discharges pollutants in excess of the relevant pollutant discharge standards or the relevant total emission control indicators for key pollutants, the competent departments of environmental protection at county-level or above may order them to take measures such as restricting production and suspending production for system improvement; in serious cases, reports shall be made to the people's government with approval authority for approval and the relevant entity may be ordered to suspend production and be shut down.

Under the Provisions on the Inspection and Acceptance of Environmental Protection of Construction Projects (《建設項目竣工環境保護驗收管理辦法》) promulgated by the State Environmental Protection Administration of China on 27 December 2001, each construction project completed is subject to the inspection of the competent environmental protection administrative authorities, and only after the construction project has passed the inspection and acquired the acceptance approval, can it be put into use.

(s) Sale of Commodity Properties

Under the Measures for Administration of Sale of Commodity Properties (《商品房銷售管理辦法》) (the "**Sale Measures**") promulgated by the Ministry of Construction on 4 April 2001, which became effective on 1 June 2001, the sale of commodity properties can include both sales prior to and after the completion of the properties.

Permit for pre-sale of commodity properties

Any pre-sale of commodity properties must be conducted in accordance with the Measures for Administration of Pre-sale of Commodity Properties (《城市商品房預售管理辦法》) promulgated by the Ministry of Construction on 15 November 1994, as amended on 15 August 2001 and 20 July 2004 (the "**Pre-sale Measures**").

The Pre-sale Measures provide that any pre-sale of commodity properties is subject to specified procedures. If a real estate developer intends to sell commodity properties in advance, it shall apply to the real estate administrative authority to obtain a pre-sale permit. The pre-sale of commodity properties is required to meet the following conditions:

(i) the relevant land grant premium having been fully paid up and a land use rights certificate having been obtained;

(ii) a construction work planning permit and a construction work commencement permit having been obtained; and

(iii) 25% or more of the total investment in the project having been invested and the progress of construction and the completion and delivery dates having been properly determined.

Supervision on proceeds of pre-sale of commodity properties

Under the Pre-sale Measures and the Urban Real Estate Law, the proceeds from pre-sale of commodity buildings may only be used to fund the property development costs of the relevant projects.

On 13 April 2010, the MOHURD promulgated the Notice on Further Strengthening the Supervision and Administration of Real Estate Market and Improving the System for Pre-sale of Commodity Housing (《關於進一步加强房地產市場監管完善商品住房預售制度有關問題的通知》), which stipulates, among other things, that:

(i) for commodity housing projects which have not obtained pre-sale permits, real estate developers shall not conduct any pre-sale activities, or collect fees from purchasers in the form of a deposit or reservation fee for accepting a subscription or reservation, offering priority or distributing VIP cards, and shall not engage in any sales exhibition. For those which have obtained pre-sale permits, real estate developers shall announce the properties permitted to be sold all at once and the price of each property within ten days, and sell the properties strictly at the prices reported and posted. Real estate developers shall not sell the properties that are reserved for themselves to any third parties prior to the initial title registration, or pre-sell the commodity properties with an agreement to refund the purchase price or to lease back the property, or engage in any false transactions;

(ii) a pre-sale permit shall cover at least a building, and shall not be granted by floor or unit;

(iii) real estate developers shall sell commodity housing according to the pre-sales plans. Major alteration to the pre-sale plans shall be reported to the competent authority and be publicly announced;

(iv) the names of the actual purchasers shall be strictly required in the sale of commodity housing, and any changes to the names of the purchasers without due approval are not allowed after subscription. A pre-sale shall be rescinded if the purchaser does not enter into a pre-sale contract within the time limit after subscription, and the relevant property may be sold to the public upon rescission; and

(v) the mechanism for the supervision of pre-sale proceeds shall be improved. For areas where a system for supervision of pre-sale proceeds has been set up, measures shall be taken to promote the system. For areas where such system has not been set up, regulations relating to the supervision of pre-sale proceeds shall be put in place as soon as possible. All the pre-sale proceeds of commodity properties shall be put into custodial accounts, which shall be supervised and managed by relevant regulatory authorities in order to ensure the proceeds are used only for the construction of the relevant commodity properties. Pre-sale proceeds may be allocated according to the construction progress, provided that adequate funds have been reserved for completion and delivery of the relevant project.

Sales after completion of commodity properties

Under the Sale Measures, commodity properties may be put to sale post-completion only if the following pre-conditions have been satisfied:

(i) the real estate developer offering to sell the properties post-completion shall have a business license and a real estate developer qualification certificate;

(ii) the developer has obtained a land use rights certificate or other land use approval documents;

(iii) the developer has obtained the construction project planning permit and the construction work commencement permits;

(iv) the construction of the commodity properties has been completed, inspected and accepted as qualified;

(v) the relocation of the original residents at the properties has been settled;

(vi) the supply of water, electricity, heating, gas and communication and other essential ancillary facilities and public facilities have been made ready for use, or the construction schedule and delivery date of such facilities have been specified; and

(vii) the property management plan has been completed.

The Provisions on Sale of Commodity Properties at Clearly Marked Price（《商品房銷售明碼標價規定》）were promulgated by the NDRC on 16 March 2011 and became effective on 1 May 2011. According to the provisions, real estate developers or real estate agencies are required to mark the selling price explicitly and clearly for both newly-built and second-hand commodity properties. The provisions require real estate operators to clearly indicate the prices and relevant fees of commodity

properties, as well as other factors affecting the prices of the commodity properties to the public. With respect to real estate development projects that have received property pre-sale permits or have completed the filing procedures for the sale of completed properties, real estate operators shall announce the commodity properties available for sale all at once within the specified time limit. Furthermore, with regard to a property that has been sold out, real estate operators are obliged to disclose the information and to disclose the actual transaction prices. Real estate operators cannot sell commodity properties beyond the explicitly marked price or charge any other fees not explicitly marked. Moreover, real estate operators may neither mislead properties purchasers with false or irregular price-marking, nor engage in fraud by employing false or misleading price-marking methods.

On 26 February 2013, the General Office of the State Council issued the Notice on Continuing the Regulation of Real Estate Market (《關於繼續做好房地產市場調控工作的通知》) which is intended to cool down the property market and to emphasise the government's determination to strictly enforce the relevant regulatory and macro-economic measures, which included, among other things, (i) home purchase restrictions, (ii) increased down payment requirements for the purchase of second residential properties, (iii) suspension of mortgage financing for purchase of third or more residential properties; and (iv) levy of 20% individual income tax on the gain from the sale of properties.

(t) Housing loans to individual buyers

On 24 May 2006, the State Council, State Administration of Taxation, Ministry of Finance, Ministry of Land and Resources, Ministry of Supervision, National Development and Reform Commission, the CBRC, The People's Bank of China and Ministry of Construction jointly promulgated a Notice on Distributing the Opinions of the Departments Including the Ministry of Construction on Adjusting the Housing Supply Structure and Stabilizing the Housing Price (《國務院辦公廳關於轉發建設部等部門關於調整住房供應結構穩定住房價格意見的通知》). In accordance with the Notice, in order to suppress the excessive increase of housing price, from 1 June 2006, the proportion of initial payment of individual housing mortgage loans shall not be lower than 30%. However, considering the demands for housing by medium and low-income people, the purchase of self-use housing with set floor area no more than 90 square meters is still subject to the provision of the initial payment of a 20% first installment.

The Notice on Strengthening the Administration of Commercial Real Estate Credit Loans (《關於加强商業性房地產信貸管理的通知》), promulgated on 27 September 2007, provides that the down payment requirement applicable to a purchaser acquiring the second residential property shall not be less than 40% and the interests payable on these loans shall not be less than 1.1 times of the benchmark interest rate of the same kind and same term published by the PBOC. Under the Complementary Notice on Strengthening the Administration of Commercial Real Estate Credit Loans (《關於加强商業性房地產信貸管理的補充通知》), for a member of a family (including the debtors, their spouses and their juvenile children) has purchased a house with the loans, any member of the family that purchases another house will be regarded as a second-time house buyer.

On 19 June 2009, the CBRC issued the Notice on Further Strengthening the Risk Management of Mortgage Loans (《關於進一步加强按揭貸款風險管理的通知》), which requires all financial institutions to tighten pre-loan inspections and standards for granting mortgage loans and strengthen the risk control of mortgage loans, adhere to the policy of meeting the needs of first-time home buyers and strictly comply with the policy on mortgage loans for second residential properties.

The Notice on Promoting the Steady and Healthy Development of the Real Estate Market (《關於促進房地產市場平穩健康發展的通知》) issued on 7 January 2010 provides that for the families (including the debtors, their spouses and their juvenile children) who have bought a residential house by the loans and are applying for loans to purchase the second residential house or more residential houses, the down payments of the loans shall be not less than 40% and the loan rates shall be strictly commensurate with the credit risks.

On 17 April 2010, the State Council issued the Notice on Strictly Restraining the Excessive Growth of the Property Prices in Some Cities (《關於堅決遏制部分城市房價過快上漲的通知》), pursuant to which, a stricter differential housing credit policy shall be enforced. It provides that, among other things, (i) for a family member who is a first-time home buyer (including the debtors, their spouses and their juvenile children, similarly hereinafter) of the apartment with a GFA more than 90 sq.m., a minimum 30% down payment shall be paid; (ii) for a family who applies loans for its second house, the down payment requirement is raised to at least 50% from 40% and also provides that the applicable mortgage rate must be at least 1.1 times of that of the corresponding benchmark interest rate over the same corresponding period published by the PBOC; and (iii) for those who purchase three or more houses, even higher requirements on both down payments and interest rates shall be levied. In addition, the banks may suspend housing loans to third or more home buyers in places where house prices rise excessively rapidly and high and housing supply is insufficient.

On 26 May 2010, the MOHURD, the PBOC and the CBRC jointly promulgated Circular on the Determination Criteria of Second Residential Property in Individual Commercial Housing Loan Applications (《關於規範商業性個人住房貸款中第二套住房認定標準的通知》). The circular lays down the determining criteria of a property being identified as an individual's second residential property in individual commercial housing loan applications. The circular provides that the number of residential properties owned by an individual loan applicant shall be determined with reference to the number of completed residential properties actually owned by the members of the family (including the individual loan applicants, their spouses and minor children) of the individual who plans to purchase another residential property with the use of individual commercial housing loans. The application or authorisation of any individual commercial housing loan by an individual loan applicant shall be subject to checks on the loan applicants' residential property registry records through the property registration information system and the issuance of written results of such checks by the urban real estate competent authorities. The lender shall implement a differential credit policy for the individual loan applicants' second (or above) residential property in accordance with the number of residential properties owned by such applicants. The policy in this circular is also applicable to non-residents who can provide local tax clearance certificates or local social insurance payment certificates for one year or above.

The Notice on Relevant Issues Regarding the Improvement of Differential Mortgage Loan Policies (《關於完善差別化住房信貸政策有關問題的通知》), issued on 29 September 2010, raises the minimum down payment to 30% for all first-time home buyers with mortgage loans; and requires commercial banks in China to suspend mortgage loans to customers for their third or more residential property purchase, and non-local residents who are unable to provide documentation certifying payment of local tax or social security for longer than a one-year period.

On 2 November 2010, the MOHURD, the Ministry of Finance, the PBOC and the CBRC jointly promulgated the Circular on Regulations of Policies Concerning Individual Housing Provident Fund Loans (《關於規範住房公積金個人住房貸款政策有關問題的通知》) and regulations in relation to Individual Housing Provident Fund Loans. The circular provides that Individual Housing Provident Fund Loans shall only be used in purchasing, building, re-building and overhauling ordinary and privately used

residential properties of labourers with the aim of meeting their basic needs for housing. The use of Individual Housing Provident Fund Loans to carry out speculative purchase of properties is strictly prohibited. To purchase the first residential property for private use with Individual Housing Provident Fund Loans, the down payment of the purchase shall not be less than 20% of the total purchase price for a property with a GFA less than 90 sq.m. (inclusive). For a property with a GFA more than 90 sq.m., the down payment shall not be less than 30% of the total purchase price. For the purchase of the second residential property, Individual Housing Provident Fund Loans are only available to labourers whose families' per-capita gross floor area is lower than the local average, and the loans could only be used to purchase ordinary and privately used residential properties that help improve the living conditions of the labourers. The down payment for the purchase of the second residential property shall not be less than 50% of the total purchase price, and the interest rate of the loan shall not be less than 1.1 times of the interest rate for Individual Housing Provident Fund Loans in relation to the purchase of the first residential property during the same period. Individual Housing Provident Fund Loans are not available to labourers and their families for purchasing the third (or more) residential property.

Notice of the People's Bank of China and the China Banking Regulatory Commission on Further Improving Housing Financial Services, promulgated on 29 September 2014 by the PBOC and CBRC, provides that as regards a household that borrows a loan to purchase the first ordinary owner-occupied residential property, the minimum down payment ratio of the loan shall be 30%, and the floor of the loan interest rate shall be 0.7 times the benchmark lending rate. Banking financial institutions shall determine the specifics in this regard. Where a household that owns an existing property for which the property purchase loan has been paid off applies for a new loan to purchase another ordinary commodity housing for the purpose of improving living conditions, the relevant banking financial institution shall adopt the lending policies applicable to the first owner-occupied property. In cities where the control measures on property purchase have been canceled or are not implemented, if a household that owns two or more existing properties for which the property purchase loans have been paid off applies for a new loan to purchase yet another new property, the relevant banking financial institution shall specifically determine the down payment ratio and the loan interest rate in a prudent manner based on the borrower's repayment capability, credit standing and other factors. A banking financial institution may, according to the local urbanisation development planning, disburse housing loans to non-local residents who satisfy policy conditions.

(u) Measures on Stabilising Housing Prices

On 26 March 2005, the General Office of the State Council promulgated the Notice on Effectively Stabilizing House Prices (《關於切實穩定住房價格的通知》) to restrain the excessive increase of housing prices and promote the sound development of the real estate market. The notice provides that housing prices should be stabilised and the system governing housing supply should be vigorously adjusted and improved. In accordance with the notice, seven departments of the State Council, including the Ministry of Construction, issued the Opinion on Stabilising Housing Prices (《關於做好穩定住房價格工作的意見》) on 30 April 2005. The opinion states, among other things, that

(i) local governments should focus on ensuring the supply of low-to medium-end ordinary residential houses while controlling the construction of low density and high-end residential houses;

(ii) to curb any speculation in the real estate market, the business tax would be levied from 1 June 2005 on the total revenue arising from any transfer by individuals of residential houses within two years from their purchase thereof or on the difference between the transfer price and the original price for any transfer of non-ordinary houses by individuals after two or more years from their initial purchase thereof; and

(iii) the real estate registration department will no longer register the transfer of pre-sold houses before the buyers obtain the relevant property ownership certificates.

On 24 May 2006, the General Office of the State Council promulgated the Notice on Adjusting the Housing Structure and Stabilising Housing Prices (《關於調整住房供應結構穩定住房價格意見的通知》).

The notice provides for the following broad directives to, among other things:

(i) encourage mass-market residential developments and curb the development of high-end residential properties;

(ii) enforce the collection of the 5% business tax on property sales (business taxes shall be levied on the entire sale price of any property sold within five years, or on the profit arising from any property sold after five years subject to possible exemptions for ordinary residential properties);

(iii) restrict housing mortgage loans to not more than 70% of the total property price (for houses purchased for self-residential purposes and with a GFA of less than 90 sq.m., the owners are still able to apply for a housing mortgage up to an amount representing 80% of the total property price);

(iv) halt land supply for villa projects and restrict land supply for high-end and low-density residential projects;

(v) moderate the progress and scale of demolition of old properties for re-development;

(vi) require local governments to ensure that units of less than 90 sq.m. in size shall account for over 70% of the total development and construction area (with any exceptions requiring the approval of the Ministry of Construction); and

(vii) prevent banks from providing loans to a property developer whose total capital fund is less than 35% of the total investment amount in an intended development project.

On 6 July 2006, the Ministry of Construction promulgated certain opinions regarding the Implementation of the Ratio Requirements for the Structure of Newly constructed Residential Units (《關於落實新建住房結構比例要求的若干意見》) (the "**New Opinions**"). The New Opinions stipulate that residential units with a GFA of less than 90 sq. m. shall account for over 70% of the total area of residential units which are newly approved and constructed in each city or county after 1 June 2006. The relevant local government shall have the authority to determine the configuration of newly constructed property. Pursuant to the Opinions on Solving Housing Shortage for Urban Low-income Households (《關於解決城市低收入家庭住房困難的若干意見》) promulgated by the State Council on 7 August 2007, each local authority shall adjust the housing supply structure in order to:

(i) implement the Notice of the General Office of the State Council on Forwarding the Opinions of the Ministry of Construction and other Ministries on Adjusting the Housing Supply Structure and Stabilizing the Housing Prices (《國務院辦公廳轉發建設部等部門關於調整住房供應結構穩定住房價格意見的通知》);

(ii) focus on the development of low to medium-priced, and small to medium-sized commodity housing; and

(iii) increase the supply of housing.

The approval percentage of new housing construction (with a GFA of less than 90 sq.m.) shall be more than 70% of the total housing development area. The annual supply of low rental housing construction land, economy-sized housing and low to medium-priced and small to medium-sized commodity housings shall not be less than 70% of the total residential housing land. Pursuant to the Notice on Implementation of the Opinions of the State Council on Solving Housing Shortage for Urban Low-income Households to Further Adjust Land Supply (《關於認真貫徹〈國務院關於解決城市低收入家庭住房困難的若干意見〉進一步加强土地供應調控的通知》) promulgated by Ministry of Land and Resources on 30 September 2007 and amended on 3 December 2010, the administration department of the Ministry of Land and Resources at both municipality and county levels shall give priority to arranging land supply for low rental housing, economy-sized housing and low to medium-priced and small to medium-sized commodity housing. The annual supply volume shall not be less than 70% of total residential land supply.

On 7 January 2010, the General Office of the State Council issued the Notice on Promoting the Steady and Healthy Development of the Real Estate Market (《關於促進房地產市場平穩健康發展的通知》), which provides that, among other things, land resource authorities shall strengthen supervision of the compliance of the contracts and strictly collect land premiums according to land grant contracts, and shall:

(i) effectively increase the supply of social welfare housing and ordinary commodity residential properties, in particular, low to medium-priced and small to medium-sized ordinary commodity residential properties;

(ii) direct consumers to make reasonable purchases of residential properties and discourage investment and speculation in the housing market;

(iii) strengthen credit risk management for real estate projects and market supervision;

(iv) speed up the construction of social welfare housing projects; and

(v) setting or clarifying the responsibilities of provincial and local governments.

On 8 March 2010, the Ministry of Land and Resources issued the Notice on Strengthening the Supply and Supervision of Land Use for Real Estate Property (《關於加强房地產用地供應和監管有關問題的通知》). The notice, among other things, provides that:

(i) the land and resources bureau at city and county levels shall ensure that the land supply for government-subsidised housing, slum-dwellers reconstruction and small commercial housing units for self-housing shall not be less than 70% of the total residential land supply and strictly control the land supply for large-sized apartments and restrict the land supply for villas;

(ii) land resource authorities shall prohibit property developers who owe land grant premium payments, possess idle land, engage in land speculation and price manipulation, conduct project development exceeding approved scope or fail to conform with the land use rights grant contract from land bidding transactions within a set period of time; and

(iii) the land use rights grant contract shall be executed within ten days after a grant of land has been mutually agreed and a down payment of 50% of the land grant premium shall be paid within one month from the execution of the land use rights grant contract with the remaining amount paid no later than one year after the execution of the land use rights grant contract.

On 21 September 2010, the Ministry of Land and Resources and the MOHURD jointly promulgated the Notice on Further Strengthening Control and Regulation of Land and Construction of Property Development (《關於進一步加强房地產用地和建設管理調控的通知》), which stipulates, among other things, that:

(i) at least 70% of land designated for construction of urban housing shall be used for affordable housing, housing for resettlement of shanty towns and small to medium-sized ordinary commercial housing; in areas with high housing prices, the supply of land designated for small to medium-sized, price-capped housing shall be increased;

(ii) developers and their controlling shareholders are prohibited from participating in land auctions before the rectification of certain misconduct, including (i) illegal transfer of land use rights; (ii) failure to commence required construction within one year from the delivery of land under land grant contracts due to such developers' own reasons; (iii) non-compliance with the land development requirements specified in land grant contracts; and (iv) crimes such as obtaining land by forging official documents and illegal land speculation;

(iii) developers are required to commence construction within one year from the date of delivery of land under the relevant land grant contract and complete construction within three years of commencement;

(iv) development and construction of projects of low-density and large-sized housing shall be strictly limited and the plot ratio of the planned GFA to the total site area of residential projects shall be more than one; and

(v) the grant of two or more bundled parcels of lands and undeveloped land is prohibited.

In December 2010, the Ministry of Land and Resources promulgated the Notice on Strict Implementation of Policies Regarding Regulation and Control of Real Estate Land and Promotion of the Healthy Development of Land Markets (《關於嚴格落實房地產用地調控政策促進土地市場健康發展有關問題的通知》), which, among other things, provides that (i) cities and counties that have less than 70% of their land supply designated for affordable housing, redevelopment housing for shanty towns or small to medium-sized residential units shall not provide land for large-sized and high-end housing until the end of 2010; (ii) local land and resources authorities shall file a transaction report with the Ministry of Land and Resources and provincial land and resources authorities, respectively, in relation to land sold via competitive bidding, auction and listing-for-sale with a 50% or more premium; and (iii) for land designated for affordable housing but used for the development of commodity houses, any illegal income derived therefrom will be confiscated and the relevant land use rights will be revoked. In addition, unapproved changes to the plot ratio are strictly prohibited.

On 26 January 2011, the General Office of the State Council issued the Notice on Issues Concerning Further Improvement of the Control on Real Estate Market (《進一步做好房地產市場調控工作有關問題的通知》). This notice, among other things, provides that:

(i) individuals selling housing properties within five years of purchase shall be charged business taxes on the full amount of sale price, whether ordinary or non-ordinary;

(ii) the minimum down payment for second home purchases increases from 50% to 60%;

(iii) a property developer, who fails to obtain the construction work commencement permit and commence development for more than two years from the commencement date stipulated in the land grant contract, shall forfeit the land use rights and the PRC government shall impose an idle land fee of up to 20% of the land premium on such property developer; and

(iv) municipalities directly under the central government, municipalities with independent planning status, provincial capitals and cities with high housing prices shall limit the number of homes local residents can purchase in a specific period.

In principle, local resident families that own one house and non-local resident families who can provide local tax clearance certificates or local social insurance payment certificates for a required period are permitted to purchase only one additional house (including newly built houses and second-hand houses). Sales of properties to (i) local resident families who own two houses or more, (ii) non-local resident families who own one house or more, and (iii) non-local resident families who cannot provide local tax clearance certificates or local social insurance payment certificates for a required period shall be suspended in local administrative regions.

On 26 February 2013, the General Office of the State Council issued the Notice on Continuity to Well Manage the Control Work of the Real Estate Market (《關於繼續做好房產地市場調控工作的通知》), which stipulates the following:

(i) improving the mechanism of work responsibility of stability of the real estate price, measures including requiring the relevant departments under the State Council to strengthen the supervision and inspection of the stability of prices. The provincial people's government shall conduct interviews if local governments in its jurisdiction fail to implement housing purchase restrictions;

(ii) continuing to suppress investment purchasers, measures including continuing to implement and improve the purchase restriction measures; using the effect of tax to adjust the real estate price, the tax bureau and housing construction departments shall closely coordinate and shall levy individual income tax at a tax rate of 20% according to the regulations;

(iii) increasing the land supply for residential commercial properties, measures including that the total land supply for residential land in 2013 in principle shall be no less than the average land supply in the past five years;

(iv) accelerating the planning and construction of affordable housing project, fully implementing the task of building 4.7 million units, constructing 6.3 million new sets of affordable housing projects in 2013;

(v) improving the market supervision and anticipation management;

(vi) strengthening the administration on the credibility of real estate development enterprises;

(vii) studying the establishment of shared credit management system among housing and urban construction, development and reform, land and natural resources, finance, taxation, industry and commerce, statistics and other departmental; and

(viii) timely recording and releasing the illegal behavior of the real estate enterprises.

