

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. The activities of its principal subsidiaries are set out on pages 137 to 138.

Business Review

The business review of the Group for the year ended 31 December 2015 is set out on pages 8 to 37.

Group Profit

The consolidated income statement is set out on page 79 and shows the profit of the Group for the year ended 31 December 2015.

Dividends

An interim dividend of 5.20 HK cents per share was paid to shareholders on 9 September 2015.

The Directors recommend the declaration of a final dividend at the rate of 9.00 HK cents per share, payable on Thursday, 26 May 2016 to those persons registered as shareholders of the Company on Tuesday, 17 May 2016, being the record date for determining the entitlement of shareholders to the proposed final dividend.

Reserves

The reserves of the Group and of the Company during the year are set out in Notes 26 and 34(a) to the consolidated financial statements respectively.

Charitable Donations

Donations to charitable organisations by the Group during the year amounted to approximately HK\$0.8 million (2014: HK\$0.7 million).

Directors

The Board of Directors of the Company (the "Board") as at 31 December 2015 comprised nine Directors: Mr Fok Kin Ning, Canning (Chairman and a Non-executive Director); Mr Lui Dennis Pok Man (Deputy Chairman and a Non-executive Director); Mr Wong King Fai, Peter (Executive Director); three Non-executive Directors, namely, Mrs Chow Woo Mo Fong, Susan, Mr Frank John Sixt and Mr Lai Kai Ming, Dominic (Mr Ma Lai Chee, Gerald is Alternate Director to Mr Lai Kai Ming, Dominic); and three Independent Non-executive Directors, namely, Mr Cheong Ying Chew, Henry, Dr Lan Hong Tsung, David and Dr Wong Yick Ming, Rosanna.

Report of the Directors

In accordance with Article 84 of the Articles of Association of the Company, Mr Wong King Fai, Peter, Mr Frank John Sixt and Dr Wong Yick Ming, Rosanna will retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The Company received confirmations 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 38 to 41.

Directors' Service Contracts

None of the Directors 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 and without payment of compensation, other than statutory compensation.

Permitted Indemnity Provisions

The Articles of Association of the Company provide that the Directors of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty. Directors liability insurance is in place to protect the Directors of the Company or of its subsidiaries against any potential costs and liabilities arising from claims brought against the Directors.

Directors' Material Interests in Transactions, Arrangements or Contracts

No transactions, arrangements or contracts of significance in relation to the business of the Group to which a subsidiary, fellow subsidiary or holding company of the Company was a party in which a Director of the Company or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Management Contracts

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

Continuing Connected Transactions

After the completion of the reorganisation of Hutchison Whampoa Limited ("HWL", the then holding company of the Company) group on 3 June 2015, HWL became a wholly owned subsidiary of CK Hutchison Holdings Limited ("CKHH") which indirectly holds approximately 66.09% of the issued share capital of the Company. Accordingly, each of CKHH and its subsidiaries (collectively, the "CKHH Group") (which for the purpose of the following agreements, exclude members of the Group) became a connected person of the Company by virtue of being either a substantial shareholder of the Company or an associate of CKHH.

On 4 June 2015, the Company and CKHH entered into (i) the master HTHKH telecommunications supplies agreement, whereby the Company agreed to provide, or to procure its subsidiaries to provide, the Group Telecommunications Supplies (as defined hereunder) to members of the CKHH Group; (ii) the master CKHH telecommunications supplies agreement, whereby CKHH agreed to provide, or to procure other members of the CKHH Group to provide, the CKHH Telecommunications Supplies (as defined hereunder) to members of the Group; and (iii) the master purchase agreement, whereby CKHH agreed to provide, or to procure other members of the CKHH Group to provide, the Business Related Supplies (as defined hereunder) to members of the Group (collectively, the “Master Agreements”) as and when reasonably requested by relevant members of the Group or of the CKHH Group for a period commencing from 3 June 2015 and ending on 31 December 2017:

- (a) Group Telecommunications Supplies include telecommunications products and services of the Group, including mobile and fixed-line telecommunications products (including mobile handsets, accessories and fixed-line equipment); data centre services (including data centre facilities (such as power supply, telecommunications connectivity, air-conditioning, fire prevention and security systems), hardware and software management and co-location services); mobile telecommunications services (including international direct dialing and roaming services and other value-added services); telecommunications and internet services (including local and international fixed-line telecommunications services, internet access bandwidth with value-added services, and internet and web-hosting services); procurement of local and international fixed-line telecommunications services (including international direct dialing); and such other telecommunications products and services of the Group as may be agreed between the Company and CKHH from time to time;
- (b) CKHH Telecommunications Supplies include telecommunications goods and services of the CKHH Group, including roaming services; local and international fixed-line telecommunications services (including international direct dialing services and international private leased circuits); data centre services; and such other telecommunications goods and services of the CKHH Group as may be agreed between the Company and CKHH from time to time, which exclude the Business Related Supplies; and
- (c) Business Related Supplies include goods and services for use in connection with the businesses of the Group, including billing collection services; dealership services at retail outlets in Hong Kong for sale of handsets and/or telecommunications services; information technology (“IT”) related services, including IT platforms development services, software solutions and applications development services and other professional services; management services of content, digital properties and online marketing activities; cash coupons and marketing, advertising and promotional services; business risks management services; equipment installation and maintenance services; lease and licensing services; and such other goods and services for use in connection with the businesses of the Group as may be agreed between the Company and CKHH from time to time, which exclude the CKHH Telecommunications Supplies.

Each of CKHH and the other members of the CKHH Group is a connected person of the Company by virtue of being either a substantial shareholder of the Company or an associate of CKHH. Accordingly, the transactions contemplated under the Master Agreements constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The Company announced on 4 June 2015 that the caps for the period between 3 June 2015 and 31 December 2015 and for each of the two years ending 31 December 2016 and 2017 in respect of (i) the provision of the Group Telecommunications Supplies to the CKHH Group amounted to HK\$244 million, HK\$446 million and HK\$495 million respectively, (ii) the Group's acquisition of the CKHH Telecommunications Supplies amounted to HK\$138 million, HK\$286 million and HK\$342 million respectively, and (iii) the Group's acquisition of the Business Related Supplies amounted to HK\$76 million, HK\$116 million and HK\$144 million respectively.

The aggregate amounts attributed to (i) the provision of the Group Telecommunications Supplies to the CKHH Group, (ii) the Group's acquisition of the CKHH Telecommunications Supplies, and (iii) the Group's acquisition of the Business Related Supplies for the period between 3 June 2015 and 31 December 2015 which are subject to the annual review requirements under the Listing Rules were approximately HK\$124 million, HK\$76 million and HK\$17 million respectively.

All the Independent Non-executive Directors of the Company have reviewed the continuing connected transactions entered into by the Group under the Master Agreements during the year ended 31 December 2015 and confirmed that they were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the 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 that nothing has come to their attention that causes them to believe that the continuing connected transactions entered into by the Group under the Master Agreements during the year ended 31 December 2015 (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involved the provision of goods and services by the Group; (iii) were not entered into, in all material respects, in accordance with the terms of the relevant agreements governing such transactions; and (iv) have exceeded the respective annual cap amounts as referred to in the announcement dated 4 June 2015.

A summary of the related party transactions entered into by the Group during the year ended 31 December 2015 is contained in Note 33 to the consolidated financial statements. The transactions entered into with the HWL group of companies (the "HWL Group") for the period from 1 January 2015 to 2 June 2015, the CKHH Group for the period from 3 June 2015 to 31 December 2015 and the NTT Group (as defined in Note 33 to the consolidated financial statements) as described in paragraph (b) to Note 33 to the consolidated financial statements all fall under the definition of "continuing connected transactions" under the Listing Rules are fully exempt from shareholders' approval, annual review and all disclosure requirements under Rules 14A.76(1), 14A.90, 14A.97 and/or 14A.98 of the Listing Rules except for the transactions contemplated under the Master Agreements which are subject to the reporting, announcement and annual review requirements but exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company has complied with the disclosure requirements in accordance with 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.

