

Report of the Directors

The Directors have pleasure in submitting to shareholders their report and the audited financial statements for the year ended 31 December 2015.

Principal Activities

The principal activity of the Company is investment holding and the activities of its principal subsidiary and associated companies and joint ventures are shown on pages 276 to 279.

Business Review

A fair review of the business of the Group as required pursuant to Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), comprising analysis of the Group performance during the year, description of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the financial year 2015 as well as indication of likely future development in the business of the Group are set out in the sections "Chairman's Statement", "Operations Review", "Analyses of Core Business Segments by Geographical Location", "Analyses by Core Business Segments", "Key Financial Information", "Key Business Indicators" and "Business Highlights" on pages 4 to 79, "Risk Factors" on pages 86 to 90 and note 45 to the financial statements on page 272 contained in this annual report. Discussions on the environmental policies and performance, compliance by the Group with the relevant laws and regulations that have a significant impact on the Group and the account of the key relationships of the Group with its stakeholders are contained in the "Environmental, Social and Governance Report" on pages 91 to 102 of this annual report.

Group Profit

The Consolidated Income Statement is set out on page 170 and shows the Group profit for the year ended 31 December 2015.

Dividends

An interim dividend of HK\$0.7 per share was paid to shareholders on 6 October 2015.

The Directors recommend the declaration of a final dividend of HK\$1.85 per share payable on Wednesday, 1 June 2016 to all persons registered as holders of shares on the register of members of the Company on Thursday, 19 May 2016, being the record date for determining the entitlement of shareholders to the proposed final dividend.

Reserves

Movements in the reserves of the Company and the Group during the year are set out in note 48 to the financial statements on pages 274 to 275 and the Consolidated Statement of Changes in Equity on pages 174 to 176 respectively.

Charitable Donations

Donations to charitable organisations by the Group during the year amounted to approximately HK\$43,000,000 (2014 – approximately HK\$29,000,000). In addition, donations amounted to approximately HK\$21,000,000 were made by Hutchison Whampoa Limited ("HWL") and its subsidiaries (the "HWL Group") during the first five months of 2015 prior to the HWL Group being part of the Group.

Fixed Assets

Particulars of the movements of fixed assets are set out in note 15 to the financial statements.

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Shares / Debentures Issued

On 18 March 2015, being the effective date of the scheme of arrangement pursuant to Division 2 of Part 13 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) between Cheung Kong (Holdings) Limited ("Cheung Kong") and its shareholders, 2,316,164,337 ordinary shares of the Company were issued to the shareholders of Cheung Kong on the basis of one ordinary share of the Company for every one ordinary share of Cheung Kong.

On 3 June 2015, 84,427,246 ordinary shares of the Company, credited as fully paid, were issued at an issue price of HK\$129.06 per share to a company indirectly controlled by a controlling shareholder of the Company (the "Husky Sale Shares Vendor") in consideration for the sale by the Husky Sale Shares Vendor of 61,357,010 common shares of Husky Energy Inc. ("Husky Energy", a company incorporated in Alberta, Canada with limited liability, the shares of which are listed on the Toronto Stock Exchange) to an indirect wholly owned subsidiary of HWL (the "Husky Sale Shares Purchaser") at a share exchange ratio of 1.376 shares of the Company for every one share in Husky Energy acquired.

On the same date, 1,459,086,916 ordinary shares of the Company were issued to the scheme shareholders of HWL under a scheme of arrangement pursuant to Division 2 of Part 13 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) between HWL and holders of scheme shares at the exchange ratio of 0.684 of the shares of the Company for every one share in HWL.

Details of the shares movement issued during the year are also set out in note 35 to the financial statements.

Directors

As at 31 December 2015 and up to the date of this report, the board of Directors of the Company (the "Board") comprised Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor, Mr Fok Kin Ning, Canning, Mrs Chow Woo Mo Fong, Susan, Mr Frank John Sixt, Mr Ip Tak Chuen, Edmond, Mr Kam Hing Lam, Mr Lai Kai Ming, Dominic, Mr Chow Kun Chee, Roland, Mr Lee Yeh Kwong, Charles, Mr Leung Siu Hon, Mr George Colin Magnus, Mr Kwok Tun-li, Stanley, Mr Cheng Hoi Chuen, Vincent, The Hon Sir Michael David Kadoorie, Ms Lee Wai Mun, Rose, Mr William Elkin Mocatta (Alternate Director to The Hon Sir Michael David Kadoorie), Mr William Shurniak, Mr Wong Chung Hin and Dr Wong Yick-ming, Rosanna.

During the year, the following changes to the Board composition were effected:

- (l) On 9 January 2015,
 - (a) Mr Li Ka-shing was appointed as Chairman and Executive Director;
 - (b) Mr Li Tzar Kuoi, Victor was designated as Executive Director, Managing Director and Deputy Chairman; and Mr Ip Tak Chuen, Edmond was designated as Executive Director and Deputy Managing Director;
 - (c) Mr Kam Hing Lam was appointed as Executive Director and Deputy Managing Director;
 - (d) Mr Chung Sun Keung, Davy, Ms Pau Yee Wan, Ezra, Ms Woo Chia Ching, Grace and Mr Chiu Kwok Hung, Justin were appointed as Executive Directors;
 - (e) Mr Fok Kin Ning, Canning, Mr Frank John Sixt, Mr Chow Kun Chee, Roland, Mr Lee Yeh Kwong, Charles, Mr Leung Siu Hon and Mr George Colin Magnus were appointed as Non-executive Directors;
 - (f) Mr Kwok Tun-li, Stanley, Mr Yeh Yuan Chang, Anthony, Mr Chow Nin Mow, Albert, Mr Simon Murray, Ms Hung Siu-lin, Katherine, Dr Wong Yick-ming, Rosanna and Mr Cheong Ying Chew, Henry were appointed as Independent Non-executive Directors; and
 - (g) Dr Rosanna Wong was appointed as Alternate Director to Mr Simon Murray.

(II) On 3 June 2015,

- (a) Mr Li Tzar Kuoi, Victor was re-designated from Executive Director, Managing Director and Deputy Chairman to Executive Director, Group Co-Managing Director and Deputy Chairman; Mr Fok Kin Ning, Canning was re-designated from Non-executive Director to Executive Director and Group Co-Managing Director; and Mr Frank John Sixt was re-designated from Non-executive Director to Executive Director, Group Finance Director and Deputy Managing Director;
- (b) Mr Chung Sun Keung, Davy, Ms Pau Yee Wan, Ezra, Ms Woo Chia Ching, Grace and Mr Chiu Kwok Hung, Justin resigned as Executive Directors; and Mr Yeh Yuan Chang, Anthony, Mr Chow Nin Mow, Albert, Mr Simon Murray, Ms Hung Siu-lin, Katherine and Mr Cheong Ying Chew, Henry resigned as Independent Non-executive Directors;
- (c) Dr Wong Yick-ming, Rosanna ceased to be Alternate Director to Mr Simon Murray;
- (d) Mrs Chow Woo Mo Fong, Susan was appointed as Executive Director and Group Deputy Managing Director; and Mr Lai Kai Ming, Dominic was appointed as Executive Director and Deputy Managing Director; and
- (e) Mr Cheng Hoi Chuen, Vincent, The Hon Sir Michael David Kadoorie, Ms Lee Wai Mun, Rose, Mr William Shurniak and Mr Wong Chung Hin were appointed as Independent Non-executive Directors and Mr William Elkin Mocatta was appointed as Alternate Director to The Hon Sir Michael David Kadoorie.

The Directors who resigned as mentioned above have no disagreement with the Board and nothing relating to the affairs of the Company needed to be brought to the attention of the shareholders of the Company.

The Board would like to record its appreciation for the services of Messrs Chung Sun Keung, Davy, Pau Yee Wan, Ezra, Woo Chia Ching, Grace, Chiu Kwok Hung, Justin, Yeh Yuan Chang, Anthony, Chow Nin Mow, Albert, Simon Murray, Hung Siu-lin, Katherine and Cheong Ying Chew, Henry to the Group and is pleased to welcome Messrs Chow Woo Mo Fong, Susan, Lai Kai Ming, Dominic, Cheng Hoi Chuen, Vincent, The Hon Sir Michael David Kadoorie, Lee Wai Mun, Rose, William Shurniak and Wong Chung Hin to the Board.

Messrs Li Tzar Kuoi, Victor, Fok Kin Ning, Canning, Frank John Sixt, Lee Yeh Kwong, Charles, George Colin Magnus, The Hon Sir Michael David Kadoorie and Dr Wong Yick-ming, Rosanna will retire by rotation under the provision of Article 111 of the Articles of Association of the Company at the forthcoming annual general meeting and, being eligible, offer themselves for re-election at the annual general meeting.

The Company received confirmation from all Independent Non-executive Directors of their independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company considered all the Independent Non-executive Directors as independent.

The Directors' biographical details are set out on pages 103 to 108.