For enterprises setting up extraordinarily high prices for the pre-sales commodity properties and accepting no price guidance from the relevant urban housing construction authorities, or having not established pre-sales proceeds supervision mechanism for commodity properties projects, pre-sales permit shall not be issued. If real estate enterprises have idle land or conduct activities such as land speculation, keeping the properties off the market, driving up prices and other illegal acts, the relevant departments shall establish a linkage mechanism and intensify the relevant punishments. The Land and Resources Department shall prohibit the enterprise to participate in land bidding, the financial institutions shall not grant new loans for development projects, the securities regulatory authorities shall suspend the approval of its listing, refinancing or significant asset restructuring and the banking supervision departments shall prohibit the enterprise from financing through trust scheme.

(v) Licensing Requirements for Hotel Operations

Security Control Regulations

According to the Measures for the Control of Security in the Hotel Industry（《旅館業治安管理辦法》）(the "**Hotel Security Control Measures**"), promulgated by the Ministry of Public Security on 10 November 1987 and amended on 20 January 2006 and 8 January 2011, and the Decisions of the State Council to Implement Administrative Licenses on Items Necessarily to be Retained for Administrative Examination（《國務院對確需保留的行政審批項目設定行政許可的決定》), promulgated by the State Council on 29 June 2004 and amended on 29 January 2009, an application to operate a hotel in the PRC must be examined and approved by a local public security authority and a special industry license must be obtained from the local public security authority prior to the operations of the hotel. The Hotel Security Control Measures further imposes certain security control obligations on the hotel operators, such as the obligation to examine the identification cards of customers, the obligation to keep customers' deposited properties safe, and the obligation to report to the public security authorities of any criminal activities.

Fire Control Regulations

According to the Provisions on the Administration of Fire Safety of State Organs, Organizations, Enterprises and Institutions (《機關、團體、企業、事業單位消防安全管理規定》) (the "**Fire Safety Provisions**"), promulgated by the Ministry of Public Security on 14 November 2001 and amended on 21 May 2009, hotels are classified as one of the key administrative units for fire control purposes. On 1 May 2009, the Fire Prevention Law of the PRC (《中華人民共和國消防法》) (the "**Fire Prevention Law**"), which was promulgated by the Standing Committee of National People's Congress on 28 October 2008, came into effect. The Fire Prevention Law, together with the Fire Safety Provisions, require public gathering places, such as hotels, to pass a fire prevention safety inspection conducted by the local public security fire-fighting department before the commencement of business operations.

Administration of Sanitation in Public Places

Pursuant to the Regulations on the Sanitary Administration of Public Places (《公共場所衛生管理條例》) (the "**Sanitary Administration Regulations**") promulgated by the State Council on 1 April 1987, hotels are listed as one of the public places which are under special sanitary supervision and administration. The Sanitary Administration Regulations further requires that hotels must obtain a public place sanitation permit from the Ministry of Health or its local counterparts for operation and the public place sanitation permit must be reviewed every two years. According to the Implementing Rules of Regulations on the Sanitary Administration of the Public Places (《公共場所衛生管理條例實施細則》), which was promulgated by the Ministry of Health on 10 March 2011, the hotel staff must conduct a health check at least once a year and obtain a health certificate before their job assignments are given.

Administration of Food Sanitation

In accordance with the Food Safety Law of the PRC (《中華人民共和國食品安全法》), which was promulgated on 28 February 2009 and became effective as of 1 June 2009, and the Regulation on the Implementation of the Food Safety Law of the People's Republic of China (《中華人民共和國食品安全法實施條例》), which was promulgated and became effective as of 20 July 2009, hotels engaged in food and beverage operations must obtain a food catering service permit (《餐飲服務許可證》). According to the Measures for the Administration of Permits for Operating Food and Beverage Services (《餐飲服務許可管理辦法》), which was promulgated by the Ministry of Health on 4 March 2010 and became effective as of 1 May 2010, any food sanitation licenses (《食品衛生許可證》) obtained prior to 1 May 2010 will be replaced by the food catering service permit once the food sanitation license expires. Hotels must be in compliance with the relevant sanitary standards and requirements relating to food sourcing and storage, food processing, restaurant services as well as take-away services.

Environmental Protection

According to the Promotion of Cleaner Production Law of the PRC (《中華人民共和國清潔生產促進法》), which was promulgated on 29 June 2002 and amended on 29 February 2012, hotels shall use technologies and equipment that conserve energy, water and serve other environmental protection purposes, and refrain from or reduce using consumer goods which may lead to the waste of resources and pollution of the environment.

The Administrative Measures for Urban Drainage License (《城市排水許可管理辦法》) was promulgated on 25 December 2006. According to such measures, any drainage entity, including entities who drain sewage into the urban drainage pipe network and its facilities due to engaging in lodging,

catering and entertainment business, shall apply for an urban drainage license (《城市排水許可證》) to drain sewage into the urban drainage pipe network and their accessory facilities from local drainage administrative authorities.

(w) Property Management Enterprises

Enterprises that engage in property management shall establish a qualification management system pursuant to relevant provisions under the Property Management Regulations (《物業管理條例》) (implemented on 1 September 2003 and revised on 26 August 2007). Pursuant to relevant provisions under the Measures on Property Service Enterprises Qualification Management (《物業服務企業資質管理辦法》) which was implemented on 1 May 2004 and revised on 26 November 2007, a newly-established property service enterprise shall apply for the qualification by submitting the relevant documents to competent property departments of the people's government of the municipalities directly under the central government and cities with special development zones where its business has been registered within 30 days after the receipt of its business license. Qualification examination and legal authority shall approve and issue the qualification certificate of corresponding levels based on the actual conditions of enterprises.

Pursuant to the Measures on Property Service Enterprises Qualification Management (《物業服務企業資質管理辦法》), qualification of property service enterprises shall be classified into Level I, Level II and Level III in accordance with their registered capital, the professional personnel they employ, the scale and types of the property service they provide, performance and operating results, etc. Newly established property service enterprises shall be classified into the lowest level with a term of validity of one year. In accordance with the Reply on Relevant Issues Concerning Performing the Measures on Property Service Enterprises Qualification Management (《關於執行〈物業管理企業資質管理辦法〉有關問題的復函》), in the event that the newly established property service enterprises fail to provide property service within one year, such qualification shall become invalid. Otherwise, the property service enterprises may apply for assessment for higher level qualifications.

The construction department of the State Council is responsible for the issue and management of Level I qualification certificates. Construction departments under the people's government of provinces and autonomous regions are responsible for the issue and management of Level II qualification certificates. Real estate construction departments under the people's government of municipalities directly under the central government are responsible for the issue and management of Level II and Level III qualification certificates, which are subject to the guidance and supervision of the construction departments of the State Council. Real estate construction departments of the cities with special development zones are responsible for the issue and management of Level III qualification certificates, which are subject to the guidance and supervision of the construction departments of the State Council.

Property service enterprises with Level I qualification are allowed to undertake different kinds of property management projects. Property service enterprises with Level II qualification are allowed to undertake residential and non-residential property management projects of not more than 300,000 sq. m. and 80,000 sq. m. respectively. Property service enterprises with Level III qualification are allowed to undertake residential and non-residential property management projects of not more than 200,000 sq. m. and 50,000 sq. m. respectively.

Pursuant to the Catalogues of Industries for Guiding Foreign Investment (Amended in 2015) (《外商投資產業指導目錄》(2015修訂)), property management services fall into the categories which foreign investment is permitted.

In accordance with the relevant regulations of Property Rights Law of the PRC (《中華人民共和國物權法》) and Property Management Regulations (《物業管理條例》), selection and engagement of property service enterprises require the consent of not less than half of the total number of owners and the gross floor area in the exclusive possession of such owners shall not be less than half of the total gross floor area of the property. In the event that the property service enterprise has been selected by the construction department prior to the engagement of property service enterprise by the owners at the meeting of owners, a preliminary property management contract shall be signed.

(x) Foreign Exchange Controls

The lawful currency of the PRC is the RMB, which is currently not freely convertible into foreign exchange. SAFE, under the authority of the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

On 1 January 1994, the former dual exchange rate system for RMB was abolished and replaced by a controlled floating exchange rate system, which is determined by demand and supply of RMB. Pursuant to such systems, the PBOC sets and publishes the daily RMB-U.S. Dollar exchange rate. Such exchange rate is determined with reference to the transaction price for RMB-U.S. Dollar in the inter-bank foreign exchange market on the previous day. Also, the PBOC, with reference to exchange rates in the international foreign exchange market, announces the exchange rates of RMB against other major foreign currencies. In foreign exchange transactions, designated foreign exchange banks may, within a specified range, freely determine the applicable exchange rate in accordance with the rate announced by the PBOC.

On 29 January 1996, the State Council promulgated Regulations for the Control of Foreign Exchange (《外匯管理條例》) ("**Control of Foreign Exchange Regulations**") which became effective from 1 April 1996. The Control of Foreign Exchange Regulations classify all international payments and transfers into current account-items and capital account-items. Current account items are no longer subject to SAFE approval while capital account items still are. The Control of Foreign Exchange Regulations were subsequently amended on 14 January 1997 and 5 August 2008. Such amendments affirmed that the state shall not restrict international current account payments and transfers.

On 20 June 1996, PBOC promulgated the Regulations for Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) (the "**Settlement Regulations**") which became effective on 1 July 1996. The Settlement Regulations abolished the remaining restrictions on convertibility of foreign exchange in respect of current account items while retaining the existing restrictions on foreign exchange transactions in respect of capital account items. On the basis of the Settlement Regulations, the PBOC published the Provisions on the Administration of Foreign Exchange Accounts (《境內外匯賬戶管理規定》) on 15 October 1997, which permits foreign-invested enterprises to open, on the basis of their needs, foreign exchange settlement accounts for current account receipts and payments of foreign exchange, and specialised accounts for capital account receipts and payments at designated foreign exchange banks.

On 25 October 1998, the PBOC and SAFE promulgated the Notice Concerning the Discontinuance of Foreign Exchange Swapping Business (《關於停辦外匯調劑業務的通知》) pursuant to which and with effect from 1 December 1998, all foreign exchange business in the PRC for foreign-invested enterprises shall be discontinued, while the trading of foreign exchange by foreign-invested enterprises shall be regulated under the system for the settlement and sale of foreign exchange applicable to banks. On 21 July 2005, the PBOC announced that, beginning from 21 July 2005, the PRC will implement a

regulated and managed floating exchange rate system based on market supply and demand and by reference to a basket of currencies. The RMB exchange rate is no longer pegged to the U.S. Dollar. The PBOC will announce the closing price of a foreign currency such as the U.S. Dollar traded against the RMB in the inter-bank foreign exchange market after the closing of the market on each business day, setting the central parity for trading of the RMB on the following business day.

Save for foreign-invested enterprises or other enterprises which are specially exempted by relevant regulations, all entities in the PRC (except for foreign trading companies and production enterprises having import and export rights, which are entitled to retain part of foreign exchange income generated from their current account transactions and to make payments using such retained foreign exchanges in their current account transactions or approved capital account transactions) once were required to sell their foreign exchange income to designated foreign exchange banks. Foreign exchange income from loans issued by organisations outside the territory or from the issuance of bonds and shares is not required to be sold to designated banks, but may be deposited in foreign exchange accounts with designated banks. Pursuant to the Circular of the State Administration of Foreign Exchange on Retaining Foreign Exchange Income under Current Account by Domestic Entities（《關於境內機構自行保留經常項目外匯收入的通知》）issued by SAFE on 12 August 2007, domestic entities can retain foreign exchange income under current account in light of its operation needs.

Enterprises in the PRC (including foreign-invested enterprises) which require foreign exchange for transactions relating to current account items, may, without the approval of SAFE, effect payment from their foreign exchange account or convert and pay at the designated foreign exchange banks, upon presentation of valid receipts and proof. Foreign-invested enterprises which need foreign currencies for the distribution of profits to their shareholders, and Chinese enterprises which, in accordance with regulations, are required to pay dividends to shareholders in foreign currencies, may with the approval of board resolutions on the distribution of profits, effect payment from their foreign exchange account or convert and pay at the designated foreign exchange banks.

On 13 February 2015, the SAFE promulgated the Notice on Further Streamlining and Improving the Foreign Exchange Administration of Direct Investment（《關於進一步簡化和改進直接投資外匯管理政策的通知》）, which became effective on 1 June 2015. The Notice cancelled the review of the foreign exchange registration in direct investment projects by the branches of SAFE and foreign-invested enterprises could directly apply to banks for foreign exchange registration. The Notice also cancelled the registration procedures for the confirmation of acquisition by foreign investors of shares, and the annual inspection of foreign exchange of direct investments.

Convertibility of foreign exchange in respect of capital account items, like direct investment and capital contribution, is still subject to restriction, and prior approval from SAFE or its competent branch.

This Appendix contains a summary of the Memorandum and Articles of Association and certain aspects of the Companies Law. As the information set out below is in summary form, it does not contain all of the information that may be important to potential investors.

The constitutional documents of the Company consist of the Memorandum and Articles. Set out below are (i) a summary of certain provisions of the Memorandum and Articles, and (ii) a summary of certain aspects of Cayman Companies Law.

A. SUMMARY OF THE CONSTITUTION OF THE COMPANY

1. Memorandum

The Memorandum was conditionally adopted on [●] 2015 and will become effective on the Listing Date and states, among other things, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted and the Company has full power and authority to carry out any object not prohibited by the Cayman Companies Law or any other law of the Cayman Islands.

The Memorandum is available for inspection as referred to in the paragraph headed "Documents available for inspection" in Appendix VIII.

2. Articles

The Articles were conditionally adopted on [●] 2015 and will become effective on the Listing Date, and include provisions to the following effect:

2.1 Classes of Shares

The share capital of the Company consists of ordinary shares. The authorised share capital of the Company as at the date of the conditional adoption of the Articles was HK$8,000,000,000 divided into 8,000,000,000 shares of HK$1.00 par value each.

2.2 Directors

(a) Power to allot and issue Shares

Subject to the provisions of the Cayman Companies Law and the relevant authority given by the Company in general meeting, the Directors may exercise any power of the Company to allot shares, grant options over or otherwise dispose of shares to such persons, or to grant rights to subscribe for or convert any security into shares of the Company, at such times, to such persons, for such consideration and generally on such terms as the Board shall in its absolute discretion think fit.

Without prejudice to any special rights or restrictions for the time being attached to any existing shares, any share in one or more class may be allotted and issued upon such terms and conditions and with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific

provision, as the Board may determine). Subject to the Cayman Companies Law and to any special rights conferred on any shareholders or attaching to any class of shares, any share may be issued on terms that it is, or at the option of the Company or the holder thereof is, liable to be redeemed.

(b) Power to dispose of the assets of the Company or any subsidiary

The management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by the Articles expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not by the Articles or the Cayman Companies Law expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Cayman Companies Law and of the Articles and to any regulation from time to time made by the Company in general meeting not being inconsistent with such provisions or the Articles, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

(c) Compensation or payment for loss of office

Payment to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must first be approved by the Company in general meeting.

(d) Loans to Directors

There are provisions in the Articles prohibiting the making of loans to Directors or their respective associates which are equivalent to the restrictions imposed by the Companies Ordinance.

(e) Financial assistance to purchase Shares

Subject to all applicable laws, the Company may give financial assistance to Directors and employees of the Company, its subsidiaries or any holding company or any subsidiary of such holding company in order that they may buy shares in the Company.

(f) Disclosure of interest in contracts with the Company or any of its subsidiaries

Subject to the Cayman Companies Law and the Articles, no Director or proposed Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, and such Director shall, if he or any of his associates is/are in any way, whether directly or indirectly, materially interested in a transaction, contract or arrangement (or a proposed transaction, contract or arrangement) with the Company, shall declare the nature and extent of his interest (or his associate's interest, as the case may be) at the earliest meeting of the Board at which it is practicable for them to do so either specifically, or by general notice.

Subject to the Listing Rules and save as otherwise provided by the Articles, a Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Directors approving any transaction, contract or arrangement in which the Director or any of his close associates (and, if required by the Listing Rules, his other associates) is materially interested, but this prohibition shall not apply to any of the following matters, namely:

(i) the giving to such Director or any of his close associate(s) (and, if required by the Listing Rules, his other associate(s)) of any security or indemnity in respect of money lent by him or any of them or obligations undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

(ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his close associate(s) (and, if required by the Listing Rules, his other associate(s)) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

(iii) any transaction, contract or arrangement concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his close associate(s) (and, if required by the Listing Rules, his other associate(s)) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(iv) any proposal concerning any other company in which the Director or his close associate(s) (and if required by the Listing Rules, his other associate(s)) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his close associate(s) (and other associate(s), as the case may be) is/are beneficially interested in shares of that company, provided that the Director and any of his close associates (and other associates, as the case may be) are not in aggregate beneficially interested in five per cent. or more of the issued shares of any class of such company (or of any third company through which his interest or that of his close associates (and other associates, as the case may be) is derived) or of the voting rights;

(v) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:

(1) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme of the Company or its subsidiaries under which the Director or his close associate(s) (and, if required by the Listing Rules, his other associate(s)) may benefit; or

(2) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors (or their close associate(s)) (and, if required by the Listing Rules, his other associate(s)) and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) (and, if required by the Listing Rules, his other associate(s)), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(vi) any transaction, contract or arrangement in which the Director or his close associate(s) (and, if required by the Listing Rules, his other associate(s)) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue of his/ their interest in shares or debentures or other securities of the Company.

If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director or his close associate(s) (and if required by the Listing Rules, his other associate(s)) (other than such chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned and of his close associate(s) (and other associate(s), as the case may be) as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman and of his close associate(s) (and other associate(s), as the case may be) as known to such chairman has not been fairly disclosed to the Board.

(g) Remuneration

The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the Directors may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. The foregoing provisions shall not apply to a Director who holds any salaried employment or office in the Company except in the case of sums paid in respect of the Directors' fees.

The Directors shall also be entitled to be repaid all travelling, hotel and other expenses reasonably incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors.

The Directors may grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be arranged.

The remuneration of a managing Director, joint managing Director, deputy managing Director or other executive Director or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Directors and may be by way of salary, commission, or participation in profits or otherwise or by all or any of those modes and with such other benefits (including pension and/ or gratuity and/or other benefits on retirement) and allowances as the Directors may from time to time decide. Such remuneration shall be in addition to his remuneration as a Director.

(h) Retirement, appointment and removal

The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a causal vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the existing Directors) and shall then be eligible for re-election at that meeting.

The Company may by ordinary resolution remove any Director (including a managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in the Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract of service between him and the Company). Any person so elected and appointed to fill the vacancy of a removed Director shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. The Company may from time to time in general meeting also by ordinary resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting. No person shall, unless recommended by the Directors, be eligible for election to the office of Director at any general meeting unless, during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the secretary of the Company notice in writing by a member of the Company (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

There is no shareholding qualification for Directors nor is there any specified age limit for Directors.

The office of a Director shall be vacated:

(i) if he resigns his office by notice in writing to the Company at its registered office or its principal office in Hong Kong;

(ii) if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Directors resolve that his office be vacated;

(iii) if, without leave, he is absent from meetings of the Directors (unless an alternate Director appointed by him attends) for 6 consecutive months, and the Directors resolve that his office be vacated;

(iv) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(v) if he ceases to be or is prohibited from being a Director by law or by virtue of any provision in the Articles;

(vi) if he is removed from office by notice in writing served upon him signed by all other Directors; or

(vii) if he shall be removed from office by an ordinary resolution of the members of the Company under the Articles.

At each annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not three or a multiple of three, the number nearest to but not less than one-third) or such higher number of Directors to be determined by the Board, or a number determined by such other manner of rotation as may be required by the Listing Rules or other codes, rules and regulations as may be prescribed by the applicable regulatory authority from time to time, shall retire from office. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot.

A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

(i) Borrowing powers

The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and uncalled capital or any part thereof.

(j) Proceedings of the Board

The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit in any part of the world. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

2.3 Alteration to constitutional documents

No alteration or amendment to the Memorandum or Articles may be made except by special resolution.

2.4 Variation of rights of existing shares or classes of shares

If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Cayman Companies Law, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of the Articles relating to general meetings shall mutatis mutandis apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall

be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.

The special rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

2.5 Alteration of capital

The Company may, from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

The Company may from time to time by ordinary resolution:

(a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Directors for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;

(b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled subject to the provisions of the Cayman Companies Law; and

(c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, subject nevertheless to the provisions of the Cayman Companies Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

The Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorised and subject to any conditions prescribed by the Cayman Companies Law.

2.6 Special resolution – majority required

A "special resolution" is defined in the Articles to have the meaning ascribed thereto in the Cayman Companies Law, for which purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution approved in writing by all of the members of the Company entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of such members, and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments (if more than one) is executed.

In contrast, an "ordinary resolution" is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles and includes an ordinary resolution approved in writing by all the members of the Company aforesaid.

2.7 Voting rights

Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting where a show of hands is allowed, every member present in person or by proxy (or, in the case of a member being a corporation, by its duly authorised representative) shall have one vote, and on a poll every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register of members of the Company.

Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

In the case of joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.

A member of the Company in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorised in such circumstances to do so and such person may vote by proxy.

Save as expressly provided in the Articles or as otherwise determined by the Directors, no person other than a member of the Company duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member of the Company), or to be reckoned in a quorum, either personally or by proxy at any general meeting.

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (a) voting by poll is required by the Listing Rules or other applicable laws, rules and regulations or; (b) before or on the declaration of the result of the show of hands, a poll is demanded in accordance with the Articles.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its proxy(ies) or representative(s) at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if it were an individual member of the Company holding the number and class of shares specified in such authorisation, including, where a show of hands is allowed, the right to vote individually on a show of hands.

2.8 Annual general meetings

The Company shall in each year hold a general meeting as its annual general meeting in addition to any other general meeting in that year and shall specify the meeting as such in the notice calling it; and not more than 15 months (or such longer period as the Stock Exchange may authorise) shall elapse between the date of one annual general meeting of the Company and that of the next.

2.9 Accounts and audit

The Directors shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company' affairs and to show and explain its transactions and otherwise in accordance with the Cayman Companies Law.

The Directors shall from time to time determine whether, and to what extent, and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members of the Company (other than officers of the Company) and no such member (not being a Director) shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the Cayman Companies Law or any other relevant law or regulation or as authorised by the Directors or by the Company in general meeting.

The Directors shall, commencing with the first annual general meeting, cause to be prepared and to be laid before the members of the Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up and a Director's report with respect to the profit or loss of the

Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an auditor's report on such accounts and such other reports and accounts as may be required by law.

Copies of those documents to be laid before the members of the Company at an annual general meeting shall not less than 21 days before the date of the meeting, be sent in the manner in which notices may be served by the Company as provided in the Articles to every member of the Company and every holder of debentures of the Company provided that the Company shall not be required to send copies of those documents to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

The Company shall at any annual general meeting appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The remuneration of the auditors shall be fixed by the Company at the annual general meeting at which they are appointed provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Directors.

2.10 Notice of meetings and business to be conducted thereat

An annual general meeting shall be called by not less than 21 days' notice in writing and any extraordinary general meeting at which the passing of a special resolution is to be considered shall be called by not less than 21 days' notice in writing or such shorter period as permitted by the Listing Rules. Any other extraordinary general meeting shall be called by not less than 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place and agenda of the meeting, particulars of the resolutions to be considered at the meeting and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the auditors and all members of the Company (other than those who, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company).

Notwithstanding that a meeting of the Company is called by shorter notice than that mentioned above, it shall be deemed to have been duly called if it is so agreed:

(a) in the case of a meeting called as an annual general meeting, by all members of the Company entitled to attend and vote thereat or their proxies; and

(b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right.

