

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Hutchison Whampoa Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---

# Hutchison Whampoa Limited



*(incorporated in Hong Kong with limited liability)*  
**(Stock Code: 013)**

**PROPOSALS FOR  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
GENERAL MANDATES TO ISSUE SHARES  
AND REPURCHASE SHARES  
AND  
SHARE OPTION PLAN OF  
PARTNER COMMUNICATIONS COMPANY LTD.  
AND  
CHANGE OF TERMS OF SHARE OPTIONS  
AND SHARE OPTION SCHEME OF  
HUTCHISON TELECOMMUNICATIONS INTERNATIONAL LIMITED  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

---

The notice convening the Annual General Meeting of Hutchison Whampoa Limited to be held at the Ballroom, 1st Floor, Harbour Plaza Hong Kong, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Thursday, 22 May 2008 at 12:00 noon at which the above proposals will be considered is set out on pages 29 to 31 of this circular. Whether or not you are able to attend the meeting, please complete and return the relevant form of proxy as instructed as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting to the registered office of the Company at 22nd Floor, Hutchison House, 10 Harcourt Road, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

24 April 2008

---

## CONTENTS

---

	<i>Pages</i>
<b>Responsibility Statement</b> .....	i
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	4
Introduction .....	4
Re-election of Retiring Directors .....	5
General Mandate and Repurchase Mandate .....	5
Terms of and Proposed Amendments to 2004 Partner Share Option Plan .....	5
Change of terms of HTIL Share Options and HTIL Share Option Scheme .....	8
AGM .....	8
Recommendation .....	9
Document Available for Inspection .....	9
<b>Appendix I – Information on Retiring Directors</b> .....	10
<b>Appendix II – Explanatory Statement for the Repurchase Mandate</b> .....	14
<b>Appendix III – Principal Terms of and Proposed Amendments to                   the 2004 Partner Share Option Plan</b> .....	17
<b>Appendix IV – Poll Procedures</b> .....	28
<b>Notice of AGM</b> .....	29

---

## **RESPONSIBILITY STATEMENT**

---

This circular includes particulars given in compliance with the Listing Rules for the purpose of providing information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

---

## DEFINITIONS

---

*In this circular (except Appendix III), unless otherwise defined or the context otherwise requires, the following expressions have the following meanings:*

“AGM”	the annual general meeting of the Company convened to be held on Thursday, 22 May 2008 at 12:00 noon at the Ballroom, 1st Floor, Harbour Plaza Hong Kong, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong, notice of which is set out on pages 29 to 31 of this circular and any adjournment thereof;
“Articles of Association”	the Articles of Association of the Company;
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Board”	the board of Directors;
“Companies Ordinance”	the Companies Ordinance (Cap 32 of the Laws of Hong Kong);
“Company”	Hutchison Whampoa Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 013);
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“General Mandate”	the general mandate to issue and dispose of additional Shares;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HTIL”	Hutchison Telecommunications International Limited, a company incorporated in the Cayman Islands and owned as to approximately 59.291% by the Company, whose securities are listed on the Main Board of the Stock Exchange and New York Stock Exchange, Inc;
“HTIL Directors”	the directors of HTIL;
“HTIL Group”	HTIL and its subsidiaries;
“HTIL Optionholders”	holders of the HTIL Share Options;
“HTIL Share(s)”	ordinary share(s) in the capital of HTIL with a nominal value of HK\$0.25 each;
“HTIL Shareholder(s)”	holder(s) of HTIL Shares;
“HTIL Share Options”	the share options granted by HTIL pursuant to the HTIL Share Option Scheme from time to time;