Directors' Material Interests in Transactions, Arrangements or Contracts

A letter of undertaking dated 9 January 2015 was given by the Company to the Husky Sale Shares Purchaser that on completion of the acquisition by the Husky Sale Shares Purchaser of 61,357,010 common shares in Husky Energy from the Husky Sale Shares Vendor (a company indirectly wholly owned by the trust of which Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor, both Directors of the Company, are settlor and discretionary beneficiary respectively) pursuant to an agreement dated 9 January 2015 between the Husky Sale Shares Purchaser and the Husky Sale Shares Vendor, the Company would allot and issue 84,427,246 shares of the Company to the Husky Sale Shares Vendor as a consideration (the "Husky Share Exchange"). Two guarantee agreements dated 9 January 2015 were also entered into between HWL and the Husky Sale Shares Vendor and between the trustees of the trust and Husky Sale Shares Purchaser respectively in connection with the Husky Share Exchange.

Save for the above transaction, no transactions, arrangements or contracts of significance in relation to the businesses of the Company and its subsidiaries to which the Company or a subsidiary was a party in which a Director of the Company or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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Connected Transactions

During the year ended 31 December 2015 and up to the date of this report, the Group conducted the following transactions which constituted and/or would constitute connected transactions for the Company or Cheung Kong under the Listing Rules:

(1) The Husky Share Exchange and the Hutchison Proposal

On 9 January 2015, Cheung Kong (whose listing status on The Stock Exchange of Hong Kong Limited (the "SEHK") was replaced by the Company on 18 March 2015 and is currently a wholly owned subsidiary of the Company) and HWL (which was privatised by way of a scheme of arrangement on 3 June 2015 and is currently a wholly owned subsidiary of the Company) jointly announced the following proposals related to the reorganisation and combination of the businesses of Cheung Kong and its subsidiaries (the "Cheung Kong Group") and the HWL Group to create two new leading Hong Kong listed companies such that the Company will take over all the non-property businesses of both groups, and Cheung Kong Property Holdings Limited ("Cheung Kong Property") will combine the property businesses of both groups:

- (a) the Cheung Kong Reorganisation Proposal;
- (b) the merger proposal whereby it is proposed that, after completion of the Cheung Kong Reorganisation Proposal, the Husky Share Exchange and the Hutchison Proposal will be implemented subject to the fulfilment (or, where relevant, waiver) of their respective conditions precedent; and
- (c) the Spin-off Proposal.

The Husky Share Exchange

Pursuant to the agreement dated 9 January 2015, the Husky Sale Shares Purchaser agreed to acquire from the Husky Sale Shares Vendor 61,357,010 common shares ("Husky Shares", representing approximately 6.24% of common shares then issue) of Husky Energy, in exchange for the issue of 84,427,246 new shares of the Company credited as fully paid, representing a share exchange ratio of 1.376 new shares of the Company for every one Husky Share acquired.

The Husky Share Exchange was completed in the early morning on 3 June 2015 immediately prior to completion of the Hutchison Proposal.

The Trust, directly and indirectly through companies controlled by it, held approximately 40.43% of the issued shares of the Company upon completion of the Cheung Kong Reorganisation Proposal whereupon the relevant entities under the Trust and the Husky Sale Shares Vendor are connected persons of the Company. Accordingly, the issue of the shares of the Company to the Husky Sale Shares Vendor under the Husky Share Exchange constituted a connected transaction for the Company under the Listing Rules.

The Hutchison Proposal

As part of the Hutchison Proposal, the issue of the shares of the Company to the following connected persons of the Company who held or were interested in certain Hutchison Scheme Shares pursuant to the Hutchison Scheme constituted a connected transaction of the Company under the Listing Rules.

Names	Relationship with the Company as at the Hutchison Scheme record date on 2 June 2015	Number of Hutchison Scheme Shares in which the connected person was interested as at the Hutchison Scheme record date on 2 June 2015
The Trust	The relevant trustee (as trustee of the Trust) hold approximately 40.43% of the issued shares of the Company	11,496,000
Mr Li Ka-shing	Chairman and Executive Director	94,534,000
Mr Li Tzar Kuoi, Victor	Managing Director, Deputy Chairman and Executive Director	1,386,770
Mr Kam Hing Lam	Deputy Managing Director and Executive Director	100,000
Mr Leung Siu Hon	Non-executive Director	55,600
Mr Fok Kin Ning, Canning	Non-executive Director	6,010,875
Mr Frank John Sixt	Non-executive Director	200,000
Mr Chow Kun Chee, Roland	Non-executive Director	49,931
Mr George Colin Magnus	Non-executive Director	1,000,000
Mr Lee Yeh Kwong, Charles	Non-executive Director	1,135,358
Mr Yeh Yuan Chang, Anthony	Independent Non-executive Director	130,000
Mr Chow Nin Mow, Albert	Independent Non-executive Director	97
Ms Hung Siu-lin, Katherine	Independent Non-executive Director	34,000
Mr Li Tzar Kai, Richard	Son of Mr Li Ka-shing and brother of Mr Li Tzar Kuoi, Victor	110,000
	Total:	<u>116,242,631</u>

To the best of the knowledge, information and belief of the Directors, save for the above connected persons of the Company, the Hutchison Scheme Shareholders are third parties independent of the Company and its connected persons.

So far as the Directors are able to ascertain after making reasonable enquiries, the total original purchase cost of the above Hutchison Scheme Shares in which the above connected persons are interested was approximately HK\$6,900 million.

"Cheung Kong Reorganisation Proposal" means the proposal whereby the holding company of the Cheung Kong Group would be changed from Cheung Kong to the Company by way of a scheme of arrangement pursuant to Division 2 of Part 13 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

"DT1" means 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 Li Ka-Shing Unity Trustee Corporation Limited.

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"DT2" means 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 Li Ka-Shing Unity Trustcorp Limited.

"DT3" means 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 Li Ka-Shing Castle Trustee Corporation Limited.

"DT4" means 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 Li Ka-Shing Castle Trustcorp Limited.

"Husky Sale Shares Purchaser" means Hutchison Whampoa Europe Investments S.à r.l., an indirect wholly owned subsidiary of HWL.

"Husky Sale Shares Vendor" means L.F. Investments S.à r.l., an indirect wholly owned subsidiary of the Trust.

"Hutchison Proposal" means a conditional share exchange offer proposed by CK Global Investments Limited (now known as CK Hutchison Global Investments Limited, a wholly owned subsidiary of the Company) to the shareholders of HWL, other than those held by the Cheung Kong Group at the relevant record time (the "Hutchison Scheme Shareholders"), for the cancellation of all the shares of HWL other than those held by the wholly owned subsidiaries of Cheung Kong (the "Hutchison Scheme Shares"), in exchange for the newly issued shares of the Company by way of a scheme of arrangement, in the exchange ratio of one Hutchison Scheme Share for 0.684 share of the Company.

"Hutchison Scheme" means the proposed scheme of arrangement pursuant to Division 2 of Part 13 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) for the implementation of the Hutchison Proposal.

"Spin-off Proposal" means the proposed spin-off and distribution of the group property businesses of the Cheung Kong Group and the HWL Group, to the shareholders of the Company by way of the distribution in specie, and separate listing of the shares of Cheung Kong Property on the Main Board of the SEHK by way of introduction.

"Trust" means DT1, DT2, DT3, DT4, The Li Ka-Shing Unity Trust and The Li Ka-Shing Castle Trust, and where the context requires, any of them.

(2) Acquisition of Aircraft

The wholly owned subsidiaries of Cheung Kong entered into sale and purchase agreements with, among others, (a) GE Capital Aviation Services Limited to purchase a total of 21 aircraft for a total consideration of approximately US\$816,000,000 on 25 August 2014, (b) BOC Aviation Pte. Ltd. to purchase up to 10 aircraft for a total base purchase price of US\$492,000,000 on 4 November 2014, and (c) Jackson Square Aviation, LLC to purchase up to 14 aircraft for a consideration of US\$584,200,000 on 4 November 2014.

Further, on 4 November 2014, Harrier Global Limited ("Harrier Global", an indirect wholly owned subsidiary of Cheung Kong) entered into a subscription agreement (the "Subscription Agreement") pursuant to which Harrier Global and MC Aviation Partners Inc. ("MCAP") agreed, on a 60:40 basis, to subscribe for the equity interest in JV Aviation (HK) Limited (the "JV Company", now known as Vermillion Aviation Holdings Limited) which will indirectly hold a portfolio of up to 15 aircraft at a consideration payable by the Cheung Kong Group of up to US\$132,000,000. The aggregate base purchase price of the 15 aircraft is expected to be approximately US\$733,500,000.

On 27 January 2015, Cheung Kong, Harrier Global, MCAP, the JV Company, Li Ka Shing (Overseas) Foundation (“LKSOFF”) and Vermilion Global Limited (“VGL”, a wholly owned subsidiary of LKSOFF) entered into a deed of amendment (the “Deed of Amendment”) to amend the Subscription Agreement by the adoption of an amended subscription agreement (the “Amended Agreement”). Under the Amended Agreement, (i) the parties agreed to vary the shareholding structure of the JV Company, by including VGL as a shareholder, and (ii) Harrier Global, MCAP and VGL agreed to subscribe for 50%, 40% and 10% of the equity interest of the JV Company, respectively, for an aggregate maximum consideration of approximately US\$110 million, US\$88 million and US\$22 million, respectively.

