

The Directors have pleasure in submitting to shareholders their report and statement of audited accounts for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the activities of its principal subsidiary and associated companies and jointly controlled entities are shown on pages 165 to 170.

GROUP PROFIT

The consolidated profit and loss account is set out on page 116 and shows the Group profit for the year ended 31 December 2004.

DIVIDENDS

An interim dividend of 51 cents per share was paid to shareholders on 8 October 2004 and the Directors recommend the declaration of a final dividend at the rate of HK\$1.22 per share payable on 20 May 2005 to all persons registered as holders of shares on 19 May 2005. The Register of Members will be closed from 12 May 2005 to 19 May 2005, both days inclusive.

RESERVES

Movements in the reserves of the Company and the Group during the year are set out in note 34(b) to the accounts and in the consolidated statement of changes in equity on pages 120 and 121, respectively.

CHARITABLE DONATIONS

Donations to charitable organisations by the Group during the year amounted to approximately HK\$170,000,000 (2003 – approximately HK\$142,000,000).

FIXED ASSETS

Particulars of the movements of fixed assets are set out in note 9 to the accounts.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 24 to the accounts.

DIRECTORS

The board of Directors of the Company (the "Board") as at 31 December 2004 comprised Messrs Li Ka-shing, Li Tzar Kuoi, Victor, Fok Kin-ning, Canning, Chow Woo Mo Fong, Susan, Frank John Sixt, Lai Kai Ming, Dominic, George Colin Magnus, Kam Hing Lam, Michael David Kadoorie, Holger Kluge, William Elkin Mocatta (Alternate Director to Mr Michael David Kadoorie), Simon Murray, Or Ching Fai, Raymond, William Shurniak, Peter Alan Lee Vine and Wong Chung Hin.

Mr Li Fook-wo resigned and Mr Peter Alan Lee Vine retired as Directors with effect on 1 January 2004 and 7 January 2005 respectively. Mr Holger Kluge was appointed as an Independent Non-executive Director on 30 September 2004. The Board would like to record its appreciation for the services of Messrs Li Fook-wo and Peter Alan Lee Vine to the Group and is pleased to welcome the appointment of Mr Holger Kluge.

On 1 March 2004, Mr William Shurniak was re-designated as a Non-executive Director and Mrs Chow Woo Mo Fong, Susan was appointed as Alternate Director to Mr William Shurniak.

On 30 September 2004, Mr Simon Murray was re-designated as an Independent Non-executive Director and resigned as Alternate Director to both Messrs William Shurniak and Peter Alan Lee Vine. On the same date, Messrs Fok Kin-ning, Canning and Chow Woo Mo Fong, Susan resigned as Alternate Director to Messrs Simon Murray and William Shurniak respectively.

Messrs Li Tzar Kuoi, Victor, Fok Kin-ning, Canning, Kam Hing Lam and Wong Chung Hin and Mr Holger Kluge will retire by rotation at the forthcoming annual general meeting under the provisions of Article 85 and Article 91 of the Articles of Association of the Company respectively and, being eligible, will offer themselves for re-election.

The Company received the Independent Non-executive Directors' confirmations 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 are independent.

The Directors' biographical details are set out from pages 75 to 78.

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

On 12 March 2004, Hutchison Global Communications Holdings Limited ("Hutchison Global Communications ") (then known as "Vanda Systems & Communications Holdings Limited") became an indirect non wholly owned subsidiary of the Company upon completion of a share sale transaction on that day. An interest-bearing unsecured loan facility of up to HK\$4,000,000,000 was made available by Hutchison International Limited ("HIL"), a direct wholly owned subsidiary of the Company, to Hutchison Global Communications Limited ("HGCL"), an indirect wholly owned subsidiary of Hutchison Global Communications, of which a principal amount of approximately HK\$3,400,000,000 was drawn and outstanding as at 31 December 2003. On 12 March 2004, HIL agreed to continue to make available the facility of a revised facility amount of up to HK\$3,400,000,000 to HGCL up to the maturity date of 17 July 2008, on normal commercial terms (the "HK\$3.4b Facility"). On 12 March 2004, HIL also entered into an agreement with Hutchison Global Communications whereby HIL agreed to make available an interest-bearing unsecured loan facility of a principal amount of HK\$1,000,000,000 (the "HK\$1b Facility"). HIL assigned its respective rights and benefits under the HK\$3.4b Facility and HK\$1b Facility to Hutchison Telecommunications International (HK) Limited in September 2004. The provision of the HK\$3.4b Facility and the HK\$1b Facility constituted connected transactions for the Company under the then Listing Rules.

On 23 March 2004, the Company entered into a side letter (the "3GIS Side Letter") with Vodafone Sverige AB ("Vodafone"), Hi3G Access AB ("Hi3G"), Investor AB and 3G Infrastructure Services AB ("3GIS", a company then owned as to 33.33% by each of Hi3G, Vodafone and Orange Sverige AB) whereby the outstanding exposure under a guarantee (the "Hi3G Guarantee") provided by the Company in favour of 3GIS in August 2001 in respect of 60% of the obligation of Hi3G (an indirect non wholly owned subsidiary owned as to 60% by the Company and as to 40% by Investor AB) to provide a loan to 3GIS was increased from SEK856,366,414 to SEK1,568,117,014.20. Investor AB was a connected person by virtue of being a substantial shareholder of Hi3G, a non wholly owned subsidiary of the Company. The entering into of the 3GIS Side Letter by the Company constituted a connected transaction for the Company under the then Listing Rules.

On 27 May 2004, a sale and purchase agreement (the "S&P Agreement") was entered into between the Company and NTT DoCoMo, Inc. ("DoCoMo") whereby (i) the Company agreed to acquire, or procure the acquisition of, and DoCoMo agreed to sell to the Company (or its nominee(s)), the entire issued share capital of Brilliant Design Limited whose principal assets were 889,097,351 ordinary shares of £1 each (the "Sale Shares") in Hutchison 3G UK Holdings Limited ("Hutchison 3G UK Holdings"), a company which was beneficially owned as to 65% and 20% by the Company and DoCoMo respectively, at an aggregate purchase price of £120,000,000 (the "Consideration") payable in the US Dollar equivalent in three instalments; (ii) the Company was granted an option (the "HWL Put Option") to apply all or some of the instalments of the Consideration for the Sale Shares payable to DoCoMo in the purchase of the shares of Hutchison Telecommunications International Limited (the "HTIL Shares") from the Company (or its nominee) for the account of DoCoMo. The exercise price for the HWL Put Option in respect of the first instalment of up to £80,000,000 of the purchase price is the offer price for the HTIL Shares determined at the proposed initial public offering of the HTIL Shares (the "IPO Price"). The exercise price in respect of each of the second and third instalments of up to £20,000,000 each of the purchase price is the trading volume-weighted monthly average price of the HTIL Shares during the month preceding the date on which such shares are purchased. Completion of the exercise of the HWL Put Option was subject, inter alia, to the listing of the HTIL Shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"); and (iii) DoCoMo was granted, for no separate consideration, an option (the "DoCoMo Option") to require the Company to purchase or procure the purchase of all the HTIL Shares acquired pursuant to the exercise of the HWL Put Option. The DoCoMo Option is exercisable up to 15 January 2007 and only after the HWL Put Option has been exercised. The exercise price for the DoCoMo Option varies with when such option is exercised from (i) the price offered to DoCoMo for the relevant HTIL Shares by a bona fide third party purchaser or, if none, at 95% of their then market price; to (ii) the then market price of the HTIL Shares. Further, if, upon the exercise of the DoCoMo Option, the aggregate of the sales proceeds from the exercise of the DoCoMo

Option plus all cash payments made by the Company to DoCoMo under the S&P Agreement that are not applied by DoCoMo in the purchase of HTIL Shares plus the value of any HTIL Shares retained by DoCoMo does not exceed £120,000,000 plus interest and transaction costs, then the Company shall pay to DoCoMo in cash an amount equal to that difference. Upon completion of the S&P Agreement on 15 February 2007 or such earlier date at the option of the Company, the Company's indirect shareholding in Hutchison 3G UK Holdings will increase from 65% to 85%. On 27 May 2004, a deed of novation (the "Loan Novation Deed") was also entered into among the Company, DoCoMo, Hutchison Europe Telecommunications S.à r.l. ("HET"), an indirect wholly owned subsidiary of the Company, and Hutchison 3G UK Holdings whereby DoCoMo novated to HET all of DoCoMo's rights and obligations under a loan agreement between DoCoMo, as lender, and Hutchison 3G UK Holdings, as borrower, dated 28 April 2003 pursuant to which the interest bearing shareholder's loan in the principal amount of £200,000,000 was advanced by DoCoMo to Hutchison 3G UK Holdings for an aggregate consideration of £206,438,454.86 payable in the US Dollar equivalent to DoCoMo upon signing of the Loan Novation Deed.

On 18 September 2004, the Company gave notice to DoCoMo to exercise the HWL Put Option to apply up to the first instalment (i.e. £80,000,000) of the Consideration for the Sale Shares in the purchase of the HTIL Shares for the account of DoCoMo pursuant to the S&P Agreement at the IPO Price. DoCoMo agreed to the exercise by the Company of the HWL Put Option and subsequently acquired 187,966,653 HTIL Shares at the IPO Price of HK\$6.01 per HTIL Share.

DoCoMo was a connected person of the Company by virtue of being (i) a substantial shareholder of Hutchison 3G UK Holdings, and (ii) a substantial shareholder of Hutchison Telephone Company Limited and Hutchison 3G HK Holdings Limited, both of which were indirect non wholly owned subsidiaries of the Company. The above transactions constituted connected transactions for the Company under the Listing Rules.

