

Report of the Directors

The Directors have pleasure in submitting to shareholders their report and statement of audited accounts for the year ended 31 December 2013.

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 265 to 270.

Group Profit

The Consolidated Income Statement is set out on page 158 and shows the Group profit for the year ended 31 December 2013.

Dividends

An interim dividend of HK\$0.6 per share was paid to shareholders on 11 September 2013 and the Directors recommend the declaration of a final dividend of HK\$1.7 per share payable on 3 June 2014 to all persons registered as holders of shares on 22 May 2014, 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 45 to the accounts on pages 263 to 264 and the Consolidated Statement of Changes in Equity on pages 162 to 164 respectively.

Charitable Donations

Donations to charitable organisations by the Group during the year amounted to approximately HK\$71,000,000 (2012 - approximately HK\$62,000,000).

Fixed Assets

Particulars of the movements of fixed assets are set out in note 13 to the accounts.

Share Capital

Details of the share capital of the Company are set out in note 32 to the accounts.

Directors

As at 31 December 2013, 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 Lai Kai Ming, Dominic, Mr Kam Hing Lam, The Hon Sir Michael David Kadoorie, Mr Holger Kluge, Ms Lee Wai Mun, Rose, Mr Lee Yeh Kwong, Charles, Mr George Colin Magnus, Mr William Elkin Mocatta (Alternate Director to The Hon Sir Michael David Kadoorie), Mr William Shurniak and Mr Wong Chung Hin.

On 18 January 2013, Mr Lee Yeh Kwong, Charles was appointed as a Non-executive Director.

The Board is pleased to welcome the appointment of Mr Lee Yeh Kwong, Charles.

Messrs Fok Kin Ning, Canning, Lai Kai Ming, Dominic, Kam Hing Lam, William Shurniak and Wong Chung Hin will retire by rotation under the provision of Article 85 of the Articles of Association of the Company at the forthcoming annual general meeting and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The Company received confirmation from the 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 107 to 110.

Interest in Contracts

No 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 had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Connected Transactions

During the year ended 31 December 2013 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 under the Listing Rules:

- (1) On 16 June 2013, Cheung Kong Infrastructure Holdings Limited ("CKI", a non-wholly owned listed subsidiary of the Company), Cheung Kong (Holdings) Limited ("Cheung Kong"), Power Assets Holdings Limited ("Power Assets") and Li Ka Shing Foundation Limited ("LKSFL") entered into the JV Agreement in relation to the formation of a joint venture for the purpose of the Acquisition through the JV Companies.

Given that Cheung Kong is a connected person of the Company by virtue of it being a substantial shareholder of the Company and that LKSFL may be regarded as an associate of each of Mr Li Ka-shing, a director of the Company, and Mr Li Tzar Kuoi, Victor, a director of each of the Company and CKI, and so a connected person of the Company, the entering into of the JV Transaction by CKI constituted a connected transaction for the Company under the Listing Rules.

On the same date, VAN GANSEWINKEL GROEP B.V., an independent third party, as the vendor and the Guarantors as the guarantors to the Bidco entered into a signing protocol, pursuant to which, the Guarantors confirmed the Bidco's final, binding and irrevocable offer to purchase the Sale Shares in accordance with and subject to the terms of the Share Purchase Agreement.

Funding to the JV Transaction would be by way of a combination of equity and/or shareholders' loans from each of CKI, Cheung Kong, Power Assets and LKSFL, acting through one or more of their respective subsidiaries on a 35:35:20:10 basis pro rata to their respective equity interests in the Holdco. Based on the purchase price of EUR943,680,000 (approximately HK\$9,774,165,600) (subject to adjustment as detailed in the Announcement), the estimated costs and expenses associated with the JV Transaction and the Acquisition and the working capital requirements of the JV Companies, the aggregate subscription price and/or shareholders' loans to be paid by each of CKI, Cheung Kong and Power Assets, through one or more of their respective subsidiaries, would be up to approximately EUR332,500,000 (approximately HK\$3,443,868,750), EUR332,500,000 (approximately HK\$3,443,868,750) and EUR190,000,000 (approximately HK\$1,967,925,000) respectively. Completion of the obligations of the parties under the JV Agreement will be conditional on the entering into of the Share Purchase Agreement and the satisfaction of the conditions precedent contained therein. The JV Agreement shall terminate and cease to have any further effect upon termination of the Share Purchase Agreement in accordance with its terms.