Given that LKSOFF may be regarded as an associate of each of Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor, Directors of Cheung Kong, LKSOFF is thus a connected person of Cheung Kong. Therefore, the entering into by Cheung Kong and/or Harrier Global of the transactions contemplated under the Deed of Amendment, the Amended Agreement and the shareholders agreement between Harrier Global, MCAP, VGL and the JV Company, constituted a connected transaction for Cheung Kong under the Listing Rules.

Continuing Connected Transactions

On 5 May 2015, the Company entered into an agreement (the “Master Leasing Agreement”) with Cheung Kong Property in respect of the leasing and licensing by members of the Cheung Kong Property group to members of the Group of premises (including office space, car parks and building areas but excluding hotel premises) owned by the Cheung Kong Property group (the “Leasing Transactions”) for the period from 3 June 2015 to 31 December 2017.

Pursuant to the Master Leasing Agreement, relevant members of the Group and relevant members of the Cheung Kong Property group would enter into separate lease, tenancy or licence agreements with respect to each of the Leasing Transactions to be entered into between them. The terms of, and the consideration payable under, such agreements would be negotiated on a case-by-case and arm's length basis, with normal commercial terms which, from the Group's perspective, would be no less favourable than those which the relevant members of the Group could obtain from independent landlords, lessors or licensors of comparable premises. In particular, the rental or licence fee payable would be at market rates, and the Group would seek competitive quotes (including conducting a comparison of prices of a sufficient number of independent landlords, lessors or licensors of comparable premises in the market) for management review with a view to ensuring that the rental or licence fees payable by the Group to the relevant members of the Cheung Kong Property group are reasonable, having regard to the size, location, facilities and conditions of the premises required. The management/service fees chargeable by the Cheung Kong Property group to the relevant member of the Group would be the same as those chargeable by the Cheung Kong Property group to other tenants or licensees of the same building or property.

Whilst Cheung Kong Property does not fall within the scope of connected persons of the Company under the relevant provisions of the Listing Rules, Cheung Kong Property has been deemed by the SEHK to be a connected person of the Company under the Listing Rules following completion of the Spin-off Proposal. Accordingly, the Leasing Transactions would constitute continuing connected transactions of the Company under the Listing Rules (the “Continuing Connected Transactions”).

The Company announced on 4 June 2015 that the maximum aggregate annual amount payable by the Group in respect of the Leasing Transactions for the year ended 31 December 2015, and for the two years ending 31 December 2016 and 31 December 2017 determined pursuant to Rule 14A.53 of the Listing Rules was not to exceed HK\$683 million, HK\$763 million and HK\$856 million respectively.

The aggregate amount paid by the Group in respect of the Leasing Transactions for the year ended 31 December 2015 which is subject to the annual review requirements under the Listing Rules are approximately HK\$370 million.

All the Independent Non-executive Directors of the Company have reviewed and confirmed that the Continuing Connected Transactions had been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better and (c) according to the respective relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

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Based on the work performed, the auditor of the Company has confirmed in a letter to the Board that nothing has come to its attention which causes it to believe that:

- (i) the Continuing Connected Transactions have not been approved by the Board;
- (ii) the Continuing Connected Transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (iii) the total transaction value of the Continuing Connected Transactions has exceeded the maximum aggregate annual cap amounts in respect of the Continuing Connected Transactions as disclosed in the announcement of the Company dated 4 June 2015.

A summary of all related parties transactions entered into by the Group during the year ended 31 December 2015 is contained in note 43 to the consolidated financial statements. Save the transaction in relation to the acquisition of HWL pursuant to the Hutchison Proposal resulted in the consolidation of a traded debt securities issued by Husky Energy purchased by a subsidiary of HWL as described in note 43 falls under the definition of "connected transaction" under the Listing Rules and was disclosed previously by HWL pursuant to the Listing Rules, all other related parties transactions as described in note 43 do not fall under the definition of "connected transaction" or "continuing connected transaction" under the Listing Rules.

The Company or Cheung Kong (as appropriate) has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the year ended 31 December 2015.

Directors' Service Contract

None of the Directors of the Company who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

Permitted Indemnity Provisions

The Articles of Association of the Company provides that every Director of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, and against any loss in respect of his personal liability for the payment of any sum primarily due from the Company. Directors Liability Insurance is in place to protect the Directors of the Company or its subsidiaries against potential costs and liabilities arising from claims brought against the Directors.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures are set out in the section "Information on Directors" on pages 110 to 116.

Interests and Short Positions of Shareholders Discloseable under the Securities and Futures Ordinance

So far as is known to the Directors and chief executive of the Company, as at 31 December 2015, other than the interests of the Directors and chief executive of the Company as disclosed in the section titled "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" under "Information on Directors", the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the SEHK:

(I) Interests and short positions of substantial shareholders in the shares and underlying shares of the Company

Long positions in the shares of the Company

Names	Capacity	Number of shares Held	Approximate % of Shareholding
Li Ka-Shing Unity Trustee Corporation Limited ("TDT1") as trustee of The Li Ka-Shing Unity Discretionary Trust	Trustee and beneficiary of a trust	1,001,953,744 ⁽¹⁾	25.96%
Li Ka-Shing Unity Trustcorp Limited ("TDT2") as trustee of another discretionary trust	Trustee and beneficiary of a trust	1,001,953,744 ⁽¹⁾	25.96%
Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of The Li Ka-Shing Unity Trust ("UT1")	Trustee	1,001,953,744 ⁽¹⁾	25.96%

(II) Interests and short positions of other persons in the shares and underlying shares of the Company

(a) Long positions in the shares and underlying shares of the Company

Name	Capacity	Number of Shares/ Underlying Shares Held	Total	Approximate % of Shareholding
JPMorgan Chase & Co.	Beneficial owner	63,944,107)		
	Investment manager	56,831,708)		
	Trustee	26,651)		
	Custodian corporation/ approved lending agent	173,860,094)		
			294,662,560 ⁽²⁾	7.63%

(b) Short positions in the shares and underlying shares of the Company

Name	Capacity	Number of Shares/ Underlying Shares Held	Total	Approximate % of Shareholding
JPMorgan Chase & Co.	Beneficial owner	48,972,044	48,972,044 ⁽³⁾	1.26%

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(c) Lending pool in the shares and underlying shares of the Company

Name	Capacity	Number of Shares/ Underlying Shares Held	Total	Approximate % of Shareholding
JPMorgan Chase & Co.	Custodian corporation/ approved lending agent	173,860,094	173,860,094	4.50%

Notes:

- (1) The three references to 1,001,953,744 shares of the Company relate to the same block of shares of the Company. Of these 1,001,953,744 shares of the Company, 913,378,704 shares of the Company are held by TUT1 as trustee of UT1 and 88,575,040 shares of the Company are held by companies controlled by TUT1 as trustee of UT1. Each of TDT1, TDT2 and TUT1 is taken to have a duty of disclosure in relation to the said shares of the Company as described in Note (1)(a) under the section titled "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" in "Information on Directors" under the SFO.
- (2) Such long position includes derivative interests in 28,714,402 underlying shares of the Company of which 1,056,456 underlying shares are derived from listed and physically settled derivatives, 146,500 underlying shares are derived from listed and cash settled derivatives, 717,726 underlying shares are derived from unlisted and physically settled derivatives and 26,793,720 underlying shares are derived from unlisted and cash settled derivatives.
- (3) Such short position includes derivative interests in 48,823,044 underlying shares of the Company of which 1,058,336 underlying shares are derived from listed and physically settled derivatives, 1,358,165 underlying shares are derived from listed and cash settled derivatives, 620,823 underlying shares are derived from unlisted and physically settled derivatives and 45,785,720 underlying shares are derived from unlisted and cash settled derivatives.

Save as disclosed above, as at 31 December 2015, no other person (other than the Directors and chief executive of the Company) had any interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the SEHK.

Equity-Linked Agreements

Save for the letter of undertaking dated 9 January 2015 given by the Company to the Husky Sale Shares Purchaser as set out in the paragraph "Directors' Material Interests in Transactions, Arrangements or Contracts" in this report, no equity-linked agreements that will or may result in the Company issuing shares nor require the Company to enter into an agreement that will or may result in the Company issuing shares was entered into by the Company during the year or subsisted at the end of the year.