---

## DEFINITIONS

---

“HTIL Share Option Scheme”	the share option plan of HTIL, conditionally approved and adopted by a resolution of the then sole shareholder of HTIL passed on 17 September 2004, and further approved at an extraordinary general meeting of Shareholders of the Company on 19 May 2005, and subsequently amended by written resolutions of the HTIL Directors passed on 12 July 2005 and 9 February 2006 respectively;
“HTIL Share Option Terms Change”	the downward adjustment to the exercise price of the HTIL Share Options outstanding and unvested as at the date of payment of the relevant HTIL Special Dividend each time such HTIL Special Dividend is paid by HTIL by an amount equal to or up to the amount of such HTIL Special Dividend;
“HTIL Special Dividend”	the special dividend, other than dividend in the ordinary course, which HTIL declares and pays following completion of the sale by the HTIL Group of any asset held for investment purposes only out of the proceeds of such sale;
“HTIL Transaction”	the sale by HTIL of its entire interest in CGP Investments (Holdings) Limited, a company which held through various subsidiaries, the direct and indirect equity and loan interests in Hutchison Essar Limited (now known as “Vodafone Essar Limited”) and its subsidiaries to Vodafone International Holdings B.V. (“Vodafone”), a wholly-owned subsidiary of Vodafone Group Plc, for a cash consideration of approximately US\$11.1 billion (approximately HK\$86.6 billion) pursuant to a sale and purchase agreement dated 11 February 2007;
“HTIL Transaction Special Dividend”	the special dividend of HK\$6.75 per HTIL Share declared by HTIL Directors on 22 May 2007 and paid to the HTIL Shareholders out of the proceeds of the HTIL Transaction on 29 June 2007;
“Latest Practicable Date”	18 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Memorandum”	the Memorandum of Association of the Company;
“Partner”	Partner Communications Company Ltd., a company incorporated in Israel, and owned as to approximately 50.332% by HTIL, whose shares are listed on the Tel-Aviv Stock Exchange with American depositary shares quoted on US Nasdaq;

---

## DEFINITIONS

---

“Partner Shares”	the ordinary shares of NIS0.01 each in the issued share capital of Partner;
“2004 Partner Share Option Plan”	the share option plan adopted by Partner in July 2004 (as amended and approved by HTIL Shareholders on 16 May 2006, and further amended by the board of directors of Partner on 26 March 2008 and be approved by the respective shareholders of Partner and HTIL) proposed to be approved by the Company at the AGM;
“Plan Amendment Proposal”	the proposal to amend the 2004 Partner Share Option Plan as described in this circular;
“Plan Mandate Limit”	the maximum number of Partner Shares which may be issued upon the exercise of all options to be granted under the 2004 Partner Share Option Plan and any other share option scheme(s) of Partner, being 10% of the Partner Shares in issue as at the date on which the 2004 Partner Share Option Plan was first approved by the HTIL Shareholders or the date of approving the plan mandate limit, as appropriate;
“Plan Mandate Limited Refreshment Proposal”	the proposal to refresh the Plan Mandate Limit by up to 8,142,000 Partner Shares, as described in this circular;
“Repurchase Mandate”	the general mandate to repurchase Shares;
“Retiring Directors”	the Directors retiring at the AGM and, being eligible, are offering themselves for re-election at the AGM, in accordance with the Articles of Association;
“SFO”	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.25 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Code on Takeovers and Mergers;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“NIS”	New Israeli Shekel, the lawful currency of Israel.

---

## LETTER FROM THE BOARD

---

# Hutchison Whampoa Limited



*(incorporated in Hong Kong with limited liability)*  
**(Stock Code: 013)**

**Directors:**

LI Ka-shing, *Chairman*  
LI Tzar Kuoi, Victor, *Deputy Chairman*  
FOK Kin-ning, Canning, *Group Managing Director*  
CHOW WOO Mo Fong, Susan  
*Deputy Group Managing Director*  
Frank John SIXT, *Group Finance Director*  
LAI Kai Ming, Dominic, *Executive Director*  
KAM Hing Lam, *Executive Director*  
Michael David KADOORIE, *Independent Non-executive Director*  
Holger KLUGE, *Independent Non-executive Director*  
George Colin MAGNUS, *Non-executive Director*  
William Elkin MOCATTA  
*(Alternate to Michael David Kadoorie)*  
OR Ching Fai, Raymond, *Independent Non-executive Director*  
William SHURNIAK, *Non-executive Director*  
WONG Chung Hin, *Independent Non-executive Director*

