

Corporate Governance Report

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Company and its subsidiaries (the "Group") as it believes that effective corporate governance practices are fundamental to safeguarding interests of shareholders and other stakeholders and enhancing shareholder value. Accordingly, the Company has adopted and applied corporate governance principles that emphasise a quality board of Directors (the "Board"), effective risk management and internal control systems, stringent disclosure practices, transparency and accountability. It is, in addition, committed to continuously improving these practices and inculcating an ethical corporate culture.

The Company has replaced the listing status of Cheung Kong (Holdings) Limited ("Cheung Kong") and become the holding company of Cheung Kong and its subsidiaries since 18 March 2015. The Company or Cheung Kong (as appropriate) has complied throughout the year ended 31 December 2015 with all code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), other than those in respect of the nomination committee. The reasons for deviation are explained below in this report.

The Board

Corporate Strategy

The primary objective of the Company is to enhance long-term total return for shareholders. To achieve this objective, the Group's strategy is to place equal emphasis on achieving sustainable recurring earnings growth and maintaining the Group's strong financial profile. The Chairman's Statement and the Operations Review contain discussions and analyses of the Group's performance and the basis on which the Group generates or preserves value over the longer term and the basis on which the Group will execute its strategy for delivering the Group's objectives.

Role of the Board

The Board, which is accountable to shareholders for the long-term performance of the Company, is responsible for directing the strategic objectives of the Company and overseeing the management of the business. Directors are charged with the task of promoting the success of the Company and making decisions in the best interests of the Company.

The Board, led by the Chairman, Mr Li Ka-shing, determines and monitors Group-wide strategies and policies, annual budgets and business plans, evaluates the performance of the Company, and supervises the management of the Company ("Management"). Management is responsible for the day-to-day operations of the Group under the leadership of the Group Co-Managing Directors.

Board Composition

The Company was incorporated with two Directors on 11 December 2014. On 9 January 2015, additional board members were appointed with the Board comprising 21 Directors, including the Chairman, Managing Director and Deputy Chairman, two Deputy Managing Directors, four Executive Directors, six Non-executive Directors and seven Independent Non-executive Directors. For details, please refer to page 124.

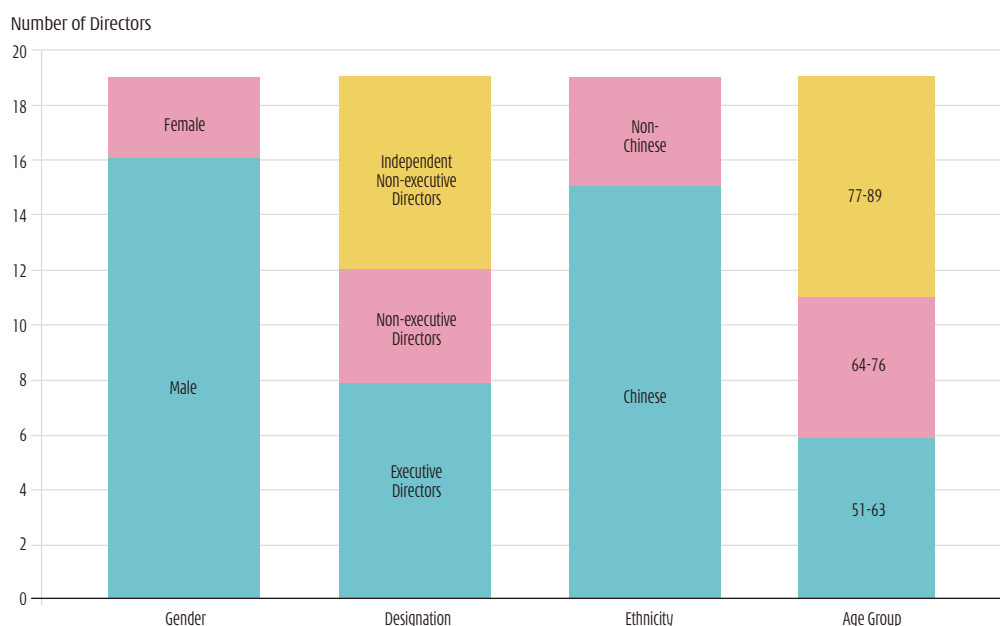
On 3 June 2015 upon completion of the spin-off and separate listing of the shares of Cheung Kong Property Holdings Limited, the Board composition was changed, with 19 Directors, including the Chairman, Group Co-Managing Director and Deputy Chairman, Group Co-Managing Director, Group Deputy Managing Director, Group Finance Director and Deputy Managing Director ("GFD/DMD"), three Deputy Managing Directors, four Non-executive Directors and seven Independent Non-executive Directors. For details, please refer to page 125.

The Board has adopted a policy which recognises the benefits of a Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the businesses of the Company.

Board appointment has been, and will continue to be, made based on attributes that complement and expand the skill set, experience and expertise of the Board as a whole, taking into account gender, age, professional experience and qualifications, cultural and educational background, and any other factors that the Board may consider relevant and applicable from time to time towards achieving a diverse Board.

The Board diversity policy adopted by the Board in February 2015 is available on the website of the Group (www.ckh.com.hk). The Board reviews and monitors from time to time the implementation of the policy to ensure its effectiveness and application.

The following chart shows the diversity profile of the Board as at 31 December 2015:



Biographical details of the Directors are set out in the section "Information on Directors" on pages 103 to 108 and on the website of the Group. A list setting out the names of the Directors and their roles and functions is posted on the websites of the Group and Hong Kong Exchanges and Clearing Limited ("HKEX") (www.hkexnews.hk).

The Board has assessed the independence of all the Independent Non-executive Directors of the Company and considers all of them to be independent having regard to (i) their annual confirmation on independence as required under the Listing Rules, (ii) the absence of involvement in the daily management of the Company and (iii) the absence of any relationships or circumstances which would interfere with the exercise of their independent judgment. Throughout the year, the number of Independent Non-executive Directors on the Board meets the one-third requirement under the Listing Rules.

Chairman and Executive Directors

The role of the Chairman is separate from that of the Group Co-Managing Directors. Such division of responsibilities reinforces the independence and accountability of these Directors.

The Chairman is responsible for providing leadership to, and overseeing the functioning of, the Board to ensure that it acts in the best interests of the Group and that Board meetings are planned and conducted effectively. He is also responsible for setting the agenda for each Board meeting, taking into account, where appropriate, matters proposed by Directors and the Company Secretary. With the support of the Executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and provided with adequate and accurate information in a timely manner. The Chairman promotes a culture of openness and actively encourages Directors to voice their opinion and be fully engaged in the Board's affairs so as to contribute to the Board's effective functioning. The Board, under the leadership of the Chairman, has adopted good corporate governance practices and procedures and taken appropriate steps to provide effective communication with shareholders and other stakeholders, as outlined later in the report.

Corporate Governance Report

The Group Co-Managing Directors, assisted by the Group Deputy Managing Director and the four Deputy Managing Directors, are responsible for managing the businesses of the Group, attending to the formulation and successful implementation of Group policies and assuming full accountability to the Board for all Group operations. Acting as the principal managers of the Group's businesses, the Group Co-Managing Directors attend to developing strategic operating plans that reflect the long-term objectives and priorities established by the Board and are directly responsible for maintaining the operational performance of the Group. Working with the Group Deputy Managing Director, the GFD/DMD, the other three Deputy Managing Directors and the executive management team of each core business division, the Group Co-Managing Directors present annual budgets to the Board for consideration and approval, and ensure that the Board is fully apprised of the funding requirements of the businesses of the Group. With the assistance of the GFD/DMD, the Group Co-Managing Directors see to it that the funding requirements of the businesses are met and closely monitor the operating and financial results of the businesses against plans and budgets, taking remedial action if necessary. The Group Co-Managing Directors maintain an ongoing dialogue with the Chairman and all Directors to keep them fully informed of all major business development and issues. They are also responsible for building and maintaining an effective executive team to support them in their roles.