Share Option Schemes

The Company or Cheung Kong (as appropriate) has no share option scheme, but certain of the Company's subsidiary companies have adopted share option schemes. The principal terms of such share option schemes are summarised as follows:

(I) Hutchison 3G UK Holdings Limited ("3 UK")

On 20 May 2004, 3 UK, which has been a subsidiary of the Company since 3 June 2015, adopted a share option scheme (the "3 UK Plan") for the grant of options to acquire ordinary shares in the share capital of 3 UK ("3 UK Shares"). The 3 UK Plan is valid and effective during the period commencing on 20 May 2004 and ending on 20 May 2014, being the tenth anniversary of the date on which the 3 UK Plan was adopted. Following 20 May 2014, no further share options can be granted under the 3 UK Plan but the provisions of the 3 UK Plan will remain in full force and effect to the extent necessary to give effect to the exercise of any share options granted prior to the end of the validity period, or otherwise to the extent as may be required in accordance with the provisions of the 3 UK Plan. A summary of the 3 UK Plan is as follows:

- (1) The purpose of the 3 UK Plan is to provide 3 UK with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to 3 UK Eligible Employees (as defined below).
- (2) Share options may be granted to the eligible employees of 3 UK (the "3 UK Eligible Employees"), being:
 - (a) any employee of 3 UK and any other company of which 3 UK has control from time to time (collectively the "3 UK Participating Company"); or
 - (b) any director of any 3 UK Participating Company who is required to devote to his duty substantially the whole of his working hours being not less than 25 hours per week.
- (3) Any grant of share options shall be by the remuneration committee of the board of directors of 3 UK (the "3 UK Remuneration Committee") subject always to any limits and restrictions specified in the rules of the 3 UK Plan as amended from time to time.
- (4) A 3 UK Eligible Employee is not required to pay for the grant of a share option under the 3 UK Plan.
- (5) Unless otherwise determined by the 3 UK Remuneration Committee and stated in the offer of the grant of share options to a 3 UK Eligible Employee, there is no minimum period required under the 3 UK Plan for the holding of a share option before it can be exercised.
- (6) The subscription price will be: (a) in the case of the one-time initial grants of share options recognising the long service and ongoing contribution of the founders and other 3 UK Eligible Employees, who were 3 UK Eligible Employees prior to 31 March 2001 and who at the date on which a share option is granted under the 3 UK Plan (the "3 UK Grant Date") remain so employed, and who the 3 UK Remuneration Committee determines should receive such an initial grant, the price as determined by the 3 UK Remuneration Committee (not being less than £1.00 per share); and (b) in any other case the market value of the 3 UK Shares at the 3 UK Grant Date as determined by the 3 UK Remuneration Committee but in any event not being less than the nominal value (if any) of such 3 UK Share at the 3 UK Grant Date.

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- (7) In respect of any share option granted either: (i) after the Company has resolved to seek a separate listing of 3 UK and up to the date of the listing; or (ii) during the period commencing six months before the lodgement of Form A1 to the SEHK in relation to a listing on the Main Board of the SEHK (or an equivalent application in the case of a listing on the Growth Enterprise Market of the SEHK, London Stock Exchange plc or an overseas exchange) up to the date of listing, and where the subscription price notified to a share option holder is less than the issue price of the 3 UK Shares on listing, the subscription price shall be adjusted to the issue price of the 3 UK Shares on listing and no share option (to which the rules of the 3 UK Plan applies) shall be exercised at a subscription price below such issue price.
- (8) Subject always to paragraph (9) below, no share option shall be granted under the 3 UK Plan which would, at the 3 UK Grant Date, cause the number of 3 UK Shares which shall have been or may be issued under the 3 UK Plan and under any share option scheme of 3 UK (the "3 UK Option Plan Shares") to exceed 5% of the number of 3 UK Shares in the capital of 3 UK in issue as at 20 May 2004, being the date of passing of the relevant resolution approving the 3 UK Plan, unless approved by the shareholders of both 3 UK and the Company in general meetings in accordance with the requirements of the Listing Rules (as at the date of this report, the total number of 3 UK Shares available for issue under the 3 UK Plan (including the share options granted but yet to be exercised) is 162,750, which represented 0.004% of the total number of 3 UK Shares in issue as at that date).
- (9) No share option shall be granted under the 3 UK Plan which would, at the 3 UK Grant Date, cause the number of 3 UK Option Plan Shares to exceed 4% of the number of 3 UK Shares in issue at the date of approval of the 3 UK Plan without the prior written consent of the Board.
- (10) The total number of 3 UK Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the 3 UK Plan and under any other share option scheme of 3 UK must not exceed 30% of the 3 UK Shares in issue from time to time.
- (11) The total number of 3 UK Shares issued and to be issued upon the exercise of the share options granted to each 3 UK Eligible Employee (including exercised, cancelled and outstanding share options) in any 12-month period must not exceed 1% of the issued share capital of 3 UK, unless approved by the shareholders of 3 UK and the Company in general meetings (with such 3 UK Eligible Employee and his associates (as defined in the Listing Rules) abstaining from voting) in compliance with the requirements of the Listing Rules.

A share option may be exercised in whole or in part by the share option holder or, where appropriate, by his legal personal representatives at any time during the period commencing with a listing and terminating with the lapse of the relevant share option. Share options must be exercised within the period of 10 years from the 3 UK Grant Date.

Particulars of share options outstanding under the 3 UK Plan at the beginning and at the end of the financial year ended 31 December 2015 and share options granted, exercised, cancelled or lapsed under the 3 UK Plan during the year were as follows:

Category of participant	Effective date of grant or date of grant of share options ⁽¹⁾	Number of share options held as at 1 January 2015	Granted during 2015	Exercised during 2015	Lapsed/ cancelled during 2015	Number of share options held as at 31 December 2015	Exercise period of share options	Exercise price of share options £	Price of 3 UK Share on grant date of share options ⁽³⁾ £	Price of 3 UK Share on exercise date of share options £
Employees in aggregate	27.1.2005	90,000	–	–	(90,000)	–	From Listing ⁽²⁾ to 26.1.2015	1.35	1.00	N/A
	11.7.2005	130,000	–	–	(130,000)	–	From Listing to 10.7.2015	1.35	1.00	N/A
	7.9.2007	222,750	–	–	(60,000)	162,750	From Listing to 6.9.2017	1.35	1.00	N/A
Total:		442,750	–	–	(280,000)	162,750				

Notes:

- (1) The share options granted to certain founders of 3 UK shall vest as to 50% on the date of (and immediately following) a Listing, as to a further 25% on the date one calendar year after a Listing and as to the final 25% on the date two calendar years after a Listing. The share options granted to non-founders of 3 UK shall vest as to one-third on the date of (and immediately following) a Listing, as to a further one-third on the date one calendar year after a Listing and as to the final one-third on the date two calendar years after a Listing.
- (2) Listing refers to an application to be made to the Financial Services Authority for admission to the official list of the ordinary share capital of 3 UK or to have the 3 UK Shares admitted to trading on AIM, a market regulated by the London Stock Exchange, or in the United Kingdom or elsewhere.
- (3) Nominal value of 3 UK Shares on date of grant set out for reference only.

As at the date of this report, 3 UK had 162,750 share options outstanding under the 3 UK Plan, which represented approximately 0.004% of the 3 UK Shares in issue as at that date.

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(II) Hutchison China MediTech Limited (“Chi-Med”)

On 18 May 2006, Chi-Med, which has been a subsidiary of the Company since 3 June 2015, adopted a share option scheme (the “Chi-Med Plan”) for the grant of options to acquire ordinary shares in the share capital of Chi-Med (the “Chi-Med Shares”). The Chi-Med Plan is valid and effective during the period commencing on 18 May 2006 and ending on 17 May 2016, being the date falling 10 years from the date on which the Chi-Med Plan was adopted. The Chi-Med Plan has a remaining term of approximately two months as at the date of this report. A summary of the Chi-Med Plan is as follows:

- (1) The purpose of the Chi-Med Plan is to provide Chi-Med with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Chi-Med Eligible Persons (as defined below).
- (2) Share options may be granted to a “Chi-Med Eligible Person”, being any person who is (or will be on and following the date of offer of the relevant option) a director (other than an independent non-executive director) or an employee of Chi-Med, its listed parent company (which is currently the Company) and any of its subsidiaries, and any holding company, subsidiaries or affiliates of Chi-Med or other companies which the board of directors of Chi-Med (the “Chi-Med Board”) determines will be subject to the Chi-Med Plan, who is notified by the Chi-Med Board that he or she is an eligible person. Actual participation is at the discretion of the Chi-Med Board.
- (3) Share option holders are not required to pay for the grant of any share option.
- (4) Unless otherwise determined by the Chi-Med Board and stated in the offer of the grant of share options to a Chi-Med Eligible Person, there is no minimum period required under the Chi-Med Plan for the holding of a share option before it can be exercised.
- (5) Subject to any adjustment according to the rules of the Chi-Med Plan, the subscription price shall be:
 - (a) in the case of the one-time initial grants of share options by Chi-Med under the Chi-Med Plan to founders and non-founders prior to the Chi-Med Listing (as defined below), the price determined by the Chi-Med Board and notified to the relevant share option holder; and
 - (b) in respect of any other share option, the Market Value (as defined below) of the Chi-Med Shares as at the offer date,

where “Market Value” on any particular day on or after the Chi-Med Listing means the higher of: (a) the average of the closing prices of the Chi-Med Shares on the five dealing days immediately preceding the offer date; (b) the closing price of the Chi-Med Shares as stated on a recognised stock exchange’s daily quotations sheet of such shares on the offer date; and (c) the nominal value of the Chi-Med Shares.