Pursuant to a marketing agreement (the "Thai Marketing Agreement"), which is effective until 21 April 2015, entered into between Hutchison CAT Wireless MultiMedia Limited ("Hutchison CAT", an entity which is accounted for and consolidated in the Company's audited financial statements as a subsidiary of the Company pursuant to the applicable Hong Kong Financial Reporting Standards) and CAT Telecom Public Company Limited ("CAT Telecom"), Hutchison CAT provided exclusive marketing services for CAT Telecom in 25 provinces located in central Thailand was responsible for marketing and selling mobile phones and mobile telecommunications services to the public on behalf of CAT Telecom, as well as providing after-sale services and other supplementary services relating to such sales and marketing activities. Hutchison CAT marketed CAT Telecom's CDMA2000 1X network services under the *Hutch* brand name and received a percentage of the access fees, monthly services fees and sign-on fees paid by the subscribers. Hutchison CAT was also liable to pay to CAT Telecom certain network operating expenses. The Thai Marketing Agreement constituted a continuing connected transaction for the Company as CAT Telecom was a substantial shareholder of Hutchison CAT, a subsidiary of the Company within the meaning of that expression under Listing Rule 1.01.

In November 2004, Hutchison Whampoa Properties (Chengdu) Limited ("HWPC"), a company directly owned as to 50% by each of Bruckner Limited ("Bruckner") which is an indirect wholly owned subsidiary of the Company and Carton International Limited ("Carton") which is an indirect wholly owned subsidiary of Cheung Kong (Holdings) Limited ("Cheung Kong"), was successful in the bid of a piece of land with an area of 690,982.26 square metres (approximately 7,400,000 square feet), located at Lot No. 5, Shiyang Sub-district, New South District, Chengdu, the People's Republic of China ("the PRC") (the "Chengdu Land") for development into commercial and residential properties. To fund the payment of land cost, construction costs and other project costs for the development of Chengdu Land, the total investment of HWPC will be increased from US\$6,000,000 to RMB3,000,000,000 and the registered capital of HWPC will be increased from US\$3,000,000 to RMB1,050,000,000 in stages over the period ending May 2005. Any contribution to increase the registered capital of, and any shareholders' loans to, HWPC will be made equally by Carton and Bruckner in proportion to their respective equity interests in HWPC and for each contribution, HWPC will be (i) subject to Carton and Bruckner entering into a supplemental joint venture agreement and supplemental articles of association for HWPC; (ii) made according to a schedule which is determined by reference to the schedule for payment of the land cost to Chengdu Municipal Land and Resources Bureau; (iii) of an amount determined principally by reference to the amount of land cost due to be payable to the Chengdu Municipal Land and Resources Bureau; (iv) effected only upon the requisite approvals of the relevant governmental authorities in the PRC having been obtained; and (v) provided by Cheung Kong and the Company using their respective internal resources. The total investment and registered capital of HWPC have been increased from US\$6,000,000 and US\$3,000,000 respectively to RMB1,500,000,000 and RMB525,000,000 respectively. Cheung Kong is a substantial shareholder of the Company and hence a connected person of the Company within the meaning of that expression under the Listing Rules. Each acquisition of additional equity interest in HWPC by Bruckner constituted or will constitute a connected transaction for the Company under the Listing Rules.

On 4 December 2004, (i) Swingfield Developments Limited ("Swingfield"), a company indirectly owned as to 50% by each of the Company and Cheung Kong, as purchaser, (ii) HSH Holdings Limited ("HSH Holdings") as vendor, (iii) Cheung Kong and HIL, as the purchaser's guarantor and (iv) The Hongkong and Shanghai Hotels, Limited ("HK and Shanghai Hotels") as the vendor's guarantor entered into an agreement (the "KHL S&P Agreement") relating to the sale and purchase of (i) 5 shares of US\$1 each, being the entire issued share capital, of The Kowloon Hotel Limited ("KHL") (the "KHL Sale Shares"); and (ii) the debts owed by KHL to HK and Shanghai Hotels and the debts owed by KHL on completion of the KHL S&P Agreement to HSH Finance Limited ("HSH Finance") together (the "Debts") at the final adjusted consideration of HK\$1,921,963,483. The obligations of Swingfield under the KHL S&P Agreement including the payment of the consideration were guaranteed by Cheung Kong and HIL on a several basis provided that the liability of each of Cheung Kong and HIL under such guarantee shall not exceed 50% of any amount payable to HSH Holdings, HK and Shanghai Hotels or HSH Finance. The consideration would be funded by HIL and Cheung Kong in proportion to their indirect 50:50 interest in Swingfield. Cheung Kong is a substantial shareholder of the Company and hence a connected person of the Company within the meaning of the Listing Rules. The establishment of Swingfield as the joint venture vehicle for the purpose of effecting the acquisition by Swingfield of the KHL Sale Shares and the benefit of the Debts pursuant to the KHL S&P Agreement constituted a connected transaction for the Company under the Listing Rules.

On 16 December 2004, Hutchison Whampoa Properties (Xi An) Limited ("HWPX"), a company indirectly owned as to 50% by each of the Company and Cheung Kong, entered into a land use right transfer contract (the "Xi An Contract") with Hi-tech Zone Branch, Xi An Municipal Land Resources and Real Estate Administration Bureau for the acquisition by HWPX of land use right in respect of six pieces of land with an aggregate area of 968.43 mu (approximately 6,950,000 square feet or 645,621 square metres) located at Xi An New and High Technology Development District, the PRC (the "Xi An Land") for a consideration of RMB1,005,000,000 payable by instalments and subject to the other terms and conditions set out therein. HWPX was established to own and develop the Xi An Land acquired through a public auction for development into residential and commercial properties. To fund the payment of land cost, construction costs and other project costs for the development of the Xi An Land, the total investment and registered capital of HWPX would be increased to US\$218,570,000 and US\$76,500,000 in stages. All contribution(s) to the registered capital of, and any shareholders' loans to, HWPX would be made equally by indirect subsidiaries of the Company and Cheung Kong in proportion to their respective equity interests in HWPX. Cheung Kong is a substantial shareholder of the Company and hence a connected person of the Company within the meaning of that expression under the Listing Rules. The establishment of HWPX as the joint venture vehicle for the purpose of effecting the acquisition of the land use right in respect of the Xi An Land pursuant to the Xi An Contract and its development constituted a connected transaction for the Company under the Listing Rules.

On 22 December 2004, New China Sheen Limited ("NCSL"), a company indirectly owned as to 50% by each of the Company and Cheung Kong, entered into a land use right transfer contract (the "Shenzhen Contract") with Shenzhen Municipal Land Resources and Real Estate Administration Bureau for the acquisition by NCSL of land use right in respect of a piece of land with an aggregate area of approximately 223,696.30 square metres, located at Lot No. G05426-0033, Fenghuang Road Northeast, Pinghu Town, Longgang District, Shenzhen, the PRC (the "Shenzhen Land") for a consideration of RMB495,000,000 subject to the terms and conditions set out therein. NCSL was successful in the bid of the Shenzhen Land for development into residential and commercial properties. A new joint venture to be held 50/50 by the Company and Cheung Kong through NCSL and to be named as Shenzhen Hutchison Whampoa Longgang Properties Limited ("SHWL") will be established to own and develop the Shenzhen Land. To fund the payment of land cost, construction costs and other project costs for the development of the Shenzhen Land, the total investment and registered capital of SHWL will be RMB695,000,000 and RMB232,000,000 respectively. All contribution(s) to the registered capital of, and any shareholders' loans to, SHWL would be made equally by indirect subsidiaries of the Company and Cheung Kong in proportion to their respective equity interests in SHWL. Cheung Kong is a substantial shareholder of the Company and hence a connected person of the Company within the meaning of that expression under the Listing Rules. The establishment of the joint venture arrangements for the purpose of effecting the acquisition of the land use right in respect of the Shenzhen Land pursuant to the Shenzhen Contract and its development constituted a connected transaction for the Company under the Listing Rules.

On 4 February 2005, Eralite Limited, an indirect wholly owned subsidiary of the Company, transferred five shares of US\$1 each in the share capital of Gislingham Limited ("GL"), an indirect wholly owned subsidiary of the Company prior to such transfer, to Chinex Limited, an indirect wholly owned subsidiary of Cheung Kong (the "Transfer") and accordingly GL became a joint venture company owned as to 50% by each of the Company and Cheung Kong. Following the successful bid for 50% equity interests in Shanghai Qi-long Property

Company Limited ("SQPC"), GL completed the acquisition of the entire equity interests in, and the shareholders' loans to, SQPC from vendors who were parties independent of the Company and Cheung Kong for an aggregate consideration of RMB262,280,000 which has been paid by instalments by GL. SQPC entered into a land use right transfer contract dated 20 October 2004 (the "Maqiao Contract 1") with the Shanghai Municipal Minhang District Real Estate and Land Administration Bureau ("SMMD") for the acquisition of the land use right in respect of Lot No. 86A, Maqiao Town, Minhang District, Shanghai, the PRC (the "Lot No. 86A") with an area of approximately 195 mu (or approximately 130,000 square metres) and is planning to enter into another land use right transfer contract (the "Maqiao Contract 2", together with Maqiao Contract 1 as the "Maqiao Contracts") with SMMD for the acquisition of the land use right in respect of Lot No. 86B, Maqiao Town, Minhang District, Shanghai, the PRC (the "Lot No. 86B", together with the Lot No. 86A as the "Maqiao Land") with an area of approximately 195.28 mu (or approximately 130,187 square metres). To fund the payment of land cost, construction costs and other project costs for the development of the Maqiao Land, the total investment and registered capital of SQPC will have a total investment of US\$82,800,000 and increase its registered capital from RMB20,000,000 to US\$27,600,000. The acquisition cost for the acquisition of the equity interest in, and the retirement of the existing shareholders' loans to, SQPC and any contribution to the registered capital of, and shareholders' loans to, SQPC are expected to be made equally by indirect subsidiaries of the Company and Cheung Kong in proportion to their respective equity interests in GL. Cheung Kong is a substantial shareholder of the Company and hence a connected person of the Company within the meaning of that expression under the Listing Rules. The establishment of the joint venture arrangements for the purpose of effecting the acquisition of the land use right in respect of the Maqiao Land pursuant to the Maqiao Contracts and its development constituted a connected transaction for the Company under the Listing Rules.