Board Processes

The Board meets regularly, and at least four times a year with meeting dates scheduled prior to the beginning of the year. Between scheduled meetings, senior management of the Group provides to Directors, on a regular basis, monthly updates and other information with respect to the performance, business activities and development of the Group. Throughout the year, Directors participate in the deliberation and approval of routine and operational matters of the Company by way of written resolutions with supporting explanatory materials, supplemented by additional verbal and/or written information from the Company Secretary or other executives as and when required. Details of material or notable transactions of subsidiaries and associated companies are provided to Directors as appropriate. Whenever warranted, additional Board meetings are held. In addition, Directors have full access to information on the Group and independent professional advice at all times whenever deemed necessary by Directors and they are at liberty to propose appropriate matters for inclusion in Board agendas.

With respect to regular meetings of the Board, Directors receive written notice of the meeting generally about a month in advance and an agenda with supporting Board papers no less than three days prior to the meeting. For other meetings, Directors are given as much notice as is reasonable and practicable in the circumstances. Except for those circumstances permitted by the Articles of Association of the Company and the Listing Rules, a Director would abstain from voting on resolutions approving any contract, transaction, arrangement in which he or any of his close associates is materially interested in and such Director is not counted for quorum determination purposes.

In 2015, Cheung Kong held two Board meetings and the Company held five Board meetings with an average of approximately 96% attendance. With respect to the three shareholders' meetings held, due to other business commitments, (i) one out of 13 Non-executive Directors of Cheung Kong was not in a position to attend the general meeting of Cheung Kong on 25 February 2015 (the "GM"); (ii) two out of 13 Non-executive Directors of the Company were not in a position to attend the extraordinary general meeting of the Company on 20 April 2015 (the "EGM"); and (iii) one out of 11 Non-executive Directors of the Company was not in a position to attend the 2015 annual general meeting of the Company on 23 June 2015 (the "2015 AGM"). The attendance records of Directors are as follows:

Directors	Board Meetings Attended/ Eligible to Attend	GM held on 25 February 2015 Attended	EGM held on 20 April 2015 Attended	2015 AGM held on 23 June 2015 Attended
Chairman				
Li Ka-shing ⁽¹⁾⁽³⁾	7/7	✓	✓	✓
Executive Directors				
Li Tzar Kuoi, Victor ⁽¹⁾ (Group Co-Managing Director and Deputy Chairman)	7/7	✓	✓	✓
Fok Kin Ning, Canning ⁽²⁾ (Group Co-Managing Director)	7/7	✓	✓	✓
Chow Woo Mo Fong, Susan ⁽⁴⁾ (Group Deputy Managing Director)	3/3	N/A	N/A	✓
Frank John Sixt ⁽²⁾ (Group Finance Director and Deputy Managing Director)	7/7	✓	✓	✓
Ip Tak Chuen, Edmond (Deputy Managing Director)	7/7	✓	✓	✓
Kam Hing Lam ⁽¹⁾⁽³⁾ (Deputy Managing Director)	7/7	✓	✓	✓
Lai Kai Ming, Dominic ⁽⁴⁾ (Deputy Managing Director)	3/3	N/A	N/A	✓
Chung Sun Keung, Davy ⁽³⁾⁽⁵⁾	4/4	✓	✓	N/A
Pau Yee Wan, Ezra ⁽³⁾⁽⁵⁾	4/4	✓	✓	N/A
Woo Chia Ching, Grace ⁽³⁾⁽⁵⁾	4/4	✓	✓	N/A
Chiu Kwok Hung, Justin ⁽³⁾⁽⁵⁾	4/4	✓	✓	N/A
Non-executive Directors				
Chow Kun Chee, Roland ⁽³⁾	7/7	✓	✓	✓
Lee Yeh Kwong, Charles ⁽³⁾	7/7	✓	✓	✓
Leung Siu Hon ⁽³⁾	7/7	✓	✓	✓
George Colin Magnus ⁽³⁾	7/7	✓	✓	✓
Independent Non-executive Directors				
Kwok Tun-li, Stanley ⁽³⁾	7/7	✓	✓	✓
Cheng Hoi Chuen, Vincent ⁽⁴⁾	3/3	N/A	N/A	✓
Michael David Kadoorie ⁽⁴⁾	1/3 ⁽⁶⁾	N/A	N/A	⁽⁶⁾
	2/3 (by alternate)			✓ (by alternate)
Lee Wai Mun, Rose ⁽⁴⁾	3/3	N/A	N/A	✓
William Shurniak ⁽⁴⁾	3/3	N/A	N/A	✓
Wong Chung Hin ⁽⁴⁾	2/3	N/A	N/A	✓
Wong Yick-ming, Rosanna ⁽³⁾⁽⁷⁾	7/7	✓	0	✓
Yeh Yuan Chang, Anthony ⁽³⁾⁽⁵⁾	4/4	✓	✓	N/A
Simon Murray ⁽³⁾⁽⁵⁾	2/4	0	0	N/A
Chow Nin Mow, Albert ⁽³⁾⁽⁵⁾	4/4	✓	✓	N/A
Hung Siu-lin, Katherine ⁽³⁾⁽⁵⁾	4/4	✓	✓	N/A
Cheong Ying Chew, Henry ⁽³⁾⁽⁵⁾	4/4	✓	✓	N/A

Notes:

- (1) Mr Li Ka-shing is the father of Mr Li Tzar Kuoi, Victor and brother-in-law of Mr Kam Hing Lam.
- (2) Appointed as Non-executive Director on 9 January 2015 and re-designated as Executive Director on 3 June 2015.
- (3) Appointed on 9 January 2015.
- (4) Appointed on 3 June 2015.
- (5) Resigned on 3 June 2015.
- (6) Due to commitment overseas, The Hon Sir Michael David Kadoorie arranged for his alternate, Mr William Elkin Mocatta, to attend the Board Meeting held in June and August 2015 and the 2015 AGM. However, the attendance of the alternate is not counted in his attendance record.
- (7) Ceased to be Alternate Director to Mr Simon Murray upon his resignation as Independent Non-executive Director of the Company on 3 June 2015.

Corporate Governance Report

In addition to Board meetings, the Chairman holds regular meetings with Executive Directors and at least two meetings with Non-executive Directors (including Independent Non-executive Directors) annually without the presence of Executive Directors. The Non-executive Directors (including Independent Non-executive Directors) freely provide their independent views to the Board.

All Non-executive Directors are engaged on service contracts for a term ended on 31 December 2015 which are automatically renewed for successive 12-month periods. All Directors are subject to re-election by shareholders at annual general meetings/extraordinary general meetings at least about once every three years on a rotation basis, in accordance with the Articles of Association of the Company. A retiring Director is eligible for re-election, and re-election of retiring Directors at general meetings is dealt with by separate individual resolutions. No Director has a service contract with the Company which is not terminable by the Company within one year and without payment of compensation (other than statutory compensation).

Shareholders may propose candidate(s) for election as Director(s) in accordance with the Articles of Association of the Company. The procedures for such proposal are posted on the website of the Group.

Training and Commitment

Upon appointment to the Board, Directors receive a package of comprehensive orientation materials on the Group and are provided with a detailed induction to the Group's businesses by senior executives.