- (6) The maximum number of Chi-Med Shares which may be allotted and issued pursuant to the Chi-Med Plan is subject to the following:
- (a) the total number of Chi-Med Shares which may be issued upon the exercise of all options to be granted under all share option schemes of Chi-Med must not in aggregate exceed 5% of the Chi-Med Shares in issue on the date on which the Chi-Med Shares are listed to trading on a recognised stock exchange (including the AIM) (the "Chi-Med Listing");
 - (b) the Chi-Med Board may refresh and recalculate the limit in paragraph (6)(a) above by reference to the issued share capital of Chi-Med then prevailing with the approval of the shareholders of its listed parent company (which is currently the Company) if required under the Listing Rules in a general meeting, provided that the total number of Chi-Med Shares issued and issuable pursuant to the exercise of share options under all share option schemes of Chi-Med may not exceed 10% of the issued ordinary share capital on the date of the approval of the refreshed limit. Share options previously granted under the Chi-Med Plan and any other employee share schemes of Chi-Med (including those outstanding, cancelled, lapsed or exercised) will not be counted for the purpose of calculating the limit as refreshed. As at the date of this report, the total number of Chi-Med Shares available for issue under the Chi-Med Plan (including the share options granted but yet to be exercised) is 454,013, which represented approximately 0.75% of the total number of Chi-Med Shares in issue as at that date;
 - (c) share options may be granted to any Chi-Med Eligible Person(s) specifically identified by the Chi-Med Board in excess of the limit, including the refreshed limit, under paragraphs (6)(a) and (6)(b) above, with the approval of the shareholders of Chi-Med in a general meeting and by the shareholders of the listed parent company, if required under the Listing Rules and subject to paragraphs (6)(d) and (6)(e) below, and restrictions on grant to key individuals under the Chi-Med Plan;
 - (d)
 - (i) no Chi-Med Eligible Person may be granted a share option if, as a result, the total number of Chi-Med Shares over which that Chi-Med Eligible Person holds share options granted in the previous 12 months, when added to the number of Chi-Med Shares, the subject of the proposed grant, would exceed 1% of the issued ordinary share capital of Chi-Med on that date; and
 - (ii) notwithstanding paragraph (6)(d)(i) above, share options may be granted to any Chi-Med Eligible Person(s) which would cause the limit under paragraph (6)(d)(i) above to be exceeded, but only with the approval of the shareholders of the listed parent in a general meeting (with such Chi-Med Eligible Person and his/her associates abstaining from voting) and subject to paragraph (6)(e) below; and
 - (e) the total number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Chi-Med Plan and under any other share option scheme of Chi-Med must not exceed 10% of the Chi-Med Shares in issue from time to time.

Subject to and in accordance with the rules of the Chi-Med Plan, a share option may be exercised during a period which is notified at the offer date of the share option, such period will not exceed the period of 10 years from such offer date.

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Particulars of share options outstanding under the Chi-Med Plan at the beginning and at the end of the financial year ended 31 December 2015 and share options granted, exercised, cancelled or lapsed under the Chi-Med Plan during the year were as follows:

Name or category of participant	Effective date of grant or date of share options	Number of share options held as at 1 January 2015	Granted during 2015	Exercised during 2015	Lapsed/cancelled during 2015	Number of share options held as at 31 December 2015	Exercise period of share options	Exercise price of share options £	Price of Chi-Med Share on grant date of share options £	Price of Chi-Med Share on exercise date of share options £
Director										
Cheng Chig Fung, Johnny	25.8.2008 ⁽¹⁾	64,038	–	(64,038)	–	–	25.8.2008 to 24.8.2018	1.26	1.26 ⁽⁴⁾	13.25 ⁽⁵⁾
Other employees in aggregate										
	11.9.2006 ⁽²⁾	26,808	–	–	–	26,808	11.9.2006 to 18.5.2016	1.715	1.715 ⁽⁴⁾	N/A
	18.5.2007 ⁽³⁾	40,857	–	(3,000)	–	37,857	18.5.2007 to 17.5.2017	1.535	1.535 ⁽⁴⁾	17.75 ⁽⁵⁾
	1.12.2010 ⁽¹⁾	100,000	–	(100,000)	–	–	1.12.2010 to 30.11.2020	4.967	4.85 ⁽⁴⁾	17.75 ⁽⁵⁾
	24.6.2011 ⁽¹⁾	150,000	–	(75,000)	–	75,000	24.6.2011 to 23.6.2021	4.405	4.4 ⁽⁴⁾	18.02 ⁽⁵⁾
	20.12.2013 ⁽¹⁾	302,700	–	–	–	302,700	20.12.2013 to 19.12.2023	6.1	6.1 ⁽⁴⁾	N/A
Total:		684,403	–	(242,038)	–	442,365				

Notes:

- (1) The share options granted are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of 25% on each of the first, second, third and fourth anniversaries of the date of grant of share options.
- (2) The share options granted are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of one-third on each of 19 May 2007, 19 May 2008 and 19 May 2009.
- (3) The share options granted are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of one-third on each of the first, second and third anniversaries of the date of grant of share options.
- (4) The stated price was the closing price of the Chi-Med Shares quoted on AIM on the trading day immediately prior to the date of grant of share options.
- (5) The stated price was the weighted average closing price of the Chi-Med Shares quoted on AIM on the trading day immediately prior to the date on which the share options were exercised.

As at the date of this report, Chi-Med had 442,365 share options outstanding under the Chi-Med Plan, which represented approximately 0.73% of the Chi-Med Shares in issue as at that date.

No share option was granted under the Chi-Med Plan during the year ended 31 December 2015.

(III) Hutchison Telecommunications (Australia) Limited (“HTAL”)

On 1 June 2007, HTAL, which has been a subsidiary of the Company since 3 June 2015, adopted a share option plan (the “HTAL Plan”) for the grant of options to acquire ordinary shares in the share capital of HTAL (the “HTAL Shares”). The HTAL Plan is valid and effective during the period commencing on 1 June 2007 and ending on 31 May 2017, being the date falling 10 years from the date on which the HTAL Plan was adopted. The HTAL Plan has a remaining term of approximately one year as at the date of this report. A summary of the HTAL Plan is as follows:

- (1) The purpose of the HTAL Plan is to provide HTAL with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to HTAL Eligible Persons (as defined below).
- (2) Share options may be granted to any person who is a full time or part time employee (including a director employed in an executive capacity) or a non-executive director (including any independent non-executive director) of HTAL and any of its related body corporate (within the meaning given by section 50 of the Corporations Act 2001 (Cth) of the Commonwealth of Australia (the “Corporations Act”)) (the “HTAL Eligible Person”) and is declared by the board of directors of HTAL (the “HTAL Board”) to be an eligible person for the purposes of the HTAL Plan. The HTAL Board may, at its discretion, grant a right to a HTAL Eligible Person to acquire (in the case of a share option that has an exercise price, by subscription or purchase) HTAL Shares (the “Right”).
- (3) No payment is required for the grant of a Right unless the HTAL Board determines otherwise.
- (4) Unless otherwise determined by the HTAL Board and stated in the offer of the grant of share options to a HTAL Eligible Person, there is no minimum period required under the HTAL Plan for the holding of a share option before it can be exercised.
- (5) The exercise price (if any) for a Right, subject to any adjustment according to the rules of the HTAL Plan, will be determined by the HTAL Board or by the application of a method of calculating the exercise price that is prescribed by the HTAL Board provided that it shall not be less than the higher of:
 - (a) the closing price of the HTAL Shares as quoted by the Australian Securities Exchange (“ASX”) on the grant date; and
 - (b) the average closing price of the HTAL Shares as quoted by the ASX for the five business days immediately preceding the grant date.

A HTAL Share does not have any nominal value.

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- (6) The maximum number of HTAL Shares which may be allotted and issued pursuant to the HTAL Plan is as follows:
- (a) the maximum number of HTAL Shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the HTAL Plan and any other share option scheme of HTAL or any of its subsidiaries ("Other HTAL Plan") must not in aggregate exceed 30% of the HTAL Shares in issue from time to time;
 - (b) the total number of HTAL Shares which may be allotted and issued upon the exercise of all Rights and share options (excluding, for this purpose, Rights and share options which have lapsed in accordance with the terms of the HTAL Plan and Other HTAL Plan) to be granted under the HTAL Plan and Other HTAL Plan must not in aggregate exceed 10% of the HTAL Shares in issue as at 1 June 2007 (the "Adoption Date"), being the date of passing the relevant resolution adopting the HTAL Plan (the "HTAL General Scheme Limit") provided that:
 - (i) subject to paragraph (6)(a) above and without prejudice to paragraph (6)(b)(ii) below, the HTAL Board may, with the approval of the shareholders of the Company in a general meeting if required to do so and in compliance with other applicable requirements under the Listing Rules, refresh the HTAL General Scheme Limit provided that the total number of HTAL Shares which may be allotted and issued upon the exercise of all Rights and share options under the HTAL Plan and Other HTAL Plan must not exceed 10% of the HTAL Shares in issue at the date on which shareholders of the Company approve such refreshed limit (where applicable) and for the purpose of calculating the limit, the Rights and share options (including those outstanding, cancelled, lapsed or exercised in accordance with the HTAL Plan and Other HTAL Plan) previously granted under the HTAL Plan and Other HTAL Plan will not be counted; and
 - (ii) subject to paragraph (6)(a) and without prejudice to paragraph (6)(b)(i) above, the HTAL Board may, with the approval of the Company's shareholders in a general meeting if required to do so and in compliance with the other applicable requirements under the Listing Rules, grant Rights beyond the HTAL General Scheme Limit or, if applicable, the extended limit referred to in paragraph (6)(b)(i) to the participants specifically identified by the HTAL Board before such approval is sought;
 - (c) the limits prescribed in this paragraph are subject to any issue limitation prescribed in the Australian Securities & Investments Commission Class Order 03/184 (or any such replacement or amendment). As at the Adoption Date, the Class Order prescribes a limit of that number of HTAL Shares to be issued on exercise of a Right when aggregated with:
 - (i) the number of HTAL Shares which would be issued were each outstanding Right to be exercised; and
 - (ii) the number of HTAL Shares issued during the previous five years pursuant to the HTAL Plan or any other employee share plan,