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 and short positions of the Directors and Chief Executive of the Company as disclosed in the "Information on Directors" section, 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) ("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 (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

Name	Capacity	Number of shares held	Approximate % of shareholding
Hutchison Telecommunications Holdings Limited ("HTHL")	Beneficial owner	512,961,149 ⁽¹⁾	10.64%
Hutchison Telecommunications Investment Holdings Limited ("HTIHL")	Beneficial owner	2,619,929,104 ⁽¹⁾	65.01%
	Interest of a controlled corporation	512,961,149 ⁽¹⁾	
CK Hutchison Global Investments Limited ("CKHGI")	Interest of controlled corporations	3,132,890,253 ⁽¹⁾	65.01%
CK Hutchison Holdings Limited ("CKHH")	Interest of controlled corporations	3,184,982,840 ⁽¹⁾⁽²⁾	66.09%

(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
The Capital Group Companies, Inc.	Interest of controlled corporations	246,038,000	5.11%
Yuda Limited ("Yuda")	Beneficial owner	350,527,953 ⁽³⁾	7.27%
Mayspin Management Limited ("Mayspin")	Interest of controlled corporations	403,979,499 ⁽⁴⁾	8.38%
Li Ka-shing ("Mr Li")	Founder of discretionary trusts	153,280 ⁽⁵⁾))	
	Interest of controlled corporations	403,979,499 ⁽⁶⁾)	8.38%

Notes:

- (1) HTHL is a direct wholly-owned subsidiary of HTIHL, and its interests in the share capital of the Company are duplicated in the interests of HTIHL. HTIHL in turn is a direct subsidiary of CKHGI, which in turn is a direct wholly-owned subsidiary of CKHH. By virtue of the SFO, CKHH and CKHGI were deemed to be interested in the 2,619,929,104 ordinary shares of the Company held by HTIHL and the 512,961,149 ordinary shares of the Company held by HTHL.
- (2) Certain wholly-owned subsidiaries of Cheung Kong (Holdings) Limited ("Cheung Kong") hold 52,092,587 ordinary shares of the Company. Cheung Kong is a direct wholly-owned subsidiary of CKHH. By virtue of the SFO, CKHH and Cheung Kong were deemed to be interested in the 52,092,587 ordinary shares of the Company held by certain wholly-owned subsidiaries of Cheung Kong.
- (3) Yuda is a direct wholly-owned subsidiary of Mayspin, which in turn is a company wholly-controlled by Mr Li. Such interest is duplicated in that of Mr Li held by one of the companies described in Note (6) below.
- (4) Mayspin is a company wholly-controlled by Mr Li. Such interest is duplicated in that of Mr Li held by the companies described in Note (6) below.
- (5) Mr Li is the settlor of each of two discretionary trusts ("DT3" and "DT4"). Each of Li Ka-Shing Castle Trustee Corporation Limited ("TDT3", which is the trustee of DT3) and Li Ka-Shing Castle Trustcorp Limited ("TDT4", which is the trustee of DT4) holds units in The Li Ka-Shing Castle Trust ("UT3") but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT3 and DT4 are, inter alia, Mr Li Tzar Kuoi, Victor, his wife and children, and Mr Li Tzar Kai, Richard. Li Ka-Shing Castle Trustee Company Limited ("TUT3") as trustee of UT3 holds 153,280 shares of the Company.

The entire issued share capital of TUT3 and the trustees of DT3 and DT4 are owned by Li Ka-Shing Castle Holdings Limited ("Castle Holdco"). Mr Li and Mr Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Castle Holdco. TUT3 is interested in the shares of the Company by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of the Company independently without any reference to Castle Holdco or any of Mr Li and Mr Li Tzar Kuoi, Victor as a holder of the shares of Castle Holdco as aforesaid. Each of the trustee of DT3 and DT4 holds units in UT3 but is not entitled to any interest or share in any shares of the Company comprising the trust assets of UT3.

As Mr Li may be regarded as a founder of each of DT3 and DT4 for the purpose of the SFO, and by virtue of the above, Mr Li is taken to have a duty of disclosure in relation to the said shares of the Company held by TUT3 as trustee of UT3 under the SFO as a substantial shareholder of the Company.

- (6) Such ordinary shares were held by companies of which Mr Li is interested in the entire issued share capital.