The Company arranges and provides Continuous Professional Development ("CPD") training such as seminars and relevant reading materials to Directors to help ensure that they are apprised of the latest changes in the commercial, legal and regulatory environment in which the Group conducts its businesses and to refresh their knowledge and skills on the roles, functions and duties of a listed company director. In addition, attendance at external forums or briefing sessions (including delivery of speeches) on relevant topics also counts toward CPD training.

The Directors are required to provide the Company with details of the CPD training undertaken by them from time to time. Based on the details so provided, the CPD training undertaken by the Directors during the year is summarised as follows, representing an average of approximately eight hours by each existing Director during the year:

Directors	Areas		
	Legal and Regulatory	Corporate Governance	Group's Business/Directors' Duties
Chairman			
Li Ka-shing ⁽¹⁾	✓	✓	✓
Executive Directors			
Li Tzar Kuoi, Victor <i>(Group Co-Managing Director and Deputy Chairman)</i>	✓	✓	✓
Fok Kin Ning, Canning ⁽²⁾ <i>(Group Co-Managing Director)</i>	✓	✓	✓
Chow Woo Mo Fong, Susan ⁽³⁾ <i>(Group Deputy Managing Director)</i>	✓	✓	✓
Frank John Sixt ⁽²⁾ <i>(Group Finance Director and Deputy Managing Director)</i>	✓	✓	✓
Ip Tak Chuen, Edmond <i>(Deputy Managing Director)</i>	✓	✓	✓
Kam Hing Lam ⁽¹⁾ <i>(Deputy Managing Director)</i>	✓	✓	✓
Lai Kai Ming, Dominic ⁽³⁾ <i>(Deputy Managing Director)</i>	✓	✓	✓
Chung Sun Keung, Davy ⁽¹⁾⁽⁴⁾	✓	✓	✓
Pau Yee Wan, Ezra ⁽¹⁾⁽⁴⁾	✓	✓	✓
Woo Chia Ching, Grace ⁽¹⁾⁽⁴⁾	✓	✓	✓
Chiu Kwok Hung, Justin ⁽¹⁾⁽⁴⁾	✓	✓	✓
Non-executive Directors			
Chow Kun Chee, Roland ⁽¹⁾	✓	✓	✓
Lee Yeh Kwong, Charles ⁽¹⁾	✓	✓	✓
Leung Siu Hon ⁽¹⁾	✓	✓	✓
George Colin Magnus ⁽¹⁾	✓	✓	✓
Independent Non-executive Directors			
Kwok Tun-li, Stanley ⁽¹⁾	✓	✓	✓
Cheng Hoi Chuen, Vincent ⁽³⁾	✓	✓	✓
Michael David Kadoorie ⁽³⁾	✓	✓	✓
Lee Wai Mun, Rose ⁽³⁾	✓	✓	✓
William Shurniak ⁽³⁾	✓	✓	✓
Wong Chung Hin ⁽³⁾	✓	✓	✓
Wong Yick-ming, Rosanna ⁽¹⁾⁽⁵⁾	✓	✓	✓
Yeh Yuan Chang, Anthony ⁽¹⁾⁽⁴⁾	✓	✓	✓
Simon Murray ⁽¹⁾⁽⁴⁾	✓	✓	✓
Chow Nin Mow, Albert ⁽¹⁾⁽⁴⁾	✓	✓	✓
Hung Siu-lin, Katherine ⁽¹⁾⁽⁴⁾	✓	✓	✓
Cheong Ying Chew, Henry ⁽¹⁾⁽⁴⁾	✓	✓	✓
Alternate Director			
William Elkin Mocatta ⁽³⁾ <i>(Alternate Director to Michael David Kadoorie)</i>	✓	✓	✓

Notes:

- (1) Appointed on 9 January 2015.
- (2) Appointed as Non-executive Director on 9 January 2015 and re-designated as Executive Director on 3 June 2015.
- (3) Appointed on 3 June 2015.
- (4) Resigned on 3 June 2015.
- (5) Ceased to be Alternate Director to Mr Simon Murray upon his resignation as Independent Non-executive Director of the Company on 3 June 2015.

Confirmation is received from the Directors that they have provided sufficient time and attention to the affairs of the Group. Besides, Directors disclose to the Company their interests as directors and other office in other public companies and organisations in a timely manner and update the Company on any subsequent changes.

Corporate Governance Report

Securities Transactions

The Board of the Company or Cheung Kong (as appropriate) has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules as the code of conduct regulating Directors' dealings in securities of the Company or Cheung Kong. In response to specific enquiries made, all Directors have confirmed that they have complied with such code in their securities transactions throughout their tenure during the year.

Board Committees

The Board is supported by two permanent board committees: the Audit Committee and the Remuneration Committee, details of which are described later in this report. The terms of reference for these Committees, which have been adopted by the Board, are available on the websites of the Group and HKEX. Other board committees are established by the Board as and when warranted to take charge of specific tasks.

The Company has considered the merits of establishing a nomination committee but is of the view that it is in the best interests of the Company that the Board collectively reviews, deliberates on and approves the structure, size and composition of the Board as well as the appointment of any new Director, as and when appropriate. The Board is tasked with ensuring that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of the Group and that appropriate individuals with the relevant expertise and leadership qualities are appointed to the Board to complement the capabilities of existing Directors. In addition, the Board as a whole is also responsible for reviewing the succession plan for Directors, including the Chairman of the Board and the Group Co-Managing Directors.

Company Secretary

The Company Secretary is accountable to the Board for ensuring that Board procedures are followed and Board activities are efficiently and effectively conducted. These objectives are achieved through adherence to proper Board processes and the timely preparation and dissemination to Directors comprehensive Board meeting agendas and papers. Minutes of all meetings of the Board and Board Committees are prepared and maintained by the Company Secretary to record in sufficient details the matters considered and decisions reached by the Board or Board Committees, including any concerns raised or dissenting views voiced by any Director. All draft and final minutes of Board meetings and meetings of Board Committees are sent to Directors or Board Committee members as appropriate for comments, approval and records. Board records are available for inspection by any Director upon request.

The Company Secretary is responsible for ensuring that the Board is fully apprised of all legislative, regulatory and corporate governance developments of relevance to the Group and that it takes these developments into consideration when making decisions for the Group. From time to time, she organises seminars on specific topics of importance and interest and disseminate reference materials to Directors for their information.

The Company Secretary is also directly responsible for the Group's compliance with all obligations under the Listing Rules and The Codes on Takeovers and Mergers and Share Buy-back, including the preparation, publication and despatch of annual reports and interim reports within the time limits laid down in the Listing Rules, and the timely dissemination to shareholders and the market of information relating to the Group.

Furthermore, the Company Secretary advises the Directors on their obligations for disclosure of interests and dealings in the Group's securities, connected transactions and price-sensitive/inside information and ensures that the standards and disclosures requirements of the Listing Rules are complied with and, where required, reported in the annual report of the Company.

The appointment and removal of the Company Secretary is subject to Board approval. Whilst the Company Secretary reports to the Chairman and the Group Co-Managing Directors, all members of the Board have access to the advice and service of the Company Secretary. Ms Edith Shih was appointed as the Company Secretary of the Company on 3 June 2015 to replace Ms Eirene Yeung and both of them have day-to-day knowledge of the Group's affairs. The relevant Company Secretary confirmed that they have complied with all the required qualifications, experience and training requirements of the Listing Rules during their period of tenure.

Accountability and Audit

Financial Reporting

The annual and interim results of the Company are published in a timely manner, within three months and two months respectively of the year end and the half-year period end.

The responsibility of Directors in relation to the financial statements is set out below. It should be read in conjunction with, but distinguished from, the Independent Auditor's Report on page 169 which acknowledges the reporting responsibility of the Group's Auditor.