On 6 August 2013, the Share Purchase Agreement was executed and a shareholders' agreement was entered into amongst CKI, Cheung Kong, Power Assets, LKSFL, the Holdco, the Bidco and the Holdco Shareholders to regulate, among other things, the funding and management of the Holdco, the Bidco and the Target Company and its subsidiaries. Completion of the Acquisition occurred on 28 August 2013.

Report of the Directors

"Announcement" means an announcement dated 16 June 2013 jointly issued by the Company, Cheung Kong, CKI and Power Assets.

"Acquisition" means the acquisition of the Sale Shares by the Bidco from the vendor pursuant to the Share Purchase Agreement.

"Bidco" means First NL Limited B.V., a private limited liability company incorporated under the laws of the Netherlands pursuant to the JV Agreement and a wholly owned subsidiary of the Holdco.

"Guarantors" means CKI, Cheung Kong, Power Assets and LKSFL.

"Holdco" means CK NL 1 Holding B.V., a private limited liability company incorporated under the laws of the Netherlands pursuant to the JV Agreement.

"Holdco Shareholders" means collectively Global Magnate Limited (a wholly owned subsidiary of Cheung Kong), Girasol Enterprises Limited (a wholly owned subsidiary of CKI), Kind Eagle Investment Limited (a wholly owned subsidiary of Power Assets) and Gerbera Investments Limited (a wholly owned subsidiary of LKSFL).

"JV Agreement" means the joint venture agreement entered into by the Guarantors on 16 June 2013.

"JV Companies" means Bidco and Holdco.

"JV Transaction" means the entering into of JV Agreement by the Guarantors in relation to the JV Companies.

"Sale Shares" means 46,308 ordinary shares with a nominal value of EUR1 each in the capital of the Target Company, constituting 100% of the issued share capital of the Target Company.

"Share Purchase Agreement" means the share purchase agreement entered into amongst the vendor, the Bidco and the Guarantors on 6 August 2013 in relation to the Acquisition.

"Target Company" means AVR-Afvalverwerking B.V., a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid), incorporated under the laws of the Netherlands, having its official seat in Rotterdam, the Netherlands.

- (2) The Company announced on 29 August 2013 that Viewin Holdings Limited ("Viewin", an indirect wholly owned subsidiary of the Company) and Cheung Kong (China Property Development) Limited ("CKCPD", an indirect wholly owned subsidiary of Cheung Kong) as the sellers, GCREF Acquisitions 22 Limited (the "Purchaser", a third party independent of the Company and its connected persons) as the purchaser and Hutchison Properties Limited ("HPL", an indirect holding company of Viewin and an indirect wholly owned subsidiary of the Company) as guarantor of Viewin entered into the Share Purchase Deed pursuant to which, among others, (i) Viewin has agreed to sell, and the Purchaser has agreed to purchase, one share (the "Rhine Rise Share") in the capital of and representing the entire issued share capital of Rhine Rise Limited ("Rhine Rise", a wholly owned subsidiary of Viewin) for a cash consideration of US\$179,491,766 (approximately HK\$1,392,281,729) (subject to adjustments); (ii) Viewin has agreed to assign, and the Purchaser has agreed to accept the assignment of, all the loans owing by Rhine Rise to Viewin (the "Rhine Rise Loan") as at the date of the completion of the Rhine Rise Disposal (as defined below) which were interest free and repayable on demand at US\$31,188,082 (approximately HK\$241,919,713) (subject to foreign exchange adjustment); and (iii) CKCPD has agreed to sell, and the Purchaser has agreed to purchase, 10,056 shares in the capital of and representing the entire issued share capital of Barbina Enterprises Limited ("BEL", a wholly owned subsidiary of CKCPD) for a cash consideration of US\$210,679,848 (approximately HK\$1,634,201,442) representing the USD equivalent of RMB1,300,000,000 (subject to adjustments). Upon completion of the sale of the Rhine Rise Share and the assignment of the Rhine Rise Loan on 29 November 2013 (the "Rhine Rise Disposal"), Rhine Rise ceased to be a subsidiary of the Company.

Afford Limited ("Afford", owned as to 50% by each of Rhine Rise and BEL) is the foreign joint venture partner holding the entire registered capital of 和記黃埔地產(廣州荔灣)有限公司 (Hutchison Whampoa Properties (Guangzhou Liwan) Limited) which in turn owns the property of Metropolitan Plaza and all its motor vehicles parking lots located at basement levels one and two, the Senior Care Centre as well as the related land use right and is principally engaged in the sale, lease, operation and management of self-built commercial and residential buildings and their ancillary facilities on the plot.