**Registered Office:**

22nd Floor, Hutchison House  
10 Harcourt Road  
Hong Kong

24 April 2008

To the Shareholders

**PROPOSALS FOR  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
GENERAL MANDATES TO ISSUE SHARES  
AND REPURCHASE SHARES  
AND  
SHARE OPTION PLAN OF  
PARTNER COMMUNICATIONS COMPANY LTD.  
AND  
CHANGE OF TERMS OF SHARE OPTIONS  
AND SHARE OPTION SCHEME OF  
HUTCHISON TELECOMMUNICATIONS INTERNATIONAL LIMITED  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The Company will propose at the AGM resolutions to, inter alia, (i) re-elect the Retiring Directors; (ii) grant to the Directors the General Mandate and the Repurchase Mandate upon the expiry of the current general mandates to issue Shares and repurchase Shares granted to the Directors at the annual general meeting held on 17 May 2007; (iii) approve the 2004 Partner Share Option Plan, including the Plan Mandate Limit Refreshment Proposal and the Plan Amendment Proposal; and (iv) approve the change of terms of the HTIL Share Options and HTIL Share Option Scheme.

---

## LETTER FROM THE BOARD

---

The purpose of this circular is to provide you with further information on resolutions to be proposed at the AGM and to give you notice of the AGM at which the resolutions will be proposed to consider and, if thought fit, approve such matters.

### **RE-ELECTION OF RETIRING DIRECTORS**

In accordance with Article 85 of the Articles of Association, Messrs Li Tzar Kuoi, Victor, Fok Kin-ning, Canning, Kam Hing Lam, Holger Kluge and Wong Chung Hin will retire at the AGM and, being eligible, will offer themselves for re-election. Information on such Retiring Directors as required to be disclosed under the Listing Rules is set out in Appendix I to this circular.

### **GENERAL MANDATE AND REPURCHASE MANDATE**

At the annual general meeting of the Company held on 17 May 2007, ordinary resolutions were passed to grant general mandates to the Directors (i) to issue and dispose of additional Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of approving the relevant resolution and the nominal amount (up to a maximum of 10% of the aggregate nominal amount of the Company's then issued share capital) of any Shares repurchased by the Company; and (ii) to repurchase, inter alia, Shares, the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the issued share capital of the Company in issue as at the date of approving the relevant resolution.

These general mandates will expire at the conclusion of the AGM. Resolutions will be proposed at the AGM to grant the General Mandate and the Repurchase Mandate to the Directors. With reference to these resolutions, the Directors wish to state that they have no immediate plans to repurchase any Shares or to issue any new Shares pursuant to the relevant mandates.

An explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix II to this circular.

### **TERMS OF AND PROPOSED AMENDMENTS TO 2004 PARTNER SHARE OPTION PLAN**

Prior to Partner becoming a subsidiary of the Company held through HTIL and before HTIL became a subsidiary of the Company on 14 June 2007, Partner had adopted four share option plans. As Partner has become a subsidiary of the Company following the purchase of additional shares of HTIL by the Company in the open market through the Stock Exchange in June 2007, Chapter 17 of the Listing Rules requires that Partner's share option plans be approved by Shareholders in general meeting and that the terms of such plans comply with the provisions set out therein. The Directors note that options that were granted under the four share option plans prior to Partner becoming the Company's subsidiary would remain valid but no further grant of options would be made under those plans until the aforesaid requirements of the Listing Rules are met. The Directors further note that three share option plans of Partner, which were adopted by Partner in 1998, 2000 and 2003 respectively, were all terminated on 26 March 2008, and that Partner intends only to make further grant of options under the 2004 Partner Share Option Plan. Accordingly, proposals are to be made at the AGM for approval of the 2004 Partner Share Option Plan.

The Directors have considered and agreed with the views of Partner and HTIL that the 2004 Partner Share Option Plan might help promote the interests of Partner and its shareholders by providing employees, officers and advisors of Partner with appropriate incentives and rewards to encourage them to enter into and continue in the employ of or service to Partner and to acquire a proprietary interest in the long-term success of Partner.