All business shall be deemed special that is transacted at an extraordinary general meeting and also all business shall be deemed special that is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:

(a) the declaration and sanctioning of dividends;

(b) the consideration and adoption of the accounts and balance sheets and the reports of the Directors and the auditors and other documents required to be annexed to the balance sheet;

(c) the election of Directors in place of those retiring;

(d) the appointment of auditors;

(e) the fixing of, or the determining of the method of fixing of, the remuneration of the Directors and of the auditors;

(f) the granting of any mandate or authority to the Directors to offer, allot, grant options over or otherwise dispose of the unissued shares of the Company representing not more than 20% (or such other percentage as may from time to time be specified in the Listing Rules) of the existing issued share capital and the number of any securities repurchased pursuant to sub-paragraph (g) below; and

(g) the granting of any mandate or authority to the Directors to repurchase securities of the Company.

2.11 Transfer of shares

Transfers of shares may be effected by an instrument of transfer in the usual common form or in such other form as the Directors may approve which is consistent with the standard form of transfer as prescribed by the Stock Exchange.

The instrument of transfer shall be executed by or on behalf of the transferor and, unless the Directors otherwise determine, the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company in respect thereof. All instruments of transfer shall be retained by the Company.

The Directors may refuse to register any transfer of any share which is not fully paid up or on which the Company has a lien. The Directors may also decline to register any transfer of any shares unless:

(a) the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to which it relates (which shall upon the registration of the transfer be cancelled) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

(b) the instrument of transfer is in respect of only one class of shares;

(c) the instrument of transfer is properly stamped (in circumstances where stamping is required);

(d) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four;

(e) shares concerned are free of any lien in favour of the Company; and

(f) a fee of such amount of not more than the maximum amount as the Stock Exchange may from time to time determine to be payable (or such lesser sum as the Directors may from time to time require) is paid to the Company in respect thereof.

If the Directors refuse to register a transfer of any share they shall within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on 10 business days' notice (or on six business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles or by advertisement published in the newspapers, be suspended and the register of members of the Company closed at such times for such periods as the Directors may from time to time determine, provided that the registration of transfers shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

2.12 Power of the Company to purchase its own shares

The Company is empowered by the Cayman Companies Law and the Articles to purchase its own shares subject to certain restrictions and the Directors may only exercise this power on behalf of the Company subject to the authority of its members in general meeting as to the manner in which they do so and to any applicable requirements imposed from time to time by the Stock Exchange and the SFC. Shares which have been repurchased will be treated as cancelled upon the repurchase.

2.13 Power of any subsidiary of the Company to own shares

There are no provisions in the Articles relating to the ownership of shares by a subsidiary.

2.14 Dividends and other methods of distribution

Subject to the Cayman Companies Law and Articles, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Directors. No dividend may be declared or paid other than out of profits and reserves of the Company lawfully available for distribution, including share premium.

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For these purposes no amount paid up on a share in advance of calls shall be treated as paid up on the share.

The Directors may from time to time pay to the members of the Company such interim dividends as appear to the Directors to be justified by the profits of the Company. The Directors may also pay half-yearly or at other intervals to be selected by them at a fixed rate if they are of the opinion that the profits available for distribution justify the payment.

The Directors may retain any dividends or other moneys payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Directors may also deduct from any dividend or other moneys payable to any member of the Company all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

No dividend shall carry interest against the Company.

Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Directors may further resolve: (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted are to be of the same class as the class already held by the allottee, provided that the members of the Company entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or (b) that the members of the Company entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Directors may think fit on the basis that the shares so allotted are to be of the same class as the class already held by the allottee. the Company may upon the recommendation of the Directors by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the foregoing a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members of the Company to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to a holder of shares may be paid by cheque or warrant sent through the post addressed to the registered address of the member of the Company entitled, or in the case of joint holders, to the registered address of the person whose name stands first in the register of members of the Company in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register of members of the Company in respect of such shares, and shall be sent at his or their risk and the payment of any such cheque or warrant by the bank on which it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. The Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise its power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Any dividend unclaimed for six years from the date of declaration of such dividend may be forfeited by the Directors and shall revert to the Company.

Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared, the Directors may further resolve that such dividend be satisfied wholly or in part by the distribution or issue of specific assets of any kind and in particular (but without limitation) of paid up shares, debentures or warrants to subscribe securities of or by the Company or any other company, or in any one or more of such ways, with or without offering any rights to the Shareholders to elect to receive such dividend in cash, and where any difficulty arises in regard to such distribution the

Directors may settle it as they think expedient, and in particular may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets and may determine that cash payments shall be made to any members of the Company upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

2.15 Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person who must be an individual as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. A proxy need not be a member of the Company.

Instruments of proxy shall be in common form or in such other form as the Directors may from time to time approve provided that it shall enable a member to instruct his proxy to vote in favour of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates provided that the meeting was originally held within 12 months from such date.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney authorised in writing or if the appointor is a corporation either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

The instrument appointing a proxy and (if required by the Directors) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited or received at the registered office of the Company or electronic address or at such other place as may be specified in the notice convening the meeting or in the instrument of proxy issued, sent out or made available by the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken more than 48 hours after it was demanded, be received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll and in default the appointment of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

2.16 Calls on shares and forfeiture of shares

The Directors may from time to time make calls upon the members of the Company in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed times and each member of the Company shall (subject to the Company serving upon him at least 14 days' notice specifying the time and place of payment and to whom such payment shall be made) pay to the

Company at the time and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made.

A call may be made payable either in one sum or by instalments and shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect of such share or other moneys due in respect thereof.

If a sum called in respect of a share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 20% per annum, as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

If any call or instalment of a call remains unpaid on any share after the day appointed for payment thereof, the Directors may at any time during such time as any part thereof remains unpaid serve a notice on the holder of such shares requiring payment of so much of the call or instalment as is unpaid together with any interest which may be accrued and which may still accrue up to the date of actual payment.

The notice shall name a further day (not earlier than the expiration of 14 days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or instalment is unpaid will be liable to be forfeited.

If the requirements of such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments and interest due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture. A forfeited share shall be deemed to be the property of the Company and may be re-allotted, sold or otherwise disposed of.

A person whose shares have been forfeited shall cease to be a member of the Company in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the shares, together with (if the Directors shall in their discretion so require) interest thereon at such rate not exceeding 20% per annum as the Directors may prescribe from the date of forfeiture until payment, and the Directors may enforce payment thereof without being under any obligation to make any allowance for the value of the shares forfeited, at the date of forfeiture.

2.17 Inspection of register of members

The register of members of the Company shall be kept in such manner as to show at all times the members of the Company for the time being and the shares respectively held by them. The register may, on 10 business days' notice (or on six business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic

means as provided in the Articles or by advertisement published in the newspapers, be closed at such times and for such periods as the Directors may from time to time determine either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

Any register of members kept in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Directors may impose) be open to inspection by any member of the Company without charge and by any other person on payment of a fee of such amount of not more than the maximum amount as may from time to time be permitted under the Listing Rules, as the Directors may determine for each inspection.

2.18 Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not be treated as part of the business of the meeting.

Two members of the Company present in person or by proxy shall be a quorum provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy.

A corporation being a member of the Company shall be deemed for the purpose of the Articles to be present in person if represented by its duly authorised representative being the person appointed by resolution of the directors or other governing body of such corporation or by power of attorney to act as its representative at the relevant general meeting of the Company or at any relevant general meeting of any class of members of the Company.

The quorum for a separate general meeting of the holders of a separate class of shares of the Company is described in paragraph 2.4 above.

2.19 Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles concerning the rights of minority shareholders in relation to fraud or oppression.

2.20 Procedure on liquidation

If the Company shall be wound up, and the assets available for distribution amongst the members of the Company as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members of the Company in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. If in a winding up the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members of the Company in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. The foregoing is without prejudice to the rights of the holders of shares issued upon special terms and conditions.

If the Company shall be wound up, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Cayman Companies Law, divide amongst the members of the Company in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members of the Company. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members of the Company as the liquidator, with the like sanction and subject to the Cayman Companies Law, shall think fit, but so that no member of the Company shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

2.21 Untraceable members

The Company shall be entitled to sell any shares of a member of the Company or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if: (a) all cheques or warrants, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (b) the Company has not during that time or before the expiry of the three month period referred to in (d) below received any indication of the whereabouts or existence of the member; (c) during the 12 year period, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and (d) upon expiry of the 12 year period, the Company has caused an advertisement to be published in the newspapers or subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles, giving notice of its intention to sell such shares and a period of three months has elapsed since such advertisement and the Stock Exchange has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds.

B. SUMMARY OF CAYMAN ISLANDS COMPANIES LAW

3.1 Introduction

The Cayman Companies Law is derived, to a large extent, from the older Companies Acts of England, although there are significant differences between the Cayman Companies Law and the current Companies Act of England. Set out below is a summary of certain provisions of the Cayman Companies Law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of corporate law and taxation which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

3.2 Incorporation

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 2 January 2015 under the Cayman Companies Law. As such, its operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the size of its authorised share capital.

3.3 Share Capital

The Cayman Companies Law permits a company to issue ordinary shares, preference shares, redeemable shares or any combination thereof.

The Cayman Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Cayman Companies Law provides that the share premium account may be applied by a company, subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation:

(a) paying distributions or dividends to members;

(b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(c) in the redemption and repurchase of shares (subject to the provisions of section 37 of the Cayman Companies Law);

(d) writing-off the preliminary expenses of the company;

(e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; and

(f) providing for the premium payable on redemption or purchase of any shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid the company will be able to pay its debts as they fall due in the ordinary course of business.

The Cayman Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

Subject to the detailed provisions of the Cayman Companies Law, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. The manner of such a purchase must be authorised either by the articles of association or by an ordinary resolution of the company. The articles of association may provide that the manner of purchase may be determined by the directors of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any member of the company holding shares. A payment out of capital by a

company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and to act in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

3.4 Dividends and Distributions

With the exception of section 34 of the Cayman Companies Law, there are no statutory provisions relating to the payment of dividends. Based upon English case law which is likely to be persuasive in the Cayman Islands in this area, dividends may be paid only out of profits. In addition, section 34 of the Cayman Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 3.3 above for details).

3.5 Shareholders' Suits

The Cayman Islands courts can be expected to follow English case law precedents. The rule in Foss v. Harbottle (and the exceptions thereto which permit a minority shareholder to commence a class action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority where the wrongdoers are themselves in control of the company, and (c) an action which requires a resolution with a qualified (or special) majority which has not been obtained) has been applied and followed by the courts in the Cayman Islands.

3.6 Protection of Minorities

In the case of a company (not being a bank) having a share capital divided into shares, the Grand Court of the Cayman Islands may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Grand Court shall direct.

Any shareholder of a company may petition the Grand Court of the Cayman Islands which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

Claims against a company by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

The English common law rule that the majority will not be permitted to commit a fraud on the minority has been applied and followed by the courts of the Cayman Islands.

3.7 Disposal of Assets

The Cayman Companies Law contains no specific restrictions on the powers of directors to dispose of assets of a company. As a matter of general law, in the exercise of those powers, the directors must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the company.

3.8 Accounting and Auditing Requirements

The Cayman Companies Law requires that a company shall cause to be kept proper books of account with respect to:

(a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;

(b) all sales and purchases of goods by the company; and

(c) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

3.9 Register of Members

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as its directors may from time to time think fit. There is no requirement under the Cayman Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

3.10 Inspection of Books and Records

Members of a company will have no general right under the Cayman Companies Law to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

3.11 Special Resolutions

The Cayman Companies Law provides that a resolution is a special resolution when it has been passed by a majority of not less than two-thirds (or such greater number as may be specified in the articles of association of the company) of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given. Written resolutions signed by all the members entitled to vote for the time being of the company may take effect as special resolutions if this is authorised by the articles of association of the company.

3.12 Subsidiary Owning Shares in Parent

The Cayman Companies Law does not prohibit a Cayman Islands company acquiring and holding shares in its parent company provided its objects so permit. The directors of any subsidiary making such acquisition must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the subsidiary.

3.13 Mergers and Consolidations

The Cayman Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorised by (a) a special resolution of each constituent company and (b) such other authorisation, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

3.14 Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing 75% in value of shareholders or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting shareholder would have the right to express to the Grand Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Grand Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management and if the transaction were approved and consummated the dissenting shareholder would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of his shares) ordinarily available, for example, to dissenting shareholders of United States corporations.

3.15 Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may at any time within two months after the expiration of the said four months, by notice require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting

shareholder may apply to the Grand Court of the Cayman Islands within one month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Grand Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

3.16 Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

3.17 Liquidation

A company may be placed in liquidation compulsorily by an order of the court, or voluntarily (a) by a special resolution of its members if the company is solvent, or (b) by an ordinary resolution of its members if the company is insolvent. The liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories (shareholders)), settle the list of creditors and discharge the company's liability to them, rateably if insufficient assets exist to discharge the liabilities in full, and to settle the list of contributories and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

3.18 Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

3.19 Taxation

Pursuant to section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, the Company obtained an undertaking from the Governor in Cabinet:

(a) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

(b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by the Company:

  (i) on or in respect of the shares, debentures or other obligations of the Company; or

  (ii) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (2011 Revision).

The undertaking is for a period of twenty years from 13 January 2015.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties that are applicable to any payments made by or to the Company.

3.20 Exchange Control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

3.21 General

Maples and Calder, the Company's legal counsel on Cayman Islands law, have sent to the Company a letter of advice summarising aspects of Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in "*Appendix VIII – Documents Available for Inspection*". Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he/she is more familiar is recommended to seek independent legal advice.

The following summary of certain Hong Kong, Cayman Islands, PRC and U.S. tax consequences of the purchase, ownership and disposition of the Shares is based upon the laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares and does not purport to apply to all categories of prospective investors, some of whom may be subject to special rules. You should consult your own tax advisers concerning the application of Hong Kong, Cayman Islands, PRC and U.S. tax laws to your particular situation as well as any consequences of the purchase, ownership and disposition of the Shares arising under the laws of any other taxing jurisdiction.

The taxation of the Company and that of the Shareholders is described below. Where Hong Kong, Cayman Islands, PRC and U.S. tax laws are discussed, these are merely an outline of the implications of such laws.

You should note that the following statements are based on advice received by the Company regarding taxation laws, regulations and practice in force as at the date of this listing document, which may be subject to change.

A. OVERVIEW OF TAX IMPLICATIONS OF HONG KONG

1. Hong Kong Taxation of the Company

(a) Profits Tax

The Company will be subject to Hong Kong profits tax in respect of profits arising in or derived from Hong Kong at the current rate of 16.5%. Dividend income derived by the Company from its subsidiaries, jointly-controlled entities and associated companies will not be subject to Hong Kong profits tax.

2. Hong Kong Taxation of Shareholders

(a) Tax on Dividends

No tax is payable in Hong Kong in respect of dividends paid by the Company.

(b) Profits Tax

Hong Kong profits tax will not be payable by any Shareholders (other than Shareholders carrying on a trade, profession or business in Hong Kong and holding the Shares for trading purposes) on any capital gains made on the sale or other disposal of the Shares. Shareholders should take advice from their own professional advisers as to their particular tax position.

(c) Stamp Duty

No Hong Kong stamp duty is payable by Shareholders in relation to the issue of Shares to them by the Company.

Hong Kong stamp duty will be charged on the sale and purchase of Shares at the current rate of 0.2% of the consideration for, or (if greater) the value of, the Shares being sold or purchased, whether or not the sale or purchase is on or off the Stock Exchange. The Shareholder selling the Shares and the purchaser will each be liable for one-half of the amount of Hong Kong stamp duty payable upon such transfer. In addition, a fixed duty of HK$5 is currently payable on any instrument of transfer of Shares.

(d) Estate Duty

Hong Kong estate duty was abolished effective from 11 February 2006. No Hong Kong estate duty is payable by Shareholders in relation to the Shares owned by them upon death.

B. OVERVIEW OF TAX IMPLICATIONS OF VARIOUS OTHER JURISDICTIONS

1. Taxation in the Cayman Islands

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties that are applicable to any payments made by or to the Company.

Payments of dividends and capital in respect of the Shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of the Shares, nor will gains derived from the disposal of the Shares be subject to Cayman Islands income or corporation tax. Pursuant to section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor in Cabinet of the Cayman Islands:

(a) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

(b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by the Company:

  (i) on or in respect of the shares, debentures or other obligations of the Company; or

  (ii) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (2011 Revision).

  The undertaking is for a period of twenty years from 13 January 2015.

(a) Stamp Duty

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(b) Exchange Control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

2. Taxation in the PRC

(a) Enterprise Income Tax

Under the EIT Law and its implementation rules which became effective on 1 January 2008, the standard tax rate of 25% applies to all enterprises (including foreign-invested enterprises) with exceptions in special situations if relevant criteria are met and subject to the approval of the PRC tax authorities.

An enterprise established outside the PRC with its "de facto management body" located within the PRC will be classified as a "resident enterprise" for the purposes of PRC enterprise income tax (the "**EIT**") if all of the following requirements are satisfied and will be subject to the EIT at the rate of 25% on its global income: (a) the senior management and core management departments in charge of daily operations are located mainly within the PRC; (b) financial and human resources decisions are subject to determination or approval by persons or bodies in the PRC; (c) major assets, accounting books, company seals and minutes and files of board and shareholders' meetings are located or kept within the PRC; and (d) at least half of the enterprise's directors with voting rights or senior management reside within the PRC. In addition, an enterprise established outside the PRC which meets all of the aforesaid requirements is expected to make an application for the classification as a "resident enterprise" and this will ultimately be confirmed by the province-level tax authority. However, it is not entirely clear how the PRC tax authorities will determine whether a non-PRC entity (that has not already been notified of its status for PRC EIT purposes) will be classified as a "resident enterprise" in practice.

As at the Latest Practicable Date, none of the non-PRC entities in the Group has been notified or informed by the PRC tax authorities that it is classified as a "resident enterprise" for PRC EIT purposes. If the PRC tax authorities subsequently determine that the Company or any of its non-PRC holding entities is deemed to be or should be classified as a "resident enterprise", the Company or such non-PRC entities may be subject to EIT at a rate of 25%.

According to the EIT Law, dividends declared after 1 January 2008 and paid by PRC foreign-invested enterprises to their non-PRC parent companies will be subject to PRC withholding tax of 10% unless there is a tax treaty between the PRC and the jurisdiction in which the overseas parent company is incorporated and which specifically exempts or reduces such withholding tax, and such tax exemption or reduction is approved by the relevant PRC tax authorities. Pursuant to the Arrangement between the PRC and Hong Kong for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the "**Mainland and Hong Kong Taxation Arrangement**") signed on 21 August 2006 and became effective on 8 December 2006, if the non-PRC parent company is a Hong Kong resident and directly holds a 25% or more equity interest in the PRC enterprise and is considered to be the beneficial owner of dividends paid by the PRC enterprise, such withholding tax rate may be lowered to 5%, subject to approvals by the relevant PRC tax authorities.

On 28 March 2011, the State Administration of Taxation promulgated the Announcement of the State Administration of Taxation on Certain Issues Concerning the Administration of Income Tax for Non-resident Enterprises 《國家税務總局關於非居民企業所得税管理若干問題的公告》, which became effective on 1 April 2011. According to this Announcement, where a PRC resident enterprise distributes dividends, profits or other equity investment gains to a non-PRC resident enterprise that has no organisation or premises in the PRC, the resident enterprise shall withhold and pay PRC withholding

tax on the date of declaration of dividend distribution. In addition, where such equity investment gains are paid before the distribution decision is made, the tax shall be withheld and paid when the payment is made.

In addition, the State Administration of Taxation promulgated the Notice of the State Administration of Taxation on How to Understand and Determine the "Beneficial Owners" in Tax Treaties (《國家税務總局關於如何理解和認定税收協定中"受益所有人"的通知》) ("**Circular 601**") on 27 October 2009. Circular 601 provides that tax treaty benefits will not be afforded to conduit or shell companies without business substance, and a beneficial ownership analysis will be used based on a "substance-over-form" principle to determine whether or not to grant tax treaty benefits.

On 29 June 2012, the State Administration of Taxation promulgated the Announcement of State Administration of Taxation on Determination of the "Beneficial Owners" in Tax Treaties (《國家税務總局關於認定税收協定中"受益所有人"的公告》), which restates the application of such factors as provided in the Circular 601 to determine the beneficial owner identity.

On 12 April 2013, the State Administration of Taxation issued the Comments on the Handling of Beneficial Ownership Cases involving the Application of the Dividend articles under the Mainland and Hong Kong Taxation Arrangement (《國家税務總局關於湖北等省市國家税務局 執行內地與香港税收安排股息條款涉及受益人案例的處理意見》), providing guidelines for local tax authorities to determine the beneficial ownership status of Hong Kong resident investors receiving dividends from PRC resident enterprises.

Regarding PRC taxation on offshore disposal of PRC interests, the SAT issued the Circular on Strengthening Administration of Enterprise Income Tax on Non-Resident Enterprises' Equity Transfer Income 《國家税務總局關於加強非居民企業股權轉讓所得企業所得税管理的通知》 ("**Circular 698**") on 10 December 2009, with retrospective effect from 1 January 2008. Pursuant to Circular 698, when a non-PRC investor indirectly transfers the equity interests of a PRC resident enterprise by disposing of its equity interests in a non-PRC holding company (the "**Indirect Transfer**") under the conditions set out in Circular 698, the non-PRC investor shall report the Indirect Transfer to the relevant PRC tax authority. If the PRC tax authority considers that the Indirect Transfer lacks bona fide commercial purpose, based on "substance over form" principle, it may disregard the existence of the non-PRC holding company and impose EIT on the attributable capital gain.

Circular 698 also provides that where a non-PRC resident enterprise transfers its equity interests in a PRC resident enterprise to its related parties at a price lower than the fair market value, the relevant tax authority has the power to make a reasonable adjustment to the taxable income of the transaction.

Relevant provisions on Indirect Transfer in Circular 698 have been replaced by the Circular on Several Issues Relating to Corporate Income Tax on Gains from Indirect Transfer of Assets by Non-resident Enterprises 《關於非居民企業間接轉讓財產企業所得税若干問題的公告》 ("**Bulletin 7**"), issued by the SAT on 3 February 2015, which sets out a wider scope of Indirect Transfer of PRC assets as well as provides more detailed guidelines on the circumstances when such Indirect Transfer is considered to lack, or be deemed to have, a bona fide commercial purpose. Bulletin 7 applies to any Indirect Transfer of which the tax outcome has not yet been determined by the PRC tax authority as at 3 February 2015.

If the PRC tax authority considers that the Indirect Transfer lacks bona fide commercial purpose, based on "substance over form" principle, it may disregard the existence of the non-PRC holding company and impose EIT on the attributable capital gain. The EIT payable is normally 10% of the attributable capital gain (and may be 25% if the transferor is deemed as PRC tax resident).

Bulletin 7 sets out voluntary reporting procedures for an Indirect Transfer by the transferor, the transferee or the underlying PRC resident enterprise being transferred. Furthermore, if the Indirect Transfer is considered taxable, the transferee has the obligation to withhold tax from the sale proceeds, unless the transferor reports the transaction to the PRC tax authority under Bulletin 7.

(b) Business Tax

A business which provides certain services or sells immovable or transfers intangible property is liable to business tax at rates ranging from 3% to 20% of the charges for the services provided or immovable or intangible property sold or transferred (as the case may be). The business tax rate of 3% is applicable on taxable services relating to construction, culture and sports. All other services generally attract a business tax rate of 5%, except that services relating to entertainment are subject to a rate ranging from 5% to 20%.

In addition, business tax is payable on the gross amount of all billings with respect to services rendered within the PRC unless specific rules stipulate the use of a net amount.

The business tax regime is being phased out as described in the section below on Value Added Tax.

A Municipal Maintenance Tax, together with an Education Surcharge (further described below) and a local education surcharge, are payable at a rate, in aggregate, of 6.0% to 12.0% of the business tax.

(c) Value Added Tax

The Interim Regulation of the People's Republic of China on Value Added Tax《中華人民共和國增值税暫行條例》(the "**VAT Regulation**") came into effect on 1 January 2009. Pursuant to the VAT Regulation, value added tax (the "**VAT**") is imposed on the goods sold in or imported into the PRC and on processing, repair and replacement services provided within the PRC.