The obligations and liabilities of Viewin and CKCPD as sellers under the Share Purchase Deed are several (but not joint and several) and shall be borne by them on a 50:50 basis.

CKCPD is an indirect wholly owned subsidiary of Cheung Kong and therefore an associate of Cheung Kong. Cheung Kong is a controller of the Company by virtue of being a controlling shareholder of the Company holding approximately 49.97% of the issued share capital in the Company.

Given that the Rhine Rise Disposal involves Viewin disposing of its shareholding interest in Rhine Rise and where CKCPD and BEL, both being substantial shareholders of Afford which is 50% owned by Rhine Rise, are associates of a controller of the Company, the Rhine Rise Disposal constituted a connected transaction for the Company under the Listing Rules.

- (3) The Company announced on 18 October 2013 that HPL Property Investments Limited ("HPLPI", an indirect wholly owned subsidiary of the Company) and Even Spread Limited ("ESL", an indirect wholly owned subsidiary of Cheung Kong) as the sellers, HYZL Development Co. Limited ("Purchaser A"), HYZL Investment Co. Limited ("Purchaser B") and Diamond Gate Group Limited ("Purchaser C"), all being third parties independent of the Company and its connected persons, as the purchasers, HPL as guarantor of HPLPI and Cheung Kong Holdings (China) Limited ("CKHC", an indirect wholly owned subsidiary of Cheung Kong) as guarantor of ESL entered into a sale and purchase agreement (the "Sale and Purchase Agreement") pursuant to which, among others, (i) HPLPI has agreed to sell, and Purchaser B and Purchaser C have agreed to purchase, 94% and 6% respectively of all issued shares of Extreme Selection Investments Limited ("Extreme Selection") owned by HPLPI (representing 47% and 3% respectively of the issued share capital of Extreme Selection) for an aggregate cash consideration of US\$577.5 million (approximately HK\$4,478 million) (subject to adjustments) (the "HPLPI Disposal"); and (ii) ESL has agreed to sell, and Purchaser A and Purchaser C have agreed to purchase, 94% and 6% respectively of all issued shares of Extreme Selection owned by ESL (representing the remaining 47% and 3% of the issued share capital of Extreme Selection) for an aggregate cash consideration of US\$577.5 million (approximately HK\$4,478 million) (subject to adjustments).

Extreme Selection is the immediate holding company of 上海長大房地產有限公司 (Shanghai Cheung Tai Property Development Limited*, a wholly foreign owned enterprise) which in turn is the developer of a commercial property located at No. 333, Lujiazui Ring Road, Pudong New District, Shanghai, the People's Republic of China as well as the related land use rights.

The obligations and liabilities of HPLPI and ESL as sellers under the Sale and Purchase Agreement and the obligations and liabilities of HPL as the guarantor of HPLPI and those of CKHC as the guarantor of ESL are several (but not joint and several).

ESL is an indirect wholly owned subsidiary of Cheung Kong and therefore an associate of Cheung Kong. Cheung Kong is a controller of the Company by virtue of being a controlling shareholder of the Company holding approximately 49.97% of the issued share capital in the Company.

Given that the HPLPI Disposal involves HPLPI disposing of its shareholding interest in Extreme Selection where ESL, being a substantial shareholder of Extreme Selection, is an associate of a controller of the Company, the HPLPI Disposal constituted a connected transaction for the Company under the Listing Rules.

* Name translated for reference purpose only.

Continuing Connected Transactions

- (1) On 7 October 2011, the Company provided the 2011 Guarantees on a several basis in respect of 80.35% of the respective obligations of TOM Group Limited ("TOM", a listed company which was owned as to approximately 25.56%, 24.47% and 12.23% by Cranwood Company Limited ("Cranwood") and its subsidiaries (together the "Cranwood Group"), subsidiaries of the Company and of Cheung Kong respectively) under each of the 2011 Term and Revolving Facilities and the Amended 2009 Term and Revolving Facilities agreed to be made available to TOM by four independent financial institutions respectively (the "2011 TOM Continuing Connected Transactions").

"Amended 2009 Term and Revolving Facilities" means the 2009 Term and Revolving Facilities, as amended and restated pursuant to the respective Supplemental Deeds, for HK\$140 million (fully drawn term loan) and up to HK\$60 million (revolving facility), and HK\$300 million (fully drawn term loan) and up to HK\$100 million (revolving facility) respectively, all with a final maturity date falling 36 months after 7 October 2011.