---

## LETTER FROM THE BOARD

---

The terms of the 2004 Partner Share Option Plan provide that an option shall become cumulatively vested as to one-fourth (25%) of the ordinary shares covered thereby on each of the first, second, third, and fourth anniversaries of the date of grant of option, unless otherwise set by the compensation committee of Partner and written in the instrument of the grant of option. The Directors consider that the vesting schedule would help achieve the purpose of the 2004 Partner Share Option Plan by ensuring that employees might only exercise their options over a longer period.

The terms of the 2004 Partner Share Option Plan do not contain specific provisions for performance targets applicable to options. The Directors note that no performance targets have been prescribed in the past and consider it more appropriate to maintain the position. The Directors consider it more beneficial to Partner to retain the flexibility to determine when such conditions are appropriate. The Directors believe that the exercise price set in accordance with the 2004 Partner Share Option Plan will serve to protect the value of Partner and will facilitate the provision of incentive and rewards to employees to enter into or continue the employ of or service to Partner.

A summary of the principal terms of the 2004 Partner Share Option Plan is set out in section A of Appendix III to this circular.

The Directors further note that on 26 March 2008, the board of directors of Partner approved certain amendments to the 2004 Partner Share Option Plan, which include, among the others, the following:

### ***Proposed Refreshment of Plan Mandate Limit of the 2004 Partner Share Option Plan***

Under the existing Plan Mandate Limit, Partner is authorised to grant options to subscribe for up to 15,313,600 Partner Shares, being 10% of the Partner Shares in issue as at the date on which the 2004 Partner Share Option Plan was first approved and adopted by the HTIL Shareholders. As at the Latest Practicable Date, Partner had granted options to subscribe for a total of 15,241,389 Partner Shares, representing approximately 99.5% of the existing Plan Mandate Limit, and the remaining number options available for grant under the 2004 Partner Share Option Plan is 110,000.

Under the Listing Rules, HTIL may seek approval from the HTIL Shareholders in general meeting to refresh the Plan Mandate Limit provided that the total number of Partner Shares which may be issued upon exercise of all options to be granted under all share option plans of Partner as “refreshed” must not exceed 10% of the Partner Shares in issue as at the date of the approval of the “refreshed” Plan Mandate Limit. In addition, the limit on the number of the Partner Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all share option plans of Partner must not exceed 30% of the relevant class of securities of Partner in issue from time to time.

On the basis of 157,463,353 Partner Shares in issue as at the Latest Practicable Date and assuming no Partner Shares will be issued or repurchased by Partner prior to the annual general meeting of HTIL, the Plan Mandate Limit may be “refreshed” to enable grant of further options to subscribe for up to 15,746,335 Partner Shares.

Given the depletion of the existing Plan Mandate Limit and in order that Partner may grant further options under the 2004 Partner Share Option Plan, the directors of the Company and HTIL have resolved respectively to seek approval from their respective shareholders in general meetings to (1) “refresh” the Plan Mandate Limit by up to 8,142,000 Partner Shares to be issued pursuant to the 2004 Partner Share Option Plan, representing approximately 5.17% of Partner Shares in issue as at the Latest Practicable Date; and (2) amend the 2004 Partner Share Option Plan by

---

## LETTER FROM THE BOARD

---

increasing the total number of Partner Shares reserved for issuance upon exercise of options to be granted under the 2004 Partner Share Option Plan by 8,142,000 Partner Shares, details of which are set out in paragraph (1) of section B of Appendix III to this circular.

The Directors have also considered and agreed with the view of the HTIL Directors that the proposed refreshment of the Plan Mandate Limit and the corresponding amendments to the 2004 Partner Share Option Plan would enable Partner to attract and retain employees having appropriate qualifications and experience and would accordingly be in the interest of the Company and the Shareholders as a whole.

The proposed refreshment of the Plan Mandate Limit is subject to, and condition upon relevant approvals being obtained from the shareholders of HTIL and the Company.

### ***Proposed Amendments to the 2004 Partner Share Option Plan***

The directors of the Company and HTIL have also respectively resolved to seek approval from their respective shareholders in the general meetings on the following additional amendments to the 2004 Partner Share Option Plan as recommended by the board of directors of Partner:

- (i) to introduce provisions allowing acceleration in vesting of unvested options or the exercise of vested options in the event of change in control or voluntary winding up of Partner; and
- (ii) to allow, upon compliance with conditions specified therein, cashless exercise of vested options under the 2004 Partner Share Option Plan.