(but disregarding any Rights acquired or HTAL Shares issued by way of, or as a result of, an offer to a person situated at the time of receipt of the offer outside Australia, or an offer that was an excluded offer or invitation within the meaning of the Corporations Act, or an offer that did not require disclosure to investors or the giving of a product disclosure statement because of section 1012D of the Corporations Act, or an offer made under a disclosure document or product disclosure statement) shall not exceed 5% of the total number of HTAL Shares at the time of the grant date of such Right; and
 - (d) the total number of HTAL Shares issued and to be issued upon the exercise of the share options granted to each participant in the HTAL Plan or Other HTAL Plan (including both exercised and outstanding share options) in any 12-month period must not exceed 1% of the issued share capital of HTAL, unless approved by the shareholders of the Company in a general meeting (with such participant and his associates (as defined in the Listing Rules) abstaining from voting) in compliance with the requirements of the Listing Rules.

Subject to, and in accordance with, the rules of the HTAL Plan, a Right lapses on the date stated by the HTAL Board in the offer of the Rights as the "Expiry Date", or fixed by a method of calculation prescribed by the HTAL Board in the offer being no later than the date falling 10 years from the grant date of the Right.

As at the date of this report, the total number of HTAL Shares available for issue under the HTAL Plan is 35,431,271 shares which represented approximately 0.26% of the HTAL Shares in issue as at that date.

There were no share options outstanding under the HTAL Plan during the financial year ended 31 December 2015 nor any share option was granted, exercised, cancelled or lapsed under the HTAL Plan during the year.

(IV) Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH")

On 6 April 2009, HTHKH, which has been a subsidiary of the Company since 3 June 2015, conditionally adopted a share option scheme (the "HTHKH Plan") for the grant of options to acquire ordinary shares in the share capital of HTHKH (the "HTHKH Shares"). The HTHKH Plan is valid and effective during the period commencing on 21 May 2009 and ending on 20 May 2019, being the date falling 10 years from the date on which the HTHKH Plan became unconditional. The HTHKH Plan has a remaining term of approximately three years as at the date of this report. A summary of the HTHKH Plan is as follows:

- (1) The purpose of the HTHKH Plan is to enable HTHKH and its subsidiaries (the "HTHKH Group") to grant share options to selected participants as incentives or rewards for their contribution to the HTHKH Group, to continue and/or render improved service with the HTHKH Group and/or to establish a stronger business relationship between the HTHKH Group and such participants.
- (2) The directors of HTHKH (the "HTHKH Directors") (which expression shall include a duly authorised committee thereof) may, at their absolute discretion, invite any person belonging to any of the following classes of participants to take up share options to subscribe for HTHKH Shares:
 - (a) any employee or consultant (as to functional areas of finance, business or personnel administration or information technology) (whether full time or part time, including any executive director but excluding any non-executive director) of HTHKH, any of its subsidiaries or any entity in which any member of the HTHKH Group holds any equity interest (the "HTHKH Invested Entity");
 - (b) any non-executive directors (including independent non-executive directors) of HTHKH, any of its subsidiaries or any HTHKH Invested Entity;
 - (c) any supplier of goods or services to any member of the HTHKH Group or any HTHKH Invested Entity;
 - (d) any customer of any member of the HTHKH Group or any HTHKH Invested Entity;
 - (e) any person or entity that provides research, development or other technological support to any member of the HTHKH Group or any HTHKH Invested Entity;
 - (f) any shareholders of any member of the HTHKH Group or any HTHKH Invested Entity or any holder of any securities issued by any member of the HTHKH Group or any HTHKH Invested Entity;
 - (g) any other group or classes of participants contributing by way of joint venture, business alliance or other business arrangement to the development and growth of the HTHKH Group; and

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(h) any company wholly owned by any one or more persons belonging to any of the above classes of participants.

For the avoidance of doubt, the grant of any share options by HTHKH for the subscription of HTHKH Shares or other securities of the HTHKH Group to any person who falls within any of the above classes of participants shall not, by itself, unless the HTHKH Directors otherwise determine, be construed as a grant of share options under the HTHKH Plan.

The eligibility of any of the above classes of participants to an offer for the grant of any share options shall be determined by the HTHKH Directors from time to time on the basis of their contribution to the development and growth of the HTHKH Group.

- (3) A nominal consideration of HK\$1 is payable on acceptance of the offer of the grant of a share option.
- (4) Unless otherwise determined by the HTHKH Directors and stated in the offer of grant of the share options to a grantee, there is no minimum period required under the HTHKH Plan for the holding of a share option before it can be exercised.
- (5) The subscription price for the HTHKH Shares under the HTHKH Plan shall be a price determined by the HTHKH Directors but shall not be less than the highest of (a) the closing price of HTHKH Shares as stated in the daily quotations sheet of the SEHK for trade in one or more board lots of the HTHKH Shares on the date of the offer of grant of the share options which must be a business day; (b) the average closing price of the HTHKH Shares as stated in the SEHK's daily quotations sheet for trade in one or more board lots of the HTHKH Shares for the five business days immediately preceding the date of the offer of grant of the share options which must be a business day; and (c) the nominal value of HTHKH Shares.
- (6) The maximum number of HTHKH Shares which may be allotted and issued pursuant to the HTHKH Plan is as follows:
 - (a) the maximum number of HTHKH Shares which may be allotted and issued upon the exercise of all outstanding share options granted and yet to be exercised under the HTHKH Plan and any other share option scheme adopted by the HTHKH Group ("Other HTHKH Plan") must not in aggregate exceed 30% of the relevant class of securities of HTHKH (or its subsidiaries) in issue from time to time;
 - (b) the total number of HTHKH Shares which may be allotted and issued upon the exercise of all share options (excluding, for this purpose, share options which have lapsed in accordance with the terms of the HTHKH Plan and Other HTHKH Plan) to be granted under the HTHKH Plan and Other HTHKH Plan must not in aggregate exceed 10% of the relevant class of securities of HTHKH (or its subsidiaries) in issue, being 4,814,346,208 HTHKH Shares, as at 8 May 2009, the date on which the HTHKH Shares were first listed on the SEHK (the "HTHKH Listing Date") (the "HTHKH General Scheme Limit"). Based on the number of HTHKH Shares in issue on the HTHKH Listing Date, the HTHKH General Scheme Limit of the HTHKH Plan is 481,434,620 HTHKH Shares. As at the date of this report, the total number of HTHKH Shares available for issue under the HTHKH Plan (including the share options granted but yet to be exercised) is 476,884,620, representing approximately 9.90% of the total number of HTHKH Shares in issue as at that date;
 - (c) subject to paragraph (6)(a) above and without prejudice to paragraph (6)(d) below, HTHKH may seek approval of its shareholders (the "HTHKH Shareholders") in a general meeting to refresh the HTHKH General Scheme Limit (a circular containing the information required by the Listing Rules to be despatched to the HTHKH Shareholders for that purpose) provided that the total number of HTHKH Shares which may be allotted and issued upon the exercise of all share options to be granted under the HTHKH Plan and Other HTHKH Plan must not exceed 10% of the relevant class of securities of HTHKH (or its subsidiaries) in issue as at the date of approval of the limit and, for the purpose of calculating the limit, share options including those outstanding, cancelled, lapsed or exercised in accordance with the HTHKH Plan and Other HTHKH Plan previously granted under the HTHKH Plan and Other HTHKH Plan will not be counted;

- (d) subject to paragraph (6)(a) above and without prejudice to paragraph (6)(c) above, HTHKH may seek separate approval of the HTHKH Shareholders in a general meeting to grant share options under the HTHKH Plan beyond the HTHKH General Scheme Limit (a circular containing the information required by the Listing Rule to be despatched to the HTHKH Shareholders for that purpose) or, if applicable, the extended limit referred to in paragraph (6)(c) above to participants specifically identified by HTHKH before such approval is sought; and
- (e) the total number of HTHKH Shares issued and to be issued upon the exercise of the share options granted to each participant under the HTHKH Plan and Other HTHKH Plan (including both exercised and outstanding share options) in any 12-month period must not exceed 1% of the issued share capital of HTHKH, unless approved by the HTHKH Shareholders in a general meeting (with such participant and his associates (as defined in the Listing Rules) abstaining from voting) in compliance with the requirements of the Listing Rules.