"Supplemental Deeds" means collectively, the two separate deeds both entered into by, inter alia, the Company and Cheung Kong as guarantors and TOM as borrower on 7 October 2011 pursuant to which the agreements for the 2009 Term and Revolving Facilities and the 2009 Guarantees are amended.

"2009 Guarantees" means the guarantees both provided on a several basis by the Company on 21 July 2009 in respect of 80.32% of TOM's respective obligations under the 2009 Term and Revolving Facilities.

"2009 Term and Revolving Facilities" means the two separate term and revolving facilities agreed to be made available to TOM by two independent financial institutions pursuant to two separate facility agreements entered into by TOM on 30 June 2009 and 21 July 2009 respectively for up to HK\$400 million and HK\$200 million respectively, all with a final maturity date falling 36 months after the respective agreement dates.

"2011 Guarantees" means collectively, the 2009 Guarantees (as amended and restated pursuant to the respective Supplemental Deeds) and 2011 New Guarantees.

"2011 New Guarantees" means the guarantees both provided on a several basis by the Company on 7 October 2011 in respect of 80.35% of TOM's respective obligations under the 2011 Term and Revolving Facilities.

"2011 Term and Revolving Facilities" means the two separate term and revolving facilities agreed to be made available to TOM by two independent financial institutions pursuant to two separate facility agreements entered into by TOM both on 7 October 2011 for up to HK\$1,300 million and HK\$300 million respectively, all with a final maturity date falling 36 months after 7 October 2011.

In consideration of the provision by the Company of the 2011 Guarantees, Cranwood had unconditionally and irrevocably agreed to indemnify the Company against 51.08% of the Company's obligations under the 2011 Guarantees (the "2011 Cranwood Indemnity") and the Cranwood Group had, among other things, charged an aggregate of 994,864,363 shares in TOM (representing its entire shareholding in, and comprising approximately 25.55% of the then total issued share capital of, TOM) in favour of the Company as security for the 2011 Cranwood Indemnity.

Cheung Kong is a connected person of the Company by virtue of being a substantial shareholder of the Company. Accordingly, the provision of the 2011 Guarantees for the benefit of TOM constituted connected transactions and continuing connected transactions for the Company under the Listing Rules.

- (2) On 16 December 2013, the Company provided four guarantees on a several basis in respect of 80.35% of the respective obligations of TOM under each of the 2013 Term and Revolving Facilities agreed to be made available to TOM by four independent financial institutions respectively (the "2013 Guarantees" or "2013 TOM Continuing Connected Transactions").

"2013 Term and Revolving Facilities" means the four separate term and revolving facilities agreed to be made available to TOM by four independent financial institutions pursuant to four separate facility agreements entered into by TOM on 16 December 2013 for up to HK\$1,700 million, HK\$600 million, HK\$300 million and HK\$300 million respectively, all with a final maturity date falling 36 months after 16 December 2013.

In consideration of the provision by the Company of the 2013 Guarantees, Cranwood had unconditionally and irrevocably agreed to indemnify the Company against 51.09% of the Company's obligations under the 2013 Guarantees (the "2013 Cranwood Indemnity") and the Cranwood Group had, among other things, charged an aggregate of 995,078,363 shares in TOM (representing its entire shareholding in, and comprising approximately 25.56% of the then total issued share capital of, TOM) in favour of the Company as security for the 2013 Cranwood Indemnity.

Cheung Kong is a connected person of the Company by virtue of being a substantial shareholder of the Company. Accordingly, the provision of the 2013 Guarantees for the benefit of TOM constituted connected transactions and continuing connected transactions for the Company under the Listing Rules.

A summary of all related parties transactions entered into by the Group during the year ended 31 December 2013 is contained in note 38 to the consolidated accounts. The transactions in relation to the acquisition of traded debt securities issued by Husky Energy Inc., the establishment of joint ventures with Cheung Kong and the provision of financial assistance for the benefit of such joint ventures as described in note 38 all fall under the definition of "connected transactions" or "continuing connected transactions" (as the case may be) under the Listing Rules, and are either disclosed previously pursuant to the Listing Rules or exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Rules 14A.31(2) or 14A.65(3) of the Listing Rules.

The Company 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 2013.

Annual Review of Continuing Connected Transactions

All the Independent Non-executive Directors of the Company have reviewed and confirmed that the 2011 TOM Continuing Connected Transactions and 2013 TOM Continuing Connected Transactions (together the "Continuing Connected Transactions") had been entered into on normal commercial terms and in accordance with 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.