Details of these amendments are set out in paragraphs (2) and (3) of section B of Appendix III to this circular. The amendments are conditional upon relevant approvals being obtained from the shareholders of Partner, HTIL and the Company respectively.

Partner's board of directors proposes to effect the amendments summarised in paragraph (i) above to provide for an acceleration of (1) the vesting of unvested options in the event of change in control of Partner, or (2) the exercisability of vested options in the event of a voluntary winding up of Partner. Partner's board of directors further proposes the amendments summarised in paragraph (ii) above to allow cashless exercise of vested options thereby bringing in line Partner's scheme with those of other leading Israeli companies.

The Directors consider the amendments summarised in paragraphs (i) and (ii) above would enable Partner to attract and retain employees having appropriate qualifications and experience, both being in the interests of the Company and the Shareholders as a whole.

The estimated value of all options under the 2004 Partner Share Option Plan as if they had been granted as at the Latest Practicable Date prior to the relevant approvals being obtained from the shareholders of the Company, HTIL, and Partner, would be determined using the Black-Scholes valuation model. As at the Latest Practicable Date, the significant inputs into the model were standard deviation of expected share price returns of 24%, expected life of share options of three years and annual risk-free interest rate of 4.25%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over three years immediately preceding the Latest Practicable Date. Changes in such subject input assumptions could affect the value estimate.

---

## LETTER FROM THE BOARD

---

### **CHANGE OF TERMS OF HTIL SHARE OPTIONS AND HTIL SHARE OPTION SCHEME**

On 22 February 2007, HTIL announced that in respect of the then proposed payment by HTIL of the HTIL Transaction Special Dividend or the future payment of any other HTIL Special Dividend, HTIL proposed a change of the terms of all HTIL Share Options which are outstanding and unvested as at the time of each proposed dividend payment to reflect the effect of such payment.

While the HTIL Share Option Scheme permits an adjustment to the exercise price of the HTIL Share Options in the event of an alteration in the capital structure of HTIL, it did not permit any adjustment to the exercise price of the HTIL Share Options in the event of the payment by HTIL of any special dividend which would have an impact on the trading price of the HTIL Shares as the payment of such a special dividend was not contemplated at the time of adoption of the HTIL Share Option Scheme.

The Directors have considered and agreed with the view of the HTIL Directors that the HTIL Share Option Terms Change would (i) allow the HTIL Group to compensate HTIL Optionholders for any special capital returns to HTIL Shareholders in a fair and cost-effective basis, the inherent simplicity of which not only enhances transparency but also provides increased flexibility for exercise of unvested options, (ii) enable the HTIL Group to continue to incentivise and retain the services of its key employees in an increasingly competitive environment, and (iii) align key employees' interests with HTIL Shareholders' interests.

Pursuant to Note (2) to Listing Rule 17.03(18), any change to the terms of options granted by HTIL or material alterations to the terms and conditions of any HTIL share option schemes must be approved by HTIL Shareholders, except where the alternations take effect automatically under the existing terms of such HTIL share option scheme. Accordingly, by an ordinary resolution passed at the extraordinary general meeting of HTIL held on 8 May 2007, HTIL Shareholders approved (i) the proposed downward adjustment to the exercise price of HTIL Share Options outstanding and unvested at the date of payment of the HTIL Transaction Special Dividend on a dollar-for-dollar basis; and (ii) the HTIL Share Option Terms Change, under which, inter alia, downward adjustment to the exercise price of the HTIL Share Options granted but not exercised as at the date of each payment of any HTIL Special Dividend shall be made by an amount which the HTIL Directors consider as reflecting the impact such payment will have or will likely to have on the trading prices of the ordinary shares of HTIL, provided that, inter alia, (a) the amount of the downward adjustment shall not exceed the amount of such HTIL Special Dividend to be paid; (b) such adjustment shall take effect on the date of payment of such HTIL Special Dividend; and (c) the adjusted exercise price of the share options shall not, in any case, be less than the nominal value of the ordinary shares of HTIL.