Unless provided otherwise, a VAT rate of 17% is applicable on taxable items encompassing the sale or importation of most tangible goods and the provision of certain labour in respect of processing, repair and replacement services undertaken in the PRC.

The pilot program of the PRC indirect tax reform was implemented in Shanghai, the PRC, effective from 1 January 2012 where certain industries are transferred from the business tax regime to the VAT regime, covering most of the transportation industry and certain modern service industries, with VAT rates applicable being 6%, 11% or 17% in accordance with the relevant regulations. The reform program was expanded to the rest of the country from 1 August 2013 (Notice regarding the Country-wide Business Tax to VAT Pilot Program for the Transportation and certain Modern Service Industries《關於在全國開展交通運輸業和部分現代服務業營業税改增值税試點税收政策的通知》). Thereafter, the Ministry of Finance and State Administration of Taxation announced that the rail transportation and postal services were scoped into the reform from 1 January 2014 (Notice issued by the Ministry of Finance and Sate Administration of Taxation regarding the inclusion of rail transportation and postal

services industries into the Business Tax to VAT Pilot Program《財政局、國家税務總局關於將鐵路運輸和郵政業納入營業税改增值税試點的通知》) and the telecommunication industry was scoped in from 1 June 2014 (Announcement of the State Administration of Taxation on the Issuance of the Interim Administrative Measures for the Collection of Value Added Tax from Telecommunication Companies《國家税務總局關於發佈電信企業增值税徵收管理暫行辦法》, on country-wide basis, the applicable rates being 6% or 11% in accordance with the relevant regulations.

It is anticipated that the construction, real estate, financial services, entertainment and all other service industries that have not yet been transformed will be scoped into VAT during 2015. The relevant rules and regulations including the timing of such conversion and the VAT rate(s) applicable are yet to be announced by the PRC authorities.

A Municipal Maintenance Tax, together with Education Surcharge and a local education surcharge, are payable at a rate, in aggregate, of 6.0% to 12.0% of the VAT.

(d) Land Appreciation Tax

Under the Provisional Regulations of the People's Republic of China on Land Appreciation Tax《中華人民共和國土地增值税暫行條例》promulgated by the State Council on 13 December 1993 (which became effective on 1 January 1994) and amended on 8 January 2011, together with its implementing rules which were promulgated by the Ministry of Finance on 27 January 1995, the LAT applies to both domestic and foreign investors in real properties in the PRC, irrespective of corporate entities or individuals. The tax is payable by a taxpayer on the capital gains from the transfer of land use right, buildings or other facilities on such land, after deducting "deductible items" that include: (a) payments made to acquire land use rights; (b) costs and charges incurred in connection with land development; (c) construction costs and charges in the case of newly constructed buildings and facilities; (d) assessed value in the case of old buildings and facilities; (e) taxes paid or payable in connection with the transfer of the land use rights, buildings or other facilities on such land; and (f) other items allowed by the Ministry of Finance.

The tax rate is progressive and ranges from 30% to 60% of the appreciation value, as follows:

Appreciation Value	LAT Rate
Portion not exceeding 50% of deductible items:	30%
Portion over 50% but not more than 100% of deductible items:	40%
Portion over 100% but not more than 200% of deductible items:	50%
Portion over 200% of deductible items:	60%

Exemption from LAT is available to the following cases:

(i) taxpayers constructing ordinary residential properties for sale, where the appreciation amount does not exceed 20% of the sum of deductible items;

(ii) real estate taken over or recovered according to laws due to the construction needs of the state;

(iii) relocation due to the need of city planning and national construction; and

(iv) due to redeployment of work or improvement of living standard, transfer by individuals of originally self-occupied residential properties after five years or more of self-residence with the approval of the tax authorities.

Pursuant to the Circular on Careful Management of Land Appreciation Tax Collection《關於認真做好土地增值稅徵收管理工作的通知》issued by the SAT on 10 July 2002, the local authorities are required to optimise the withholding methods of LAT. Such requirement is restated in the Circular of the State Administration of Taxation on Further Strengthening Administration Work in Relation to the Collection of Urban Land Use Tax and Land Appreciation Tax (《國家稅務總局關於進一步加強城鎮土地使用稅和土地增值稅徵收管理工作的通知》) issued by the SAT on 5 August 2004.

Pursuant to the Circular Concerning the Administration of Settlement of Land Appreciation Tax Imposed on Real Estate Developers《關於房地產開發企業土地增值稅清算管理有關問題的通知》promulgated by the SAT on 28 December 2006, since 1 February 2007, real estate developers shall settle the LAT in connection with their real estate development projects with the competent tax bureau at applicable tax rates. LAT shall be settled on the basis of the real estate development projects examined and approved by the relevant authority, and projects developed in phases shall be settled on the basis of the project phase.

LAT must be paid if a project meets any one of the following requirements:

(i) the real estate development project has been completed and sold out;

(ii) the entire uncompleted and unsettled development project has been transferred; or

(iii) the land use rights of the relevant project has been transferred.

In addition, the competent tax authorities may require a real estate developer to settle the LAT in any one of the following circumstances:

(i) for completed real estate development projects, the transferred GFA represents more than 85% of the total saleable GFA, or if the proportion is less than 85%, the remaining saleable GFA has been leased out or used by the developer;

(ii) the project has not been sold out three years after obtaining the sale or pre-sale permit;

(iii) the developer applies for cancellation of tax registration without having settled the LAT; or

(iv) other conditions stipulated by the provincial tax authorities.

The provincial tax authorities will, taking into account of the local practical conditions, stipulate specific rules or measures on the management of the LAT settlement as required by the circular.

Pursuant to the Administrative Rules for the Settlement of Land Appreciation Tax《土地增值稅清算管理規程》promulgated by the SAT on 12 May 2009 and as effective since 1 June 2009, the SAT reiterated the above standards and requirements.

Pursuant to the Circular on Issues Concerning Settlement of Land Appreciation Tax《關於土地增值稅清算有關問題的通知》issued by the SAT on 19 May 2010, in the settlement of land appreciation tax, if the sales invoices of commodity housing are issued in full, the revenue shall be

recognised based on the amount indicated in the invoices; if sales invoices are not issued or are issued in part, the revenue shall be recognised based on the purchase price and other income indicated in the sales contract signed by both parties. If the area of a commodity housing specified in a sales contract is inconsistent with the actual area measured by the relevant authorities and the purchase price has already been made up or returned before the settlement of land appreciation tax, adjustments shall be made in the calculation of land appreciation tax. It is provided that the deed tax paid by a real estate developer for obtaining land use rights shall be treated as the "relevant fees paid in accordance with the uniform regulations of the State" and be deducted as the "amount paid for obtaining land use rights".

Pursuant to the Circular on Strengthening the Collection and Administration of Land Appreciation Tax《關於加強土地增值稅征管工作的通知》issued by the SAT on 25 May 2010, all local governments are required to scientifically formulate the pre-levy rate and strengthen the withholding of land appreciation tax, and all local governments shall make adjustments to the current withholding rate. Apart from social security housing which is built by the local government and sold or leased to the public at a price which is lower than the market price, the withholding rate of provinces in the eastern region shall not be lower than 2%, the provinces in the central and north-eastern region shall not be lower than 1.5% and the provinces in western region shall not be lower than 1%. The local governments shall determine the appropriate withholding rates applicable to different types of real estates.

(e) Deed Tax

Pursuant to the Provisional Regulations of the People's Republic of China on Deed Tax《中華人民共和國契稅暫行條例》promulgated by the State Council on 7 July 1997 and implemented on 1 October 1997, the transferee of the land use rights and/or property ownership in the PRC is liable for the deed tax. The rate of the deed tax ranges from 3% to 5%, subject to determination by local governments at the provincial level in light of local conditions.

(f) Real Estate Tax

Properties owned by an enterprise will be subject to real estate tax at variable rates depending on locality. In certain localities, real estate tax is applicable at a rate of 1.2% of the original value of the building less a standard deduction which ranges from 10% to 30% of the original value or at a rate of 12% of the rental income.

(g) Urban Land Use Tax

According to the Provisional Regulations on Urban Land Use Tax of the People's Republic of China《中華人民共和國城鎮土地使用稅暫行條例》promulgated by the State Council in September 1988 and amended in December 2006 and December 2013, the urban land use tax is levied according to the area of relevant land. The annual tax on the urban land was previously between RMB0.2 and RMB10 per sq.m.. An amendment by the State Council in December 2006 changed the annual tax rate on the urban land to between RMB0.6 and RMB30 per sq.m.. On 31 December 2006, the Provisional Regulations of the People's Republic of China on Urban Land Use Tax were amended by the State Council. Effective from 1 January 2007, pursuant to the amended regulations, the urban land use tax is charged at a rate three times higher (i.e. between RMB 0.6 and RMB 30 per sq.m.) than the previous rate and foreign-invested enterprises are no longer exempted.

(h) Stamp Duty

According to the Provisional Regulations of the People's Republic of China on Stamp Duty《中華人民共和國印花稅暫行條例》promulgated by the State Council in August 1988 and amended on 8 January 2011, property transfer instruments, including those in respect of property ownership transfers, are subject to stamp duty at a rate of 0.05% of the amount stated therein.

(i) Municipal Maintenance Tax

According to the Provisional Regulations of the People's Republic of China on Municipal Maintenance Tax《中華人民共和國城市維護建設稅暫行條例》promulgated by the State Council in February 1985 and amended on 8 January 2011, a taxpayer of product tax, VAT or business tax is required to pay a municipal maintenance tax calculated on the basis of product tax, VAT and business tax.

The tax rate is 7% for a taxpayer in an urban area, 5% in a county or a town, and 1% for a taxpayer not in any urban area, county or town.

Pursuant to the Circular on Unifying the System of Municipal Maintenance Tax and Education Surcharge Paid by Domestic and Foreign-invested Enterprises and Individuals (《關於統一內外資企業和個人城市維護建設稅和教育費附加制度的通知》) issued by the State Council On 18 October 2010, starting from 1 December 2010, the PRC Provisional Regulations on Municipal Maintenance Tax shall be applicable to foreign-invested enterprises, foreign enterprises and individual foreigners. Laws, regulations, rules and policies on municipal maintenance tax promulgated by the State Council and the competent finance and tax authorities under the State Council since 1985 shall also be applicable to foreign-invested enterprises, foreign enterprises and individual foreigners.

(j) Education Surcharge

According to the Provisional Provisions on Imposition of Education Surcharge (《徵收教育費附加的暫行規定》) promulgated by the State Council in April 1986 and subsequently amended in June 1990, August 2005 and January 2011, any taxpayer of VAT, business tax or consumption tax is liable for an education surcharge, unless such taxpayer is required to pay a rural area education surcharge as provided by the Notice of the State Council on Raising Funds for Schools in Rural Areas (《國務院關於籌措農村學校辦學經費的通知》), which was promulgated in December 1984. The education surcharge rate is 3% calculated on the basis of consumption tax, VAT and business tax.

Pursuant to the Circular on Unifying the System of Municipal Maintenance Tax and Education Surcharge Paid by Domestic and Foreign-invested Enterprises and Individuals issued by the State Council On 18 October 2010, starting from 1 December 2010, the Provisional Provisions on Imposition of Education Surcharge shall be applicable to foreign-invested enterprises, foreign enterprises and individual foreigners. Laws, regulations, rules and policies on education surcharge promulgated by the State Council and the competent finance and tax authorities under the State Council since 1985 shall also be applicable to foreign-invested enterprises, foreign enterprises and individual foreigners.

3. Certain Material United States Federal Income Tax Considerations

The following discussion is a summary of certain material U.S. federal income tax considerations under present law of the distribution of Shares pursuant to the Distribution In Specie and the ownership and disposition of Shares, in each case, by a U.S. Holder (as defined below). This summary deals only with U.S. Holders (as defined below) receiving Shares in the Distribution In Specie that use the U.S.

Dollar as their functional currency and that hold CKH Holdings Shares as capital assets, and will hold Shares received in the Distribution In Specie as capital assets. This summary does not address tax considerations applicable to investors subject to special rules, such as persons that will own immediately after the Distribution In Specie (directly, indirectly or constructively) 5 per cent. or more by vote or value of the Company's equity interests, certain financial institutions, dealers or traders, insurance companies, tax exempt entities, persons holding their Shares as part of a hedge, straddle, conversion, constructive sale or other integrated transaction. It also does not address U.S. State and local or non-U.S. tax considerations.

As used here, "U.S. Holder" means, for purposes of the Distribution In Specie, a beneficial owner of CKH Holdings Shares, and otherwise a beneficial owner of Shares that is, for U.S. federal income tax purposes, (i) a citizen or individual resident of the United States, (ii) a corporation or entity treated as such created or organised under the laws of the United States, any state thereof, or the District of Columbia, (iii) a trust subject to the control of a U.S. person and the primary supervision of a U.S. court or (iv) an estate the income of which is subject to U.S. federal income tax without regard to its source.

The tax consequences to a partner in a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) acquiring, holding or disposing of Shares generally will depend on the status of the partner and the activities of the partnership. Partnerships holding Shares should consult their own tax advisers about the U.S. federal income tax consequences to their partners of participating in the Distribution In Specie and acquiring, owning and disposing of Shares.

The Company believes that neither it nor CKH Holdings will be a PFIC for the current year, and this discussion assumes, other than the discussion below with respect to the Company under the heading "*Passive Foreign Investment Company*" and "*The Distribution In Specie*" below, that neither the Company nor CKH Holdings will be a PFIC in the current year or future years.

The Distribution In Specie

The Company believes that the distribution of Shares pursuant to the Distribution In Specie may qualify as a tax-free distribution under Section 355 of the Code provided that the conditional share offer pursuant to the Hutchison Proposal qualifies as a reorganisation under Section 368(a) of the Code. Therefore, subject to the discussion of the PFIC rules below, a U.S. Holder receiving Shares in the Distribution In Specie (i) should not recognise any income, gain or loss upon the receipt of Shares, (ii) should apportion its tax basis in the CKH Holdings Shares between such CKH Holdings Shares and the Shares received in the Distribution In Specie in proportion to the relative fair market value of the CKH Holdings Shares and the Shares on the date on which the Shares are distributed, and (iii) should have a holding period for the Shares that includes the period during which the U.S. Holder held the CKH Holdings Shares.

However, neither the Company nor CKH Holdings has either requested or received an opinion of U.S. federal income tax counsel that the Distribution In Specie qualifies under Section 355 of the Code and no ruling has been sought or obtained from the IRS. There can be no assurance the IRS will not take a position that the Distribution In Specie does not qualify under Section 355 of the Code, or that such position would not be sustained if asserted. If such a position were taken and were sustained, then U.S. Holders would be required to treat the distribution of Shares pursuant to the Distribution In Specie as a dividend in a U.S. Dollar amount equal to the fair market value of the Shares on the date of receipt, would take tax basis in the Shares equal to U.S. Dollar amount included in income as a dividend and would have a holding period in the Shares that begins with the effective date of the

Distribution In Specie. The dividend generally would be treated as from sources outside the United States for foreign tax credit purposes. Any amount included as a dividend should not be eligible for the dividends received deduction generally allowed to U.S. corporations or for the reduced rate of tax on qualified dividend income available to certain non-corporate U.S. Holders.

In addition, if CKH Holdings is or Cheung Kong has been a PFIC for any year in which a U.S. Holder has owned CKH Holdings Shares or Cheung Kong shares which were exchanged for CKH Holdings Shares in the Cheung Kong Reorganisation, such U.S. Holder may be required to recognise gain (but not loss) with respect to such U.S. Holder's CKH Holdings Shares as though such shares had been disposed of in a taxable transaction at their fair market value on the date of the Distribution In Specie in exchange for the Shares and newly issued CKH Holding Shares. Any gain recognised would be ordinary income and could also be subject to certain additional taxes (as described below). The Company does not believe that CKH Holdings is a PFIC in its current taxable year, and although it has not undertaken to determine whether Cheung Kong has been a PFIC in any prior taxable years, it does not believe Cheung Kong has been a PFIC in the three most recent taxable years. U.S. Holders should consult their tax advisors concerning the PFIC rules and any potential considerations relevant to them arising from the Distribution In Specie.

Ownership of the Shares

Passive Foreign Investment Company

The Company believes that it will not be considered a PFIC in its current taxable year, and based on its present assets, income and activities, it does not believe it is likely to become a PFIC. A foreign corporation will be a PFIC in any taxable year when, taking into account the income and assets of 25%-owned subsidiaries, either (i) 75% or more of its gross income is passive income or (ii) 50% or more of the average value of its assets is attributable to assets that produce or are held to produce passive income. The PFIC tests apply annually, and a company's status can change depending, among other things, on changes in the composition and relative value of gross receipts and assets and the market value of its shares.

The determination whether the Company is a PFIC depends in significant part on whether it derives its rental income and gain from sale of real property from the active conduct of a business. Rental income and capital gain are generally considered passive income. Rental income and gain from sale of real property is not passive, however, to the extent the lessor (i) regularly performs active and substantial management functions with its own officers and employees, or (ii) has produced, or has acquired and added substantial value to, the property, if the lessor is regularly engaged in the production of, or in the acquisition and addition of substantial value to, property of such kind. Nevertheless, the application of the rules relating to performance of management functions and property development are not entirely clear in the context of an affiliated group of companies operating an active real estate business. In the case of the Company, most of the Group's rental properties have either been developed by the Group member, or are managed by employees and officers of the Group member, that owns the relevant property. Accordingly, the Company believes that most of its rental properties and rental income should qualify as active assets and income for purposes of the PFIC determination.

If the Company were a PFIC in any year during which a U.S. Holder owns shares, the U.S. Holder would be subject in that and subsequent years to additional taxes on any excess distributions exceeding 125% of the average amount received during the three preceding taxable years (or, if shorter, the U.S. Holder's holding period) and on any gain from the disposition of the Shares (regardless of whether the Company continued to be a PFIC). Dividends on the Shares also would not be eligible for

the preferential tax rate applicable to qualified dividend income. U.S. Holders should consult their tax advisors about the Company's PFIC classification and any U.S. tax consequences relevant to them if the Company were to be considered a PFIC.

Distributions on the Shares

Distributions with respect to the Shares, including taxes withheld therefrom, if any, generally will be included in a U.S. Holder's gross income as foreign source ordinary dividend income when received. Any dividends will not be eligible for the dividends received deduction generally allowed to U.S. corporations. Any dividends will also not be eligible for the preferential tax rate applicable to "qualified dividend income" received by certain non-corporate U.S. Holders. If any withholding were required on distributions payable by the Company, U.S. Holders should be able to claim a foreign tax credit in respect of any such withholding subject to generally applicable limitations. Dividends received will generally be included in net investment income for purposes of the Medicare tax applicable to certain non-corporate U.S. Holders.

Dividends paid in any currency other than U.S. Dollars will be includable in income in the U.S. Dollar amount calculated by reference to the exchange rate in effect on the day the dividends are actually or constructively received by the U.S. Holder, regardless of whether the currency is converted into U.S. Dollars at that time. A U.S. Holder will have a basis in the currency received equal to the U.S. Dollar value on the date of receipt. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend is includable in the income of the U.S. Holder to the date such payment is converted into U.S. Dollars (or the U.S. Holder otherwise disposes of the currency) will be exchange gain or loss and will be treated as U.S. source ordinary income or loss for foreign tax credit limitation purposes. If dividends received in a currency other than U.S. Dollars are converted into U.S. Dollars on the day the dividends are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

Sale or Other Disposition of the Shares

A U.S. Holder generally will recognise capital gain or loss on the sale or other disposition of Shares in an amount equal to the difference between the U.S. Holder's adjusted tax basis in the Shares and the U.S. Dollar value of the amount realised from the disposition. The gain or loss will be long-term capital gain or loss if the holder has held the Shares for more than one year. Deductions for capital losses are subject to significant limitations. If PRC tax is withheld from the proceeds of the disposition of Shares, such gains may be treated as arising from sources within the PRC for foreign tax credit limitation purposes. U.S. Holders are urged to consult their own tax advisors regarding the tax consequences to them under their particular circumstances if PRC withholding tax is imposed on the disposition of Shares, including the availability of a foreign tax credit for the PRC tax withheld. Gains will be included in net investment income for purposes of the Medicare tax on net investment income generally applicable to certain non-corporate U.S. Holders.

A U.S. Holder that receives a currency other than U.S. Dollars on the disposition of Shares will realise an amount equal to the U.S. Dollar value of the currency received at the spot rate on the date of sale (or, in the case of cash basis and electing accrual basis U.S. Holders, the settlement date). An accrual basis U.S. Holder that does not elect to determine the amount realised using the spot rate on the settlement date will recognise foreign currency gain or loss equal to the difference between the U.S. Dollar value of the amount received based on the spot exchange rates in effect on the date of sale or

other disposition and the settlement date. A U.S. Holder will have a tax basis in the currency received equal to the U.S. Dollar value of the currency received on the settlement date. Any gain or loss on a subsequent disposition or conversion of the currency will be U.S. source ordinary income or loss.

Backup Withholding and Information Reporting

The receipt of Shares pursuant to the Distribution In Specie, and payments of dividends and other proceeds with respect to the Shares may be reported to the IRS unless the holder is a corporation or otherwise establishes a basis for exemption. Backup withholding may apply to amounts subject to reporting if the holder fails to provide an accurate taxpayer identification number or otherwise establish a basis for exemption. A U.S. Holder can claim a credit against its U.S. federal income tax liability for amounts withheld under the backup withholding rules, and can claim a refund of amounts in excess of its tax liability by timely providing the appropriate information to the IRS.

Certain U.S. Holders are required to furnish to the IRS information with respect to investments in the Shares not held through an account with a financial institution. Investors who fail to report required information could become subject to substantial penalties. Potential investors are encouraged to consult with their own tax advisors about these and any other reporting obligations arising from their investment in the Shares.

C. CERTAIN U.S. ERISA AND RELATED CONSIDERATIONS

The following is a summary of certain considerations associated with the acquisition, holding and, to the extent relevant, disposition of the Shares by an employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974 ("**ERISA**"), a plan described in Section 4975 of the Code, including an individual retirement account ("IRA") or a Keogh plan, and any entity whose underlying assets include "plan assets" by reason of any such employee benefit or retirement plan's investment in such entity (each of which is referred to as a "**Plan**"), as well as an employee benefit plan subject to provisions under applicable federal, state, local, non-U.S. or other laws or regulations that are similar to the provisions of Title I of ERISA or Section 4975 of the Code (such employee benefit plans are "**Other Plans**" and such laws are "**Similar Laws**").

General Fiduciary Matters

Each fiduciary of a Plan or an Other Plan should consider any fiduciary standards under applicable law, such as ERISA or Similar Laws, in the context of the Plan's or Other Plan's particular circumstances before authorizing an investment in the Shares. Among other factors, the fiduciary should consider whether the investment is consistent with the documents and instruments governing the Plan or Other Plan and whether the investment would satisfy the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code or Similar Laws. Any insurance company proposing to invest assets of its general account in the Shares should consult with its counsel concerning the potential application of applicable legal standards to such investment.

Prohibited Transaction Issues

ERISA also prohibits Plans subject to the fiduciary provisions of ERISA from engaging in certain transactions involving Plans or "plan assets" with persons who are "parties in interest" within the meaning of Section 3(14) of ERISA, and Section 4975 of the Code imposes an excise tax on certain "disqualified persons" within the meaning of Section 4975 of the Code who engage in similar transactions, in each case, unless an exemption is available. A violation of the "prohibited transaction"

rules also may result in penalties or other liabilities under ERISA and the Code. In the case of an individual retirement account, the occurrence of a prohibited transaction could cause the IRA to lose its tax-exempt status. Other Plans, including governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA or Section 4975(g)(3) of the Code) and foreign plans (as described in Section 4(b)(4) of ERISA) are not subject to the requirements of ERISA or Section 4975 of the Code but may be subject to similar prohibitions under Similar Laws.