Based on the work performed, the auditor of the Company has confirmed in a letter to the Board to the effect that the Continuing Connected Transactions:

- (i) have received approval of the Board;
- (ii) have been entered into in accordance with the respective relevant agreements governing such transactions; and
- (iii) have not exceeded 80.35% of the respective obligations of TOM under the loan facilities of an aggregate principal amount of up to HK\$2,200 million and HK\$2,900 million as disclosed in the announcements dated 7 October 2011 and 16 December 2013 respectively for the year ended 31 December 2013.

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).

Report of the Directors

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

So far as is known to any Directors or chief executive of the Company, as at 31 December 2013, 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 (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 Stock Exchange of Hong Kong Limited ("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

Name	Capacity	Number of shares held	Approximate % of shareholding
Li Ka-Shing Unity Trustee Corporation Limited ("TDT1")	Trustee and beneficiary of a trust	2,130,202,773 ⁽¹⁾	49.97%
Li Ka-Shing Unity Trustcorp Limited ("TDT2")	Trustee and beneficiary of a trust	2,130,202,773 ⁽¹⁾	49.97%
Li Ka-Shing Unity Trustee Company Limited ("TUT1")	Trustee	2,130,202,773 ⁽¹⁾	49.97%
Cheung Kong	Interest of controlled corporations	2,130,202,773 ⁽¹⁾	49.97%
Continental Realty Limited	Beneficial owner	465,265,969 ⁽²⁾	10.91%

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

Long positions in the shares of the Company

Name	Capacity	Number of shares held	Approximate % of shareholding
Honourable Holdings Limited	Interest of controlled corporations	322,942,375 ⁽²⁾	7.57%
Winbo Power Limited	Beneficial owner	236,260,200 ⁽²⁾	5.54%
Polycourt Limited	Beneficial owner	233,065,641 ⁽²⁾	5.47%
Well Karin Limited	Beneficial owner	226,969,600 ⁽²⁾	5.32%

Notes:

(1) The four references to 2,130,202,773 shares of the Company relate to the same block of shares of the Company which represent the total number of shares of the Company held by certain wholly owned subsidiaries of Cheung Kong where Cheung Kong is taken to be interested in such shares under the SFO. In addition, by virtue of the SFO, each of TDT1, TDT2 and TUT1 is deemed to be interested in the same 2,130,202,773 shares of the Company held by Cheung Kong as described in Note (1)(a) of the section titled "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" under "Information on Directors".

(2) These are wholly owned subsidiaries of Cheung Kong and their interests in the shares of the Company are duplicated in the interests of Cheung Kong.

Save as disclosed above, as at 31 December 2013, no other person (other than the Directors or 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 SEHK.

Share Option Schemes

The Company 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 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. As at the date of this report, the 3 UK Plan has a remaining term of approximately three months. 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.
- (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 SEHK in relation to a listing on the Main Board of SEHK (or an equivalent application in case of a listing on the Growth Enterprise Market of 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.

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- (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 222,274,337, which represented 5% 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 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 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 2013 and share options granted, exercised, cancelled or lapsed under the 3 UK Plan during the year are 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 2013	Granted during 2013	Exercised during 2013	Lapsed/cancelled during 2013	Number of share options held as at 31 December 2013	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	20.5.2004	230,000	-	-	(230,000)	-	From Listing ⁽²⁾ to 11.5.2013	1.35	1.00	N/A
	20.5.2004	280,000	-	-	-	280,000	From Listing to 14.5.2014	1.35	1.00	N/A
	27.1.2005	120,000	-	-	-	120,000	From Listing to 26.1.2015	1.35	1.00	N/A
	11.7.2005	160,000	-	-	-	160,000	From Listing to 10.7.2015	1.35	1.00	N/A
	7.9.2007	382,750	-	-	-	382,750	From Listing to 6.9.2017	1.35	1.00	N/A
Total:		1,172,750	-	-	(230,000)	942,750				

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 912,750 share options outstanding under the 3 UK Plan, which represented approximately 0.02 % of the 3 UK Shares in issue as at that date.

No share option was granted under the 3 UK Plan during the year ended 31 December 2013.

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

On 18 May 2006, Chi-Med 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 years 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, 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 (as defined below) 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.

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- (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 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 1,721,279, which represented approximately 3.31% 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 or Chi-Med Eligible Persons 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 or Chi-Med Eligible Persons 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 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.