Since HTIL became a subsidiary of the Company on 14 June 2007, the change of the terms of the HTIL Share Options and the HTIL Share Option Terms Change are also subject to the approval of the Shareholders of the Company in general meeting.

### **AGM**

Notice convening the AGM is set out on pages 29 to 31 of this circular. Details of the poll procedures are set out in Appendix IV to this circular. The Chairman of the AGM will exercise his power under Article 58 of the Articles of Association to put each of the resolutions to be proposed at the AGM to the vote by way of a poll.

Form of proxy for use at the AGM is enclosed. Whether or not you are able to attend the AGM, please complete the form of proxy as instructed and sign and return the same to the Company Secretary at the registered office of the Company at 22nd Floor, Hutchison House, 10 Harcourt

---

## LETTER FROM THE BOARD

---

Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting. You can still attend and vote at the AGM even if you have completed and sent in the proxy form.

### **RECOMMENDATION**

The Directors believe that the proposals mentioned above, including the proposals for re-election of the Retiring Directors, the granting of the General Mandate and the Repurchase Mandate, the approval of the 2004 Partner Share Option Plan, including the Plan Mandate Limit Refreshment Proposal and the Plan Amendment Proposal, and the approval of the change of the terms of the HTIL Share Options and HTIL Share Option Scheme are all in the interests of the Company and the Shareholders. Accordingly, the Directors recommend you to vote in favour of all the resolutions to be proposed at the AGM.

### **DOCUMENT AVAILABLE FOR INSPECTION**

Copies of the 2004 Partner Share Option Plan and the draft 2004 Partner Share Option Plan incorporating the amendments of the Plan Amendment Proposal are available for inspection at the Company's registered office at 22nd Floor, Hutchison House, 10 Harcourt Road, Hong Kong during normal business hours on any business day up to and including 22 May 2008 and will also be available for inspection at the AGM.

Yours faithfully  
For and on behalf of the Board

**FOK Kin-ning, Canning**  
*Group Managing Director*

The following is the information, as required to be disclosed by the Listing Rules, on the Retiring Directors proposed to be re-elected at the AGM.

**(1) Li Tzar Kuoi, Victor, BSc, MSc**

Mr Li, aged 43, has been Executive Director and Deputy Chairman of the Company since 1995 and 1999 respectively. He holds a Bachelor of Science degree in Civil Engineering and a Master of Science degree in Structural Engineering. Mr Li serves as a member of the 11th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He is also a member of the Commission on Strategic Development of the Hong Kong Special Administrative Region.

In addition, he is chairman of Cheung Kong Infrastructure Holdings Limited ("CKI", whose shares are listed on the Main Board of the Stock Exchange) and CK Life Sciences Int'l (Holdings) Inc ("CKLS", whose shares are listed on the Growth Enterprise Market of the Stock Exchange) and managing director and deputy chairman of Cheung Kong (Holdings) Limited ("Cheung Kong", whose shares are listed on the Main Board of the Stock Exchange) which is a substantial shareholder of the Company within the meaning of Part XV of the SFO. He is also co-chairman of Husky Energy Inc. ("Husky", whose securities are listed on the Toronto Stock Exchange), executive director of Hongkong Electric Holdings Limited ("HEH", whose shares are listed on the Main Board of the Stock Exchange) and a director of The Hongkong and Shanghai Banking Corporation Limited.