Annual Report and Financial Statements

The Directors acknowledge their responsibility for the preparation of the annual report and financial statements of the Company, ensuring that the financial statements give a true and fair presentation in accordance with the disclosure requirements of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the applicable accounting standards.

Accounting Policies

The Directors consider that in preparing the financial statements, the Group has applied appropriate accounting policies that are consistently adopted and made judgments and estimates that are reasonable in accordance with the applicable accounting standards.

Accounting Records

The Directors are responsible for ensuring that the Group keeps accounting records which disclose the financial position of the Group upon which financial statements of the Group could be prepared in accordance with the Group's accounting policies.

Safeguarding Assets

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities within the Group.

Going Concern

The Directors, having made appropriate enquiries, are of the view that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate for the Group to adopt the going concern basis in preparing the financial statements.

Audit Committee

The Audit Committee comprises four Independent Non-executive Directors who possess the relevant business and financial management experience and skills to understand financial statements and contribute to the financial governance, internal controls and risk management of the Company. It is chaired by Mr Wong Chung Hin (appointed on 3 June 2015) with Messrs Kwok Tun-li, Stanley (appointed on 18 March 2015), Cheng Hoi Chuen, Vincent (appointed on 3 June 2015) and William Shurniak (appointed on 3 June 2015) as members. Mr Cheong Ying Chew, Henry and Ms Hung Siu-lin, Katherine ceased to be Chairman and member of the Audit Committee respectively on 3 June 2015.

Corporate Governance Report

The Audit Committee of the Company and Cheung Kong held three meetings in 2015 with 100% attendance.

Members	Attended/Eligible to Attend
Wong Chung Hin ⁽¹⁾ (<i>Chairman</i>)	2/2
Kwok Tun-li, Stanley ⁽²⁾	3/3
Cheng Hoi Chuen, Vincent ⁽¹⁾	2/2
William Shurniak ⁽¹⁾	2/2
Cheong Ying Chew, Henry ⁽²⁾⁽³⁾	1/1
Hung Siu-lin, Katherine ⁽²⁾⁽³⁾	1/1

Notes:

- (1) Appointed on 3 June 2015.
- (2) Appointed on 18 March 2015.
- (3) Resigned on 3 June 2015.

Throughout 2015, the Audit Committee discharged the duties and responsibilities under its terms of reference and other duties of the CG Code. In view of the implementation of the HKEx consultation conclusions on "Risk Management and Internal Control" for accounting periods beginning on or after 1 January 2016, the terms of reference of the Audit Committee effective from 1 January 2016 were revised and adopted by the Board on 17 December 2015.

Under its terms of reference, the Audit Committee is required to oversee the relationship between the Company and its external auditors, review the Group's preliminary interim and annual results, and interim and annual financial statements, monitor the corporate governance of the Group including compliance with statutory and Listing Rules requirements, review the scope, extent and effectiveness of the activities of the Group's internal audit function, engage independent legal and other advisers and conduct investigations as it determines to be necessary.

The Procedures for Reporting Possible Improprieties in Matters of Financial Reporting, Internal Control or Other Matters has been adopted and updated by the Board and is posted on the website of the Group.

The Audit Committee meets with the GFD/DMD and other senior management of the Group from time to time for the purposes of reviewing the interim and annual results, the interim and annual reports and other financial, internal control, corporate governance and risk management matters of the Group. It considers and discusses the reports and presentations of Management, the Group's internal and external auditors, with a view of ensuring that the Group's consolidated financial statements are prepared in accordance with accounting principles generally accepted in Hong Kong. It also meets at least four times a year with the Group's principal external auditor, PricewaterhouseCoopers ("PwC"), to consider their reports on the scope, strategy, progress and outcome of its independent review of the interim financial report and its annual audit of the consolidated financial statements. In addition, the Audit Committee holds regular private meetings with the external auditor, GFD/DMD and internal auditor separately without the presence of Management.

The Audit Committee assists the Board in meeting its responsibilities for maintaining an effective risk management and internal control systems. It reviews the process by which the Group evaluates its control environment and risk assessment process, and the way in which business and control risks are managed. It receives and considers the presentations of Management in relation to the reviews on the effectiveness of the Group's risk management and internal control systems and the adequacy of resources, qualifications and experience of staff in the Group's accounting, financial reporting and internal audit functions, as well as their training programmes and budget. In addition, the Audit Committee reviews with the Group's internal auditor the work plans for its audits together with its resource requirements and considers the reports of the Group Internal Audit General Manager to the Audit Committee on the effectiveness of risk management and internal controls in the Group business operations. Further, it also receives the reports from the Head Group General Counsel on the Group's material litigation proceedings and compliance status on regulatory requirements. These reviews and reports are taken into consideration by the Audit Committee when it makes its recommendation to the Board for approval of the consolidated financial statements for the year.

External Auditor

The Audit Committee reviews and monitors the external auditor's independence and objectivity and effectiveness of the audit process. It receives each year the letter from the external auditor confirming its independence and objectivity and holds meetings with representatives of the external auditor to consider the scope of its audit, approve its fees, and the scope and appropriateness of non-audit services, if any, to be provided by it. The Audit Committee also makes recommendations to the Board on the appointment and retention of the external auditor.

The Group's policy regarding the engagement of PwC for the various services listed below is as follows:

- Audit services – include audit services provided in connection with the audit of the consolidated financial statements. All such services are to be provided by external auditor.
- Audit related services – include services that would normally be provided by an external auditor but not generally included in audit fees, for example, audits of the Group's pension plans, accounting advice related to mergers and acquisitions, internal control reviews of systems and/or processes, and issuance of special audit reports for tax or other purposes. The external auditor is to be invited to undertake those services that it must, or is best placed to, undertake in its capacity as auditor.
- Taxation related services – include all tax compliance and tax planning services, except for those services which are provided in connection with the audit. The Group uses the services of the external auditor where it is best suited. All other significant taxation related work is undertaken by other parties as appropriate.
- Other services – include, for example, financial due diligence, review of actuarial reports and calculations, risk management diagnostics and assessments, and non-financial systems consultations. The external auditor is also permitted to assist Management and the Group's internal auditor with internal investigations and fact-finding into alleged improprieties. These services are subject to specific approval by the Audit Committee.
- General consulting services – the external auditor is not eligible to provide services involving general consulting work.

An analysis of the fees of PwC and other external auditors is shown in note 47 to the financial statements. In the year ended 31 December 2015, the PwC fees, amounting to HK\$159 million were primarily for audit services and those for non-audit services amounted to HK\$56 million, approximately 26% of the total fees.

Audit Report on the Annual Financial Statements

The consolidated financial statements of the Company and its subsidiary companies for the year ended 31 December 2015 have been audited by PwC in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The unqualified auditor's report is set out on page 169. The consolidated financial statements of the Company and its subsidiary companies for the year ended 31 December 2015 have also been reviewed by the Audit Committee.

Assurance Report on Pro Forma Results

The unaudited pro forma financial results of the Group for the year ended 31 December 2015 set out in the sections headed "Analyses of Core Business Segments by Geographical Location" on page 4, "Analyses by Core Business Segments" on page 5, "Financial Performance Summary" on page 19 and "Reconciliation from CKHH Statutory Results to CKHH Pro Forma Results" on page 282, prepared for illustrative purposes as if the reorganisation was effective on 1 January 2015, have been reported on by PwC in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by HKICPA. The independent assurance report of PwC is set out on pages 280 to 281. The unaudited pro forma financial results of the Group for the year ended 31 December 2015 have also been reviewed by the Audit Committee.

A waiver from compliance with the requirements under rule 4.29 of the Listing Rules in relation to the unaudited pro forma financial results included in this annual report has been granted by the SEHK, as it would be unduly onerous upon the Company if that rule is required to be fully complied with in the present situation.