Save as disclosed above and so far as is known to the Directors and Chief Executive of the Company, as at 31 December 2015, there was no other person (other than the Directors and Chief Executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the SEHK.

Share Option Scheme

The share option scheme of the Company (the "Share Option Scheme"), conditionally approved and adopted by a resolution of the then sole shareholder of the Company passed on 6 April 2009, was approved at the extraordinary general meeting of HWL on 21 May 2009 for the grant of options to acquire ordinary shares of HK\$0.25 each in the share capital of the Company. The Share Option Scheme 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 Share Option Scheme became unconditional. The Share Option Scheme has a remaining term of approximately three years as at the date of this report. A summary of the Share Option Scheme is as follows:

- (1) The purpose of the Share Option Scheme is to enable the Group to grant share options to selected participants as incentives or rewards for their contribution to the Group, to continue and/or render improved service with the Group and/or to establish a stronger business relationship between the Group and such participants.
- (2) The 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 shares of the Company:
 - (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 the Company, any of its subsidiaries or any entity in which any member of the Group holds any equity interest (the "Invested Entity");
 - (b) any non-executive directors (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;
 - (c) any supplier of goods or services to any member of the Group or any Invested Entity;
 - (d) any customer of any member of the Group or any Invested Entity;
 - (e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
 - (f) any shareholders of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any 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 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 options by the Company for the subscription of shares of the Company or other securities of the Group to any person who falls within any of the above classes of participants shall not, by itself, unless the Directors otherwise determine, be construed as a grant of share options under the Share Option Scheme.

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 Directors from time to time on the basis of their contribution to the development and growth of the Group.

- (3) A nominal consideration of HK\$1.00 is payable on acceptance to an offer for the grant of a share option.
- (4) Unless otherwise determined by the Directors and stated in the offer of grant of the share options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of a share option before it can be exercised.
- (5) The subscription price for the shares of the Company under the Share Option Scheme shall be a price determined by the Directors but shall not be less than the highest of (i) the closing price of the shares of the Company as stated in the daily quotations sheet of the SEHK for trade in one or more board lots of the shares of the Company on the date of the offer of grant of the share options which must be a business day; (ii) the average closing price of the shares of the Company as stated in the daily quotations sheet of the SEHK for trade in one or more board lots of the shares of the Company 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 (iii) the nominal value of share of the Company.
- (6) The maximum number of shares of the Company which may be allotted and issued pursuant to the Share Option Scheme is as follows:
 - (a) The maximum number of shares of the Company which may be allotted and issued upon the exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 30% of the relevant class of securities of the Company (or its subsidiaries) in issue from time to time;
 - (b) The total number of shares of the Company 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 Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the relevant class of securities of the Company (or its subsidiaries) in issue, being 4,814,346,208 ordinary shares, as at 8 May 2009 (the "Listing Date"), the date on which the shares of the Company were first listed on the SEHK (the "General Scheme Limit"). Based on the number of shares in issue of the Company on the Listing Date, the General Scheme Limit of the Share Option Scheme is 481,434,620 shares. As at the date of this report, the total number of shares available for issue under the Share Option Scheme (including the share options granted but yet to be exercised) was 476,884,620, representing approximately 9.90% of the shares of the Company in issue as at that date;

- (c) Subject to sub-paragraph (6)(a) above and without prejudice to sub-paragraph (6)(d) below, the Company may seek approval of its shareholders in general meeting to refresh the General Scheme Limit (a circular containing the information required by the Listing Rules to be despatched to shareholders of the Company for that purpose) provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all share options to be granted under the Share Option Scheme and any other share option scheme of the Group must not exceed 10% of the relevant class of securities of the Company (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 Share Option Scheme and any other share option scheme of the Group) previously granted under the Share Option Scheme and any other share option scheme of the Group will not be counted;
- (d) Subject to sub-paragraph (6)(a) above and without prejudice to sub-paragraph (6)(c) above, the Company may seek separate approval of its shareholders in general meeting to grant share options under the Share Option Scheme beyond the General Scheme Limit (a circular containing the information required by the Listing Rules to be despatched to shareholders of the Company for that purpose) or, if applicable, the extended limit referred to in sub-paragraph (6)(c) above to participants specifically identified by the Company before such approval is sought; and
- (e) The total number of shares of the Company issued and to be issued upon exercise of the share options granted to each participant under the Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding share options) in any 12-month period must not exceed 1% of the issued share capital of the Company unless approved by the shareholders in a general meeting of the Company (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 Share Option Scheme at any time during a period to be determined on the date of offer of grant of the share option and notified by the 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.