Plan Assets

Regulations (the "**Plan Assets Regulations**") issued by the U.S. Department of Labor ("**DOL**"), as modified by Section 3(42) of ERISA, generally provide that when a Plan that is subject to Title I of ERISA or the requirements of Section 4975 of the Code acquires an equity interest in an entity that is neither a "publicly-offered security" nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity ("**Plan Assets**"), unless an exception applies.

Under the Plan Assets Regulations, an exception to the general rule that the assets of an entity in which a Plan acquires an equity interest are treated as Plan Assets provides that investments by Plans in entities that are "operating companies" do not result in treatment of the assets of such entities as Plan Assets. In general, operating companies are entities that are primarily engaged directly, or through a majority-owned subsidiary or subsidiaries, in the production or sale of a product or service other than the investment of capital. In addition, entities that qualify as a "venture capital operating company" (a "**VCOC**") or "real estate operating company" (an "**REOC**"), as defined in the Plan Asset Regulations are treated as operating companies.

In addition to the operating company exception described above, the Plan Assets Regulations also include an exception pursuant to which the assets of an entity will generally not be treated as Plan Assets if less than 25% of the total value of each class of equity interest in the entity is held by Plans (excluding interests held by certain parties controlling or providing investment advice to the entity itself).

Although the issue is not free from doubt, the Company believes that it qualifies as an operating company and will proceed on that basis. In this regard, while some of the Company's revenues will be derived from the rental of rental properties (which the Company will generally be actively managing), the majority of the Company's revenues are expected to come from activities that involve active management, namely, the development and sale of real estate properties, the management of real estate properties and the management of hotels, and not passive investments. Thus, the Company will not attempt to restrict the Shares to satisfy the 25% Test, and the Company will not attempt to qualify as a REOC or a VCOC.

However, there can be no assurance that the Company will in fact qualify as an operating company or that any of the exceptions set forth in the Plan Assets Regulations will apply to the Company. Moreover, even if the Company initially qualifies as an operating company, there can be no assurance that it will continue to do so in the future. As a result, under the terms of the Plan Assets Regulations, the possibility cannot be ruled out that a Plan's assets could be considered to include an undivided interest in the Company's assets.

If the Company's assets were to constitute Plan Assets, this would result, among other things, in (i) the application of the prudence and other fiduciary responsibility standards of ERISA, and (ii) the possibility that certain transactions in which we might seek to engage could constitute "prohibited

transactions" under ERISA and the Code. In addition, if the Company's assets were to be treated as assets of a Plan subject to ERISA, the Plan's fiduciaries could be deemed to have improperly delegated investment management responsibilities to the Company's management, and as a result could be held liable under Section 405 of ERISA as co-fiduciaries for acts and omissions of the Company's management that might contravene the fiduciary duties of ERISA; and it is not clear that the requirement of Section 404(b) of ERISA that the indicia of ownership of the Plan's assets be held within the jurisdiction of the United States District Courts would be satisfied.

Acquisition of Shares

Regardless of whether the Company's assets are deemed to be Plan Assets, the acquisition and holding of Shares by a Plan or an Other Plan could itself result in a prohibited transaction. For Plans, the DOL has issued five prohibited transaction class exemptions ("**PTCEs**") that may provide relief for direct or indirect prohibited transactions resulting from the purchase and/or holding of the Shares by a Benefit Plan Investor. These class exemptions are:

- PTCE 96-23, for certain transactions determined by "in-house asset managers";
- PTCE 95-60 (as clarified by PTCE 2002-13), for certain transactions involving insurance company general accounts;
- PTCE 91-38 (as clarified by PTCE 2002-13), for certain transactions involving bank collective investment funds;
- PTCE 90-1, for certain transactions involving insurance company pooled separate accounts; and
- PTCE 84-14 (as clarified by PTCE 2002-13), for certain transactions determined by independent "qualified professional asset managers."

In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code provide a limited exemption, called the "service provider exemption," for certain transactions with non-fiduciary service providers. Such class exemptions may not, however, apply to all of the transactions that could be deemed prohibited transactions in connection with a Benefit Plan Investor's investment in our Shares. There can be no assurance that all of the conditions of any such exemption will be satisfied.

In relation to the above, the Shares should not be acquired or held by any person investing "plan assets" of any Plan or Other Plan, unless such acquisition and holding will not constitute a non-exempt prohibited transaction under ERISA or Section 4975 of the Code or similar violation of any applicable Similar Laws. Accordingly, each purchaser and holder of the Shares will be deemed to have represented and warranted that either (i) it is not a Plan or an Other Plan and no portion of the assets used to acquire or hold the Shares constitutes assets of any Plan or Other Plan, or (ii) the acquisition and holding of Shares will not constitute a non-exempt prohibited transaction under ERISA or Section 4975 of the Code or violate any applicable Similar Laws.

The discussion above is general in nature and is not intended to be inclusive or comprehensive. Consequently, and due to the complexity of the fiduciary responsibility and prohibited transaction rules described above and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing Shares on behalf of or with assets of any Plan or Other Plan consult with their counsel, prior to any such

purchase, regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether any exemption would be applicable and determine on their own whether all conditions of such exemption or exemptions have been satisfied such that the acquisition and holding of Shares by the purchaser Plan or Other Plan are entitled to full exemptive relief thereunder.

A. FURTHER INFORMATION ABOUT THE COMPANY

1. Incorporation

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 2 January 2015 under the name of Cheung Kong Property Holdings Limited 長江實業地產有限公司. The Company has established a principal place of business in Hong Kong at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong and was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on 28 January 2015, with Mr. Ip Tak Chuen, Edmond of 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong appointed as the Hong Kong authorised representative of the Company on 5 January 2015 for acceptance of the service of process and any notices required to be served on the Company in Hong Kong.

As the Company was incorporated in the Cayman Islands, its operations are subject to Cayman Islands law and to its constitution which comprises the Memorandum and Articles of Association. A summary of the relevant sections of the Memorandum and Articles of Association and the relevant aspects of the Companies Law is set out in "*Appendix V – Summary of the Constitution of the Company and Cayman Companies Law*".

2. Changes in the Share Capital of the Company

As at the date of incorporation of the Company, the authorised share capital of the Company was HK$380,000 divided into 380,000 shares with a par value of HK$1.00 each. The following alterations in the share capital of the Company have taken place since its date of incorporation up to the date of this listing document:

(a) on 2 January 2015, one subscriber Share was allotted and issued to Mapcal Limited; and

(b) on [●] 2015, the authorised share capital of the Company was increased from HK$380,000 to HK$8,000,000,000 by the creation of an additional 7,999,620,000 Shares.

Save as disclosed above and in "– *Written Resolutions of the Sole Shareholder passed on [●] 2015*" below, there has been no alteration in the share capital of the Company since the date of its incorporation.

3. Written Resolutions of the Sole Shareholder passed on [●] 2015

On [●] 2015, resolutions of the Company were passed by CKH Holdings, the then sole Shareholder pursuant to which, among other things:

(a) the authorised share capital of the Company was increased from HK$380,000 to HK$8,000,000,000 by the creation of an additional 7,999,620,000 Shares;

(b) conditional upon the share premium account of the Company being credited as a result of the issue of one Share to the then sole Shareholder at completion of the Reorganisation Agreement Transactions:

(i) an amount of HK$[3,859,678,500] being part of the amount then standing to the credit of the share premium account of the Company be capitalised and such amount be appropriated as to capital to pay up in full at par [3,859,678,500] Shares for allotment and issue to the CKH Holdings Shareholders (other than the Non-Qualifying CKH Holdings Shareholders) as at the Record Time; and

(ii) subject to the amount referred to in paragraph (i) above be applied in paying in full at par [3,859,678,500] Shares, such Shares be allotted and issued, credited as fully paid at par, to the CKH Holdings Shareholders (other than the Non-Qualifying CKH Holdings Shareholders) as at the Record Time;

(c) the Company approved and adopted the amended and restated Memorandum and Articles of Association conditional upon Listing;

(d) the Listing was approved and the Directors were authorised to implement the Listing;

(e) subject to the "lock-up" provisions under Rule 10.08 of the Listing Rules, a general unconditional mandate was granted to the Directors to allot, issue and deal with the Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for the Shares or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers, provided that the aggregate nominal value of the Shares allotted or agreed to be allotted by the Directors other than pursuant to a (i) rights issue, (ii) any scrip dividend scheme or similar arrangement providing for the allotment of the Shares in lieu of the whole or part of a dividend on the Shares or (iii) a specific authority granted by the Shareholders in general meeting, shall not exceed the aggregate of:

(i) 20% of the aggregate nominal value of the share capital of the Company in issue immediately following completion of the Spin-off; and

(ii) the aggregate nominal value of the share capital of the Company repurchased by the Company (if any) under the general mandate to repurchase Shares referred to in paragraph (f) below,

such mandate to remain in effect during the period from the passing of the resolution until the earliest of (I) the conclusion of the next annual general meeting of the Company, (II) the end of the period within which the Company is required by the Articles or any applicable laws to hold its next annual general meeting or (III) the date on which the resolution is varied or revoked by an ordinary resolution of the Shareholders in general meeting (the "**Relevant Period**"); and

(f) a general unconditional mandate was granted to the Directors to exercise all the powers of the Company to repurchase the Shares on the Stock Exchange, or on any other stock exchange on which the Shares may be listed (and which is recognised by the SFC and the Stock Exchange for this purpose), and made in accordance with all applicable laws and the

requirements of the Listing Rules, with an aggregate nominal value of not more than 10% of the aggregate nominal value of the Company's share capital in issue immediately following completion of the Spin-off, such mandate to remain in effect during the Relevant Period.

4. Subsidiaries

Principal Subsidiaries

Details of the subsidiaries of the Company are set out in "*Appendix IA – Accountants' Report on the Cheung Kong Property Group*" and "*Appendix IB – Accountants' Report on the Hutchison Property Group*".

Set out below is certain information on the companies that will be the Principal Subsidiaries of the Group upon the Listing:

Name of Principal Subsidiary	Place of Incorporation	Date of Establishment	Approximate Shareholding Percentage Attributable to the Group	Principal Activities
Fantastic State Limited	Hong Kong	2 August 2000	100%	Property development
Flying Snow Limited	Hong Kong	29 November 2002	100%	Property investment
Garbo Field Limited 富利京有限公司	Hong Kong	12 July 1994	100%	Property development
Grand Waterfront Development Pte. Ltd.	Singapore	22 April 2008	100%	Property development
Grandwood Investments Limited	Hong Kong	25 July 2008	100%	Property development
Omaha Investments Limited	Hong Kong	28 October 1986	100%	Property owning
Queensway Investments Limited 建東投資有限公司	Hong Kong	17 June 2008	85%	Property development
Ruby Star Enterprises Limited 隆星企業有限公司	Hong Kong	19 December 2006	100%	Property development
Shanghai Ron Qi Properties Co., Ltd.* 上海榮啟置業有限公司	PRC	4 April 2005	85%[(a)]	Property development and investment
Turbo Top Limited	Hong Kong	12 January 1993	100%	Property owning

* for identification only

Note:

(a) Such percentage represents the profit sharing percentage attributable to the Group.

There were no changes in share capital of the Company's Principal Subsidiaries during the period of two years immediately preceding the date of this listing document.

Non-wholly Owned Subsidiaries

Set out below is certain information of the Group's non-wholly owned subsidiaries as at the Latest Practicable Date (assuming completion of the Proposals):

		Minority Shareholder(s)	
	Name of Non-wholly Owned Subsidiary	**Identity**	**Approximate Percentage Held**
(1)	Albion Riverside Commercial Limited[(c)]	Pacific Link Asia Limited[(a)] Standard Assets Limited[(a)]	7% 3%
(2)	Asia Commercial Development Limited 冠亞商業發展有限公司	WCYW (Nominees) Limited[(a)]	0.177%
(3)	Beijing Citybase Century Property Management Ltd. 北京港基世紀物業管理有限公司	Beijing Wondergrow Investment and Consulting Co., Ltd. 北京穩得高投資顧問有限公司[(d)]	5%[(e)]
(4)	Beijing Goodwell Century Property Management Ltd. 北京高衛世紀物業管理有限公司	Beijing Wondergrow Investment and Consulting Co., Ltd. 北京穩得高投資顧問有限公司[(d)]	5%[(e)]
(5)	Braintech Limited[(f)]	Billion Merit Limited[(b)]	10%
(6)	Blissjoy International Limited[(g)]	Best Shield Limited[(b)]	20%
(7)	Cavendish Hotels (Holdings) Limited 嘉雲酒店(集團)有限公司[(h)]	Beijing Tourism Group (HK) Holdings Company Limited 首都旅游集團(香港)控股有限公司[(b)]	49%
(8)	Chengdu Changtian Co. Ltd. 成都長天有限公司	成都工投資產經營有限公司[(b)] Beijing Wondergrow Investment and Consulting Co., Ltd. 北京穩得高投資顧問有限公司[(d)]	30%[(e)] 1%[(e)]
(9)	Cheung Wo DaSheng Properties (Shanghai) Limited 長和達盛地產(上海)有限公司	上海國盛集團地產有限公司[(b)] 上海達安房產開發有限公司[(b)]	15% 25%
(10)	Consolidated Hotels Limited[(i)] [(j)]	Horton Investments Limited[(a)] Starwood Hong Kong Holdings[(b)] Tai Cheung Properties Limited 大昌地產有限公司[(b)]	1.5% 24.5% 23%
(11)	Dongguan Asia Commercial Hwang Gang Lake Development Co., Ltd.* 東莞冠亞環崗湖商住區建造有限公司	東莞市厚街房地產公司[(b)]	25%[(e)]
(12)	Dongguan Hujing Holiday Country Co., Ltd. 東莞湖景渡假村有限公司	東莞市厚街鎮對外經濟發展總公司[(b)]	15%[(e)]
(13)	Estoril Court Management Company Limited 愛都大廈管理有限公司	Golden Link Establishments Limited 金聯拓展有限公司[(b)]	20%
(14)	Granlai Company Limited 添麗有限公司	Hopewell Holdings Limited[(b)]	45.95%
(15)	Great Wall Hotel Joint Venture of Beijing* 北京市長城飯店公司[(k)]	北京首都旅游集團有限責任公司[(b)]	10%
(16)	Guangzhou Bruckner City Properties Co. Ltd. 廣州和記城市房產有限公司[(l)]	廣州市城市建設開發集團有限公司[(b)]	35%

		Minority Shareholder(s)	
	Name of Non-wholly Owned Subsidiary	Identity	Approximate Percentage Held
(17)	Guangzhou International Toys And Gifts Center Co., Ltd.* 廣州國際玩具禮品城有限公司	廣州國際玩具中心有限公司[b]	40%
(18)	Hui Xian Holdings Limited 滙賢控股有限公司[m]	Far Gain Investment Limited[a]	8%[bb]
		Lucky Star International Holdings Inc.[b]	20%[bb]
		Po Lian Enterprises Limited[b]	20%[bb]
(19)	Hutchison LR Development Limited[n]	Richluck Trading Limited[a]	7%
		Control Worldwide Limited[a]	3%
(20)	Hutchison LR Properties Limited	Richluck Trading Limited[a]	7%
		Control Worldwide Limited[a]	3%
(21)	Hutchison Whampoa Properties (Chongqing Nanan) Limited 和記黃埔地產(重慶南岸)有限公司	重慶洋世達投資有限公司[a]	5%
(22)	Hutchison Whampoa Properties (Tianjin) Limited 和記黃埔地產(天津)有限公司	天津市地下鐵道集團有限公司[b]	20%
(23)	Jabrin Limited	Chesterfield Realty Limited 兆豐地產有限公司[o]	20%
(24)	Jiangmen Hutchison Whampoa Properties Limited 江門市和記黃埔地產有限公司	江門市樂活企業策劃有限公司[b]	10%
(25)	Kido Profits Limited[aa]	Kowill Investments Inc.	15%
(26)	Marino Capital Holdings Limited[p]	Marathon Joy Limited[b]	15%
(27)	Mightycity Company Limited 巍城有限公司[q]	Beautiland Company Limited 美地有限公司[o]	10.204%
(28)	Mutual Luck Investment Limited	Stalybridge Investment Limited[r]	33.33%
		E-Cash Ventures Limited[b]	15.33%
(29)	MV Properties Limited	Galway Global Limited[a]	3%
		Roxy Asia Limited[a]	7%
(30)	Qingdao Sihe Property Development Co., Ltd. 青島四和房地產發展有限公司[l]	上海中星(集團)有限公司[b]	20%
(31)	Regal Lake Property Development Limited Guangzhou 廣州御湖房地產發展有限公司	廣州方興房地產建設有限公司[b]	20%
(32)	Rivet Profits Limited[s]	Neko International Limited[b]	15%
(33)	Ruotolo Investments Limited[cc]	Direct Access Investments Ltd.[b]	20%
(34)	Secan Limited[t]	Gusbury Enterprises Inc.[b]	20%
(35)	Shanghai Changrun Jianghe Property Development Co., Ltd.* 上海長潤江和房地產發展有限公司	上海長潤房地產開發有限公司[b]	25%
		上海江和房地產開發有限公司[b]	15%
(36)	Shanghai Qilong Properties Limited 上海旗龍置業有限公司	上海梅龍鎮集團盧灣置業有限公司[b]	15%[e]
(37)	Shanghai Ron Qi Properties Co., Ltd.* 上海榮啟置業有限公司	上海梅龍鎮集團置業有限公司[b]	15%[e]
(38)	Shanghai Westgate Mall Co., Ltd. 上海梅龍鎮廣場有限公司	上海梅龍鎮(集團)有限公司[b]	40%[e]
(39)	Shenzhen Hutchison Whampoa CATIC Properties Limited* 深圳和記黃埔中航地產有限公司	中國航空技術深圳有限公司[b]	20%
(40)	Shepherd Investments Limited	Tai Cheung Properties Limited 大昌地產有限公司[b]	48%

		Minority Shareholder(s)	
	Name of Non-wholly Owned Subsidiary	Identity	Approximate Percentage Held
(41)	Sherrington Development Ltd.[(u)]	City Growth Limited[(a)]	0.00227%
		WCYW (Nominees) Limited[(a)]	0.00121%
(42)	Splendid Well Limited 錦佳有限公司	Bylite (Nominees) Limited[(v)]	25%
(43)	Stocklink Limited[(w)]	Nan Fung Development Limited[(b)]	20%
(44)	Trudeau Holdings Limited[(x)]	Master Rank Investments Limited[(b)]	10%
(45)	Wideplex Limited[(y)]	Super Peak Holdings Limited[(b)]	40%
(46)	Wit Profits Limited[(z)]	Nan Fung Development Limited[(b)]	15%

* for identification only

Notes:

(a) An independent third party.

(b) Save for its holding of 10% or more interest in one or more non-wholly owned subsidiaries of the Company upon Listing, the minority shareholder is an independent third party.

(c) Albion Riverside Commercial Limited owns 100% of each of Albion Properties Limited and Albion Residential Limited, and therefore Albion Properties Limited and Albion Residential Limited are also non-wholly owned subsidiaries of the Company.

(d) Beijing Wondergrow Investment and Consulting Co., Ltd. 北京穩得高投資顧問有限公司 is directly owned as to 50% by Azalea Enterprises Limited (a wholly-owned subsidiary of the Company), as to 40% by 王琦 (a director of Beijing Wondergrow Investment and Consulting Co., Ltd. 北京穩得高投資顧問有限公司) and as to 10% by 陳燕 (a director of Beijing Wondergrow Investment and Consulting Co., Ltd. 北京穩得高投資顧問有限公司).

(e) Such percentage represents the profit sharing percentage attributable to that minority shareholder.

(f) Braintech Limited owns 100% of Braintech (HK) Limited 比特廸(香港)有限公司, which in turn owns 100% of Hutchison Whampoa Properties (Qingdao) Limited 和記黃埔地產(青島)有限公司. Therefore, Braintech (HK) Limited 比特廸(香港)有限公司 and Hutchison Whampoa Properties (Qingdao) Limited 和記黃埔地產(青島)有限公司 are also non-wholly owned subsidiaries of the Company.

(g) Blissjoy International Limited owns 100% of Bradford Investments Limited 栢鋒投資有限公司, and therefore Bradford Investments Limited 栢鋒投資有限公司 is also a non-wholly owned subsidiary of the Company.

(h) Cavendish Hotels (Holdings) Limited 嘉雲酒店(集團)有限公司 owns 100% of Doncaster International Limited, and therefore Doncaster International Limited is also a non-wholly owned subsidiary of the Company.

(i) Consolidated Hotels Limited is directly owned as to 51% by Hutchison Hotels (Holdings) Limited (a non-wholly owned subsidiary of the Company), which in turn is directly owned as to 51% by Hutchison Consolidated Hotels Limited (a wholly-owned subsidiary of the Company) and as to 49% by Shepherd Investments Limited (a non-wholly owned subsidiary of the Company).

(j) Consolidated Hotels Limited owns 100% of 15MR Limited, and therefore 15MR Limited is also a non-wholly owned subsidiary of the Company.

(k) Great Wall Hotel Joint Venture of Beijing* 北京市長城飯店公司 is directly owned as to 8% by E-S Pacific Development and Construction (HK) Company Limited 伊沈建設發展(香港)有限公司 (a wholly-owned subsidiary of the Company) and as to 82% by Cavendish Hotels (Holdings) Limited 嘉雲酒店(集團)有限公司 (a non-wholly owned subsidiary of the Company).

(l) Such company is being liquidated.

(m) Hui Xian Holdings Limited 滙賢控股有限公司 owns 100% of Hui Xian (Cayman Islands) Limited, and therefore Hui Xian (Cayman Islands) Limited is also a non-wholly owned subsidiary of the Company.

(n) Hutchison LR Development Limited owns 50% interest in Sino Summit Global Limited. The remaining 50% interest of Sino Summit Global Limited is owned by Upper Speed Limited (a wholly-owned subsidiary of the Company). Sino Summit Global Limited also owns 100% of each of Circadian (CH) Limited and Chelsea Waterfront Limited. Circadian (CH) Limited also owns 100% of Circadian Limited, which in turn owns 100% of each of Chelsea Waterfront Nominee 1 Limited and Chelsea Waterfront Nominee 2 Limited. Therefore, Sino Summit Global Limited, Circadian (CH) Limited, Chelsea Waterfront Limited, Circadian Limited, Chelsea Waterfront Nominee 1 Limited and Chelsea Waterfront Nominee 2 Limited are also non-wholly owned subsidiaries of the Company.

(o) Beautiland Company Limited 美地有限公司 is owned as to 85% by the CKH Holdings Group and as to 15% by Chesterfield Realty Limited 兆豐地產有限公司. All common shares of Chesterfield Realty Limited 兆豐地產有限公司 are held by TUT1 as trustee of UT1.

(p) Marino Capital Holdings Limited owns 100% of Queensway Investments Limited 建東投資有限公司, and therefore Queensway Investments Limited 建東投資有限公司 is also a non-wholly owned subsidiary of the Company.

(q) Mightycity Company Limited 巍城有限公司 owns 100% of each of Harbour Plaza Resort City Limited and New Profit Resources Limited 新盈利資源有限公司, and therefore Harbour Plaza Resort City Limited and New Profit Resources Limited 新盈利資源有限公司 are also non-wholly owned subsidiaries of the Company.

(r) Stalybridge Investment Limited is owned as to 26.1% by the Group and as to 73.9% by an independent third party.

(s) Rivet Profits Limited owns 100% of Rich Asia Investments Limited 益亞投資有限公司, and therefore Rich Asia Investments Limited 益亞投資有限公司 is also a non-wholly owned subsidiary of the Company.

(t) Secan Limited owns 100% of each of Meridian Profits Limited and Sandiville Limited. Therefore, Meridian Profits Limited and Sandiville Limited are also non-wholly owned subsidiaries of the Company.