Corporate Governance Report

Pro Forma Results

The unaudited pro forma financial results of the Group for the year ended 31 December 2015 included in this annual report assume the reorganisation was effective on 1 January 2015 and also include a number of assumptions and estimates and have been prepared for additional information and illustrative purposes only. Due to their hypothetical nature, they may not reflect the actual financial results of the Group had the reorganisation become effective on 1 January 2015. The pro forma financial results are no guarantee of the future results of the Group.

The unaudited pro forma financial results should be read in conjunction with other financial information included elsewhere in this annual report.

Internal Controls, Legal & Regulatory Control and Group Risk Management

Role of the Board

The Board has overall responsibility for the Group's systems of internal control, corporate governance compliance and assessment and management of risks.

In meeting its responsibilities, the Board seeks to increase risk awareness across the Group's business operations and has put in place policies and procedures, including parameters of delegated authority, which provide a framework for the identification and management of risks. It also reviews and monitors the effectiveness of the systems of internal control to ensure that the policies and procedures in place are adequate. Reporting and review activities include review by the Executive Directors and the Board and approval of detailed operational and financial reports, budgets and plans provided by management of the business operations, review by the Board of actual results against budget, review by the Audit Committee of the ongoing work of the Group's internal audit and risk management functions, as well as regular business reviews by Executive Directors and the executive management team of each core business division.

On behalf of the Board, the Audit Committee regularly reviews the corporate governance structure and practices within the Group and monitors compliance fulfillment on an ongoing basis. To assist the Audit Committee in fulfilling its responsibilities, a governance working group chaired by the Group Deputy Managing Director, comprising representatives from key departments of the Company, continuously provides updates, identifies emerging matters of compliance, and structures appropriate compliance policies and procedures for group-wide adoption. During the year, the Company reviewed the key risk areas within the Group in light of the current antitrust and competition law regime. Practical trainings, internal control measures, guidelines and policies tailor-made for key business units were put in place to strengthen the Group's compliance programme in these areas. The Audit Committee is satisfied that the Company has complied throughout the year with all code provisions of the CG Code, other than those in respect of the nomination committee.

Whilst these procedures are designed to identify and manage risks that could adversely impact the achievement of the Group's business objectives, they do not provide absolute assurance against material mis-statement, errors, losses, fraud or non-compliance.

Internal Control Environment and Systems

Executive Directors are appointed to the boards of all material operating subsidiaries and associates for monitoring those companies, including attendance at board meetings, review and approval of budgets and plans, and business strategies with associated risks identified and setting of key business performance targets. The executive management team of each core business division is accountable for the conduct and performance of each business in the division within the agreed strategies and similarly management of each business is accountable for its conduct and performance. The Group Co-Managing Directors monitor the performance and review the risk profiles of the Group companies on an on-going basis.

The internal control procedures of the Group include a comprehensive system for reporting information to the executive management teams of each core business and the Executive Directors.

Business plans and budgets are prepared annually by management of individual businesses and subject to review and approval by both the executive management teams and Executive Directors as part of the Group's five-year corporate planning cycle. Reforecasts for the current year are prepared on a quarterly basis, reviewed for variances to the budget and for approval. When setting budgets and reforecasts, management identifies, evaluates and reports on the likelihood and potential financial impact of significant business risks.

Executive Directors review monthly management reports on the financial results and key operating statistics of each business and hold monthly meetings with the executive management team and senior management of business operations to review these reports, business performance against budgets, forecasts, significant business risk sensitivities and strategies. In addition, finance directors and financial controllers of the executive management teams of each of the major businesses attend monthly meetings with the GFD/DMD and members of his finance team to review monthly performance against budget and forecast, and to address accounting and finance related matters.

The Group maintains a centralised cash management system for its unlisted subsidiary operations and the Group's Treasury function oversees the Group's investment and lending activities. Treasury reports on the Group's cash and liquid investments, borrowings and movements thereof are distributed weekly.

The Group has established guidelines and procedures for the approval and control of expenditures. Operating expenditures are subject to overall budget control and are controlled within each business with approval levels set by reference to the level of responsibility of each executive and officer. Capital expenditures are subject to overall control within the annual budget review and approval process, and more specifically, material expenditures within the approved budget as well as unbudgeted expenditures are subject to approval by the GFD/DMD or an Executive Director prior to commitment. Quarterly reports of actual versus budgeted and approved expenditures are also reviewed.

Legal and Regulatory

The Group Legal Department has the responsibility for safeguarding the legal interests of the Group. The team, led by the Head Group General Counsel and Company Secretary, is responsible for monitoring the day-to-day legal affairs of the Group, including preparing, reviewing and approving all legal and corporate secretarial documentation of Group companies, working in conjunction with finance, tax, treasury, corporate secretarial and business unit personnel on the review and co-ordination process, and advising Management of legal and commercial issues of concern. In addition, the Group Legal Department is also responsible for overseeing regulatory compliance matters of all Group companies. It analyses and monitors the regulatory frameworks within which the Group operates, including reviewing applicable laws and regulations and preparing and submitting response or filings with relevant regulatory and/or government authorities on regulatory issues and consultations. The Department also determines and approves the engagement of external legal advisors, ensuring the requisite professional standards are adhered to as well as the most cost effective services are rendered. Further, the Group Legal Department organises and holds continuing education seminars/conferences on legal and regulatory matters of relevance to the Group for Directors, business executives and the Group legal and corporate secretarial teams.

Group Risk Management

The Executive Directors and the General Manager of the Group Risk Management Department have the responsibility of developing and implementing risk mitigation strategies and programmes relating to the deployment of insurance instruments to transfer or minimise the financial impact of risks to the business. The Group Risk Management Department, working with business operations worldwide, is responsible for arranging appropriate insurance coverage and organising Group-wide risk reporting. Directors and Officers Liability Insurance is also in place to protect Directors and officers of the Group against potential personal legal liabilities.

Code of Conduct and Handling of Inside Information

The Group places utmost importance on the ethical, personal and professional standards of the Directors and employees of the Group. In addition to the various policies adopted and implemented by the Group imposing requirements on Directors and employees to conduct themselves in compliance with applicable laws, rules and regulations, every employee is required to undertake to adhere to the Group's Code of Conduct, and is expected to achieve the highest standards of behaviour including avoiding conflict of interest, discrimination or harassment and bribery and corruption. Employees are required to report any non-compliance with the Code of Conduct to Management.

With a view to identifying, handling and disseminating inside information in compliance with the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), procedures including pre-clearance on dealing in Group's securities by designated members of Management, notification of regular blackout period and securities dealing restrictions to relevant Directors and employees, identification of project by code name and dissemination of information to stated purpose and on a need-to-know basis have been implemented by the Group to guard against possible mishandling of inside information within the Group.

Audits

The General Manager of the Group's internal audit function, reporting to the GFD/DMD on a day-to-day basis and also directly to the Audit Committee, provides independent assurance as to the existence and effectiveness of the risk management activities and controls in the Group's business operations worldwide. Using risk assessment methodology and taking into account the dynamics of the Group's activities, internal audit derives its yearly audit plan which is reviewed by the Audit Committee, and reassessed during the year as needed to ensure that adequate resources are deployed and the plan's objectives are met. Internal audit is responsible for assessing the Group's internal control system, formulating an impartial opinion on the systems, and reporting its findings to the Audit Committee, the GFD/DMD and the senior management concerned as well as following up on all reports to ensure that all issues are satisfactorily resolved. In addition, a regular dialogue is maintained with the Group's external auditor so that both are aware of the significant factors which may affect their respective scope of work.