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

Category of participants	Date of grant of share options ⁽¹⁾	Number of share options held at 1 January 2015	Granted during 2015	Exercised during 2015	Lapsed/ cancelled during 2015	Number of share options held at 31 December 2015	Exercise period of share options	Price of share of the Company		
								Exercise price of share options ⁽²⁾ HK\$	at the grant date of share options ⁽³⁾ HK\$	at the exercise date of share options HK\$
Employees in aggregate	1.6.2009	200,000	-	-	-	200,000	1.6.2009 to 31.5.2019 (both dates inclusive)	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 shares of the Company 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 Share Option Scheme) on such vesting date.
- (2) The exercise price of the share options is subject to adjustment in accordance with the provisions of the Share Option Scheme.
- (3) The stated price was the closing price of the shares of the Company on the SEHK on the trading day immediately prior to the date of the grant of the share options.

As at the date of this report, the Company had 200,000 share options outstanding under the Share Option Scheme, which represented approximately 0.0042% of the shares of the Company in issue as at that date.

No share option was granted under the Share Option Scheme during the year ended 31 December 2015.

Apart from the Share Option Scheme, at no time during the year ended 31 December 2015 was the Company or any of its subsidiaries or its holding company or a subsidiary of the holding company of the Company a party to any arrangements whose objects are to enable the Directors of the Company to acquire benefits by means of acquisition of shares in or debenture of the Company or any other body corporate.

Equity-linked Agreements

Other than the share option scheme of the Company as disclosed above, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company subsisted at the end of the year or at any time 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.

Shares/Debentures Issued

No shares or debentures of the Company were issued during the year.

Details of the share capital of the Company are set out in Note 25 to the consolidated financial statements.

Purchase, Sale or Redemption of Shares

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

Major Customers and Suppliers

During the year, the percentage of revenue attributable to the five largest customers of the Group combined was less than 30% of the total revenue of the Group.

During the year, the percentages of purchases attributable to the major suppliers of the Group were as follows:

	Percentage of total purchases of the Group
The largest supplier	79%
Five largest suppliers combined	84%

As at 31 December 2015,

- (a) Mrs Chow Woo Mo Fong, Susan, a Non-executive Director, held 4,760 shares in Apple Inc., the holding company of Apple Asia Limited, which was one of the five largest suppliers of the Group;
- (b) Dr Lan Hong Tsung, David, an Independent Non-executive Director, held 500,000 shares in PCCW Limited, the ultimate holding Company of Hong Kong Telecommunications (HKT) Limited ("HKTL"), which was one of the five largest suppliers of the Group, and 42,507 share stapled units of HKT Trust and HKT Limited (HKT Limited is the holding company of HKTL);
- (c) CKHH, a substantial shareholder of the Company, indirectly held 36,726,857 shares in PCCW Limited and indirectly held 3,122,464 share stapled units of HKT Trust and HKT Limited;

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- (d) Mr Li Ka-Shing, a substantial shareholder of the Company, indirectly held 24,158,800 share stapled units of HKT Trust and HKT Limited; and
- (e) Mayspin Management Limited, a substantial shareholder of the Company, indirectly held 1,400,000 share stapled units of HKT Trust and HKT Limited. Such interest is duplicated in that of Mr Li described in sub-paragraph (d) above.

Save as disclosed above, none of the Directors, their close associates or any shareholders (which to the knowledge of the Directors own more than 5% of the share capital of the Company) had any interest in the major suppliers noted above.

Public Float

As at the date of this report, based on the information that is publicly available to the Company and within the knowledge of the Directors, approximately 25.12% of the issued share capital of the Company was held by the public.

Auditor

The financial statements have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer itself for re-appointment.

By Order of the Board

Edith SHIH

Company Secretary

Hong Kong, 29 February 2016