(u) Sherrington Development Ltd. owns 100% of each of Harbour Plaza Golf Service Limited 海逸高爾夫服務有限公司, Harbour Plaza Golf Club Limited and Sherrington Development (HK) Limited 西寧頓發展(香港)有限公司. Therefore, Harbour Plaza Golf Service Limited 海逸高爾夫服務有限公司, Harbour Plaza Golf Club Limited and Sherrington Development (HK) Limited 西寧頓發展(香港)有限公司 are also non-wholly owned subsidiaries of the Company.

(v) Bylite (Nominees) Limited holds 25% of Splendid Well Limited 錦佳有限公司 on trust for and on behalf of an independent third party.

(w) Stocklink Limited owns 100% of Union Ford Investments Limited 益富投資有限公司, and therefore Union Ford Investments Limited 益富投資有限公司 is also a non-wholly owned subsidiary of the Company.

(x) Trudeau Holdings Limited owns 100% of Top Dollar Limited, which in turn owns 100% of Volly Best Investment Limited 獲佳投資有限公司. Therefore, Top Dollar Limited and Volly Best Investment Limited 獲佳投資有限公司 are also non-wholly owned subsidiaries of the Company.

(y) Wideplex Limited owns 100% of Wisdom Choice Investment Limited 抉擇投資有限公司, and therefore Wisdom Choice Investment Limited 抉擇投資有限公司 is also a non-wholly owned subsidiary of the Company.

(z) Wit Profits Limited owns 100% of Wealth Pine Investment Limited 康柏投資有限公司, and therefore Wealth Pine Investment Limited 康柏投資有限公司 is also a non-wholly owned subsidiary of the Company.

(aa) Kido Profits Limited owns 100% of Konorous Investment Limited 康利時投資有限公司, and therefore Konorous Investment Limited 康利時投資有限公司 is also a non-wholly owned subsidiary of the Company.

(bb) The issued share capital of Hui Xian Holdings Limited 滙賢控股有限公司 comprises voting shares and non-voting shares. All the voting shares are held as to 52% by the Group, as to 8% by Far Gain Investment Limited, as to 20% by Lucky Star International Holdings Inc. and as to 20% by Po Lian Enterprises Limited. All the non-voting shares are held by Cranwood Company Limited, an independent third party.

(cc) Ruotolo Investments Limited owns 100% of Shinta Limited 康富達有限公司, and therefore Shinta Limited 康富達有限公司 is a non-wholly owned subsidiary of the Company.

5. Repurchases by the Company of its own securities

This section sets out information required by the Stock Exchange to be included in this listing document concerning the repurchase by the Company of its own securities.

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the more important of which are summarised below:

(i) Shareholders' Approval

All proposed repurchase of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

(ii) Source of Funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association, the Listing Rules, the Companies Law and the applicable laws and regulations of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Any repurchases by the Company may be made out of profits or out of an issue of new shares made for the purpose of the repurchase or, if authorised by its Memorandum and Articles of Association and subject to the Companies Law, out of capital, and, in the case of any premium payable on the repurchase out of profits or from sums standing to the credit of our share premium account or, if authorised by its Memorandum and Articles of Association and subject to the Companies Law, out of capital.

(iii) Trading Restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities if that repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Status of Repurchased Shares

All repurchased securities (whether effected on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those securities must be cancelled and destroyed. Under the Companies Law, a company's repurchased shares shall be treated as cancelled and the amount of

the company's issued share capital shall be reduced by the aggregate nominal value of the purchased shares accordingly although the authorised share capital of the company will not be reduced, or alternatively may be kept by the company as treasury shares.

(v) Suspension of Repurchase

A listed company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (1) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarter or any other interim period (whether or not required under the Listing Rules) and (2) the deadline for publication of an announcement of a listed company's results for any year or half-year under the Listing Rules, or quarter or any other interim period (whether or not required under the Listing Rules), the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

(vi) Reporting Requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such purchase, where relevant, and the aggregate prices paid.

(vii) Connected Persons

A listed company is prohibited from knowingly repurchasing securities on the Stock Exchange from a "core connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or their close associates and a core connected person is prohibited from knowingly selling his securities to the company.

(b) Reasons for Repurchases

The Directors believe that the ability to repurchase Shares is in the best interests of the Company and the Shareholders. Repurchases may, depending on the circumstances, result in an increase in the net assets and/or earnings per Share. The Directors have sought the grant of a general mandate to repurchase Shares to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining and such repurchases will only be made where the Directors believe that the repurchases will benefit the Company and Shareholders.

(c) Funding of Repurchases

In repurchasing securities, the Company may only apply funds lawfully available for such purpose in accordance with its Memorandum and Articles of Association, the Listing Rules, the Companies Law and the applicable laws of the Cayman Islands.

There could be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in this listing document) in the event that the repurchase mandate were to be carried out in full at any time during the share repurchase period. However, the Directors do not propose to exercise the repurchase mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

(d) General

The exercise in full of the repurchase mandate, on the basis of [3,859,678,500] Shares in issue immediately following completion of the Spin-off, could accordingly result in up to approximately [385,967,850] Shares being repurchased by the Company during the period prior to:

(i) the conclusion of the next annual general meeting of the Company; or

(ii) the end of the period within which the Company is required by the Articles or any applicable law to hold its next annual general meeting; or

(iii) when varied or revoked by an ordinary resolution of the Shareholders in general meeting, whichever is the earliest.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Shares to the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate in accordance with the Listing Rules, the Memorandum and Articles of Association and the applicable laws and regulations in the Cayman Islands.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company is increased, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the repurchase mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of the Shares then in issue could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

No core connected person of the Company has notified the Company that he or she has a present intention to sell Shares to the Company, or has undertaken not to do so, if the repurchase mandate is exercised.

B. FURTHER INFORMATION ABOUT THE BUSINESS

1. Summary of Material Contracts

The Group has entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this listing document that are or may be material:

(a) the Specified Loans Purchase Agreement dated [●] 2015 entered into between CKH Holdings, the Company, CKFC and HIL for the sale and purchase of the Specified Loans by assignment, further particulars of which are set out in "*History and Reorganisation – The Reorganisation – Property Businesses Combination*";

(b) the Reorganisation Agreement dated [●] 2015 entered into between CKH Holdings, the Company, Ample Jungle, Partner Vision, Cheung Kong, CKIC, CKHC, Ayrshire, CKDC, HGHL, HHL, HIL, CKFC, Agate, New Challenge and Novel Trend in relation to, among others, (i) the reorganisation of the shares and/or other interests in the CPB Companies to form part of the Group, and (ii) the sale and purchase of the loans owing by certain CPB Companies to CKFC, Cheung Kong and HIL as at Completion (other than the Specified Loans) by assignment, further particulars of which are set out in "*History and Reorganisation – The Reorganisation – Property Businesses Combination*"; and

(c) a deed of tax indemnity dated [●] 2015 entered into between CKH Holdings, Cheung Kong, HIL and the Company under which Cheung Kong and HIL severally covenanted, conditional upon Completion having taken place, to indemnify and pay for certain tax liabilities of the CPB Companies owned by the Cheung Kong Group and Hutchison Group respectively before the Property Businesses Combination including, among other things, tax liabilities arising from events occurring on or before Completion or in respect of any gains accrued on or before Completion or tax liabilities arising as a result of the pre-completion reorganisation, the assignment of the Specified Loans, the Reorganisation Agreement Transactions, the Distribution In Specie or the Spin-off, further particulars of which are set out in "*History and Reorganisation – The Reorganisation – Property Businesses Combination*".

2. Intellectual Property

As at the Latest Practicable Date, the following intellectual property rights are material to the Group's business:

(a) Trademarks

(i) As at the Latest Practicable Date, the Group had applied for registration of the following trademarks which are material to its business:

No.	Trademark	Class	Registered Owner	Place of Registration	Application Number	Application Date
1.	A.  B. 	36	Company	Hong Kong	303309039	17 February 2015
2.	A. CHEUNG KONG PROPERTY HOLDINGS LIMITED B. Cheung Kong Property Holdings Limited	36	Company	Hong Kong	303308526	17 February 2015
3.	A. 長江實業地產有限公司 B. 长江实业地产有限公司	36	Company	Hong Kong	303309183	17 February 2015
4.	A. CHEUNG KONG PROPERTY B. Cheung Kong Property	36	Company	Hong Kong	303309066	17 February 2015
5.	A. 長江實業地產 B. 长江实业地产	36	Company	Hong Kong	303309156	17 February 2015

(ii) As at the Latest Practicable Date, the following registered trademarks were licensed to the Group, which are material to its business:

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
1.	HUTCHISON WHAMPOA Hutchison Whampoa	36	Hutchison Whampoa Enterprises Limited	Hong Kong	300617300	10 April 2016
2.	和記黃埔 和记黄埔	36	Hutchison Whampoa Enterprises Limited	Hong Kong	200302676	19 December 2017
3.		19, 36	Hutchison Whampoa Enterprises Limited	Hong Kong	300555921	27 December 2015
4.		19, 36	Hutchison Whampoa Enterprises Limited	Hong Kong	300555930	27 December 2015

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
5.	HUTCHISON WHAMPOA	19	Hutchison Whampoa Enterprises Limited	PRC	751799	20 June 2015
6.	HUTCHISON WHAMPOA	36	Hutchison Whampoa Enterprises Limited	PRC	769119	6 October 2024
7.	和記黃埔	19	Hutchison Whampoa Enterprises Limited	PRC	751768	20 June 2015
8.	和記黃埔	36	Hutchison Whampoa Enterprises Limited	PRC	774134	20 December 2024
9.	和记黄埔	36	Hutchison Whampoa Enterprises Limited	PRC	5288662	27 September 2019
10.	Hutchison Estate Agents	19	Hutchison Whampoa Enterprises Limited	PRC	5069510	27 May 2019
11.	Hutchison Estate Agents	36	Hutchison Whampoa Enterprises Limited	PRC	5069509	13 July 2019
12.		19	Hutchison Whampoa Enterprises Limited	PRC	5069512	27 May 2019
13.		36	Hutchison Whampoa Enterprises Limited	PRC	5069511	13 July 2019
14.	HUTCHISON WHAMPOA Hutchison Whampoa	36	Hutchison Whampoa Enterprises Limited	U.K.	2417114	20 March 2016
15.	HUTCHISON WHAMPOA Hutchison Whampoa	36	Hutchison Whampoa Enterprises Limited	U.K.	2419516	18 April 2016
16.	和 記 黃 埔 和 记 黄 埔	36	Hutchison Whampoa Enterprises Limited	U.K.	2419517	18 April 2016
17.	Hutchison Estate Agents Hutchison Estate Agents	19, 36	Hutchison Whampoa Enterprises Limited	U.K.	2409211	16 December 2015
18.		19, 36	Hutchison Whampoa Enterprises Limited	U.K.	2409210	16 December 2015

(iii) As at the Latest Practicable Date, the Group had registered the following trademarks which are material to its business:

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
1.	A  B	35, 36, 41, 43	Horizon	Hong Kong	301104128	28 April 2018
2.		35, 36, 41, 43	Horizon	Singapore	T0805512G	29 April 2018
3.	A HORIZON B HORIZON	35, 36	Horizon	Hong Kong	301104137AA	28 April 2018
4.	A HORIZON B HORIZON	41, 43	Horizon	Hong Kong	301104137AB	28 April 2018
5.	HORIZON HORIZON	35, 36, 41, 43	Horizon	Singapore	T0805510J	29 April 2018
6.	HARBOUR PLAZA	16 (39)	Harbour Plaza Hotel Enterprises Limited	Bahamas	20,373	2 March 2026
7.	海逸酒店	35	Harbour Plaza Hotel Enterprises Limited	Hong Kong	199802766	4 February 2016
8.	海逸酒店	42	Harbour Plaza Hotel Enterprises Limited	Hong Kong	199802767	4 February 2016
9.	HARBOUR GRAND HARBOUR GRAND	35, 36, 39, 41, 43, 44, 45	Harbour Plaza Hotel Enterprises Limited	Hong Kong	302745559	23 September 2023

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
10.	HARBOUR GRAND 海逸君綽酒店 HARBOUR GRAND 海逸君綽酒店	35, 36, 39, 41, 43, 44, 45	Harbour Plaza Hotel Enterprises Limited	Hong Kong	300818839	20 February 2017
11.	HARBOUR PLAZA	35	Harbour Plaza Hotel Enterprises Limited	Hong Kong	200103181	21 February 2025
12.	HARBOUR PLAZA	39	Harbour Plaza Hotel Enterprises Limited	Hong Kong	2001B02281	21 February 2025
13.	HARBOUR PLAZA	41	Harbour Plaza Hotel Enterprises Limited	Hong Kong	200103182	21 February 2025
14.	HARBOUR PLAZA	41, 42, 43, 44, 45	Harbour Plaza Hotel Enterprises Limited	Hong Kong	2001B02282	21 February 2025
15.	HARBOUR PLAZA 海逸酒店	36	Harbour Plaza Hotel Enterprises Limited	Hong Kong	200103198	22 June 2017
16.		35, 36, 39, 41, 43, 44, 45	Harbour Plaza Hotel Enterprises Limited	Hong Kong	302745595	23 September 2023
17.	海逸	43	Harbour Plaza Hotel Enterprises Limited	PRC	6274502	27 March 2020
18.	海逸酒店	35	Harbour Plaza Hotel Enterprises Limited	PRC	1274886	13 May 2019
19.	海逸酒店	42	Harbour Plaza Hotel Enterprises Limited	PRC	1715403	13 February 2022
20.	HARBOUR GRAND 海逸君綽酒店	35	Harbour Plaza Hotel Enterprises Limited	PRC	5920188	27 March 2020

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
21.	HARBOUR GRAND 海逸君綽酒店	36	Harbour Plaza Hotel Enterprises Limited	PRC	5920187	20 February 2020
22.	HARBOUR GRAND 海逸君綽酒店	39	Harbour Plaza Hotel Enterprises Limited	PRC	5920186	27 March 2020
23.	HARBOUR GRAND 海逸君綽酒店	41	Harbour Plaza Hotel Enterprises Limited	PRC	5920185	27 March 2020
24.	HARBOUR GRAND 海逸君綽酒店	43	Harbour Plaza Hotel Enterprises Limited	PRC	5920184	20 April 2020
25.	HARBOUR GRAND 海逸君綽酒店	44	Harbour Plaza Hotel Enterprises Limited	PRC	5920205	20 April 2020
26.	HARBOUR GRAND 海逸君綽酒店	45	Harbour Plaza Hotel Enterprises Limited	PRC	5920204	20 April 2020
27.	HARBOUR PLAZA	39	Harbour Plaza Hotel Enterprises Limited	PRC	1302330	6 August 2019
28.	HARBOUR PLAZA	35	Harbour Plaza Hotel Enterprises Limited	PRC	1277480	20 May 2019
29.	HARBOUR PLAZA	41	Harbour Plaza Hotel Enterprises Limited	PRC	1277420	20 May 2019
30.	HARBOUR PLAZA	42	Harbour Plaza Hotel Enterprises Limited	PRC	1715401	13 February 2022
31.		35	Harbour Plaza Hotel Enterprises Limited	PRC	1239852	13 January 2019
32.		36	Harbour Plaza Hotel Enterprises Limited	PRC	1227978	27 November 2018

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
33.		37	Harbour Plaza Hotel Enterprises Limited	PRC	1231952	13 December 2018
34.		39	Harbour Plaza Hotel Enterprises Limited	PRC	1274776	13 May 2019
35.		41	Harbour Plaza Hotel Enterprises Limited	PRC	1239827	13 January 2019
36.		42	Harbour Plaza Hotel Enterprises Limited	PRC	1233919	20 December 2018

(b) Domain Names

As at the Latest Practicable Date, the following registered domain names are material to its business:

No.	Domain Name	Registered Owner	Expiry Date
1.	ckph.com.hk	Company	6 January 2016
2.	海逸酒店.com	Harbour Plaza Hotel Enterprises Limited	16 March 2016
3.	harbourplaza.com	Harbour Plaza Hotel Enterprises Limited	18 February 2016
4.	harbour-plaza.com	Harbour Plaza Hotel Enterprises Limited	18 February 2016
5.	harbour-plaza.com.cn	Harbour Plaza Hotel Management Limited	2 April 2016
6.	harbour-plaza.com.hk / 香港海逸.公司.香港	Hutchison Hotel Hong Kong Limited	1 September 2015

C. FURTHER INFORMATION ABOUT THE DIRECTORS

1. Disclosure of Interests

Immediately following completion of the Spin-off, the interests and/or short positions (as applicable) of the Directors and the chief executive of the Company in the Shares or the underlying Shares or debentures of the Company and any interests and/or short positions (as applicable) in shares or underlying shares or debentures of any of the Company's associated corporations (within the meaning of Part XV of the SFO) which (i) will 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 and/or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO), (ii) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, in each case once the Shares are listed on the Stock Exchange, will be as follows:

(a) Interests/Short Positions in the Shares

		Number of Shares					
Name of Director or Chief Executive	Capacity	Personal Interest	Family Interest	Corporate Interest	Other Interest	Total	Approximate % of Shareholding Interest
[REDACTED]							

(b) Interests/Short Positions in Shares of Associated Corporations

			Number of Shares					
Name of Company	Name of Director or Chief Executive	Capacity	Personal Interest	Family Interest	Corporate Interest	Other Interest	Total	Approximate % of Shareholding Interest
Beautiland Company Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	100,000,000 *(Note 4)*	100,000,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	100,000,000 *(Note 4)*	100,000,000	100%
Jabrin Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	10,000 *(Note 4)*	10,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	10,000 *(Note 4)*	10,000	100%
Kobert Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	4,900 *(Note 4)*	4,900	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	4,900 *(Note 4)*	4,900	100%

Notes:

(1) [REDACTED]

(2) [REDACTED]

(3) [REDACTED]

(4) These are subsidiaries of the Company and such shares are held through the Company and TUT1 as trustee of UT1. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors, by virtue of their deemed interests in the Shares and shares of TUT1 as trustee of UT1 as described in Note (2) above, are taken to have a duty of disclosure in relation to such shares under the SFO.

Save as disclosed above, none of the Directors or the chief executive of the Company will, immediately following completion of the Spin-off, have an interest and/or short position (as applicable) in the Shares or the underlying Shares or debentures of the Company or any interests and/or short positions (as applicable) in the shares or the underlying shares or debentures of the Company's associated corporations (within the meaning of Part XV of the SFO) which (i) will 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 and short positions which they are taken or deemed to have under such provisions of the SFO), (ii) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, in each case once the Shares are listed on the Stock Exchange.

2. Particulars of Letters of Appointment

Each of the Directors has entered into a letter of appointment with the Company for a period commencing 26 February 2015 and shall retire at the general meeting of the Company subject to the provision of retirement and rotation of Directors under the Articles.

Pursuant to the terms of the letter of appointment entered into between each Director (on the one part) and the Company (on the other part), other than Mr. Li Ka-shing who receives only a nominal fee of HK$5,000 per annum, the annual director's fees payable by the Company to each of them are HK$220,000, whereas a non-executive Director or an independent non-executive Director will receive from the Company an additional fee of HK$130,000 for being a member of the audit committee and, HK$60,000 for being a member of the remuneration committee.

The director's fees payable by the Company to the relevant Director is subject to increase or reduction as shall be determined or approved by the Board and the Shareholders.

Each of the Directors is entitled to reimbursement from the Company for all necessary and reasonable out-of-pocket expenses properly incurred in connection with the performance and discharge of his/her duties under his/her letter of appointment.

Save as disclosed above, none of the Directors has entered into any service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

3. Directors' Remuneration

For details of the Directors' remuneration, see "*Directors and Senior Management – Directors' Remuneration and Remuneration of the Five Highest Paid Individuals*".

4. Agency Fees or Commissions Received

No commissions, discounts, brokerages or other special terms have been granted by the Group to any person (including the Directors and experts referred to in "– *Other Information – Qualifications and Consents of Experts*" below) in connection with the issue or sale of any capital or security of the Company or any member of the Group within the two years immediately preceding the date of this listing document.

5. Personal Guarantees

The Directors have not provided personal guarantees in favour of lenders in connection with banking facilities granted to the Group.

6. Further Information on Certain Directors

Set out below is additional information on certain Directors relating to events around the times referred to below.

2013 – Mr. Simon Murray previously acted as an independent director of Sino-Forest Corporation ("**Sino-Forest**") (resigned on 30 January 2013 (Toronto time)), incorporated in Canada and formerly listed on the Toronto Stock Exchange. According to information published by Sino-Forest, it is a commercial forest plantation operator in China. During 2011, Sino-Forest defaulted on certain of its obligations under its senior notes (the outstanding principal amount, based on public information, was approximately US$1.8 billion). On 30 March 2012, Sino-Forest entered into a restructuring and a support agreement with certain noteholders. It initiated proceedings and obtained from the Ontario Superior Court of Justice (the "**Ontario Court**") protection to rearrange its affairs under an Ontario Court-appointed monitor in implementing its restructuring plan. Sino-Forest subsequently filed a plan of compromise and reorganization by way of a debt-equity conversion which was approved by the creditors and the Ontario Court and subsequently implemented on 30 January 2013. A number of class actions have been brought against Sino-Forest and, among others, its directors at the relevant time (including Mr. Murray). The class actions include allegations of misstatements in offering circulars and announcements issued by Sino-Forest. In relation to such class actions, on 10 December 2012, the Ontario Court ruled that the plaintiffs, if they are successful in the actions, are only entitled to recover damages from applicable insurance coverage and, to the extent claims are not covered by insurance, such claims have been released. In May 2014, the Ontario action that was brought against Sino-Forest and its former directors was certified as a class action by the Ontario Court. While such class action proceeding is still outstanding, according to the CCAA (Companies Creditors Arrangement Act) plan, all claims for which there is no insurance coverage or which exceed that coverage have been released, Mr. Murray's potential liability in such class action was therefore released, and he has not been convicted with respect to such action.

2006 – Each of Mr. Kam Hing Lam and Mr. Ip Tak Chuen, Edmond previously held directorships in CrossCity Motorway Pty Ltd, CrossCity Motorway Nominees No. 1 Pty Ltd, CrossCity Motorway Nominees No. 2 Pty Ltd, CrossCity Motorway Holdings Pty Ltd and CrossCity

Motorway Finance Pty Ltd (collectively, the "**CrossCity companies**") (all resigned on 22 December 2006), all incorporated in Australia. The principal business of the CrossCity companies was the design, construction and operation of the Cross City Tunnel in Sydney, Australia. A voluntary administrator and a receiver and manager were appointed in respect of the CrossCity companies on 27 December 2006 as they were insolvent. Following a competitive tender process, ownership of the project contracts in respect of the Cross City Tunnel was transferred to a new consortium formed by ABN AMRO and Leighton Contractors, under sale contracts which were executed on 19 June 2007 and completed on 27 September 2007.

2004 – Each of Mr. Li Tzar Kuoi, Victor, Mr. Chung Sun Keung, Davy and Ms. Woo Chia Ching, Grace previously held directorships in Star River Investment Limited ("**Star River**") (each ceased to act as director on 4 June 2005), a company owned as to 50% by Cheung Kong with its place of incorporation in Hong Kong and active in acquiring property for development. Star River commenced creditors' voluntary winding up on 28 September 2004, with a wholly-owned subsidiary of Cheung Kong being the petitioning creditor. The amount involved in the winding-up was HK$17,259,710.34 and Star River was subsequently dissolved on 4 June 2005.

2004 – Mr. Chiu Kwok Hung, Justin was a director of Best Partner Resources Limited ("**Best Partner**") (a company incorporated in Hong Kong for engaging in the food court business in Hong Kong and owned as to 30% by Cheung Kong) for the period from December 2001 to July 2004. Best Partner was put into liquidation by a petition presented by its creditor on 27 September 2004. The amount involved was HK$1,284,654.20 plus interest and costs and a winding-up order was made by the Court on 10 November 2004. Mr. Chiu had resigned as a director of Best Partner before commencement of the winding up proceeding and he did not take part in any matters giving rise to the winding up. Best Partner was dissolved on 20 November 2009.