On 18 March 2005, (i) Clevinger International Limited ("Clevinger"), a company indirectly owned as to 50% by each of the Company and Cheung Kong, as purchaser; (ii) Newmarket Holdings Limited ("NHL") as vendor; (iii) Cheung Kong and HIL, as the purchaser's guarantors; and (iv) CITIC Pacific Limited ("CITIC") as the vendor's guarantor entered into an agreement (the "NHL S&P Agreement") pursuant to which NHL has agreed to sell to Clevinger the entire issued share capital of Harvest Country Limited ("HCL"), and NHL and CITIC have agreed to assign and transfer to Clevinger all their rights, title and interests in the aggregate sum to be owing by HCL to NHL and CITIC at completion of the NHL S&P Agreement at the consideration of HK\$880,000,000, subject to adjustment. HCL is the holding company of Golden Flag Investment Company Limited which is the registered owner of, inter alia, various pieces of land in Hung Shui Kiu, Yuen Long, New Territories (to be surrendered to and to be granted by the Government of the Hong Kong Special Administrative Region as LOT NO. 2064 IN DEMARCATION DISTRICT NO. 121) with an area of approximately 16,292 square metres. The obligations of Clevinger under the NHL S&P Agreement including the payment of the consideration are guaranteed by HIL and Cheung Kong on a 50:50 several basis. The deposit paid was funded from HIL's and Cheung Kong's internal resources on a pro-rata basis in proportion to their 50:50 interest in Clevinger. It is expected that the balance of the consideration payable by Clevinger will be funded by HIL and Cheung Kong on a similar manner. Cheung Kong is a substantial shareholder of the Company and hence a connected person of the Company within the meaning of that expression under the Listing Rules. The financial assistance provided by HIL to Clevinger by way of the provision of the 50% several guarantee and the contribution to the consideration payable by Clevinger under the NHL S&P Agreement on an unsecured basis and on normal commercial terms in proportion to its 50% interests in Clevinger constituted a connected transaction for the Company under the Listing Rules.

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).

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2004, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executives of the Company were deemed or taken to have under such provisions of the SFO) or which were required to be and were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers adopted by the Company (the "Model Code") were as follows:

(I) Interests and short positions in the shares, underlying shares and debentures of the Company

Long positions in the shares/underlying shares of the Company

Name of Director	Capacity	Nature of interests	Number of shares held	Number of underlying shares held	Total	Approximate % of shareholding
Li Ka-shing	(i) Founder of discretionary trusts	(i) Other interest	2,141,698,773 ⁽¹⁾	–)))	2,183,549,773	51.2165%
	(ii) Interest of controlled corporations	(ii) Corporate interest	41,851,000 ⁽²⁾	–)))		
Li Tzar Kuoi, Victor	(i) Beneficiary of trusts	(i) Other interest	2,141,698,773 ⁽¹⁾	–)))	2,142,785,543	50.2604%
	(ii) Interest of controlled corporations	(ii) Corporate interest	1,086,770 ⁽³⁾	–)))		
Fok Kin-ning, Canning	Interest of a controlled corporation	Corporate interest	2,510,875 ⁽⁴⁾	757,939 ⁽⁵⁾	3,268,814	0.0767%
Chow Woo Mo Fong, Susan	Beneficial owner	Personal interest	150,000	–	150,000	0.0035%
Frank John Sixt	Beneficial owner	Personal interest	50,000	–	50,000	0.0012%
Lai Kai Ming, Dominic	Beneficial owner	Personal interest	50,000	–	50,000	0.0012%
George Colin Magnus	(i) Founder and beneficiary of a discretionary trust	(i) Other interest	950,100 ⁽⁶⁾	–))))	1,000,000	0.0235%
	(ii) Beneficial owner	(ii) Personal interest	40,000	–)))		
	(iii) Interest of spouse	(iii) Family interest	9,900	–)))		
Kam Hing Lam	Beneficial owner	Personal interest	60,000	–	60,000	0.0014%
Michael David Kadoorie	Beneficiary of trust(s)	Other interest	15,984,095 ⁽⁷⁾	–	15,984,095	0.3749%
Holger Kluge	Beneficial owner	Personal interest	40,000	–	40,000	0.0009%
Simon Murray	Founder of a discretionary trust	Other interest	87,000 ⁽⁸⁾	–	87,000	0.0020%
William Shurniak	Beneficial owner	Personal interest	165,000	–	165,000	0.0039%
Peter Alan Lee Vine	Beneficial owner	Personal interest	33,000	–	33,000	0.0008%

Notes:

(1) The two references to 2,141,698,773 shares in the Company relate to the same block of shares in the Company comprising:

- (a) 2,130,202,773 shares held by certain subsidiaries of Cheung Kong. Mr Li Ka-shing is the settlor of each of The Li Ka-Shing Unity Discretionary Trust ("DT1") and another discretionary trust ("DT2"). Each of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1", which is the trustee of DT1) and Li Ka-Shing Unity Trustcorp Limited ("TDT2", which is the trustee of DT2) holds units in The Li Ka-Shing Unity Trust ("UT1") 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 DT1 and DT2 are, inter alia, Mr Li Tzar Kuoi, Victor, his wife and children, and Mr Li Tzar Kai, Richard. Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of UT1 and its related companies in which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings ("TUT1 related companies") hold more than one-third of the issued share capital of Cheung Kong.

The entire issued share capital of TUT1 and of the trustees of DT1 and DT2 are owned by Li Ka-Shing Unity Holdings Limited ("Unity Holdco"). Each of Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor and Mr Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Unity Holdco. TUT1 is only interested in the shares of Cheung Kong 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 Cheung Kong independently without any reference to Unity Holdco or any of Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor and Mr Li Tzar Kai, Richard as a holder of the shares of Unity Holdco as aforesaid.

As Mr Li Ka-shing may be regarded as a founder of each of DT1 and DT2 for the purpose of the SFO and Mr Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT1 and DT2, and by virtue of the above, both Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to the shares of Cheung Kong held by TUT1 as trustee of UT1 and TUT1 related companies and the said shares of the Company held by the subsidiaries of Cheung Kong under the SFO as directors of Cheung Kong. Although Mr Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Unity Holdco and is a discretionary beneficiary of each of DT1 and DT2, he is not a director of Cheung Kong and has no duty of disclosure in relation to the shares of Cheung Kong held by TUT1 as trustee of UT1 and TUT1 related companies under the SFO.

- (b) 11,496,000 shares of the Company held by Li Ka-Shing Castle Trustee Company Limited ("TUT3") as trustee of The Li Ka-Shing Castle Trust ("UT3").

Mr Li Ka-shing is the settlor of each of the 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 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.

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"). Each of Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor and Mr Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Castle Holdco. TUT3 is only 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 Ka-shing, Mr Li Tzar Kuoi, Victor and Mr Li Tzar Kai, Richard as a holder of the shares of Castle Holdco as aforesaid.

As Mr Li Ka-shing may be regarded as a founder of each of DT3 and DT4 for the purpose of the SFO and Mr Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT3 and DT4, and by virtue of the above, both Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are 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 Directors of the Company. Although Mr Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Castle Holdco and is a discretionary beneficiary of each of DT3 and DT4, he is not a Director of the Company and has no duty of disclosure in relation to the shares of the Company held by TUT3 as trustee of UT3 under the SFO.

- (2) Such shares were held by certain companies of which Mr Li Ka-shing is interested in the entire issued share capital.
- (3) Such shares were held by certain companies of which Mr Li Tzar Kuoi, Victor is interested in the entire issued share capital.
- (4) Such shares were held by a company which is equally owned by Mr Fok Kin-ning, Canning and his spouse.

- (5) *Such underlying shares were the maximum number of shares that might be interested in under the US\$5,000,000 notes due 2005 issued by BNP Paribas and were held by a company which is equally owned by Mr Fok Kin-ning, Canning and his spouse.*
- (6) *Such shares were indirectly held by a discretionary trust of which Mr George Colin Magnus is the settlor and a discretionary beneficiary.*
- (7) *The Hon Michael David Kadoorie is deemed to be interested by virtue of the SFO in 15,984,095 shares in the Company.*
- (8) *Such shares were held by an offshore discretionary family trust of which Mr Simon Murray is the founder.*

(II) Interests and short positions in the shares, underlying shares and debentures of the associated corporations of the Company

Long positions in the shares, underlying shares and debentures of the associated corporations of the Company

As at 31 December 2004, Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor, as Directors of the Company, were deemed to be interested in the following by virtue of, inter alia, their interests in the shares of Cheung Kong or the Company as described in Note (1) above:

- (i) (a) 1,912,109,945 shares, representing approximately 84.824% of the then issued share capital, in Cheung Kong Infrastructure Holdings Limited ("Cheung Kong Infrastructure") of which 1,906,681,945 shares were held by a wholly owned subsidiary of the Company and 5,428,000 shares were held by TUT1 as trustee of UT1; and
 - (b) 2 underlying shares in Cheung Kong Infrastructure by virtue of the HK\$300,000,000 capital guaranteed notes due 2009 held by a wholly owned subsidiary of Cheung Kong;
- (ii) 3,185,589,325 ordinary shares, representing approximately 70.791% of the then issued share capital, in Hutchison Telecommunications International Limited ("Hutchison Telecommunications International") of which 28,402,698 ordinary shares and 3,157,033,347 ordinary shares were held by certain wholly owned subsidiaries of each of Cheung Kong and the Company respectively and 153,280 ordinary shares were held by TUT3 as trustee of UT3;
- (iii) (a) 3,875,632,628 ordinary shares, representing approximately 56.136% of the then issued share capital, in Hutchison Global Communications of which 248,743,835 ordinary shares and 3,626,888,793 ordinary shares were held by a wholly owned subsidiary of Cheung Kong and a 70.156% owned subsidiary of the Company respectively; and
 - (b) 4,374,999,999 underlying shares in Hutchison Global Communications of which 3,333,333,333 underlying shares and 1,041,666,666 underlying shares were derived from a nominal amount of HK\$3,200,000,000 in the 1% unsecured convertible notes due 2009 and the facility convertible notes to be issued pursuant to the terms of an unsecured loan facility of HK\$1,000,000,000 respectively held by certain 70.156% owned subsidiaries of the Company;
- (iv) 829,599,612 shares, representing approximately 38.871% of the then issued share capital, in Hongkong Electric Holdings Limited ("Hongkong Electric") which shares were held by certain wholly owned subsidiaries of Cheung Kong Infrastructure;
- (v) 1,429,024,545 shares, representing approximately 36.736% of the then issued share capital, in TOM Group Limited ("TOM Group") of which 476,341,182 shares and 952,683,363 shares were held by a wholly owned subsidiary of each of Cheung Kong and the Company respectively;
- (vi) 146,794,919 common shares, representing approximately 34.643% of the then issued share capital, in Husky Energy Inc. ("Husky Energy") and 41,584 underlying common shares derived from 22,393 unlisted and physically settled transferable warrants in Husky Energy which were held by a wholly owned subsidiary of the Company;

- (vii) a nominal amount of US\$33,700,000 in the 13% unsecured senior subordinated notes due 2010 (the "Partner Communications Notes") issued by Partner Communications Company Ltd. ("Partner Communications") which notes were held by a wholly owned subsidiary of Cheung Kong; and
- (viii) all the shares, underlying shares and debentures of the subsidiary and associated companies of the Company held by the Company and its subsidiary companies.

As Mr Li Ka-shing may be regarded as a founder of DT3 for the purpose of SFO and Mr Li Tzar Kuoi, Victor is a discretionary beneficiary of DT3 as disclosed in Note (1) above, Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor, as Directors of the Company, were deemed to be interested in 152,786,548 common shares, representing approximately 36.057% of the then issued share capital, in Husky Energy and 43,281 underlying common shares derived from 23,307 unlisted and physically settled transferable warrants in Husky Energy which were held by a company in respect of which DT3 as trustee of DT3 is indirectly entitled to substantially all the net assets thereof and of which Mr Li Ka-shing is additionally entitled to exercise or control the exercise of one-third or more of the voting power at its general meetings. In addition, Mr Li Ka-shing had, as at 31 December 2004, corporate interests in (i) 4,600 class C common shares, representing approximately 53.315% of the then issued share capital, in Husky Oil Holdings Limited; (ii) 245,546 ordinary shares, representing approximately 0.006% of the then issued share capital, in Hutchison Telecommunications International; (iii) 286,312,000 ordinary shares, representing approximately 4.147% of the then issued share capital, in Hutchison Global Communications; and (iv) a nominal amount of US\$1,500,000 in the Partner Communications Notes, which were held by companies of which Mr Li Ka-shing is interested in the entire issued share capital.

Mr Li Tzar Kuoi, Victor had, as at 31 December 2004, the following interests:

- (i) family interests in 151,000 shares, representing approximately 0.007% of the then issued share capital, in Hongkong Electric held by his spouse; and
- (ii) corporate interests in (a) 14,489 ordinary shares, representing approximately 0.0003% of the then issued share capital, in Hutchison Telecommunications International; (b) 26,300,000 ordinary shares, representing approximately 0.381% of the then issued share capital, in Hutchison Global Communications; (c) a nominal amount of US\$11,000,000 in the 6.5% Notes due 2013 issued by Hutchison Whampoa International (03/13) Limited; (d) a nominal amount of US\$2,000,000 in the 7% Notes due 2011 issued by Hutchison Whampoa International (01/11) Limited; and (e) a nominal amount of US\$10,989,000 in the Partner Communications Notes, which were held by companies of which Mr Li Tzar Kuoi, Victor is interested in the entire issued share capital.

Mr Fok Kin-ning, Canning had, as at 31 December 2004, the following interests:

- (i) (a) 1,100,000 ordinary shares, representing approximately 0.162% of the then issued share capital, in Hutchison Telecommunications (Australia) Limited ("Hutchison Telecommunications Australia") comprising personal and corporate interests in 100,000 ordinary shares and 1,000,000 ordinary shares respectively; and
 - (b) 1,474,001 underlying shares in Hutchison Telecommunications Australia comprising personal and corporate interests in 134,000 underlying shares and 1,340,001 underlying shares respectively on conversion of the listed and physically settled 5.5% Unsecured Convertible Notes due 2007 issued by Hutchison Telecommunications Australia;
- (ii) corporate interests in 250,000 ordinary shares, representing approximately 0.006% of the then issued share capital, in Hutchison Telecommunications International;
- (iii) corporate interests in 5,000,000 ordinary shares, representing approximately 0.075% of the then issued share capital, in Hutchison Harbour Ring Limited ("Hutchison Harbour Ring");
- (iv) corporate interests in 10,000,000 ordinary shares, representing approximately 0.145% of the then issued share capital, in Hutchison Global Communications;

- (v) corporate interests in 300,000 common shares, representing approximately 0.071% of the then issued share capital, in Husky Energy;
- (vi) corporate interests in 225,000 American Depositary Shares (each representing one ordinary share), representing approximately 0.122% of the then issued share capital, in Partner Communications; and
- (vii) corporate interests in (a) a nominal amount of €20,900,000 in the 5.875% Notes due 2013 issued by Hutchison Whampoa Finance (03/13) Limited; (b) a nominal amount of US\$6,500,000 in the 6.25% Notes due 2014 issued by Hutchison Whampoa International (03/33) Limited; and (c) a nominal amount of US\$4,000,000 in the Partner Communications Notes.

Mr Fok Kin-ning, Canning held the above personal interests in his capacity as a beneficial owner and held the above corporate interests through a company which is equally owned by Mr Fok and his spouse.

Mrs Chow Woo Mo Fong, Susan in her capacity as a beneficial owner had, as at 31 December 2004, personal interests in 250,000 ordinary shares, representing approximately 0.006% of the then issued share capital, in Hutchison Telecommunications International.

Mr Frank John Sixt in his capacity as a beneficial owner had, as at 31 December 2004, personal interests in 17,000 American Depositary Shares (each representing 15 ordinary shares), representing approximately 0.006% of the then issued share capital, in Hutchison Telecommunications International.

Mr George Colin Magnus had, as at 31 December 2004, the following interests:

- (i) personal interests in 25,000 American Depositary Shares (each representing one ordinary share), representing approximately 0.014% of the then issued share capital, in Partner Communications held in his capacity as a beneficial owner; and
- (ii) 13,333 ordinary shares, representing approximately 0.0003% of the then issued share capital, in Hutchison Telecommunications International comprising personal interests in 13,201 ordinary shares held in his capacity as a beneficial owner and family interests in 132 ordinary shares held by his spouse.

Mr Kam Hing Lam in his capacity as a beneficial owner had, as at 31 December 2004, personal interests in 100,000 shares, representing approximately 0.004% of the then issued share capital, in Cheung Kong Infrastructure.

Mr Holger Kluge in his capacity as a beneficial owner had, as at 31 December 2004, personal interests in (i) 200,000 ordinary shares, representing approximately 0.030% of the then issued share capital, in Hutchison Telecommunications Australia; and (ii) 10,000 common shares, representing approximately 0.002% of the then issued share capital, in Husky Energy.

Mr Peter Alan Lee Vine in his capacity as a beneficial owner had, as at 31 December 2004, personal interests in 80,000 shares, representing approximately 0.004% of the then issued share capital, in Hongkong Electric.

Save as disclosed above, as at 31 December 2004, none of the Directors and chief executives of the Company and their respective associates had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Certain Directors held qualifying shares in certain subsidiaries of the Company on trust for other subsidiaries.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSABLE UNDER THE SFO

So far as is known to any Directors or chief executives of the Company, as at 31 December 2004, other than the interests and short positions of the Directors or chief executives of the Company as disclosed above, 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 SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

(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 (Holdings) Limited ("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 person 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 in the Company relate to the same block of shares in 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) above.

(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.

Saved as disclosed above, as at 31 December 2004, there was no other person (other than the Directors or chief executives of the Company) who was recorded in the register of the Company as having 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.

SHARE OPTION SCHEMES OF SUBSIDIARY COMPANIES

The following subsidiary companies of the Company have adopted their share option schemes. The principal terms of such share option schemes are summarized as follows:

(I) HUTCHISON 3G ITALIA S.P.A. ("H3GI")

The purpose of the employee share option plan of H3GI (the "H3GI Plan") constituted and governed by the rules of such plan as amended from time to time (the "H3GI Rules") is to provide H3GI with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to any employee of H3GI and any other company of which H3GI has control from time to time (the "H3GI Participating Company") or any director of any H3GI Participating Company who is required to devote to his duties a substantial part of his working hours (the "H3GI Eligible Employees").

The duly constituted remuneration committee of the board of directors of H3GI (the "H3GI Board") or before the establishment of a remuneration committee, any duly appointed committee of the H3GI Board set up for the purpose of administering the H3GI Plan (the "H3GI Remuneration Committee") may grant a right to acquire the ordinary shares of €5 each in the capital of H3GI (or such other nominal value as may be determined by H3GI in general meeting from time to time) (the "H3GI Shares") granted in accordance with the H3GI Rules of the H3GI Plan (the "H3GI Options") under the H3GI Plan to individuals who are H3GI Eligible Employees, subject always to any limits and restrictions specified in the H3GI Rules.