A share option may be accepted by a participant within 21 days from the date of the offer of grant of the share option.

A share option may be exercised in accordance with the terms of the HTHKH Plan at any time during a period to be determined on the date of offer of grant of the share option and notified by the HTHKH Directors to each grantee, which period may commence, once the offer for the grant is accepted within the prescribed time by the grantee, from the date on which such share option is deemed to have been granted but shall end in any event not later than 10 years from the date on which the offer for grant of the share option is made, subject to the provisions for early termination thereof.

Particulars of share options outstanding under the HTHKH Plan at the beginning and at the end of the financial year ended 31 December 2015 and share options granted, exercised, cancelled or lapsed under the HTHKH Plan during the year were as follows:

Category of participant	Date of grant of share options ⁽¹⁾	Number of share options held as at 1 January 2015	Granted during 2015	Exercised during 2015	Lapsed/ cancelled during 2015	Number of share options held as at 31 December 2015	Exercise period of share options	Exercise price of share options ⁽²⁾ HK\$	Price of HTHKH Share on grant date of share options ⁽³⁾ HK\$	Price of HTHKH Share on exercise date of share options HK\$
Employees in aggregate	1.6.2009	200,000	–	–	–	200,000	1.6.2009 to 31.5.2019	1.00	0.96	N/A
Total:		200,000	–	–	–	200,000				

Notes:

- (1) The share options were vested according to a schedule, namely, as to as close to one-third of the HTHKH Shares which are subject to the share options as possible on each of 1 June 2009, 23 November 2009 and 23 November 2010, and provided that for the vesting to occur the grantee has to remain an Eligible Participant (as defined in the HTHKH Plan) on such vesting date.
- (2) The exercise price of the share options is subject to adjustment in accordance with the provisions of the HTHKH Plan.
- (3) The stated price was the closing price of the HTHKH Shares on the SEHK on the trading day immediately prior to the date of grant of the share options.

As at the date of this report, HTHKH had 200,000 share options outstanding under the HTHKH Plan, which represented approximately 0.004% of the HTHKH Shares in issue as at that date.

No share option was granted under the HTHKH Plan during the year ended 31 December 2015.

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(V) Hydros핀 Monitoring Solutions Ltd ("Hydros핀")

On 11 June 2015, Hydros핀, which has been a subsidiary of the Company since 3 June 2015, adopted the share option scheme (the "Hydros핀 Plan") for the grant of options to acquire ordinary shares in the share capital of Hydros핀 (the "Hydros핀 Shares"). The Hydros핀 Plan is valid and effective during the period commencing on 11 June 2015 and ending on 10 June 2025, being the date falling 10 years from the date on which the Hydros핀 Plan was adopted. The Hydros핀 Plan has a remaining term of approximately nine years as at the date of this report. A summary of the Hydros핀 Plan is as follows:

- (1) The purpose of the Hydros핀 Plan is to enable Hydros핀 to grant share options to selected participants as incentives or rewards for their contribution to Hydros핀 and its subsidiaries (the "Hydros핀 Group"), to continue and/or render improved service with the Hydros핀 Group, and/or to establish a stronger business relationship between the Hydros핀 Group and such participants.
- (2) The directors of Hydros핀 (the "Hydros핀 Directors") (which expression shall include a duly authorised committee thereof) may, at their absolute discretion, invite any person belonging to any of the following classes of participants to take up share options to subscribe for the Hydros핀 Shares:
 - (a) any employee or consultant (as to functional areas of finance, business or personnel administration or information technology) (whether full time or part time, including any executive director but excluding any non-executive director) of Hydros핀, any of its subsidiaries or any entity in which any member of the Hydros핀 Group holds an equity interest (the "Hydros핀 Invested Entity");
 - (b) any non-executive directors (including independent non-executive directors) of Hydros핀, any of its subsidiaries or any Hydros핀 Invested Entity;
 - (c) any supplier of goods or services to any member of the Hydros핀 Group or any Hydros핀 Invested Entity;
 - (d) any customer of any member of the Hydros핀 Group or any Hydros핀 Invested Entity;
 - (e) any person or entity that provides research, development or other technological support to any member of the Hydros핀 Group or any Hydros핀 Invested Entity;
 - (f) any shareholder of any member of the Hydros핀 Group or any Hydros핀 Invested Entity or any holder of any securities issued by any member of the Hydros핀 Group or any Hydros핀 Invested Entity;
 - (g) any other group or classes of participants contributing by way of joint venture, business alliance or other business arrangement to the development and growth of the Hydros핀 Group; and
 - (h) any company wholly owned by any one or more persons belonging to any one or more of the above classes of participants.

The eligibility of any of the above classes of participants to a grant of share options shall be determined by the Hydros핀 Directors from time to time on the basis of their contribution to the development and growth of the Hydros핀 Group.

- (3) Share option holders are not required to pay for the acceptance of a grant of share options.
- (4) Unless otherwise determined by the Hydros핀 Directors and stated in the offer of grant of the share options to a grantee, there is no minimum period required under the Hydros핀 Plan for the holding of a share option before it can be exercised.

- (5) The subscription price for the Hydrospin Shares under the Hydrospin Plan shall be a price determined by the Hydrospin Directors but shall, if the Hydrospin Shares are traded on a stock exchange (the "Stock Exchange", being the SEHK or other principal stock exchange in Hong Kong for the time being or such other stock exchange which is the principal stock exchange (as determined by the Hydrospin Directors) on which the relevant shares are for the time being listed or traded), not be less than the highest of (a) the closing price of the Hydrospin Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Hydrospin Shares on the date of the offer of grant of the share options which must be a day on which the banks in the State of Israel are open for business (the "Israel Business Day"); (b) the average closing price of the Hydrospin Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Hydrospin Shares for the five Israel Business Days immediately preceding the date of the offer of grant of the share options which must be an Israel Business Day; and (c) the nominal value of a Hydrospin Share.

The subscription price of any share option granted within the period commencing six months before the listing of the Hydrospin Shares on a Stock Exchange up to the listing date of the Hydrospin Shares on a Stock Exchange shall be adjusted immediately following such listing, at the discretion of the Hydrospin Directors, provided that such subscription price shall not be lower than the new issue price.

- (6) The maximum number of the Hydrospin Shares which may be allotted and issued pursuant to the Hydrospin Plan is as follows:
- (a) the maximum number of the Hydrospin Shares which may be allotted and issued upon the exercise of all outstanding share options granted and yet to be exercised under the Hydrospin Plan and any other share option scheme adopted by the Hydrospin Group ("Other Hydrospin Plan") shall not exceed 30% of the relevant class of securities of Hydrospin (or its subsidiaries) in issue from time to time;
 - (b) the total number of the Hydrospin Shares which may be allotted and issued upon the exercise of all share options (excluding, for this purpose, share options which have lapsed in accordance with the terms of the Hydrospin Plan and Other Hydrospin Plan) to be granted under the Hydrospin Plan and Other Hydrospin Plan must not in aggregate exceed 10% of the relevant class of securities of Hydrospin (or its subsidiaries) in issue as at the date the Hydrospin Plan is approved and adopted by the Hydrospin Directors (the "Hydrospin General Scheme Limit"). Based on the number of the Hydrospin Shares in issue on the date the Hydrospin Plan is approved and adopted, the Hydrospin General Scheme Limit of the Hydrospin Plan is 122 Hydrospin Shares. As at the date of this report, the total number of Hydrospin Shares available for issue under the Hydrospin Plan is 122, representing approximately 10% of the total number of the Hydrospin Shares in issue as at that date;
 - (c) subject to paragraph 6(a) above and without prejudice to paragraph 6(d) below, the Company may seek approval of its shareholders (the "CKHH Shareholders") in a general meeting to refresh the Hydrospin General Scheme Limit (a circular containing the information required by the Listing Rules to be despatched to the CKHH Shareholders for that purpose) provided that the total number of the Hydrospin Shares which may be allotted and issued upon the exercise of all share options to be granted under the Hydrospin Plan and Other Hydrospin Plan must not exceed 10% of the relevant class of securities of Hydrospin (or its subsidiaries) in issue as at the date of approval of the limit and, for the purpose of calculating the limit, share options (including those outstanding, cancelled, lapsed or exercised in accordance with the Hydrospin Plan and Other Hydrospin Plan) previously granted under the Hydrospin Plan and Other Hydrospin Plan will not be counted;
 - (d) subject to paragraph 6(a) above and without prejudice to paragraph 6(c) above, the Company may seek separate approval of the CKHH Shareholders in a general meeting to grant share options under the Hydrospin Plan beyond the Hydrospin General Scheme Limit (a circular containing the information required by the Listing Rules to be despatched to the CKHH Shareholders for that purpose) or, if applicable, the extended limit referred to in paragraph 6(c) above to participants specifically identified by Hydrospin before such approval is sought; and

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- (e) the total number of the Hydrosphin Shares issued, and which may fall to be issued, upon the exercise of the share options granted under the Hydrosphin Plan and Other Hydrosphin Plan (including both exercised or outstanding share options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the relevant class of securities of Hydrosphin for the time being unless approved by the CKHH Shareholders in a general meeting (with such participant and his associates (as defined in the Listing Rules) abstaining from voting) in compliance with the requirements of the Listing Rules.