2002 – Ms. Hung Siu-lin, Katherine unintentionally and inadvertently omitted to make timely disclosure to the Stock Exchange and Cheung Kong regarding the acquisition of 34,000 units of RODEO (Return or Discount Equity Options) warrants in respect of shares in Hutchison on 16 February 2001 when she was a non-executive director of Cheung Kong and upon the exercise of such RODEO warrants and taking possession of 34,000 shares in Hutchison on 25 April 2001 at a loss as a result of the exercise. Once Ms. Hung became aware of her duty to disclose, she made the disclosure on her own initiative and gave full cooperation to the SFC. Four summonses were issued against Ms. Hung pursuant to sections 28(2)(a) and 28(8)(a) of the Securities (Disclosure of Interests) Ordinance then in force, and she was fined HK$6,000 for each summons by the Western Magistracy on 17 September 2002.

1984 – The Insider Dealing Tribunal, established pursuant to the provisions of Section 141G of the former Securities Ordinance (Chapter 333 of the Laws of Hong Kong) (later repealed in 2002), was appointed in relation to dealings in the securities of International City Holdings Limited ("**ICH**") which took place in 1984. The Insider Dealing Tribunal determined in 1986 that Cheung Kong, Starpeace Limited ("**Starpeace**") (now liquidated but previously a subsidiary of Cheung Kong), Mr. Li Ka-shing and Mr. Chow Nin Mow, Albert (each being at that time, a director of Starpeace) and other parties were involved in insider dealing of certain securities of ICH. However, no disqualification, director/officer ban, cease trade ban, penalty or other consequence (criminal, civil or regulatory) resulted from such determination by the Insider Dealing Tribunal and there was no determination of any dishonesty or fraud or motive of deriving personal benefits on the part of the relevant directors. Mr. Li Ka-shing was later conferred with the honours of CBE and KBE in 1989 and 2000, respectively.

7. Disclaimers

(a) None of the Directors nor any of the experts referred to in "– *Other Information – Qualifications and Consents of Experts*" below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this listing document, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

(b) None of the Directors nor any of the experts referred to in "– *Other Information – Qualifications and Consents of Experts*" below, is materially interested in any contract or arrangement subsisting at the date of this listing document which is significant in relation to the business of the Group.

(c) Save as disclosed in *"– Further Information about the Directors – Particulars of Letters of Appointment"* above, none of the Directors has any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

(d) Save as disclosed in "*Relationship with the CKH Holdings Group*", none of the Directors requiring disclosure under Rule 8.10(2) of the Listing Rules are interested in any business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the business of the Group.

(e) Save as disclosed in "*Business – Suppliers*", so far as is known to the Directors, none of the Directors or their close associates or any Shareholders who are expected to be interested in 5% or more of the issued share capital of the Company has any interest in the five largest customers or the five largest suppliers of the Group.

D. UNDERTAKING TO THE STOCK EXCHANGE PURSUANT TO THE LISTING RULES

[REDACTED]

E. INFORMATION FOR OVERSEAS SHAREHOLDERS

A summary of the requirements applicable to CKH Holdings Overseas Shareholders who are resident or located in certain jurisdictions is set out below.

1. CKH Holdings Overseas Shareholders Residing or Located in Australia

The Company and CKH Holdings are not licensed in Australia to provide financial advice in respect of the Shares. The Company and CKH Holdings also advise that no cooling off period applies in respect of the Shares.

The ability of the Australian Shareholders to receive the Shares will depend upon the number of Australian Shareholders at the Record Time. If, at the Record Time, there are more than 20 Australian Shareholders, Australia will be classified as an "Excluded Jurisdiction" and the Australian Shareholders will be Non-Qualifying CKH Holdings Shareholders.

2. CKH Holdings Overseas Shareholders Residing or Located in Austria

This listing document does not constitute an offer of, or an invitation to subscribe for or purchase, any securities. The distribution of this listing document and the offering, sale and delivery of securities in certain jurisdictions may be restricted by law. In relation to each member state of the European Economic Area (the "**EEA**") which has implemented the Prospectus Directive (the expression "**Prospectus Directive**" means Directive 2003/71/EC (and any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State, and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU) (each, a "**Relevant Member State**"), as of the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), no offer has been made and will be made to the public in that Relevant Member State except that an offer may, with effect from and including the Relevant Implementation Date, be made (i) to any legal entity which is a qualified investor as defined under the Prospectus Directive; (ii) at any time to fewer than 150 natural or legal persons other than qualified investors; or (iii) in any other circumstances falling under Article 3(2) of the Prospectus Directive. For the purposes of the above, the expression an "offer of securities to the public" in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

3. CKH Holdings Overseas Shareholders Residing or Located in the British Virgin Islands

No Shares may be offered to the public in the British Virgin Islands for purchase or subscription except under circumstances that will result in compliance with the rules concerning offering of such securities in the British Virgin Islands and with the laws of the British Virgin Islands.

4. CKH Holdings Overseas Shareholders Residing or Located in the Cayman Islands

This listing document is sent to you as a registered CKH Holdings Shareholder. It is not for distribution to the public in the Cayman Islands who cannot be invited to subscribe for the Shares.

5. CKH Holdings Overseas Shareholders Residing or Located in France or French Polynesia

This listing document does not constitute an offer of securities and has not been approved by the French market security regulator (the *Autorités des marchés financiers*). Any offer of securities to the public must be made in accordance with the relevant regulations which may impose the publication of a prospectus approved by the *Autorités des marchés financiers*.

6. CKH Holdings Overseas Shareholders Residing or Located in Kenya

The Spin-off and this listing document does not comprise a public offer made in Kenya within the meaning of section 30A of the Capital Markets Act (Chapter 485A, Laws of Kenya).

7. CKH Holdings Overseas Shareholders Residing or Located in the Netherlands

This listing document is for informational purposes only and is not intended to, and does not, constitute or form part of an offer to sell or the solicitation of an offer to buy or subscribe to any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

8. CKH Holdings Overseas Shareholders Residing or Located in Nigeria

This listing document is not required to be and has not been filed with or cleared by the Nigerian Securities and Exchange Commission. If you are in any doubt about your position or any action to be taken, we recommend that you consult your own professional adviser.

9. CKH Holdings Overseas Shareholders Residing or Located in Portugal

No offer or sale of the Shares may be made in Portugal except under circumstances that will result in compliance with the rules concerning marketing of such shares and with the laws of Portugal generally. No notification has been made nor has any been requested from the Portuguese Securities Market Commission (*Comissãodo Mercado de Valores Mobiliários*, "**CMVM**") for the allotment and issue of the Shares referred to in this listing document, therefore the same cannot be offered to the public in Portugal. Likewise, no prospectus or equivalent document has been or will be registered, approved or passported into Portugal in respect of the Spin-off Proposal and therefore the Shares may not be or caused to be offered, marketed or distributed in Portugal nor this listing document be or caused to be distributed, disseminated or specifically addressed to Portuguese-resident investors in circumstances which would constitute an offer of securities to the public under the Portuguese Securities Code, as amended from time to time. Accordingly, no Shares have been or may be offered or sold to unidentified addressees or to 150 or more non-qualified Portuguese resident investors and no allotment and issue of the Shares has been preceded or followed by promotion or solicitation to unidentified investors, public advertisement, publication of any promotional material or in any similar manner.

10. CKH Holdings Overseas Shareholders Residing or Located in Singapore

The Shares may not be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except under or pursuant to a prospectus registration exemption under Subdivision (4) of Division 1 of Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**") (other than section 280 of the SFA).

11. CKH Holdings Overseas Shareholders Residing or Located in Sri Lanka

In accepting the Shares, the CKH Holdings Overseas Shareholders residing or located in Sri Lanka may be subject to legal investment laws and regulations and/or review or regulation by certain authorities in Sri Lanka, including exchange control. They should hence consult their legal advisers to determine whether and to what extent the shareholding is a legal investment and whether any other restriction(s) apply to their shareholding.

12. CKH Holdings Overseas Shareholders Residing or Located in Sweden

This listing document has been prepared for information purposes only. It is not a prospectus and has not been prepared in accordance with the prospectus requirements provided for in the Swedish Financial Instruments Trading Act (Sw. *lag (1991:980) om handel med finansiella instrument*) or the European prospectus regulation (809/2004/EC) (the "**Prospectus Regulations**"). This listing document and the offer described herein are not subject to any registration or approval requirements under the Prospectus Regulations and have not been, and will not be, examined, approved or registered by the Swedish Financial Supervisory Authority or any other financial supervisory authority or other supervisory body within the European Union.

13. CKH Holdings Overseas Shareholders Residing or Located in Taiwan

The issue of Shares as described in this listing document has not been and will not be registered with the Financial Supervisory Commission of Taiwan, the Republic of China pursuant to relevant securities laws and regulations and the Shares may not be offered or sold in Taiwan, the Republic of China through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan, the Republic of China that requires a registration or approval of the Financial Supervisory Commission of Taiwan, the Republic of China. No person or entity in Taiwan, the Republic of China has been authorised to offer or sell the Shares in Taiwan, the Republic of China.

14. CKH Holdings Overseas Shareholders Residing or Located in the United Arab Emirates

CKH Holdings and the Company have been advised that the legal regime regarding the offering of foreign securities in the United Arab Emirates (the "**UAE**") is generally not developed and lacks certainty. The general consensus is that offering of foreign securities may only be conducted by or through an investment company, local promoter or bank licensed to operate and conduct business in the UAE and with the prior approval of the Central Bank of the UAE and/or the Emirates Securities and Commodities Authority (the "**SCA**") which can take a significant amount of time. Neither CKH Holdings nor the Company has received authorisation or licensing from the UAE Central Bank, the SCA or any other authorities in the UAE to market or sell securities or other investments within the UAE. Accordingly, any CKH Holdings Overseas Shareholders whose registered addresses are in the UAE will be regarded as Non-Qualifying CKH Holdings Shareholders and no Shares will be offered and issued to such Non-Qualifying CKH Holdings Shareholders and they will instead receive cash as described in "*The Distribution In Specie and the Spin-off*".

In relation to its use in the UAE, this listing document is strictly private and confidential and is being distributed to a limited number of recipients and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The Shares may not be offered or sold directly or indirectly to the public in the UAE.

15. CKH Holdings Overseas Shareholders Residing or Located in the United Kingdom

This listing document does not constitute an offer of securities to the public within the meaning of section 85(1) of the Financial Services and Markets Act 2000 (the "**FSMA**") or a financial promotion to which section 21(1) of the FSMA applies. This listing document has not been approved by the Financial Conduct Authority (the "**FCA**"). Any offer of securities to the public in the United Kingdom must be made in accordance with the FSMA and other relevant regulations which may require the publication of a prospectus approved by the FCA.

16. CKH Holdings Overseas Shareholders Residing or Located in the United States

The Shares have not been registered under the U.S. Securities Act or the laws of any state in the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the U.S. Securities Act and applicable State laws. There will be no public offering of securities in the United States. Neither the SEC nor any other U.S. federal or state securities commission or regulatory authority has approved or disapproved of the Shares or passed an opinion on the adequacy of this listing document. Any representation to the contrary is a criminal offence in the United States.

In addition, until 40 days after the commencement of the Distribution In Specie, any offer, sale or transfer of the Shares in or into the United States by a dealer (whether or not participating in the Distribution In Specie) may violate the registration requirements of the U.S. Securities Act.

Each of the CKH Holdings Shareholders and the Beneficial CKH Holdings Shareholders who receives Shares pursuant to the Distribution In Specie (save for the limited number of CKH Holdings Shareholders and Beneficial CKH Holdings Shareholders in the United States that are "qualified institutional buyers" that have fulfilled the relevant requirements to the satisfaction of CKH Holdings) will be deemed to have represented and agreed that such person is receiving the Shares in an offshore transaction meeting the requirements of Regulation S under the U.S. Securities Act.

TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Enforceability of judgments

The Company is an exempted company incorporated in the Cayman Islands with limited liability. None of the Directors is a resident of the United States, and all or a substantial portion of the assets of the Company and such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Company or such persons or to enforce against any of them in the U.S. courts judgments obtained in U.S. courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state or territory within the United States.

F. OTHER INFORMATION

1. Estate Duty

The Directors have been advised that no material liability for estate duty is likely to fall on the Group in Hong Kong, the PRC and the Cayman Islands.

2. Joint Sponsors

Merrill Lynch Far East Limited satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

HSBC Corporate Finance (Hong Kong) Limited does not satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules primarily because Mr. Li Tzar Kuoi, Victor ("**Mr. Victor Li**") is a director of The Hongkong and Shanghai Banking Corporation Limited, which is the holding company of HSBC Corporate Finance (Hong Kong) Limited ("**HSBC**"), and also the Managing Director and Deputy Chairman of the Company. He is also a discretionary beneficiary of DT1, DT2, DT3 and DT4. Through the discretionary trusts, for the purpose of Part XV of the SFO, Mr. Victor Li is deemed to be interested in approximately 40.43% of the issued shares of Cheung Kong, which holds approximately 49.97% of the issued shares of Hutchison. In addition, as at the Latest Practicable Date, Mr. Victor Li has other direct and deemed interests amounting to approximately 0.08% of the issued shares of Cheung Kong and deemed interests amounting to and approximately 0.30% of the issued shares of Hutchison. The Company will remain a wholly-owned subsidiary of CKH Holdings before completion of the Spin-off. Following completion of the Spin-off and the Listing, the Company will be held collectively by the Li family, DT1, DT2, DT3, DT4, UT1 and UT3 as to approximately 30.15%. Given the expected market capitalisation of the Company, the fair value of the direct or indirect shareholding interest of Mr. Victor Li in the Company will exceed HK$5 million. As such, and in light of the fact that Mr. Victor Li is a director of the holding company of HSBC, HSBC is not independent of the Company by virtue of Rule 3A.07(7) of the Listing Rules.

The Joint Sponsors will receive an aggregate fee of US$2 million for acting as the sponsors for the Listing.

3. Registration Procedures

The principal register of members of the Company will be maintained in the Cayman Islands by [REDACTED] and a Hong Kong register of members of the Company will be maintained in Hong Kong by [REDACTED]. Save where the Directors otherwise agree, all transfers and other documents of title to Shares must be lodged for registration with, and registered by, the Company's branch share register in Hong Kong and may not be registered on the principal register of members in the Cayman Islands.

4. Preliminary Expenses

The total preliminary expenses of the Company are estimated to be approximately US$9,200 (approximately HK$71,760) and are payable by the Company.

5. Promoter

The Company has no promoter. Save as disclosed above, within the two years immediately preceding the date of this listing document, no cash, securities or other benefits have been paid, allotted or given to the promoters in connection with the Listing or the related transactions described in this listing document.

6. Qualifications and Consents of Experts

The qualifications of the experts which have given opinions or advice which are contained in, or referred to in, this listing document are as follows:

Name of Expert	Qualifications
Maples and Calder	Cayman Islands attorneys-at-law
Commerce & Finance Law Offices	PRC attorneys-at-law
Guantao Law Firm	PRC attorneys-at-law
Deloitte Touche Tohmatsu	Certified Public Accountants
DTZ Debenham Tie Leung Limited	Independent property valuer
Gerald Eve LLP	Independent property valuer
Smiths Gore	Independent property valuer
CBRE, Inc.	Independent property valuer

Each of Maples and Calder, Commerce & Finance Law Offices, Guantao Law Firm, Deloitte Touche Tohmatsu, DTZ Debenham Tie Leung Limited, Gerald Eve LLP, Smiths Gore and CBRE, Inc. has given and has not withdrawn its written consent to the issue of this listing document with the inclusion of its report and/or letter and/or opinion and/or references to its name included herein in the form and context in which they respectively appear.

7. Miscellaneous

(a) Save as disclosed in "*History and Reorganisation*", *"The Distribution In Specie and the Spin-off"* and "*Share Capital"* and in this Appendix, within the two years preceding the date of this listing document, no share or loan capital of the Company or any of its subsidiaries has been issued or has been agreed to be issued fully or partly paid either for cash or for a consideration other than cash.

(b) No share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.

(c) No founders, management or deferred shares of the Company or any of its subsidiaries have been issued or have been agreed to be issued.

(d) None of the equity and debt securities of the Company is listed or dealt in on any other stock exchange nor is any listing or permission to deal being or proposed to be sought.

(e) The Company has no outstanding convertible debt securities or debentures.

(f) There has not been any interruption in the business of the Group which may have or has had a significant effect on the financial position of the Group in the 12 months preceding the date of this listing document.

(g) There is no arrangement under which future dividends have been waived.

(h) None of Maples and Calder, Commerce & Finance Law Offices, Guantao Law Firm, Deloitte Touche Tohmatsu, DTZ Debenham Tie Leung Limited, Gerald Eve LLP, Smiths Gore and CBRE, Inc.:

(i) is interested beneficially or non-beneficially in any shares in any member of the Group; or

(ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

(i) No company within the Group is presently listed on or dealt in on any other stock exchange and no such listing or permission to list is being or is proposed to be sought.

(j) The English text of this listing document shall prevail over its Chinese text.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Woo Kwan Lee & Lo at 26th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this listing document:

(a) the amended and restated Memorandum and Articles of Association of the Company;

(b) the Accountants' Report on the Cheung Kong Property Group, the Accountants' Report on the Hutchison Property Group and the report on the unaudited pro forma financial information prepared by Deloitte Touche Tohmatsu, the texts of which are set out in "*Appendix IA – Accountants' Report on the Cheung Kong Property Group*", "*Appendix IB – Accountants' Report on the Hutchison Property Group*" and "*Appendix II – Unaudited Pro Forma Financial Information*", respectively;

(c) the audited combined financial statements for Cheung Kong (Holdings) Limited – Cheung Kong Group Property Business for the years ended 31 December 2012, 31 December 2013 and 31 December 2014 and the audited combined financial statements for HWPL Holdings Limited for the financial years ended 31 December 2012, 31 December 2013 and 31 December 2014.

(d) the property valuation report prepared by DTZ Debenham Tie Leung Limited, the summary of which is set out in "*Appendix III – Property Valuation*";

(e) the property valuation report prepared by Gerald Eve LLP, the summary of which is set out in "*Appendix III – Property Valuation*";

(f) the property valuation report prepared by Smiths Gore, the summary of which is set out in "*Appendix III – Property Valuation*";

(g) the property valuation report prepared by CBRE, Inc., the summary of which is set out in "*Appendix III – Property Valuation*";

(h) the letter from Maples and Calder, the Company's Cayman Islands legal counsel, summarising the constitution of the Company and certain aspects of the Cayman Companies Law referred to in "*Appendix V – Summary of the Constitution of the Company and Cayman Companies Law*";

(i) the Cayman Companies Law;

(j) the letters of appointment referred to in "*Appendix VII – General Information – Further Information About the Directors – Particulars of Letters of Appointment*";

(k) the material contracts referred to in "*Appendix VII – General Information – Further Information About the Business – Summary of Material Contracts*";

(l) the written consents referred to in "*Appendix VII – General Information – Other Information – Qualifications and Consents of Experts*";

(m) the legal opinion issued by Commerce & Finance Law Offices, the Company's PRC legal counsel, in respect of certain aspects of the Group and certain property interests of the Group; and

(n) the legal opinion issued by Guantao Law Firm, the Company's PRC legal counsel, in respect of certain aspects of the Group and certain property interests of the Group.

A. DEFINITIONS

In this listing document, unless the context otherwise requires, the following expressions shall have the following meanings:

"**Agate**"	Agate Glory Limited, a company incorporated in the British Virgin Islands with limited liability on 16 January 2015, and a wholly-owned subsidiary of the Company
"**Ample Jungle**"	Ample Jungle Investments Limited, a company incorporated in the British Virgin Islands with limited liability on 16 May 2006, and a wholly-owned subsidiary of CKH Holdings
"**Announcement**"	the announcement dated 9 January 2015 jointly issued by Cheung Kong and Hutchison in relation to the Proposals
"**ARA Asset Management**"	ARA Asset Management Limited, an Asian real estate fund management company listed on the main board of the Singapore Stock Exchange (stock code: D1R)
"**Articles**" or "**Articles of Association**"	the amended and restated articles of association of the Company adopted by a special resolution on [●] 2015 and effective on the Listing Date, as amended from time to time, a summary of which is set out in "*Appendix V – Summary of the Constitution of the Company and Cayman Companies Law*"
"**Ayrshire**"	Ayrshire Investment Limited, a company incorporated in Hong Kong with limited liability on 2 December 1980, and a wholly-owned subsidiary of CKH Holdings
"**Bank of America Merrill Lynch**"	(i) (when referring to the bridge facility in connection with the Property Businesses Combination) Bank of America, N.A.; or (ii) (when referring to the Joint Sponsor) Merrill Lynch Far East Limited, a corporation licensed to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance), and type 7 (providing automated trading services) regulated activities under the SFO, and which is one of the joint sponsors appointed in respect of the Spin-off
"**Beneficial CKH Holdings Shareholder**"	any beneficial owner of CKH Holdings Shares whose CKH Holdings Shares are registered in the name of a Registered CKH Holdings Shareholder
"**Board**" or "**Board of Directors**"	the board of Directors

"**business day**"	(i) (in relation to the Specified Loans Promissory Note) any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong and in New York are generally open for normal banking business; or (ii) (other than in relation to (i) above) any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business
"**Cayman Companies Law**" or "**Companies Law**"	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (as amended, supplemented or otherwise modified from time to time)
"**CBRC**"	China Banking Regulatory Commission
"**CCASS**"	the Central Clearing and Settlement System established and operated by HKSCC
"**CCASS Investor Participant**"	a person admitted to participate in CCASS as an investor
"**CCASS Participant**"	a CCASS clearing participant, a CCASS custodian participant or a CCASS Investor Participant
"**Cheung Kong**"	Cheung Kong (Holdings) Limited (長江實業(集團)有限公司), a company incorporated in Hong Kong with limited liability on 8 June 1971, and which became a wholly-owned subsidiary of CKH Holdings on completion of the Cheung Kong Reorganisation and was delisted from the Main Board on [18 March] 2015
"**Cheung Kong Group**"	Cheung Kong and its subsidiaries
"**Cheung Kong Property Group**"	the companies in the Cheung Kong Group which will become members of the Group following completion of the Property Businesses Combination
"**Cheung Kong Reorganisation**"	the reorganisation whereby the holding company of the Cheung Kong Group was changed from Cheung Kong to CKH Holdings by way of a scheme of arrangement and which was completed on [18 March] 2015, details of which are set out in "*History and Reorganisation – The Reorganisation"*
"**Citybase**"	Citybase Property Management Limited (港基物業管理有限公司), a company incorporated in Hong Kong with limited liability on 11 June 1985, and an indirect wholly-owned subsidiary of the Company following completion of the Property Businesses Combination

"**CKDC**"	Cheung Kong Development Company Limited, a company incorporated in Hong Kong with limited liability on 3 January 1973, and a wholly-owned subsidiary of the Company following completion of the Property Businesses Combination
"**CKFC**"	Cheung Kong Finance Company Limited (長江實業財務有限公司), a company incorporated in Hong Kong with limited liability on 9 February 1973, and a wholly-owned subsidiary of CKH Holdings
"**CKH Holdings**"	CK Hutchison Holdings Limited (長江和記實業有限公司), an exempted company incorporated in the Cayman Islands on 11 December 2014 with limited liability, the shares of which are listed on the Main Board (stock code: 00001), and which is the sole shareholder of the Company prior to completion of the Spin-off. CKH Holdings is also the holding company of the Cheung Kong Group
"**CKH Holdings Board**"	the board of directors of CKH Holdings
"**CKH Holdings Group**"	CKH Holdings and its subsidiaries from time to time, and where the context requires, excluding the Group
"**CKH Holdings Overseas Shareholders**"	CKH Holdings Shareholders whose addresses, as shown in the register of members of CKH Holdings at the Record Time, are in any jurisdiction other than Hong Kong
"**CKH Holdings Shareholders**"	holders of CKH Holdings Shares
"**CKH Holdings Shares**"	ordinary shares in the share capital of CKH Holdings
"**CKHC**"	Cheung Kong Holdings (China) Limited (長江實業(中國)有限公司), a company incorporated in Hong Kong with limited liability on 13 April 1993, and a wholly-owned subsidiary of CKH Holdings
"**CKIC**"	Cheung Kong Investment Company Limited, a company incorporated in Hong Kong with limited liability on 3 January 1973, and a wholly-owned subsidiary of CKH Holdings
"**Combined Non-Property Businesses**"	the businesses of the CKH Holdings Group and the Hutchison Group other than the Combined Property Businesses, comprising: (i) ports and related services, (ii) retail, (iii) infrastructure, (iv) energy, (v) telecommunications, (vi) ownership and leasing of movable assets, and (vii) other investments in securities