The form, manner and timing of grant of the H3GI Options, the maximum number of H3GI Shares in respect of each H3GI Option, the price at which each H3GI Share subject to an H3GI Option may be acquired on the exercise of that H3GI Option being subject to adjustment in case of reorganisation of capital structure (the "Subscription Price"), any condition on exercise of each H3GI Option, and all other terms relating or attaching to such grant shall be at the absolute discretion of the H3GI Remuneration Committee subject to compliance with the Listing Rules. The H3GI Remuneration Committee may delegate to the chief executive officers of H3GI the power to grant H3GI Options to any H3GI Eligible Employee which power shall in all cases be subject to the directions of the H3GI Remuneration Committee in relation thereto.

An H3GI Eligible Employee is not required to pay for the grant of an H3GI Option.

The Subscription Price will be, (i) in the case of the one time initial grants of H3GI Options recognising the long service and ongoing contribution of those H3GI Eligible Employees who were under the employment of H3GI and any H3GI Participating Company prior to 31 July 2001 and who at the date on which an H3GI Option is granted under the H3GI Plan (the "H3GI Date of Grant") remain so employed and who the H3GI Remuneration Committee determines should receive such an initial grant, the price as determined by the H3GI Remuneration Committee, and (ii) in any other case the market value of the H3GI Share at the H3GI Date of Grant as determined by the H3GI Remuneration Committee but in any event not being less than the nominal value of such H3GI Share at the H3GI Date of Grant.

In respect of any H3GI Option granted either : (i) after the Company has resolved to seek a separate listing and up to the date of the listing; or (ii) during the period commencing six months before the lodgement of Form A1 to the Stock Exchange in relation to a listing on the Main Board of the Stock Exchange (or an equivalent application in the case of a listing on the Growth Enterprise Market of the Stock Exchange or an overseas exchange) up to the date of the listing, and where the Subscription Price notified to an H3GI Option Holder (as referred to below) is less than the issue price of the H3GI Shares on listing, the Subscription Price shall be adjusted to the issue price of the H3GI Shares on listing and no H3GI Option (to which the H3GI Rule applies) shall be exercised at a Subscription Price below such issue price.

No H3GI Option shall be granted under the H3GI Plan which would, at the H3GI Date of Grant, cause the number of H3GI Shares which shall have been or may be issued both (a) in pursuance of the H3GI Options granted under the H3GI Plan and (b) under any other share option scheme involving the grant by H3GI or any of its subsidiaries of options over new H3GI Shares issued by H3GI or any of its subsidiaries established by H3GI or any of its subsidiaries in accordance with Chapter 17 of the Listing Rules (whether or not before 1 September 2001) or any other share option scheme which is determined by the Stock Exchange to be analogous to a share option scheme as described in Chapter 17 of the Listing Rules (the "Other H3GI Plan") (the "H3GI Option Plan Shares") to exceed such number as represents 5% the number of H3GI Shares in the capital of H3GI in issue at the date of approval of the H3GI Plan subject to compliance with Rule 17.03(3) of the Listing Rules. This limit may only be exceeded with approval of the shareholders of both H3GI and the Company in general meetings in accordance with the requirements of the Listing Rules.

No H3GI Option shall be granted under the H3GI Plan which would, at the H3GI Date of Grant, cause the number of H3GI Shares which shall have been or may be issued both (a) in pursuance of the H3GI Options granted under the H3GI Plan and (b) under any Other H3GI Plan to exceed 130,185,000 (on the basis of an assumed total number of shares in issue of 4,500,000,000 at €1 per share representing an aggregate paid up shareholders' equity of €4,500,000,000 immediately prior to a listing application being made to the competent Listing Authority (i.e. any authority acting in its capacity as the competent listing authority in respect of a recognised stock exchange) for admission to trading on a recognised stock exchange the ordinary share capital of H3GI without the prior written consent of the board of Directors of the Company (or such other person(s) as it may designate from time to time) which consent may be withheld at its absolute discretion.

The limit on the number of H3GI Shares which may be issued upon exercise of all outstanding H3GI Options granted and not yet exercised under the H3GI Plan and under any Other H3GI Plan to H3GI Eligible Employees must not exceed 30% of the H3GI Shares in issue from time to time.

The H3GI Remuneration Committee shall not grant any H3GI Options (the "H3GI Relevant Options") to any H3GI Eligible Employee which, if exercised, would result in such H3GI Eligible Employee becoming entitled to subscribe for such number of H3GI Shares as, when aggregated with the total number of H3GI Shares already issued or to be issued to him under all H3GI Options granted to him (including exercised, cancelled and outstanding H3GI Options) in the 12-month period up to and including the H3GI Date of Grant of the H3GI Relevant Options, exceed 1% of the H3GI Shares in issue at such date. Notwithstanding this, the H3GI Remuneration Committee may grant H3GI Options to any H3GI Eligible Employee causing this limit to be exceeded, but only with the approval of the shareholders of H3GI and the Company in general meetings (with such H3GI Eligible Employee and his Associates (as defined in the Listing Rules) abstaining from voting in favour) in compliance with the requirements of the Listing Rules.

The rights of an H3GI Option Holder (i.e. an H3GI Eligible Employee who has accepted an offer from a H3GI Participating Company of an H3GI Option in accordance with the H3GI Plan or where the context requires a person becoming entitled to an H3GI Option in consequence of the death of an H3GI Option Holder) to exercise H3GI Options which have neither lapsed nor been exercised (or part thereof) shall be crystallised 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.

An H3GI Option may be exercised in whole or in part by the H3GI 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 H3GI Option. H3GI Options must be exercised with the period of eight years from the H3GI Date of Grant.

The H3GI Remuneration Committee may at any time (but not earlier than 20 May 2004 nor later than the eighth anniversary thereof) grant options under the H3GI Plan to individuals who are H3GI Eligible Employees.

The Directors of the Company considered that it is not appropriate to value share options granted under the H3GI Plan during the year as a number of factors critical for the valuation of share options granted cannot be determined accurately. In the absence of readily available market value of options under the H3GI Plan, any valuation of the share options would be meaningless and could be misleading to the shareholders.

The following share options were outstanding under the H3GI Plan during the year ended 31 December 2004:

Name or category of participant	Effective date of grant of share options	Number of share options held at 1 January 2004	Effectively granted during 2004	Exercised during 2004	Expired/cancelled during 2004	Number of share options held at 31 December 2004	Exercise period of share options	Price of H3GI Share		
								Exercise price of share options €	At grant date of share options €	At exercise date of share options €
Employees										
In aggregate	20.5.2004	-	21,648,235	-	-	21,648,235	On the initial public offer of H3GI Shares to 16.7.2009	5.17	5.00	N/A
	20.11.2004	-	2,892,689	-	-	2,892,689	On the initial public offer of H3GI Shares to 16.7.2009	5.17	5.00	N/A
Total:		-	24,540,924	-	-	24,540,924				

As at the date of this report, H3GI had 24,540,924 share options outstanding under the H3GI Plan, which represented approximately 3.41% of H3GI's shares in issue as at that date.

(II) HUTCHISON 3G UK HOLDINGS

The purpose of the employee share option plan of Hutchison 3G UK Holdings (the "H3GUKH Plan") is to provide Hutchison 3G UK Holdings with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to the eligible employees of Hutchison 3G UK Holdings (the "H3GUKH Eligible Employees"), being:

- (a) any employee of Hutchison 3G UK Holdings and any other company of which Hutchison 3G UK Holdings has control from time to time (collectively the "H3GUKH Participating Company"); or
- (b) any director of Hutchison 3G UK Holdings and any H3GUKH 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.

The duly constituted remuneration committee of the board of Hutchison 3G UK Holdings or, before the establishment of a remuneration committee, any duly appointed committee of the board of Hutchison 3G UK Holdings set up for the purpose of administering the H3GUKH Plan (the "H3GUKH Remuneration Committee") may grant options under the H3GUKH Plan to individuals who are H3GUKH Eligible Employees, subject always to any limits and restrictions specified in the rules of the H3GUKH Plan as amended from time to time.

The subscription price for H3GUKH Shares (as defined below) will be, (i) in the case of the one time initial grants of options recognising the long service and ongoing contribution of the founders and other H3GUKH Eligible Employees who were under the employment of Hutchison 3G UK Holdings and any H3GUKH Participating Company (the "H3GUKH Group") prior to 31 March 2001 and who remain so employed and who the H3GUKH Remuneration Committee determines should receive such an initial grant (the "Founders"), the price as determined by the H3GUKH Remuneration Committee (not being less than £1.00 per share); and (ii) in any other case the market value of the ordinary shares of £1.00 each in the capital of Hutchison 3G UK Holdings (the "H3GUKH Shares") at the date on which an option is granted under the H3GUKH Plan (the "H3GUKH Grant Date") as determined by the H3GUKH Remuneration Committee but in any event not being less than the nominal value of such H3GUKH Share at the H3GUKH Grant Date.

In respect of any option granted either: (i) after the Company has resolved to seek a separate listing and up to the date of the listing; or (ii) during the period commencing six months before the lodgement of Form A1 to the Stock Exchange in relation to a listing on the Main Board of the Stock Exchange (or an equivalent application in case of a listing on the Growth Enterprise Market of the Stock Exchange, the London Stock Exchange or an overseas exchange) up to the date of the listing, and where the subscription price notified to an option holder is less than the issue price of the H3GUKH Shares on listing, the subscription price shall be adjusted to the issue price of the H3GUKH Shares on listing and no option (to which the rules of the H3GUKH Plan applies) shall be exercised at a subscription price below such issue price.