Particulars of share options outstanding under the Chi-Med Plan at the beginning and at the end of the financial year ended 31 December 2013 and share options granted, exercised, cancelled or lapsed under the Chi-Med Plan during the year are 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 2013	Granted during 2013	Exercised during 2013	Lapsed/ cancelled during 2013	Number of share options held as at 31 December 2013	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 £
Directors										
Christian Hogg	19.5.2006 ⁽¹⁾	768,182	-	-	-	768,182	19.5.2006 to 3.6.2015	1.09	2.505 ⁽⁵⁾	N/A
Cheng Chig Fung, Johnny	25.8.2008 ⁽³⁾	64,038	-	-	-	64,038	25.8.2008 to 24.8.2018	1.26	1.26 ⁽⁶⁾	N/A
Sub-total:		832,220	-	-	-	832,220				
Other employees in aggregate										
	19.5.2006 ⁽¹⁾	76,818	-	-	-	76,818	19.5.2006 to 3.6.2015	1.09	2.505 ⁽⁵⁾	N/A
	11.9.2006 ⁽²⁾	26,808	-	-	-	26,808	11.9.2006 to 18.5.2016	1.715	1.715 ⁽⁶⁾	N/A
	18.5.2007 ⁽⁴⁾	43,857	-	(3,000)	-	40,857	18.5.2007 to 17.5.2017	1.535	1.535 ⁽⁶⁾	4.40 ⁽⁷⁾
	28.6.2010 ⁽³⁾	102,628	-	-	-	102,628	28.6.2010 to 27.6.2020	3.195	3.15 ⁽⁶⁾	N/A
	1.12.2010 ⁽³⁾	227,600	-	-	(50,000)	177,600	1.12.2010 to 30.11.2020	4.967	4.85 ⁽⁶⁾	N/A
	24.6.2011 ⁽³⁾	150,000	-	-	-	150,000	24.6.2011 to 23.6.2021	4.405	4.4 ⁽⁶⁾	N/A
	20.12.2013 ⁽³⁾	N/A	896,386	-	-	896,386	20.12.2013 to 19.12.2023	6.1	6.1 ⁽⁶⁾	N/A
Sub-total:		627,711	896,386	(3,000)	(50,000)	1,471,097				
Total:		1,459,931	896,386	(3,000)	(50,000)	2,303,317				

Notes:

- (1) The share options were granted on 4 June 2005, conditionally upon Chi-Med's admission to trading on the AIM which took place on 19 May 2006. The share options granted are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of 50% on 19 May 2007 and 25% on each of 19 May 2008 and 19 May 2009.
- (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 25% on each of the first, second, third and fourth anniversaries of the date of grant of share options.
- (4) 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.
- (5) The stated price was the closing price of the Chi-Med Shares quoted on the AIM on the date of admission of listing of the Chi-Med Shares.
- (6) The stated price was the closing price of the Chi-Med Shares quoted on the AIM on the trading day immediately prior to the date of grant of the share options.

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- (7) The stated price was the weighted average closing price of the Chi-Med Shares quoted on the 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 2,303,317 share options outstanding under the Chi-Med Plan, which represented approximately 4.43% of the Chi-Med Shares in issue as at that date.

The fair value of share options granted during the year, determined using the Binomial Model is as follows:

Value of each share option	£3.154
Significant inputs into the valuation model:	
Exercise price	£6.10
Share price at effective grant date	£6.10
Expected volatility	36%
Risk-free interest rate	3.16%
Expected life of share options	6.25 years
Expected dividend yield	0%

The volatility of the underlying stock during the life of the share options is estimated with reference to the volatility of Chi-Med seven years prior to the issuance of share options. Changes in such subjective input assumptions could affect the fair value estimate.

(III) Hutchison Harbour Ring Limited ("HHR")

On 20 May 2004, HHR conditionally adopted a share option scheme (the "HHR Plan") for the grant of options to acquire ordinary shares in the share capital of HHR (the "HHR Shares"). The HHR Plan is valid and effective during the period commencing on 17 September 2004 and ending on 16 September 2014, being the date falling 10 years from the date on which the HHR Plan became unconditional. The HHR Plan has a remaining term of approximately seven months as at the date of this report. A summary of the HHR Plan is as follows:

- (1) The purpose of the HHR Plan is to enable HHR and its subsidiaries (the "HHR Group") to grant share options to selected participants as incentives or rewards for their contribution to the HHR Group, to continue and/or render improved service with the HHR Group, and/or to establish a stronger business relationship between the HHR Group and such participants.
- (2) The directors of HHR (the "HHR 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 HHR Shares:
 - (a) any employee/consultant (as to functional areas of finance, business or personnel administration or information technology) or proposed employee/consultant (whether full time or part time, including any executive director but excluding any non-executive director) of HHR, any of its subsidiaries or any entity in which any member of the HHR Group holds any equity interest (the "HHR Invested Entity");
 - (b) any non-executive directors (including independent non-executive directors) of HHR, any of its subsidiaries or any HHR Invested Entity;
 - (c) any supplier of goods or services to any member of the HHR Group or any HHR Invested Entity;
 - (d) any customer of any member of the HHR Group or any HHR Invested Entity;
 - (e) any person or entity that provides research, development or other technological support to any member of the HHR Group or any HHR Invested Entity;
 - (f) any shareholder of any member of the HHR Group or any HHR Invested Entity or any holder of any securities issued by any member of the HHR Group or any HHR Invested Entity;

- (g) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the HHR Group; and
- (h) any company wholly owned by 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 HHR for the subscription of HHR Shares or other securities of the HHR Group to any person who falls within any of the above classes of participants shall not, by itself, unless the HHR Directors otherwise determine, be construed as a grant of share option under the HHR Plan.

The eligibility of any of the above class of participants to the grant of any share options shall be determined by the HHR Directors from time to time on the basis of their contribution to the development and growth of the HHR 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 HHR Directors and stated in the offer of the grant of share options to a grantee, there is no minimum period required under the HHR Plan for the holding of a share option before it can be exercised.
- (5) The subscription price for HHR Shares under the HHR Plan shall be a price determined by the HHR Directors but shall not be less than the highest of (a) the closing price of HHR Shares as stated in SEHK's daily quotations sheet for trade in one or more board lots of HHR Shares on the date of the offer of grant which must be a business day; (b) the average closing price of HHR Shares as stated in SEHK's daily quotations sheet for trade in one or more board lots of HHR Shares for the five trading days immediately preceding the date of the offer of grant which must be a business day; and (c) the nominal value of the HHR Shares.
- (6) The maximum number of HHR Shares to be allotted and issued is as follows:
 - (a) the maximum number of HHR Shares which may be allotted and issued upon the exercise of all outstanding share options granted and yet to be exercised under the HHR Plan and any other share option scheme of the HHR Group must not in aggregate exceed 30% of the relevant class of securities of HHR (or its subsidiaries) in issue from time to time;
 - (b) the total number of HHR 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 HHR Plan and any other share option scheme of the HHR Group) to be granted under the HHR Plan and any other share option scheme of the HHR Group must not in aggregate exceed 6% of the relevant class of securities of HHR (or its subsidiaries) in issue as at 20 May 2004, being the date of passing the relevant resolution adopting the HHR Plan (the "HHR General Scheme Limit"). Based on the number of HHR Shares in issue of HHR on 20 May 2004, the HHR General Scheme Limit of the HHR Plan is 402,300,015 HHR Shares. As at the date of this report, the total number of HHR Shares available for issue under the HHR Plan (including the share options granted but yet to be exercised) is 383,604,015, which represented approximately 4.3% of the total number of HHR Shares in issue as at that date;
 - (c) subject to paragraph 6(a) above and without prejudice to paragraph 6(d) below, HHR may seek approval of its shareholders (the "HHR Shareholders") in a general meeting to refresh the HHR General Scheme Limit provided that the total number of HHR Shares which may be allotted and issued upon the exercise of all share options to be granted under the HHR Plan and any other share option scheme of the HHR Group must not exceed 10% of the relevant class of securities of HHR (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 HHR Plan and any other share option scheme of the HHR Group will not be counted; and

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- (d) subject to paragraph 6(a) above and without prejudice to paragraph 6(c) above, HHR may seek separate approval of the HHR Shareholders in a general meeting to grant share options beyond the HHR General Scheme Limit or, if applicable, the extended limit referred to in paragraph 6(c) above to participants specifically identified by HHR before such approval is sought.
- (7) The total number of HHR Shares issued and to be issued upon the exercise of the share options granted to each participant of the HHR Plan and any other share option scheme of the HHR Group (including both exercised and outstanding share options) in any 12-month period must not exceed 1% of the issued share capital of HHR for the time being unless approved by the HHR Shareholders in a general meeting of HHR (with such participant and his associates (as defined in the Listing Rules) abstaining from voting) in compliance with the requirements of the Listing Rules.
- (8) 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 HHR Plan at any time during a period to be determined on the date of offer for the grant of share option and notified by the HHR 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 of the offer for the grant of share options but shall end in any event not later than 10 years from the date on which the offer for the grant of the share option is made, subject to the provisions for early termination thereof.