A share option may be exercised in accordance with the terms of the Hydrosphin Plan at any time during a period (which may not expire later than 10 years from the date of grant of the share option) to be determined on the date of grant of the share option and notified by the Hydrosphin Directors to each grantee, and in the absence of such determination, from the date on which such share option is deemed to have been granted to the date falling 10 years from the date of grant of the share option subject to the provisions for early termination thereof.

No share options were granted under the Hydrosphin Plan during the year ended 31 December 2015 and up to the date of this report.

(VI) Aquarius Spectrum Ltd (“Aquarius”)

On 8 July 2015, Aquarius, which has been a subsidiary of the Company since 3 June 2015, adopted the share option scheme (the “Aquarius Plan”) for the grant of options to acquire ordinary shares in the share capital of Aquarius (the “Aquarius Shares”). The Aquarius Plan is valid and effective during the period commencing on 8 July 2015 and ending on 7 July 2025, being the date falling 10 years from the date on which the Aquarius Plan was adopted. The Aquarius Plan has a remaining term of approximately nine years as at the date of this report. A summary of the Aquarius Plan is as follows:

- (1) The purpose of the Aquarius Plan is to enable Aquarius to grant share options to selected participants as incentives or rewards for their contribution to Aquarius and its subsidiaries (the “Aquarius Group”), to continue and/or render improved service with the Aquarius Group and/or to establish a stronger business relationship between the Aquarius Group and such participants.
- (2) The directors of Aquarius (the “Aquarius Directors”) (which expression shall include a duly authorised committee thereof) may, at their absolute discretion, invite any person belonging to any of the following classes of participants to take up share options to subscribe for the Aquarius Shares:
 - (a) any employee or consultant (as to functional areas of finance, business or personnel administration or information technology) (whether full time or part time, including any executive director but excluding any non-executive director) of Aquarius, any of its subsidiaries or any entity in which any member of the Aquarius Group holds an equity interest (the “Aquarius Invested Entity”);
 - (b) any non-executive directors (including independent non-executive directors) of Aquarius, any of its subsidiaries or any Aquarius Invested Entity;
 - (c) any supplier of goods or services to any member of the Aquarius Group or any Aquarius Invested Entity;
 - (d) any customer of any member of the Aquarius Group or any Aquarius Invested Entity;
 - (e) any person or entity that provides research, development or other technological support to any member of the Aquarius Group or any Aquarius Invested Entity;
 - (f) any shareholder of any member of the Aquarius Group or any Aquarius Invested Entity or any holder of any securities issued by any member of the Aquarius Group or any Aquarius Invested Entity;
 - (g) any other group or classes of participants contributing by way of joint venture, business alliance or other business arrangement to the development and growth of the Aquarius Group; and

(h) any company wholly owned by any one or more persons belonging to any one or more of the above classes of participants.

The eligibility of any of the above classes of participants to a grant of share options shall be determined by the Aquarius Directors from time to time on the basis of their contribution to the development and growth of the Aquarius Group.

- (3) Share option holders are not required to pay for the acceptance of a grant of share options.
- (4) Unless otherwise determined by the Aquarius Directors and stated in the offer of grant of the share options to a grantee, there is no minimum period required under the Aquarius Plan for the holding of a share option before it can be exercised.
- (5) The subscription price for the Aquarius Shares under the Aquarius Plan shall be a price determined by the Aquarius Directors but shall, if the Aquarius Shares are traded on a Stock Exchange, not be less than the highest of (a) the closing price of the Aquarius Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Aquarius Shares on the date of the offer of grant of the share options which must be an Israel Business Day; (b) the average closing price of the Aquarius Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Aquarius Shares for the five Israel Business Days immediately preceding the date of the offer of grant of the share options which must be an Israel Business Day; and (c) the nominal value of a Aquarius Share.

The subscription price of any share option granted within the period commencing six months before the listing of the Aquarius Shares on a Stock Exchange up to the listing date of the Aquarius Shares on a Stock Exchange shall be adjusted immediately following such listing, at the discretion of the Aquarius Directors, provided that such subscription price shall not be lower than the new issue price.

- (6) The maximum number of the Aquarius Shares which may be allotted and issued pursuant to the Aquarius Plan is as follows:
 - (a) the maximum number of the Aquarius Shares which may be allotted and issued upon the exercise of all outstanding share options granted and yet to be exercised under the Aquarius Plan and any other share option scheme adopted by the Aquarius Group ("Other Aquarius Plan") shall not exceed 30% of the relevant class of securities of Aquarius (or its subsidiaries) in issue from time to time;
 - (b) the total number of the Aquarius Shares which may be allotted and issued upon the exercise of all share options (excluding, for this purpose, share options which have lapsed in accordance with the terms of the Aquarius Plan and Other Aquarius Plan) to be granted under the Aquarius Plan and Other Aquarius Plan must not in aggregate exceed 10% of the relevant class of securities of Aquarius (or its subsidiaries) in issue as at the date the Aquarius Plan is approved and adopted by the Aquarius Directors (the "Aquarius General Scheme Limit"). Based on the number of the Aquarius Shares in issue on the date the Aquarius Plan is approved and adopted, the Aquarius General Scheme Limit of the Aquarius Plan is 2,645 Aquarius Shares. As at the date of this report, the total number of Aquarius Shares available for issue under the Aquarius Plan is 2,645, representing approximately 4.79% of the total number of the Aquarius Shares in issue as at that date;
 - (c) subject to paragraph 6(a) above and without prejudice to paragraph 6(d) below, the Company may seek approval of the CKHH Shareholders in a general meeting to refresh the Aquarius General Scheme Limit (a circular containing the information required by the Listing Rules to be despatched to the CKHH Shareholders for that purpose) provided that the total number of the Aquarius Shares which may be allotted and issued upon the exercise of all share options to be granted under the Aquarius Plan and Other Aquarius Plan must not exceed 10% of the relevant class of securities of Aquarius (or its subsidiaries) in issue as at the date of approval of the limit and, for the purpose of calculating the limit, share options (including those outstanding, cancelled, lapsed or exercised in accordance with the Aquarius Plan and Other Aquarius Plan) previously granted under the Aquarius Plan and Other Aquarius Plan will not be counted;

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- (d) subject to paragraph 6(a) above and without prejudice to paragraph 6(c) above, the Company may seek separate approval of the CKHH Shareholders in a general meeting to grant share options under the Aquarius Plan beyond the Aquarius General Scheme Limit (a circular containing the information required by the Listing Rules to be despatched to the CKHH Shareholders for that purpose) or, if applicable, the extended limit referred to in paragraph 6(c) above to participants specifically identified by Aquarius before such approval is sought; and
- (e) the total number of the Aquarius Shares issued, and which may fall to be issued, upon the exercise of the share options granted under the Aquarius Plan and Other Aquarius Plan (including both exercised or outstanding share options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the relevant class of securities of Aquarius for the time being unless approved by the CKHH Shareholders in a general meeting (with such participant and his associates (as defined in the Listing Rules) abstaining from voting) in compliance with the requirements of the Listing Rules.

A share option may be exercised in accordance with the terms of the Aquarius Plan at any time during a period (which may not expire later than 10 years from the date of grant of the share option) to be determined on the date of grant of the share option and notified by the Aquarius Directors to each grantee, and in the absence of such determination, from the date on which such share option is deemed to have been granted to the date falling 10 years from the date of grant of the share option subject to the provisions for early termination thereof.

No share options were granted under the Aquarius Plan during the year ended 31 December 2015 and up to the date of this report.

Save as disclosed above, at no time during the year was the Company or a subsidiary a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisitions of shares in, or debentures of, the Company or any other body corporate.

Management Contracts

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

Purchase, Sale or Redemption of Listed Shares

During the year, neither the Company or Cheung Kong (as appropriate) nor any of their subsidiaries has purchased or sold any of the listed shares of the Company or Cheung Kong (as appropriate). In addition, the Company or Cheung Kong (as appropriate) has not redeemed any of its listed shares during the year.

Pre-emptive Rights

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

Major Customers and Suppliers

During the year, the respective percentage of purchases attributable to the Group's five largest suppliers combined and the turnover attributable to the Group's five largest customers combined was less than 30% of the total value of Group purchases and total Group turnover.

Sufficiency of Public Float

As at the date of this report, based on information that is publicly available to the Company and within the knowledge of the Directors of the Company, approximately 69% of the issued shares of the Company was held by the public.

Auditor

The financial statements have been audited by PricewaterhouseCoopers, Certified Public Accountants, who will retire and, being eligible, offer themselves for re-appointment at the 2016 annual general meeting.

By order of the Board

Edith Shih

Company Secretary

Hong Kong, 17 March 2016