No option shall be granted under the H3GUKH Plan which would, at the H3GUKH Grant Date, cause the number of H3GUKH Shares which shall have been or may be issued both (a) in pursuance of options granted under the H3GUKH Plan and (b) under any share option scheme involving the grant by Hutchison 3G UK Holdings or any of its subsidiaries of option over new H3GUKH Shares issued by Hutchison 3G UK Holdings or any of its subsidiaries established by Hutchison 3G UK Holdings or any of its subsidiaries in accordance with Chapter 17 of the Listing Rules (whether or not before 1 September 2001) or any other share option scheme which is determined by the Stock Exchange to be analogous to a share option scheme as described in Chapter 17 of the Listing Rules or any other employees share scheme within the meaning of Section 743 of the Companies Act 1985 (the "Other H3GUKH Plan") (the "H3GUKH Option Plan Shares") to exceed such number as represents 5% of the number of H3GUKH Shares in the capital of Hutchison 3G UK Holdings in issue at the date of approval of the H3GUKH Plan. This limit may only be exceeded with the approval of the shareholders of both Hutchison 3G UK Holdings and the Company in general meetings in accordance with the requirements of the Listing Rules.

No option shall be granted under the H3GUKH Plan which would, at the H3GUKH Grant Date, cause the number of H3GUKH Option Plan Shares to exceed such number as represents 4% of the number of H3GUKH Shares in issue at the date of approval of the H3GUKH Plan without the prior written consent of the board of directors of the Company (or such other person(s) as it may designate from time to time) which consent may be withheld at its absolute discretion.

The limit on the number of H3GUKH Shares which may be issued upon exercise of all outstanding options granted and not yet exercised under the H3GUKH Plan and under any Other H3GUKH Plan to H3GUKH Eligible Employees must not exceed 30% of the H3GUKH Shares in issue from time to time.

The H3GUKH Remuneration Committee shall not grant any options (the "H3GUKH Relevant Options") to any H3GUKH Eligible Employee which, if exercised, would result in such H3GUKH Eligible Employee becoming entitled to subscribe for such number of H3GUKH Shares as, when aggregated with the total number of H3GUKH Shares already issued or to be issued to him under all options granted to him in the 12-month period up to and including the H3GUKH Grant Date of the H3GUKH Relevant Options, exceed 1% of the H3GUKH Shares in issue at such date. Notwithstanding this, the H3GUKH Remuneration Committee may grant options to any H3GUKH Eligible Employee causing this limit to be exceeded, but only with the approval of the shareholders of Hutchison 3G UK Holdings and the Company in general meeting (with such H3GUKH Eligible Employee and his Associates (as defined in the Listing Rules) abstaining from voting in favour) in compliance with the requirements of the Listing Rules.

Subsisting options granted to Founders will 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.

Subsisting options granted to option holders other than Founders will 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.

An option may be exercised in whole or in part by the 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 option. Options must be exercised within the period of ten years from the H3GUKH Grant Date.

The H3GUKH Remuneration Committee may at any time (but not earlier than the 20 May 2004 nor later than the tenth anniversary thereof) grant options under the H3GUKH Plan to individuals who are H3GUKH Eligible Employees.

The Directors of the Company considered that it is not appropriate to value share options granted under the H3GUKH Plan during the year as a number of factors critical for the valuation of share options granted cannot be determined accurately. In the absence of readily available market value of options under the H3GUKH Plan, any valuation of the share options would be meaningless and could be misleading to the shareholders.

The following share options were outstanding under the H3GUKH Plan during the year ended 31 December 2004:

Name or category of participant	Effective date of grant of share options	Number of share options held at 1 January 2004	Effectively granted during 2004	Exercised during 2004	Expired/cancelled during 2004	Number of share options held at 31 December 2004	Exercise period of share options	Price of H3GUKH Share		
								Exercise price of share options £	At grant date of share options £	At exercise date of share options £
Employees in aggregate	20.5.2004	-	18,787,000	-	-	18,787,000	On the initial public offer of H3GUKH Shares to 18.4.2011	1.00	1.00	N/A
	20.5.2004	-	72,971,000	-	(10,561,500)	62,409,500	On the initial public offer of H3GUKH Shares to 18.4.2011	1.35	1.00	N/A
	20.5.2004	-	12,256,750	-	(6,516,500)	5,740,250	On the initial public offer of H3GUKH Shares to 20.8.2011	1.35	1.00	N/A
	20.5.2004	-	3,462,750	-	(27,750)	3,435,000	On the initial public offer of H3GUKH Shares to 18.12.2011	1.35	1.00	N/A
	20.5.2004	-	3,373,250	-	(1,050,000)	2,323,250	On the initial public offer of H3GUKH Shares to 16.5.2012	1.35	1.00	N/A
	20.5.2004	-	5,383,250	-	(2,730,500)	2,652,750	On the initial public offer of H3GUKH Shares to 29.8.2012	1.35	1.00	N/A
	20.5.2004	-	552,500	-	(45,000)	507,500	On the initial public offer of H3GUKH Shares to 28.10.2012	1.35	1.00	N/A
	20.5.2004	-	1,455,000	-	(280,000)	1,175,000	On the initial public offer of H3GUKH Shares to 11.5.2013	1.35	1.00	N/A
	20.5.2004	-	7,852,500	-	-	7,852,500	On the initial public offer of H3GUKH Shares to 14.5.2014	1.35	1.00	N/A
Total:		-	126,094,000	-	(21,211,250)	104,882,750				

As at the date of this report, Hutchison 3G UK Holdings had 109,395,500 share option outstanding under the H3GUKH Plan, which represented approximately 2.46% of H3GUKH Shares in issue at as that date.

(III) HUTCHISON HARBOUR RING

The purpose of the share option scheme of Hutchison Harbour Ring (the "HHR Share Option Scheme") is to enable Hutchison Harbour Ring and its subsidiaries (the "HHR Group") to grant 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.

The directors of Hutchison Harbour Ring (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 options to subscribe for shares of HK\$0.10 each in the share capital of Hutchison Harbour Ring (the "HHR Shares"):

- 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 Hutchison Harbour Ring (the "HHR Eligible Employee"), any of its subsidiaries or any entity (the "HHR Invested Entity") in which any member of the HHR Group holds any equity interest;
- any non-executive directors (including independent non-executive directors) of Hutchison Harbour Ring, any of its subsidiaries or any HHR Invested Entity;
- 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 options by Hutchison Harbour Ring for the subscription of HHR Shares or other securities of the HHR Group to any person who fall within any of the above classes of participants shall not, by itself, unless the HHR Directors otherwise determine, be construed as a grant of option under the HHR Share Option Scheme.

The eligibility of any of the above class of participants to the grant of any 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. The maximum number of HHR Shares to be allotted and issued is as follows:

- (a) The maximum number of securities which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the HHR Share Option Scheme and any other share option scheme of the HHR Group must not in aggregate exceed 30% of the relevant class of securities of Hutchison Harbour Ring (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 options (excluding, for this purpose, options which have lapsed in accordance with the terms of the HHR Share Option Scheme and any other share option scheme of the HHR Group) to be granted under the HHR Share Option Scheme and any other share option scheme of the HHR Group must not in aggregate exceed 6% of the relevant class of securities of Hutchison Harbour Ring (or its subsidiaries) in issue as at 20 May 2004, being the date of passing the relevant resolution adopting the HHR Share Option Scheme (the "HHR General Scheme Limit"). Based on the number of HHR Shares in issue on 20 May 2004, the HHR General Scheme Limit of the HHR Share Option Scheme is 402,300,015 HHR Shares.
- (c) Subject to (a) above and without prejudice to (d) below, Hutchison Harbour Ring may seek approval of its shareholders (the "HHR Shareholders") in general meeting to refresh the HHR General Scheme Limit (a circular containing the information required by the Listing Rules to be despatched to HHR Shareholders for that purpose) provided that the total number of HHR Shares which may be allotted and issued upon the exercise of all options to be granted under the HHR Share Option Scheme and any other share option scheme of the HHR Group must not exceed 10% of the relevant class of securities of Hutchison Harbour Ring (or its subsidiaries) in issue as at the date of approval of the limit and, for the purpose of calculating the limit, options including those outstanding, cancelled, lapsed or exercised in accordance with the HHR Share Option Scheme and any other share option scheme of the HHR Group will not be counted.
- (d) Subject to (a) above and without prejudice to (c) above, Hutchison Harbour Ring may seek separate approval of the HHR Shareholders in general meeting to grant options beyond the HHR General Scheme Limit or, if applicable, the extended limit referred to in (c) above to participants specifically identified by Hutchison Harbour Ring before such approval is sought.

The total number of HHR Shares issued and which may fall to be issued upon the exercise of the options granted under the HHR Share Option Scheme and any other share option scheme of the HHR Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of Hutchison Harbour Ring for the time being (the "HHR Individual Limit"). Any further grant of options in excess of the HHR Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the approval of the HHR Shareholders in a general meeting

of Hutchison Harbour Ring with such participant and his associates abstaining from voting. The number and terms (including the exercise price) of the options to be granted (and options previously granted to such participant) must be fixed before the approval of the HHR Shareholders and the date of the board meeting proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under Note (1) to Rule 17.03(9) of the Listing Rules.

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

An option may be exercised in accordance with the terms of the HHR Share Option Scheme at any time during a period to be determined on the date of offer of grant of 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 options but shall end in any event not later than ten years from the date on which the offer for grant of the option is made, subject to the provisions for early termination thereof. Unless otherwise determined by the HHR Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the HHR Share Option Scheme for the holding of an option before it can be exercised.

The subscription price for HHR Shares under the HHR Share Option Scheme shall be a price determined by the HHR Directors but shall not be less than the highest of (i) the closing price of HHR Shares as stated in the Stock Exchange'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; (ii) the average closing price of HHR Shares as stated in the Stock Exchange'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 (iii) the nominal value of the HHR Shares. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

The HHR Share Option Scheme will remain in force for a period of ten years commencing on the date on which the HHR Share Option Scheme becomes unconditional.

As at the date of this report, no options have been granted under the HHR Share Option Scheme.