"**Combined Property Businesses**"	the property businesses of the CKH Holdings Group and the Hutchison Group, including the joint ventures, comprising (i) property development and investment, (ii) hotels and serviced suites operation, (iii) property and project management, and (iv) unitholding in each of Fortune REIT, Prosperity REIT and Hui Xian REIT (all of which are listed on the Main Board, and Fortune REIT is also listed on the Singapore Stock Exchange) as well as interests in ARA Asset Management (which is listed on the Singapore Stock Exchange and is the holding company of the managers of Fortune REIT and Prosperity REIT) and Hui Xian Asset Management Limited (which is the manager of Hui Xian REIT), but excluding the Excluded Property Interests
"**Companies Ordinance**"	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
"**Company**"	Cheung Kong Property Holdings Limited (長江實業地產有限公司), an exempted company incorporated in the Cayman Islands on 2 January 2015 with limited liability
"**Court**"	the Court of First Instance of the High Court of Hong Kong
"**CPB Companies**"	companies holding interests in the Combined Property Businesses
"**CPB Specified Companies**"	has the meaning given to it in "*History and Reorganisation – The Reorganisation – Property Businesses Combination*"
"**Directors**"	the directors of the Company
"**Disinterested Hutchison Shareholders**"	the Hutchison Shareholders other than the parties acting in concert with the Hutchison Proposal Offeror in relation to Hutchison
"**Distribution In Specie**"	the proposed issue of new Shares immediately following the completion of the Property Businesses Combination to the Qualifying CKH Holdings Shareholders
"**DT1**"	The Li Ka-Shing Unity Discretionary Trust, of which Mr. Li Ka-shing is the settlor and, among others, Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary, and the trustee of which is TDT1
"**DT2**"	a discretionary trust of which Mr. Li Ka-shing is the settlor and, among others, Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary, and the trustee of which is TDT2

"**DT3**"	a discretionary trust of which Mr. Li Ka-shing is the settlor and, among others, Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary, and the trustee of which is TDT3
"**DT4**"	a discretionary trust of which Mr. Li Ka-shing is the settlor and, among others, Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary, and the trustee of which is TDT4
"**EIT Law**"	Enterprise Income Tax Law of the PRC
"**Excluded Jurisdictions**"	those jurisdictions outside Hong Kong in respect of which the CKH Holdings Board and the Board have determined that it is necessary or expedient not to issue Shares to the CKH Holdings Shareholders or the Beneficial CKH Holdings Shareholders located or resident in those jurisdictions pursuant to the Distribution In Specie, on account of either the legal restrictions under the applicable laws of such jurisdictions and/or the requirements of the relevant regulatory bodies or stock exchanges in those jurisdictions. As at the Latest Practicable Date, the Excluded Jurisdictions are expected to include Australia, the Cayman Islands, the United Arab Emirates and the United States, subject to certain exceptions as further described in "*The Distribution In Specie and the Spin-off*"
"**Excluded Property Interests**"	(i) those property interests held by the CKH Holdings Group or the Hutchison Group which are used for the purposes of carrying on, or ancillary to, the Combined Non-Property Businesses; and (ii) the property interests held by the listed subsidiaries and listed associated companies of CKH Holdings or Hutchison for use in carrying on, or ancillary to, their respective operations, which will continue to be held by such listed subsidiaries and associated companies
"**Fortune REIT**"	Fortune Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO, the units of which are listed on the Main Board (stock code: 00778) and on the Singapore Stock Exchange (stock code: F25U)
"**FY**" or "**financial year**"	financial year ended or ending 31 December
"GBP", "£" or "pounds sterling"	pounds sterling, the lawful currency of the U.K.
"**GDP**"	gross domestic product

"**Goodwell**"	Goodwell Property Management Limited (高衛物業管理有限公司), a company incorporated in Hong Kong with limited liability on 9 June 1981, and an indirect wholly-owned subsidiary of the Company following completion of the Property Businesses Combination
"**Group**", "**we**", "**our**" or "**us**"	means: (a) before completion of the Property Businesses Combination, the Cheung Kong Property Group, the Hutchison Property Group and their interests in joint ventures; and (b) after completion of the Property Businesses Combination, the Company and its subsidiaries, including the Cheung Kong Property Group, the Hutchison Property Group, their interests in joint ventures and the former joint ventures which will become subsidiaries of the Company
"**Harbour Plaza**"	Harbour Plaza Hotel Management Limited 海逸酒店管理有限公司, a company incorporated in Hong Kong with limited liability on 22 January 1997, and an indirect wholly-owned subsidiary of the Company following completion of the Property Businesses Combination
"**HGHL**"	HWPL Group Holdings Limited, a company incorporated in the British Virgin Islands with limited liability on 19 November 2014, and a wholly-owned subsidiary of Hutchison
"**HHL**"	HWPL Holdings Limited, a company incorporated in the British Virgin Islands with limited liability on 20 November 2014, and a wholly-owned subsidiary of the Company immediately following completion of the Property Businesses Combination
"**HIL**"	Hutchison International Limited, a company incorporated in Hong Kong with limited liability on 7 March 1931, and a wholly-owned subsidiary of Hutchison
"**HK$**" or "**Hong Kong dollars**"	Hong Kong dollars, the lawful currency of Hong Kong
"**HKFRS**"	Hong Kong Financial Reporting Standards
"**HKSCC**"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"**HKSCC Nominees**"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC, in its capacity as nominee for HKSCC (or any successor thereto) as operator of CCASS and any successor, replacement or assign of HKSCC Nominees Limited as nominee for the operator of CCASS

"**Hong Kong**"	the Hong Kong Special Administrative Region of the PRC
"**Hong Kong Government**"	the Government of the Hong Kong Special Administrative Region of the PRC
"**Hong Kong Register of Members**"	the branch register of members of the Company established and maintained by the Company in Hong Kong in accordance with the Articles
"**Horizon**"	Horizon Hotels & Suites Limited, a company incorporated in Hong Kong with limited liability on 20 February 2002, and an indirect wholly-owned subsidiary of the Company following completion of the Property Businesses Combination
"**Hui Xian REIT**"	Hui Xian Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO, the units of which are listed on the Main Board (stock code: 87001)
"**Husky**"	Husky Energy Inc.（赫斯基能源公司）, a company incorporated in Alberta, Canada with limited liability on 21 June 2000, the common shares of which are publicly traded and listed on the Toronto Stock Exchange (stock code: HSE)
"**Husky Sale Shares**"	61,357,010 Husky Shares, representing approximately 6.24% of the common shares of Husky in issue as at the Latest Practicable Date
"**Husky Sale Shares Purchaser**"	Hutchison Whampoa Europe Investments S.à r.l., a company incorporated in Luxembourg with limited liability on 3 December 1999 and an indirect wholly-owned subsidiary of Hutchison, and which holds the Hutchison Group's existing 33.96% interest in Husky
"**Husky Sale Shares Vendor**"	L.F. Investments S.à r.l., a company incorporated in Luxembourg with limited liability on 1 December 2011 and which is indirectly wholly-owned by the Trust
"**Husky Share Exchange**"	the proposed acquisition by the Husky Sale Shares Purchaser of the Husky Sale Shares pursuant to the Husky Share Exchange Agreement, details of which are set out in "*History and Reorganisation – The Reorganisation*"
"**Husky Share Exchange Agreement**"	the conditional agreement dated 9 January 2015 entered into between the Husky Sale Shares Vendor and the Husky Sale Shares Purchaser in relation to the Husky Share Exchange
"**Husky Shares**"	the common shares of Husky which are publicly traded and listed on the Toronto Stock Exchange

"**Hutchison**"	Hutchison Whampoa Limited 和記黃埔有限公司, a company incorporated in Hong Kong with limited liability on 26 July 1977, which on completion of the Hutchison Proposal will be delisted from the Main Board
"**Hutchison Court Meeting**"	the meeting of the Hutchison Scheme Shareholders convened at the direction of the Court and which was held on [REDACTED] 2015 for the purpose of considering and, if thought fit, approving the Hutchison Scheme
"**Hutchison General Meeting**"	the general meeting of Hutchison which was held on [REDACTED] 2015 immediately following the Hutchison Court Meeting, for the purposes of considering and, if thought fit, passing, among other things, (i) a special resolution to approve the Hutchison Scheme and the implementation of the Hutchison Scheme, including the reduction and restoration of the issued share capital of Hutchison under the Hutchison Proposal and (ii) an ordinary resolution to approve the Husky Share Exchange (as a special deal under Rule 25 of the Takeovers Code in relation to the Hutchison Proposal)
"**Hutchison Group**"	Hutchison and its subsidiaries
"**Hutchison Overseas Shareholders**"	Hutchison Shareholders whose addresses, as shown in the register of members of Hutchison at the Hutchison Scheme Record Time, are in any territory other than Hong Kong
"**Hutchison Property Group**"	the companies in the Hutchison Group which will become members of the Group following completion of the Property Businesses Combination
"**Hutchison Proposal**"	the conditional share exchange offer made by the Hutchison Proposal Offeror to the Hutchison Scheme Shareholders for the cancellation of all the Hutchison Scheme Shares by way of the Hutchison Scheme, details of which are set out in "*History and Reorganisation – The Reorganisation*"
"**Hutchison Proposal Offeror**"	CK Global Investments Limited, a company incorporated in the British Virgin Islands with limited liability on 30 December 2014, and a wholly-owned subsidiary of CKH Holdings
"**Hutchison Scheme**"	the proposed scheme of arrangement pursuant to Division 2 of Part 13 of the Companies Ordinance for the implementation of the Hutchison Proposal
"**Hutchison Scheme Record Time**"	the record time for determining the entitlements of the Hutchison Scheme Shareholders to the Hutchison Scheme, being [REDACTED] 2015
"**Hutchison Scheme Shareholders**"	holders of the Hutchison Scheme Shares

"**Hutchison Scheme Shares**"	all the Hutchison Shares in issue at the Hutchison Scheme Record Time, other than those held by the Relevant CKH Holdings Subsidiaries
"**Hutchison Shareholders**"	holders of the Hutchison Shares
"**Hutchison Shares**"	ordinary shares in the issued share capital of Hutchison
"**independent third party**"	any party who is not connected (within the meaning of the Listing Rules) with any director, chief executive or substantial shareholder of the Company or any of its respective subsidiaries or an associate of any of them
"**Joint Sponsors**"	Merrill Lynch Far East Limited and HSBC Corporate Finance (Hong Kong) Limited
"**LAT**"	Land Appreciation Tax（土地增值税）as defined in the PRC Provisional Regulations on Land Appreciation Tax of 1994 and its implementation rules, as described in "*Appendix VI – Taxation*"
"**Latest Practicable Date**"	[7 March] 2015, being the latest practicable date for the purpose of ascertaining certain information contained in this listing document prior to its publication
"**Listing**"	the listing of the Shares on the Main Board
"**Listing Committee**"	the Listing Committee of the Stock Exchange
"**Listing Date**"	the date, expected to be on or about [REDACTED] 2015, on which the Shares are first listed and from which dealings in the Shares are permitted to take place on the Main Board
"**Listing Rules**"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"**Main Board**"	the Main Board of the Stock Exchange
"**Memorandum**" or "**Memorandum of Association**"	the amended and restated memorandum of association of the Company adopted by a special resolution on [●] 2015 and effective on the Listing Date, as amended from time to time, a summary of which is set out in "*Appendix V – Summary of the Constitution of the Company and Cayman Companies Law*"
"**Memorandum and Articles of Association**"	the Memorandum and the Articles
"**Merger Proposal**"	collectively, the Hutchison Proposal and the Husky Share Exchange

"**Metro Broadcast**"	Metro Broadcast Corporation Limited (新城廣播有限公司), a company incorporated in Hong Kong with limited liability on 20 April 1990, and which is owned as to 50% by the Group following completion of the Spin-off
"**MOC**"	the Ministry of Commerce of the PRC
"**MTR**"	Mass Transit Railway in Hong Kong
"**New Challenge**"	New Challenge Global Limited, a company incorporated in the British Virgin Islands with limited liability on 12 February 2015, and a wholly-owned subsidiary of the Company
"**Newsbury**"	Newsbury Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability on 13 March 1996, and an indirect wholly-owned subsidiary of the Company following completion of the Property Businesses Combination
"**Novel Trend**"	Novel Trend Holdings Limited, a company incorporated in the British Virgin Islands with limited liability on 9 February 2015, and a wholly-owned subsidiary of the Company
"**Non-Qualifying CKH Holdings Shareholders**"	those CKH Holdings Shareholders and other persons who will not receive Shares pursuant to the Distribution In Specie, but will receive cash in full satisfaction of the relevant Shares where the Directors and the directors of CKH Holdings consider it necessary or expedient to exclude them from receiving Shares on account either of the legal restrictions under the laws of the relevant place where they are resident or the requirements of the relevant regulatory body or stock exchange in that place
"**Non-Qualifying Hutchison Shareholders**"	those Hutchison Overseas Shareholders who will not receive CKH Holdings Shares pursuant to the Hutchison Scheme, but will receive cash in full satisfaction of their rights to the CKH Holdings Shares where the law of any relevant jurisdiction precludes an offer of the CKH Holdings Shares, or precludes it except after compliance by CKH Holdings with conditions with which CKH Holdings is unable to comply or that CKH Holdings regards as unduly onerous
"**Partner Vision**"	Partner Vision Holdings Limited, a company incorporated in the British Virgin Islands with limited liability on 5 July 2010, and a wholly-owned subsidiary of CKH Holdings
"**PBOC**"	the People's Bank of China
"**PRC**" or "**China**"	the People's Republic of China, which for the purpose of this listing document and, except where the context requires otherwise, excludes Hong Kong, Macau and Taiwan

"**Principal Register of Members**"	the principal register of members of the Company maintained in the Cayman Islands
"**Principal Subsidiary**"	has the meaning given to it in "*Waiver from Strict Compliance with the Listing Rules*"
"**Property Businesses Combination**"	the proposed reorganisation of the Combined Property Businesses to form part of the Group, following completion of the Merger Proposal
"**Property Valuers**"	DTZ Debenham Tie Leung Limited, Gerald Eve LLP, Smiths Gore and CBRE, Inc., and where the context requires, any one of them
"**Proposals**"	collectively, the Cheung Kong Reorganisation, the Merger Proposal and the Spin-off, details of which are set out in "*History and Reorganisation – The Reorganisation*"
"**Prosperity REIT**"	Prosperity Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO, the units of which are listed on the Main Board (stock code: 00808)
"**Qualifying CKH Holdings Shareholders**"	the CKH Holdings Shareholders whose names appear on the register of members of CKH Holdings at the Record Time, other than the Non-Qualifying CKH Holdings Shareholders
"**Record Time**"	[REDACTED] 2015, being the record time for determining the allotment and issue of shares to CKH Holdings Shareholders pursuant to the Distribution In Specie
"**Register of Members**"	the Principal Register of Members, the Hong Kong Register of Members and any other branch register of members of the Company
"**Registered CKH Holdings Shareholder**"	in respect of a Beneficial CKH Holdings Shareholder, any nominee, trustee, depositary or any other authorised custodian or third party whose name is entered in the register of members of CKH Holdings as the holder of the CKH Holdings Shares in which the Beneficial CKH Holdings Shareholder is beneficially interested
"**REIT**"	real estate investment trust

"**Relevant CKH Holdings Subsidiaries**"	collectively, (i) Continental Realty Limited, (ii) Fumanda Limited, (iii) Good Energy Limited, (iv) Guidefield Limited, (v) Haldaner Limited, (vi) Harrowgate Investments Limited, (vii) Harvestime Holdings Limited, (viii) Hey Darley Limited, (ix) Hislop Resources Limited, (x) Kam Chin Investment S.A., (xi) Mirabole Limited, (xii) Oriental Time Investment Limited, (xiii) Polycourt Limited, (xiv) Richland Realty Limited, (xv) Shining Heights Profits Limited, (xvi) Top Win Investment Limited, (xvii) Wealth Pleasure Limited, (xviii) Well Karin Limited, (xix) White Rain Enterprises Limited, and (xx) Winbo Power Limited, each of which is a wholly-owned subsidiary of CKH Holdings and which in aggregate hold approximately 49.97% of the issued Hutchison Shares
"**Relevant Persons**"	the Joint Sponsors, any of their or the Company's respective directors, officers or representatives or any other person involved in the Listing
"**Reorganisation Agreement**"	the conditional reorganisation agreement dated [●] 2015 entered into among the Company, CKH Holdings, Agate, New Challenge, Novel Trend, Ample Jungle, Partner Vision, Cheung Kong, CKIC, CKHC, Ayrshire, CKDC, HGHL, CKFC, HIL and HHL, the principal terms and conditions of which are summarised in "*History and Reorganisation – The Reorganisation – The Reorganisation Agreement*"
"Reorganisation Agreement Transactions"	has the meaning given to it in "*History and Reorganisation – The Reorganisation – The Reorganisation Agreement*"
"**Reorganisation Promissory Note**"	has the meaning given to it in *"History and Reorganisation – The Reorganisation – Property Businesses Combination"*
"**RMB**"	Renminbi, the lawful currency of the PRC
"**SAFE**"	the State Administration of Foreign Exchange of the PRC
"**SEC**"	the U.S. Securities and Exchange Commission
"**SFC**"	the Securities and Futures Commission of Hong Kong
"**SFC Executive**"	Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
"**SFO**"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended, supplemented or modified from time to time)
"SGD" or "S$"	Singapore dollars, the lawful currency of Singapore
"**Share Registrar**"	[REDACTED]

"**Shareholders**"	holders of Shares
"**Shares**"	ordinary shares in the share capital of the Company
"**Singapore Stock Exchange**"	the Singapore Exchange Securities Trading Limited
"**Specified Loans**"	has the meaning given to it in "*History and Reorganisation – The Reorganisation – Property Businesses Combination*"
"**Specified Loans Promissory Note**"	has the meaning given to it in *"History and Reorganisation – The Reorganisation – Property Businesses Combination"*
"**Specified Loans Purchase Agreement**"	the conditional agreement dated [●] 2015 entered into among the Company, CKH Holdings, CKFC and HIL, the principal terms and conditions of which are summarised "*History and Reorganisation – The Reorganisation – Property Businesses Combination – The Specified Loans Purchase Agreement*"
"**Spin-off**"	the proposed spin-off and distribution of the Combined Property Businesses to the CKH Holdings Shareholders by way of the Distribution In Specie, and separate listing of the Shares on the Main Board by way of introduction
"**Stock Exchange**"	The Stock Exchange of Hong Kong Limited
"**Suntec REIT**"	Suntec Real Estate Investment Trust, a real estate investment trust listed on the main board of the Singapore Stock Exchange (stock code: T82U)
"**Takeovers Code**"	the Code on Takeovers and Mergers issued by the SFC (as amended, supplemented or otherwise modified from time to time)
"**TDT1**"	Li Ka-Shing Unity Trustee Corporation Limited, a company incorporated in the Cayman Islands, which is the trustee of DT1
"**TDT2**"	Li Ka-Shing Unity Trustcorp Limited, a company incorporated in the Cayman Islands, which is the trustee of DT2
"**TDT3**"	Li Ka-Shing Castle Trustee Corporation Limited, a company incorporated in the Cayman Islands, which is the trustee of DT3
"**TDT4**"	Li Ka-Shing Castle Trustcorp Limited, a company incorporated in the Cayman Islands, which is the trustee of DT4
"**Track Record Period**"	the three years ended 31 December 2014
"**Trust**"	DT1, DT2, DT3, DT4, UT1 and UT3, and where the context requires, any of them

"**TUT1**"	Li Ka-Shing Unity Trustee Company Limited, a company incorporated in the Cayman Islands, which is the trustee of UT1
"**TUT3**"	Li Ka-Shing Castle Trustee Company Limited, a company incorporated in the Cayman Islands, which is the trustee of UT3
"**U.K.**" or "**United Kingdom**"	the United Kingdom of Great Britain and Northern Ireland
"**U.S.**" or "**United States**"	the United States of America, its territories and possessions, any State of the United States and the District of Columbia
"**U.S. Dollars**", "**USD**" or "**US$**"	United States dollars, the lawful currency of the United States
"**U.S. Securities Act**"	U.S. Securities Act of 1933, as amended
"**UT1**"	The Li Ka-Shing Unity Trust
"**UT3**"	The Li Ka-Shing Castle Trust

B. GLOSSARY

This glossary contains explanations of certain terms used in this listing document in connection with the Group and its business. The terminologies and their meanings may not correspond to standard industry meanings or usage of those terms.

"**average room rate**"	the total hotel room revenue divided by the total number of room nights sold in a given period
"**BSD**"	buyer's stamp duty
"**CAGR**"	compound annual growth rate
"**completion**"	issue of the occupation permit or the completion permit for a property
"**DSD**"	double stamp duty
"**GFA**"	gross floor area
"**Grade A**"	modern offices with high quality finishes, flexible layouts, large floor places, spacious and well-decorated lobbies and circulation areas, effective central air-conditioning, good lift services zoned for passengers and goods deliveries, and with professional management and parking facilities normally available
"**land use rights certificate**"	the PRC State-owned land use rights certificate issued by a local real estate and land resources bureau with respect to land use rights
"**LFA**"	leaseable floor area

"**Medium Tariff Hotels**"	hotels with a composite score lower than 2.00 according to the Hong Kong Tourism Board, which is the third highest standard of a total of four ratings
"**occupation permit**"	a written permit issued by the Building Authority of Hong Kong pursuant to section 21 of the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong) which permits the occupation of a new building for the purposes stated in the permit or the corresponding document issued by the relevant authority in another jurisdiction
"**property market yield**"	the yield derived by comparing the average rent/rateable value and price/rateable value factors
"**RevPAR**"	revenue per available room, which is calculated by dividing the total hotel room revenue by the total number of available room nights in a given period
"**sq.ft.**"	square feet
"**sq.m.**"	square metre
"**SSD**"	special stamp duty
"**take-up**"	in respect of domestic premises, represents the net increase in the number of units occupied in the year under review and, in respect of non-domestic premises, represents the net increase in occupied floor space in the year
"**Tariff A Hotels**"	hotels with a composite score between 3.00 and 3.99 according to the Hong Kong Tourism Board classification system, which is the highest standard of a total of four ratings
"**Tariff B Hotels**"	hotels with a composite score between 2.00 and 2.99 according to the Hong Kong Tourism Board classification system, which is the second highest standard of a total of four ratings
"**vacancy**"	property which is not physically occupied at the time when the survey is conducted, regardless of whether the property has been sold

In this listing document, unless the context otherwise requires, the terms "**associate**", "**close associate**", "**connected person**", "**core connected person**", "**connected transaction**", "**subsidiary**" and "**substantial shareholder**" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this listing document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

There may be some differences between certain data in this listing document and publicly available information which may be attributable to different methods of calculation, presentation or otherwise.

Unless otherwise specified, certain amounts denominated in GBP, RMB, S$ and US$ have been translated into HK$ at the following exchange rates:

GBP1.00	=	HK$11.91
RMB1.00	=	HK$1.24
SGD1.00	=	HK$5.71
USD1.00	=	HK$7.80

The above exchange rates are for illustrative purposes only and such conversions shall not be construed as representations that amounts in GBP, RMB, S$ and US$ were or could have been or could be converted into HK dollars at such rates or any other exchange rates.

The English names of companies incorporated in the PRC are translations of their Chinese names and are included for identification purposes only.

Unless otherwise specified, all references to any shareholdings in the Company refers to such shareholdings immediately following completion of the Spin-off.