Corporate Governance Report

Depending on the nature of business and risk exposure of individual business units, the scope of work performed by the internal audit function includes financial/IT and operations reviews, recurring and surprise audits, fraud investigations and productivity efficiency reviews.

Reports from the external auditor on internal controls and relevant financial reporting matters are presented to the General Manager of the Group's internal audit function and, as appropriate, to the GFD/DMD and the finance director or financial controller of the relevant executive management team. These reports are reviewed and appropriate actions are taken.

The Board, through the Audit Committee, has conducted a review of the effectiveness of the Group's internal control systems for the year ended 31 December 2015 covering all material financial, operational and compliance controls and risk management functions, and is satisfied that such systems are effective and adequate. In addition, it has also reviewed and is satisfied with the adequacy of resources, qualifications and experience of the staff of the Group's accounting and financial reporting function, and their training programmes and budget.

Remuneration of Directors and Senior Management

Remuneration Committee

The Remuneration Committee comprises four members with expertise in human resources and personnel emoluments. The Committee is chaired by Dr Wong Yick-ming, Rosanna (appointed on 18 March 2015), an Independent Non-executive Director, with the Chairman Mr Li (appointed on 18 March 2015), Independent Non-executive Directors Mr Cheng (appointed on 3 June 2015) and Mr Wong (appointed on 3 June 2015), as members. Mr Kwok ceased to be a member on 3 June 2015. The composition of the Remuneration Committee meets the requirements of chairmanship and independence of the Listing Rules. The Committee meets towards the end of each year to determine the remuneration package of Directors and senior management of the Group. Remuneration matters are also considered and approved by way of written resolutions and additional meetings where warranted.

The Remuneration Committee of the Company and Cheung Kong held three meetings in 2015 with 100% attendance.

Members	Attended/Eligible to Attend
Wong Yick-ming, Rosanna ⁽¹⁾ (<i>Chairman</i>)	3/3
Li Ka-shing ⁽¹⁾	3/3
Cheng Hoi Chuen, Vincent ⁽²⁾	2/2
Wong Chung Hin ⁽²⁾	2/2
Kwok Tun-li, Stanley ⁽¹⁾⁽³⁾	1/1

Notes:

(1) Appointed on 18 March 2015

(2) Appointed on 3 June 2015.

(3) Resigned on 3 June 2015.

The responsibilities of the Remuneration Committee are to assist the Board in achieving its objectives of attracting, retaining and motivating employees of the highest calibre and experience needed to shape and execute strategy across the Group's substantial, diverse and international business operations. It assists the Group in the administration of a fair and transparent procedure for setting remuneration policies for all Directors and senior executives of the Group. Whilst the Board retains its power to determine the remuneration of Non-executive Directors, the responsibility for reviewing and determining the remuneration package of individual Executive Directors and senior management of the Group is delegated to the Remuneration Committee.

During the year, the Remuneration Committee of Cheung Kong reviewed its remuneration policy for 2014/2015, overall policy on 2014 salary and bonus as well as the remuneration packages of its Executive Directors and management. It also reviewed and approved the remuneration of its Non-executive Directors. The Remuneration Committee of the Company reviewed background information on market data (including economic indicators, statistics and the Remuneration Bulletin), the Group's business activities and human resources issues, and headcount and staff costs. It also reviewed and approved the proposed 2016 directors' fees for Executive Directors and made recommendation to the Board on the directors' fees for Non-executive Directors. Prior to the end of the year, the Committee reviewed and approved the year end bonus and 2016 remuneration package of Executive Directors, subsidiaries' managing directors and senior executives of the Group. Executive Directors do not participate in the determination of their own remuneration.

Remuneration Policy

The remuneration of Directors and senior executives is determined with reference to their expertise and experience in the industry, the performance and profitability of the Group as well as remuneration benchmarks from other local and international companies and prevailing market conditions. Directors and employees also participate in bonus arrangements which are determined in accordance with the performance of the Group and the individual's performance.

2015 Remuneration

Directors' emoluments comprise payments to Directors by the Company and its subsidiaries in connection with the management of the affairs of the Company and its subsidiaries. The emoluments exclude amounts received from the Company's listed subsidiaries and paid to the Company.

(a) Directors' emoluments expenses recognised in the Group's income statement:

Directors	Director's Fees HK\$ millions	Basic Salaries, Allowances and Benefits-in-Kind HK\$ millions	Discretionary Bonuses HK\$ millions	Provident Fund Contributions HK\$ millions	Inducement or Compensation Fees HK\$ millions	Total Emoluments HK\$ millions
Li Ka-shing ⁽¹⁾⁽⁶⁾⁽¹¹⁾	0.01	-	-	-	-	0.01
Li Tzar Kuoi, Victor ⁽²⁾						
<i>Paid by the Company</i>	0.22	21.30	55.39	1.85	-	78.76
<i>Paid by Cheung Kong Infrastructure Holdings Limited ("CKI")</i>	0.08	-	28.15	-	-	28.23
	0.30	21.30	83.54	1.85	-	106.99
Fok Kin Ning, Canning ⁽³⁾⁽⁶⁾	0.22	6.41	202.51	1.33	-	210.47
Chow Woo Mo Fong, Susan ⁽³⁾⁽⁸⁾	0.13	4.69	45.22	0.96	-	51.00
Frank John Sixt ⁽³⁾⁽⁶⁾	0.22	4.69	43.77	0.42	-	49.10
Ip Tak Chuen, Edmond ⁽⁴⁾						
<i>Paid by the Company</i>	0.22	7.43	9.86	0.74	-	18.25
<i>Paid by CKI</i>	0.08	1.05	10.60	-	-	11.73
	0.30	8.48	20.46	0.74	-	29.98
Kam Hing Lam ⁽⁵⁾⁽⁶⁾						
<i>Paid by the Company</i>	0.22	10.42	9.59	0.91	-	21.14
<i>Paid by CKI</i>	0.08	2.45	10.60	-	-	13.13
	0.30	12.87	20.19	0.91	-	34.27
Lai Kai Ming, Dominic ⁽³⁾⁽⁸⁾	0.13	3.12	43.19	0.61	-	47.05
Chow Kun Chee, Roland ⁽⁶⁾⁽⁷⁾	0.22	-	-	-	-	0.22
Lee Yeh Kwong, Charles ⁽⁶⁾⁽⁷⁾	0.22	-	-	-	-	0.22
Leung Siu Hon ⁽⁶⁾⁽⁷⁾	0.22	-	-	-	-	0.22
George Colin Magnus ⁽⁶⁾⁽⁷⁾						
<i>Paid by the Company</i>	0.22	-	-	-	-	0.22
<i>Paid by CKI</i>	0.08	-	-	-	-	0.08
	0.30	-	-	-	-	0.30
Kwok Tun-li, Stanley ⁽⁶⁾⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾⁽¹⁴⁾	0.38	-	-	-	-	0.38
Cheng Hoi Chuen, Vincent ⁽⁸⁾⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾	0.24	-	-	-	-	0.24
Michael David Kadoorie ⁽⁸⁾⁽⁹⁾	0.13	-	-	-	-	0.13
Lee Wai Mun, Rose ⁽⁸⁾⁽⁹⁾	0.13	-	-	-	-	0.13
William Shurniak ⁽⁸⁾⁽⁹⁾⁽¹⁰⁾	0.20	-	-	-	-	0.20
Wong Chung Hin ⁽⁸⁾⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾	0.23	-	-	-	-	0.23
Wong Yick-ming, Rosanna ⁽⁶⁾⁽⁹⁾⁽¹¹⁾	0.28	-	-	-	-	0.28
Chung Sun Keung, Davy ⁽⁶⁾⁽¹²⁾	0.09	4.61	-	0.46	-	5.16
Pau Yee Wan, Ezra ⁽⁶⁾⁽¹²⁾	0.09	5.23	-	0.52	-	5.84
Woo Chia Ching, Grace ⁽⁶⁾⁽¹²⁾	0.09	5.23	-	0.52	-	5.84
Chiu Kwok Hung, Justin ⁽⁶⁾⁽¹²⁾	0.09	4.69	-	0.47	-	5.25
Yeh Yuan Chang, Anthony ⁽⁶⁾⁽⁹⁾⁽¹²⁾	0.09	-	-	-	-	0.09
Simon Murray ⁽⁶⁾⁽⁹⁾⁽¹²⁾	0.09	-	-	-	-	0.09
Chow Nin Mow, Albert ⁽⁶⁾⁽⁹⁾⁽¹²⁾	0.09	-	-	-	-	0.09
Hung Siu-lin, Katherine ⁽⁶⁾⁽⁹⁾⁽¹⁰⁾⁽¹²⁾⁽¹³⁾	0.14	-	-	-	-	0.14
Cheong Ying Chew, Henry ⁽⁶⁾⁽⁹⁾⁽¹⁰⁾⁽¹²⁾⁽¹³⁾						
<i>Paid by the Company</i>	0.14	-	-	-	-	0.14
<i>Paid by CKI</i>	0.18	-	-	-	-	0.18
	0.32	-	-	-	-	0.32
Total:	5.25	81.32	458.88	8.79	-	554.24