Particulars of share options outstanding under the HHR Plan at the beginning and at the end of the financial year ended 31 December 2013 and share options granted, exercised, cancelled or lapsed under the HHR Plan during the year are as follows:

Category of participant	Date of grant of share options	Number of share options held as at 1 January 2013	Granted during 2013	Exercised during 2013	Lapsed/cancelled during 2013	Number of share options held as at 31 December 2013	Exercise period of share options ⁽¹⁾	Exercise price of share options HK\$	Price of HHR Share	
									on grant date of share options ⁽²⁾ HK\$	on exercise date of share options HK\$
Employees in aggregate	3.6.2005	600,000	-	-	-	600,000	3.6.2006 to 2.6.2015	0.822	0.82	N/A
	25.5.2007	200,000	-	-	-	200,000	25.5.2008 to 24.5.2017	0.616	0.61	N/A
Total:		800,000	-	-	-	800,000				

Notes:

- (1) The share options 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.
- (2) The stated price was the closing price of HHR Shares quoted on SEHK on the trading day immediately prior to the date of grant of the share options.

As at the date of this report, HHR had 800,000 share options outstanding under the HHR Plan, which represented approximately 0.009% of the HHR Shares in issue as at that date.

No share option was granted under the HHR Plan during the year ended 31 December 2013.

(IV) Hutchison Telecommunications (Australia) Limited ("HTAL")

On 1 June 2007, HTAL 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 three years 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.

- (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:

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- (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 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 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.

Particulars of share options outstanding under the HTAL Plan at the beginning and at the end of the financial year ended 31 December 2013 and share options granted, exercised, cancelled or lapsed under the HTAL Plan during the year are as follows:

Category of participant	Date of grant of share options	Number of share options held as at 1 January 2013	Granted during 2013	Exercised during 2013	Lapsed/ cancelled during 2013	Number of share options held as at 31 December 2013	Exercise period of share options	Exercise price of share options ⁽²⁾ A\$	Price of HTAL Share on grant date of share options ⁽³⁾ A\$	Price of HTAL Share on exercise date of share options A\$
Employees in aggregate	4.6.2008 ⁽¹⁾	300,000	-	-	(300,000)	-	1.1.2010 to 3.6.2013	0.139	0.139	N/A
Total:		300,000	-	-	(300,000)	-				

Notes:

- (1) The share options lapsed on 3 June 2013 in accordance with the terms of issue.
- (2) The stated exercise price of share option was the higher of (i) the closing price of the HTAL Shares on the ASX on the day on which the share options were granted; and (ii) the average closing price of the HTAL Shares for the five trading days immediately preceding the day on which the share options were granted.
- (3) The stated price was the ASX closing price of the HTAL Shares on the trading day immediately prior to the date of grant of the share options.

As at the date of this report, the total number of HTAL Shares available for issue under the HTAL Plan (including the share options granted but yet to be exercised) is 35,431,271 shares which represented approximately 0.26% of the HTAL Shares in issue as at that date and there are no share options outstanding under the HTAL Plan.

No share option was granted under the HTAL Plan during the year ended 31 December 2013.

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

On 6 April 2009, HTHKH 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 five 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;

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- (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
- (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 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 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 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 Rules 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 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 2013 and share options granted, exercised, cancelled or lapsed under the HTHKH Plan during the year are as follows:

Category of participant	Date of grant of share options ⁽¹⁾	Number of share options held as at 1 January 2013	Granted during 2013	Exercised during 2013	Lapsed/ cancelled during 2013	Number of share options held as at 31 December 2013	Exercise period of share options	Exercise price of share options ⁽²⁾ HK\$	Price of	
									on grant date of share options ⁽³⁾ HK\$	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 SEHK on the trading day immediately prior to the date of grant of the share options.

Report of the Directors

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 2013.

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.

Purchase, Sale or Redemption of Shares

During the year, neither the Company nor any of its subsidiaries has purchased or sold any of the ordinary shares of the Company. In addition, the Company has not redeemed any of its ordinary shares during the year.

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.

Public Float

As at the date of this report, based on information available to the Company and within the knowledge of the Directors of the Company, the public float capitalisation amounted to approximately HK\$209,362 million, representing approximately 47% of the issued share capital of the Company.

Auditor

The accounts have been audited by PricewaterhouseCoopers who will retire and, being eligible, offers itself for re-appointment.

By order of the Board

Edith Shih

Company Secretary

Hong Kong, 28 February 2014