(IV) HUTCHISON GLOBAL COMMUNICATIONS

(i) 1995 Option Scheme

Pursuant to an ordinary resolution passed on 22 March 1995, Hutchison Global Communications adopted a share option scheme (the "1995 Option Scheme") for the purpose of providing incentive and rewards to eligible participants. On 2 April 2002, the 1995 Option Scheme was terminated and replaced by a new option scheme adopted by Hutchison Global Communications on 2 April 2002. Upon the termination of the 1995 Option Scheme, no further options would be offered pursuant thereto. However, the 1995 Option Scheme will in all other respects remain in force to the extent necessary to give effect to the exercise of the outstanding options granted pursuant thereto (the "Outstanding Options"). The Outstanding Options will continue to be valid and exercisable in accordance with the rules of the 1995 Option Scheme.

Eligible participants of the 1995 Option Scheme included employees or executive directors of Hutchison Global Communications or any of its subsidiary companies (the "HGCH Employees"). The directors of Hutchison Global Communications (the "HGCH Directors") are authorised to invite, at their discretion, eligible participants to take up options to subscribe for shares in Hutchison Global Communications (the "HGCH Shares"). The options are exercisable for a period to be notified by the board of HGCH Directors to each grantee and in any event such period of time should not exceed a period of three years commencing on the expiry of six months after the date on which the option is accepted, provided that no options can be exercised after 21 March 2005. Unless otherwise cancelled or amended, the 1995 Option Scheme was to remain in force for a period of ten years commencing on 22 March 1995.

The maximum number of HGCH Shares in respect of which options were able to be granted (together with HGCH Shares issued pursuant to options exercised and HGCH Shares in respect of which any options remain outstanding) under the 1995 Option Scheme and any other share option schemes of Hutchison Global Communications may not exceed 10% of

the issued share capital of Hutchison Global Communications from time to time, excluding for this purpose HGCH Shares issued on exercise of options granted pursuant to the 1995 Option Scheme. At 31 December 2004, there was no outstanding share options under the 1995 Option Scheme. No option was able to be granted to any one HGCH Employee which, if exercised in full, would have resulted in such HGCH Employee becoming entitled to subscribe for such number of HGCH Shares as, when aggregated with the total number of Hutchison Global Communications Shares already issued and remaining issuable to him or her under the 1995 Option Scheme, would exceed 25% of the aggregate number of HGCH Shares for the time being issued and issuable under the 1995 Option Scheme.

The offer of a grant of share options could be accepted upon payment of a nominal consideration of HK\$1 in total by the grantee. The vesting period of the share options was determinable by the HGCH Directors.

The subscription price for HGCH Shares under the 1995 Option Scheme was determined by the board of HGCH Directors and notified to each grantee and was the higher of: (i) a price being not less than 80% of the average closing price of the HGCH Shares on the Stock Exchange for the five trading days immediately preceding the date of offer of the option granted to a grantee; and (ii) the nominal value of a HGCH Share.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the 1995 Option Scheme during the year ended 31 December 2004:

Name or category of participant	Date of grant of share options*	Number of share options at 1 January 2004	Exercised during 2004	Cancelled/ expired during 2004	Number of share options at 31 December 2004	Exercise period of share options	Price of HGCH Share ***		
							Exercise price of share options** HK\$	At the date of grant of share options HK\$	At the date of exercise of share options HK\$
Employees in aggregate	12.7.2000	1,000,000	-	(1,000,000)	-	13.1.2001 to 12.1.2004	2.20	2.75	N/A
	12.7.2000	3,620,000	-	(3,620,000)	-	12.1.2001 to 11.1.2004	2.20	2.75	N/A
	2.5.2001	3,970,000	(1,700,000)	(2,270,000)	-	2.11.2001 to 1.11.2004	0.81	1.02	1.05
Total:		8,590,000	(1,700,000)	(6,890,000)	-				

* The vesting period of the above outstanding share options is from the date of the grant until the commencement of the exercise period and only 50% of the options may be exercised within the first year from the date on which the options are accepted.

** The exercise price of the share options is subject to adjustment, in accordance with the provisions of the share option scheme, in the event of an alteration in the capital structure of Hutchison Global Communications.

*** The price of the shares disclosed as at the date of grant of share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the options. The price of the shares disclosed as at the date of exercise of share options is the weighted average closing price of the shares immediately before the dates on which the options were exercised.

The options are exercisable for a period of three years commencing on the expiry of six months after the date on which the option was accepted, provided that no options may be exercised after 21 March 2005.

At the date of this report, there were no share options outstanding under the 1995 Option Scheme.

(ii) Share option schemes of subsidiary companies of Hutchison Global Communications

On 21 May 2001, Hutchison Global Communications approved the adoption by certain subsidiary companies (the "HGCH Subsidiaries") of their respective share option schemes (collectively the "HGCH Subsidiaries' Scheme"). The purpose of the adoption of the HGCH Subsidiaries' Scheme is to provide greater incentive to the HGCH Subsidiaries' employees, thereby improving their productivity and helping to retain key staff. The board of directors of the HGCH Subsidiaries may, at their discretion, offer to grant options to subscribe for shares in the respective HGCH Subsidiaries to employees and any executive directors of the HGCH Subsidiaries. Subject to any earlier termination by the respective HGCH Subsidiaries, the HGCH Subsidiaries' Scheme shall be valid and effective for a period of ten years from 21 May 2001. The issue of the shares in the respective HGCH Subsidiaries pursuant to the exercise of an option by the grantee shall be conditional upon the unconditional completion of the listing of the shares of the respective HGCH Subsidiaries ("HGCH Subsidiary Shares") on any internationally recognised stock exchange. Subject to the above, an option may be exercised in accordance with the terms of the HGCH Subsidiaries' Scheme, but in any event shall not exceed ten years commencing from the date of grant of the option.

The total number of HGCH Subsidiary Shares which can be subscribed through exercising all options granted under the HGCH Subsidiaries' Scheme and any other share option scheme of the respective HGCH Subsidiaries shall in aggregate not exceed 10% of the total number of the HGCH Subsidiary Shares in issue from time to time (excluding any HGCH Subsidiary Shares issued pursuant to the HGCH Subsidiaries' Scheme). No option may be granted to any one person which if exercised in full would result in the total number of the HGCH Subsidiary Shares already issued and issuable to the grantee under all the options previously granted to him, and the proposed option, exceeding 25% of the total number of HGCH Subsidiary Shares subject to the HGCH Subsidiaries' Scheme.

The offer of a grant of share options may be accepted upon payment of a nominal consideration by the grantee of HK\$1 for the respective HGCH Subsidiaries incorporated in Hong Kong, or an appropriate amount in the currency of the jurisdiction, if not in Hong Kong, in which the respective HGCH Subsidiaries have their principal place of business.

The minimum exercise price for the options granted under the HGCH Subsidiaries' Scheme shall be the higher of (i) the par value per the respective HGCH Subsidiary Shares; or (ii) 80% of the net asset value of the respective HGCH Subsidiary, as stated in the latest audited financial statements or, if audited financial statements are not available, the latest management accounts of the respective HGCH Subsidiary, divided by the number of the respective HGCH Subsidiary Shares in issue at the date of the latest audited financial statements or latest management accounts (as the case may be).

As at the date of this report, no options have been granted under the HGCH Subsidiaries' Scheme.

(iii) 2002 Option Scheme

Following the amendments made to Chapter 17 of the Listing Rules which came into effect on 1 September 2001, no option may be granted under the 1995 Option Scheme unless such grant is made in compliance with the amended rules. To enable Hutchison Global Communications to continue to reward and provide incentives to, and to strengthen the business relationship of Hutchison Global Communications group (the "HGCH Group") with the prescribed classes of participants who may contribute to the growth and development of the HGCH Group (who now became classes of potential grantees of the share options as expanded by the Listing Rules), a new option scheme (the "2002 Option Scheme") was adopted by Hutchison Global Communications on 2 April 2002 and at the same time, that the 1995 Option Scheme was terminated. The 2002 Option Scheme will remain in force for ten years commencing on 2 April 2002.

Under the 2002 Option Scheme, the eligibility of the participants for the grant of any options shall be determined by the HGCH Directors from time to time on the basis of their contribution to the development and growth of the HGCH Group. The HGCH Directors may, at their discretion, invite any person belonging to any of the following classes of participants to take up options for HGCH Shares:

- (a) any employee/consultant or proposed employee/consultant (including executive director but excluding any non-executive director) of Hutchison Global Communications, any of its subsidiary companies or any entity (the "HGCH Invested Entity") in which a member of the HGCH Group holds any equity interest, including any executive director of Hutchison Global Communications, any of such subsidiary companies or any HGCH Invested Entity;
- (b) any non-executive directors (including independent non-executive directors) of Hutchison Global Communications, any of its subsidiary companies or any HGCH Invested Entity;
- (c) any supplier of goods or services to any member of the HGCH Group or any HGCH Invested Entity;
- (d) any customer of any member of the HGCH Group or any HGCH Invested Entity;
- (e) any person or entity that provides research, development or other technological support to any member of the HGCH Group or any HGCH Invested Entity;
- (f) any shareholder of any member of the HGCH Group or any HGCH Invested Entity, or any holder of any securities issued by any member of the HGCH Group or any HGCH Invested Entity;
- (g) any other group or class of participants who has contributed or may contribute by way of a joint venture, business alliance or other business arrangement to the development and growth of the HGCH Group; and
- (h) any company wholly owned by one or more persons belonging to any of the above classes of participants.

The maximum number of HGCH Shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the 2002 Option Scheme and any other share option scheme must not in aggregate exceed 30% of the relevant class of shares of Hutchison Global Communications (or its subsidiary companies) in issue from time to time.

The total number of shares which may be allotted and issued upon the exercise of all options to be granted under the 2002 Option Scheme and any other share option scheme of the HGCH Group must not in aggregate exceed 10% of the relevant class of shares of Hutchison Global Communications in issue at the date of approval of the limit by Hutchison Global Communications in a general meeting.