Corporate Governance Report

Notes:

- (1) No remuneration was paid to Mr Li Ka-shing during the year other than a director's fee of HK\$5,000. The amount of director's fee shown above is a result of rounding. The director's fee of HK\$20,958 received by Mr Li Ka-shing from Hutchison Whampoa Limited ("HWL") was paid to the Company. This amount was received during the period when HWL was an associated company and therefore is not reflected in the amounts above.
- (2) Part of the directors' emoluments in the sum of HK\$1,699,719 received by Mr Li Tzar Kuoi, Victor from HWL was paid to the Company. This amount was received during the period HWL was an associated company and therefore is not reflected in the amounts above.
- (3) Directors' fees received by these Directors from the Company's listed subsidiaries during the period they served as directors that have been paid to the Company are not included in the amounts above.
- (4) Part of the directors' emoluments in the sum of HK\$750,000 received by Mr Ip Tak Chuen, Edmond from CKI was paid to the Company. This amount was received during the period HWL (the parent company of CKI) was an associated company and therefore is not reflected in the amounts above.
- (5) Part of the directors' emoluments in the sum of HK\$736,219 received by Mr Kam Hing Lam from HWL was paid to the Company. This amount was received during the period HWL was an associated company and therefore is not reflected in the amounts above.
- (6) Appointed on 9 January 2015.
- (7) Non-executive Director.
- (8) Appointed on 3 June 2015.
- (9) Independent Non-executive Director. The total emoluments of the Independent Non-executive Directors of the Company are HK\$2.32 million.
- (10) Member of the Audit Committee.
- (11) Member of the Remuneration Committee.
- (12) Resigned on 3 June 2015.
- (13) Resigned on 3 June 2015 as Member of the Audit Committee.
- (14) Resigned on 3 June 2015 as Member of the Remuneration Committee.

As additional information, payments by the HWL Group in 2015 to Directors, who were directors of HWL up to the completion of the Merger Proposal, amounted to HK\$488.34 million, of which HK\$467.43 million were included in the amount disclosed above and represented the amounts paid by the HWL Group during the period HWL is a subsidiary of the Group, and further details of these payments are set out below:

(b) Directors' emoluments payments made by the HWL Group:

HWL Directors	Director's Fees HK\$ millions	Basic Salaries, Allowances and Benefits-in-Kind HK\$ millions	Discretionary Bonuses HK\$ millions	Provident Fund Contributions HK\$ millions	Inducement or Compensation Fees HK\$ millions	Total Emoluments HK\$ millions
Li Ka-shing ⁽¹⁵⁾⁽²²⁾⁽²⁶⁾	0.02	-	-	-	-	0.02
Li Tzar Kuoi, Victor ⁽¹⁶⁾						
<i>Paid by HWL</i>	0.09	4.70	55.39	-	-	60.18
<i>Paid by CKI</i>	0.08	-	28.15	-	-	28.23
	0.17	4.70	83.54	-	-	88.41
Fok Kin Ning, Canning ⁽¹⁷⁾	0.09	11.10	202.51	2.28	-	215.98
Chow Woo Mo Fong, Susan ⁽¹⁷⁾	0.09	8.17	45.22	1.64	-	55.12
Frank John Sixt ⁽¹⁷⁾	0.09	8.19	43.77	0.71	-	52.76
Lai Kai Ming, Dominic ⁽¹⁷⁾	0.09	5.64	43.19	1.04	-	49.96
Kam Hing Lam ⁽¹⁸⁾						
<i>Paid by HWL</i>	0.09	2.35	9.59	-	-	12.03
<i>Paid by CKI</i>	0.08	4.20	10.60	-	-	14.88
<i>Paid to HWL</i>	-	(1.75)	-	-	-	(1.75)
	0.17	4.80	20.19	-	-	25.16
Lee Yeh Kwong, Charles ⁽¹⁹⁾⁽²³⁾	0.09	-	-	-	-	0.09
George Colin Magnus ⁽¹⁹⁾⁽²³⁾						
<i>Paid by HWL</i>	0.09	-	-	-	-	0.09
<i>Paid by CKI</i>	0.08	-	-	-	-	0.08
	0.17	-	-	-	-	0.17
Cheng Hoi Chuen, Vincent ⁽²⁰⁾⁽²¹⁾⁽²²⁾⁽²³⁾⁽²⁵⁾⁽²⁶⁾	0.17	-	-	-	-	0.17
Michael David Kadoorie ⁽²⁰⁾⁽²⁴⁾	0.09	-	-	-	-	0.09
Lee Wai Mun, Rose ⁽²⁰⁾⁽²³⁾	0.09	-	-	-	-	0.09
William Shurniak ⁽²⁰⁾⁽²¹⁾⁽²³⁾⁽²⁵⁾	0.15	-	-	-	-	0.15
Wong Chung Hin ⁽²⁰⁾⁽²¹⁾⁽²²⁾⁽²³⁾⁽²⁵⁾⁽²⁶⁾	0.17	-	-	-	-	0.17
Total:	1.65	42.60	438.42	5.67	-	488.34

Notes:

- (15) No remuneration was paid to Mr Li Ka-shing by HWL during the year other than a director's fee of HK\$20,958 which he paid to the Company.
- (16) Part of the directors' emoluments in the sum of HK\$1,699,719 received by Mr Li Tzar Kuoi, Victor from HWL was paid to the Company.
- (17) Directors' fees received by these directors from HWL's listed subsidiaries during the period they served as directors that have been paid to HWL are not included in the amounts above.
- (18) Part of the directors' emoluments in the sum of HK\$736,219 received by Mr Kam Hing Lam from HWL was paid to the Company.
- (19) Non-executive director.
- (20) Independent non-executive director. The total emoluments of the independent non-executive directors of HWL are HK\$0.67 million
- (21) Member of the Audit Committee of HWL.
- (22) Member of the Remuneration Committee of HWL.
- (23) Resigned on 8 June 2015.
- (24) Resigned on 24 July 2015.

Corporate Governance Report

(25) Ceased as Member of the Audit Committee of HWL on 8 June 2015.

(26) Ceased as Member of the Remuneration Committee of HWL on 8 June 2015.