The total number of shares issued and which may fall to be issued upon the exercise of the options granted under the 2002 Option Scheme and any other share option scheme of the HGCH Group, including both exercised or outstanding options, to each participant in any 12-month period, shall not exceed 1% of the issued share capital of HGCH for the time being unless approved by the shareholders of Hutchison Global Communications (the "HGCH Shareholders") in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of Hutchison Global Communications, or to any of their associates, are subject to approval in advance by the independent non-executive directors of Hutchison Global Communications. Where any grant of option to a substantial shareholder or an independent non-executive director of Hutchison Global Communications, or any of their associates would result in the HGCH Shares issued and to be issued upon the exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant (a) representing in aggregate over 0.1% of the HGCH Shares in issue; and (b) having an aggregate value (based on the closing price of the HGCH Shares at the date of each grant) in excess of HK\$5,000,000, such further grant of options must be approved by the shareholders in a general meeting.

Any change in the terms of the options granted to a substantial shareholder or an independent non-executive director of Hutchison Global Communications, or any of their associates must be approved by the HGCH Shareholders in a general meeting.

An option may be accepted by a participant by the payment of a nominal value of HK\$1. An option may be exercised in accordance with the terms of the 2002 Option Scheme at any time during a period to be determined on the date of offer of grant of the option and notified by the directors to each grantee. The exercise period may commence once the offer of the grant is accepted by the grantee within the prescribed time from the date of its offer and shall end, in any event, not later than ten years from the date on which the offer of the grant of the options was made, subject to the provisions for early termination thereof. Unless otherwise determined by the HGCH Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the 2002 Option Scheme for the holding of an option before it can be exercised.

The exercise price of the HGCH Shares under the 2002 Option Scheme shall be determined by the HGCH Directors, but shall not be less than the highest of (i) the closing price of the HGCH Shares on the date of the offer of the grant; (ii) the average closing price of the HGCH Shares for the five trading days immediately preceding the date of the offer of the grant; and (iii) the nominal value of the HGCH Shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The Directors of the Company do not consider it appropriate to disclose the value of the options granted under the 2002 Option Scheme during the year ended 31 December 2004 as any such valuation would be subject to a number of assumptions and variables.

The following share options were outstanding under the 2002 Option Scheme during the year ended 31 December 2004:

Name or category of participant	Date of grant of share options	Number of share options held at 1 January 2004	Granted during 2004	Exercised during 2004	Expired/ cancelled during 2004	Number of share options held at 31 December 2004	Exercise period of share options	Price of HGCH Share****		
								Exercise price of share options*** HK\$	At grant date of share options HK\$	At exercise date of share options HK\$
Employees in aggregate	2.4.2002*	20,000,000	-	-	(20,000,000)	-	3.4.2003 to 2.4.2006	0.886	0.880	N/A
	2.5.2002*	9,850,000	-	-	(3,000,000)	6,850,000	2.5.2003 to 1.5.2006	0.940	0.930	N/A
	2.5.2003*	7,250,000	-	(1,700,000)	(1,750,000)	3,800,000	2.5.2004 to 1.5.2007	0.340	0.315	0.423
	16.5.2003*	4,750,000	-	(582,000)	(3,418,000)	750,000	16.5.2004 to 15.5.2007	0.410	0.410	0.481
	19.8.2004**	-	112,000,000	-	(7,000,000)	105,000,000	19.8.2004 to 18.8.2008	0.480	0.480	N/A
Total:		41,850,000	112,000,000	(2,282,000)	(35,168,000)	116,400,000				

* The share options are exercisable, subject to the vesting scale, commencing on the date on which the options are accepted to the earlier of the options lapses and the date falling four years from the date of grant of the options. One-third of the options are vested on the first anniversary of the date of grant and one-thirty sixth of which are vested equally on a monthly basis thereafter.

** The share options are exercisable subject to the vesting schedule of which approximately one-third of the options will be vested on 19 August 2005 and 19 August 2006 respectively and the balance of the options will be vested on 19 August 2007.

*** The exercise price of the share options is subject to adjustment, in accordance with the provisions of the share option scheme, in the event of an alteration in the capital structure of Hutchison Global Communications.

**** The price of the shares disclosed as at the date of grant of share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the options. The price of the shares disclosed as at the date of exercise of share options is the weighted average closing price of the shares immediately before the dates on which the options were exercised.

As at the date of this report, Hutchison Global Communications had 112,900,000 share options outstanding under the 2002 Option Scheme, which represented approximately 1.6% of HGCH Shares in issue as at that date. The exercise in full of the remaining share options would, under the present capital structure of Hutchison Global Communications, result in the issue of 112,900,000 additional ordinary shares of Hutchison Global Communications and additional share capital of HK\$11,290,000 and share premium of HK\$45,468,500 (before issue expenses).

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 acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2004, the following Directors of the Company had interests in the following businesses (apart from the Company's businesses) conducted through the companies named below, their subsidiaries, associated companies or other investment forms which are considered to compete or be likely to compete, either directly or indirectly, with the principal businesses of the Company conducted during the year required to be disclosed pursuant to Listing Rule 8.10:

Name of Director	Name of company	Nature of interest	Nature of competing business
Li Ka-shing	Cheung Kong	Chairman	– Property and hotels – Finance and investment
Li Tzar Kuoi, Victor	Cheung Kong	Managing Director and Deputy Chairman	– Property and hotels – Finance and investment
	Cheung Kong Infrastructure	Chairman	– Infrastructure, finance and investment
	CK Life Sciences Int'l, (Holdings) Inc. ("CK Life Sciences")	Chairman	– Retail and manufacturing (research, manufacture and sale of biotechnological and pharmaceutical products) – Finance and investment
	Hongkong Electric	Executive Director	– Energy
	Husky Energy	Co-Chairman	– Energy
Fok Kin-ning, Canning	Cheung Kong	Non-executive Director	– Property and hotels – Finance and investment
	Cheung Kong Infrastructure	Deputy Chairman	– Infrastructure, finance and investment
	Hanny Holdings Limited	Non-executive Director	– Telecommunications (distribution and marketing of computer products and information technology services and solution) – Finance and investment
	Hongkong Electric	Deputy Chairman	– Energy
	Husky Energy	Co-Chairman	– Energy

Name of Director	Name of company	Nature of interest	Nature of competing business
	Hutchison Global Communications	Chairman	– Telecommunications
	Hutchison Harbour Ring	Chairman	– Property
	Hutchison Telecommunications Australia	Chairman	– Telecommunications
	Panva Gas Holdings Limited	Non-executive Director	– Energy
	Partner Communications	Chairman	– Telecommunications
Chow Woo Mo Fong, Susan	Cheung Kong Infrastructure	Executive Director	– Infrastructure, finance and investment
	Hongkong Electric	Non-executive Director	– Energy
	Hutchison Global Communications	Executive Director	– Telecommunications
	Hutchison Harbour Ring	Executive Director	– Property
	Partner Communications	Director	– Telecommunications
	TOM Group	Non-executive Director	– Telecommunications (systems integration, development of software and computer network systems)
	TOM Online Inc.	Alternate Director	– Telecommunications (wireless value added services, online advertising and commercial enterprise solution)
Frank John Sixt	Cheung Kong	Non-executive Director	– Property and hotels – Finance and investment
	Cheung Kong Infrastructure	Executive Director	– Infrastructure, finance and investment
	Hongkong Electric	Executive Director	– Energy
	Husky Energy	Director	– Energy
	Hutchison Global Communications	Executive Director	– Telecommunications
	Hutchison Telecommunications Australia	Director	– Telecommunications
	Partner Communications	Director	– Telecommunications
	TOM Group	Chairman	– Telecommunications (systems integration, development of software and computer network systems)
	TOM Online Inc.	Chairman	– Telecommunications (wireless value added services, online advertising and commercial enterprise solution)

Name of Director	Name of company	Nature of interest	Nature of competing business
Lai Kai Ming, Dominic	Hutchison Global Communications	Deputy Chairman	– Telecommunications
	Hutchison Harbour Ring	Deputy Chairman	– Property
	Hutchison Telecommunications Australia	Director	– Telecommunications
George Colin Magnus	Cheung Kong	Deputy Chairman	– Property and hotels – Finance and investment
	Cheung Kong Infrastructure	Deputy Chairman	– Infrastructure, finance and investment
	Hongkong Electric	Chairman	– Energy
Kam Hing Lam	Cheung Kong	Deputy Managing Director	– Property and hotels – Finance and investment
	Cheung Kong Infrastructure	Managing Director	– Infrastructure, finance and investment
	CK Life Sciences	President and Chief Executive Officer	– Retail and manufacturing (research, manufacture and sale of biotechnological and pharmaceutical products) – Finance and investment
	Hongkong Electric	Executive Director	– Energy
William Shurniak	Husky Energy	Director and Deputy Chairman	– Energy

As the Board is independent of the boards of the above entities, the Company has therefore been capable of carrying on its businesses independently of, and at arm's length from, the above businesses.

During the year, Messrs Fok Kin-ning, Canning, Chow Woo Mo Fong, Susan and Frank John Sixt are non-executive directors of Hutchison Telecommunications International (a subsidiary of the Company) which was engaged in telecommunications businesses. The non-competition agreement entered into by the Company and Hutchison Telecommunications International on 24 September 2004 maintained a clear geographical delineation, underpinned by the regulatory regime, of the two groups' respective businesses ensuring there would be no competition between them.

The exclusive territory of our Group was comprised of the member countries of the European Union (prior to its enlargement in 2004), Vatican City, San Marino, the Channel Islands, Monaco, Switzerland, Norway, Greenland, Liechtenstein, Australia, New Zealand, the United States of America, Canada and, unless and until such time as the Hutchison Telecommunications International Group exercises its option to acquire our Group's interest in Hutchison Telecommunications Argentina S.A., Argentina. The exclusive territory of the Hutchison Telecommunications International Group was comprised of all the remaining countries of the world. There is no single country in which both groups have competing operations.

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, approximately 48% of the issued share capital of the Company was held by the public.

AUDITORS

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

By order of the board

Edith Shih

Company Secretary

Hong Kong, 31 March 2005