The remuneration paid to the members of senior management by bands during the year is set out below:

Remuneration Bands*	Number of Individuals
HK\$10 million to HK\$14 million	2
HK\$15 million to HK\$19 million	2
HK\$20 million to HK\$24 million	1
HK\$35 million to HK\$39 million	1
HK\$50 million to HK\$54 million	1

* rounding to the nearest million.

Relationship with Shareholders and Other Stakeholders

The Group actively promotes investor relations and communication with the investment community throughout the year. Through its Executive Directors, the Group Corporate Affairs Department, Group Investor Relations Department and the Corporate Secretarial Department, the Group responds to requests for information and queries from the investment community including shareholders, analysts and the media through regular briefing meetings, announcements, conference calls and presentations. The policy on shareholders' communication, which is available on the Group's website, was adopted and is subject to regular review by the Board to ensure its effectiveness and compliance with the prevailing regulatory and other requirements.

The Board is committed to providing clear and full information on the Group to shareholders through the publication of notices, announcements, circulars, interim and annual reports. The Memorandum and Articles of Association of the Company are published on the websites of the Group and HKEx. Moreover, additional information on the Group is also available to shareholders and stakeholders through the Investor Relations page on the Group's website.

Shareholders are encouraged to attend all general meetings of the Company. Pursuant to Article 73 of the Articles of Association of the Company, any two or more shareholders (or one shareholder which is a recognised clearing house, or its nominee(s)) holding not less than one-tenth of the paid up share capital of the Company, carrying the right of voting at general meetings of the Company, has statutory rights to call for general meetings and to put forward agenda items for consideration by shareholders, by depositing at the principal office of the Company in Hong Kong a written request for such general meetings, signed by the shareholders concerned together with the objects of the meeting. The Board would within 21 days from the date of deposit of requisition convene the meeting to be held within a further 21 days.

All substantive resolutions at general meetings are decided on a poll which is conducted by the Company Secretary and scrutinised by the Group's Hong Kong Share Registrar. The results of the poll are published on the websites of the Group and HKEx. In addition, regular updated financial, business and other information on the Group is made available on the Group's website for shareholders and stakeholders.

Cheung Kong held a general meeting on 25 February 2015 at Harbour Grand Kowloon which was attended by the majority of the Directors, including the Chairmen of the Board, the Audit Committee and the Remuneration Committee with attendance rate of approximately 95%. The Company held two shareholders' meetings in 2015, being an EGM on 20 April 2015 at Harbour Grand Kowloon and the 2015 AGM on 23 June 2015 at Harbour Grand Kowloon. The EGM was attended by the majority of the Directors, including the Chairmen of the Board and the Audit Committee with attendance rate of approximately 90%. The 2015 AGM was attended by PwC and the majority of the Directors, including the Chairmen of the Board, the Audit Committee and the Remuneration Committee with attendance rate of approximately 95%. Directors are requested and encouraged to attend shareholders' meetings albeit presence overseas for the Group businesses or unforeseen circumstances might prevent Directors from so doing.

One resolution was proposed at the GM and the percentage of votes cast in favour of such resolution as disclosed in the announcement of Cheung Kong dated 25 February 2015 is set out below:

Resolution proposed at the GM	Percentage of Votes
Approval of the scheme of arrangement dated 6 February 2015 (the "Scheme") between Cheung Kong and the holders of the Scheme Shares (as defined in the Scheme) and the implementation of the Scheme, including the related reduction of the issued share capital of Cheung Kong, the increase in the share capital of Cheung Kong, and the issue of the new shares in Cheung Kong	99.76%

One resolution was proposed at the EGM and the percentage of votes cast in favour of such resolution as disclosed in the announcement of the Company dated 20 April 2015 is set out below:

Resolution proposed at the EGM	Percentage of Votes
Approval of:	99.99%
(a) the Hutchison Proposal and the issue of new shares of the Company to the Hutchison Scheme Shareholders pursuant to the Hutchison Scheme; and	
(b) the issue of new shares of the Company to the Husky Sale Shares Vendor (or as it may direct) under the Husky Share Exchange.	

Separate resolutions were proposed at the 2015 AGM on each substantive issue and the percentage of votes cast in favour of such resolutions as disclosed in the announcement of the Company dated 23 June 2015 are set out below:

Resolutions proposed at the 2015 AGM	Percentage of Votes
1 Adoption of the Audited Financial Statements, Report of the Directors and Report of the Independent Auditor for the period from 11 December 2014 (date of incorporation) to 31 December 2014	99.97%
2(a) Re-election of Mr Li Ka-shing as a Director	90.15%
2(b) Re-election of Mr Fok Kin Ning, Canning as a Director	92.56%
2(c) Re-election of Mrs Chow Woo Mo Fong, Susan as a Director	71.24%
2(d) Re-election of Mr Frank John Sixt as a Director	69.66%
2(e) Re-election of Mr Ip Tak Chuen, Edmond as a Director	69.63%
2(f) Re-election of Mr Kam Hing Lam as a Director	71.78%
2(g) Re-election of Mr Lai Kai Ming, Dominic as a Director	72.40%
2(h) Re-election of Mr Chow Kun Chee, Roland as a Director	71.62%
2(i) Re-election of Mr Lee Yeh Kwong, Charles as a Director	68.15%
2(j) Re-election of Mr Leung Siu Hon as a Director	69.15%
2(k) Re-election of Mr George Colin Magnus as a Director	69.15%
2(l) Re-election of Mr Cheng Hoi Chuen, Vincent as a Director	75.04%
2(m) Re-election of The Hon Sir Michael David Kadoorie as a Director	99.63%
2(n) Re-election of Mr Kwok Tun-li, Stanley as a Director	96.26%
2(o) Re-election of Ms Lee Wai Mun, Rose as a Director	72.50%
2(p) Re-election of Mr William Shurniak as a Director	98.62%
2(q) Re-election of Mr Wong Chung Hin as a Director	98.30%
2(r) Re-election of Dr Wong Yick-ming, Rosanna as a Director	98.82%
3 Appointment of Auditor and authorisation of Directors to fix the Auditor's remuneration	99.97%
4 Approval of the remuneration of the Directors	99.99%
5(1) Granting of a general mandate to Directors to issue additional shares of the Company	59.66%
5(2) Approval of the repurchase by the Company of its own shares	99.99%
5(3) Extension of the general mandate regarding issue of additional shares of the Company	60.88%

Corporate Governance Report

Accordingly, all resolutions put to shareholders at the GM, EGM and the 2015 AGM were passed. The results of the voting by poll were published on the websites of the Group and HKEX.

Other corporate information relating to the Company is set out in the "Information for Shareholders" section of this annual report. This includes, among others, dates for key corporate events for 2016 and public float capitalisation as at 31 December 2015.

The Group values feedback from shareholders on its efforts to promote transparency and foster investor relationship. Comments and suggestions to the Board or the Company are welcome and can be addressed to the Group Investor Relations or the Company Secretary by mail to 22nd Floor, Hutchison House, 10 Harcourt Road, Hong Kong or by email at ir@ckh.com.hk.

Environmental, Social and Governance Responsibility

The Group is committed to the long-term sustainability of its businesses and the communities in which it conducts business. It has adopted a proactive approach to environmental, social and governance ("ESG") responsibility and has established a committee, chaired by the Group Deputy Managing Director comprising representatives from key departments of the Company to spearhead the ESG activities of the Group. The committee focuses on initiatives related to stakeholders, employees, the environment, operating practices and the community. Details of the initiatives of the committee are set out on pages 91 to 102.

By order of the Board

Edith Shih

Company Secretary

Hong Kong, 17 March 2016