Mr Li Tzar Kuoi, Victor is the son of Mr Li Ka-shing, the Chairman of the Company and the nephew of Mr Kam Hing Lam, Executive Director of the Company. He is also director of Continental Realty Limited ("CRL"), Honourable Holdings Limited ("HHL"), Winbo Power Limited ("WPL"), Polycourt Limited ("PL") and Well Karin Limited ("WKL"). CRL is a substantial shareholder of the Company within the meaning of Part XV of the SFO and HHL, WPL, PL and WKL are companies which have interests in the 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. For the purposes of the SFO, Li Ka-Shing Unity Trustee Corporation Limited ("TDT1") as trustee of The Li Ka-Shing Unity Discretionary Trust ("DT1"), Li Ka-Shing Unity Trustcorp Limited ("TDT2") as trustee of another discretionary trust ("DT2"), and Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of The Li Ka-Shing Unity Trust ("UT1") in which each of TDT1 and TDT2 holds units, are also substantial shareholders of the Company. The discretionary beneficiaries of each of DT1 and DT2 include, inter alia, Mr Li Tzar Kuoi, Victor, his wife and children. Mr Li also holds directorships in certain companies controlled by certain substantial shareholders of the Company. Save as disclosed above, Mr Li does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr Li had corporate interests in 1,086,770 Shares and other interests in 2,141,698,773 Shares and 8,150,001 underlying Shares, in aggregate representing approximately 50.4515% of the issued share capital of the Company, within the meaning of Part XV of the SFO. There is no service contract entered into between the Company and Mr Li, and the term of his service as a Director is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. He is entitled to a director's fee of HK\$120,000 per annum (or a pro rata amount for the duration of his directorship for an incomplete year and subject to review by the Board from time to time). Such emoluments are determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Mr Li previously held directorship in Star River Investment Limited (“Star River”) (*ceased to act as director on 4 June 2005*), a company owned as to 50% by Cheung Kong with its place of incorporation in Hong Kong and active in acquiring property for development. Star River commenced creditors’ voluntary winding up on 28 September 2004 since it could not continue its business by reason of its liabilities. The amount involved in the winding up was HK\$17,259,710.34 and Star River was dissolved on 4 June 2005.

Save as disclosed above, there are no other matters concerning Mr Li Tzar Kuoi, Victor that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Listing Rule 13.51(2).

**(2) Fok Kin-ning, Canning, BA, DFM, CA (Aus)**

Mr Fok, aged 56, has been Executive Director and Group Managing Director of the Company since 1984 and 1993 respectively. He holds a Bachelor of Arts degree and a Diploma in Financial Management, and is a member of the Australian Institute of Chartered Accountants.

In addition, he is chairman of Hutchison Harbour Ring Limited (whose shares are listed on the Main Board of the Stock Exchange), HTIL, Hutchison Telecommunications (Australia) Limited (“HTAL”, whose shares are listed on the Australian Securities Exchange), HEH and Partner and co-chairman of Husky. He is also deputy chairman of CKI and non-executive director of Cheung Kong which is a substantial shareholder of the Company within the meaning of Part XV of the SFO. He is chairman of Hutchison Global Communications Holdings Limited (whose shares were formerly listed on the Main Board of the Stock Exchange) and was previously a non-executive director of Hanny Holdings Limited (whose shares are listed on the Main Board of the Stock Exchange) (*resigned on 1 September 2005*) and Panva Gas Holdings Limited (now known as Towngas China Company Limited) (whose shares are listed on the Main Board of the Stock Exchange) (*resigned on 8 August 2006*).

Mr Fok also holds directorships in certain companies controlled by certain substantial shareholders of the Company. Save as disclosed above, Mr Fok does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr Fok had corporate interests in 4,310,875 Shares, representing approximately 0.1011% of the issued share capital of the Company, within the meaning of Part XV of the SFO. The term of his service as a Director is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. He is entitled to a director’s fee of HK\$120,000 per annum (or a pro rata amount for the duration of his directorship for an incomplete year and subject to review by the Board from time to time). The emoluments specified in the service agreement appointing Mr Fok as the Group Managing Director of the Company were HK\$9,657,648 per annum (which included his basic salary and allowances). Such emoluments are determined with reference to the Company’s performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Mr Fok previously held directorship in Peregrine Investments Holdings Limited (“Peregrine”) (*resigned on 12 January 1998*), a company incorporated in Bermuda and registered under Part XI of the Companies Ordinance which is an investment bank. Peregrine commenced compulsory liquidation on 18 March 1998. The amount involved under this liquidation is not yet ascertained and the liquidation is still in progress.

Save as disclosed above, there are no other matters concerning Mr Fok Kin-ning, Canning that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Listing Rule 13.51(2).

**(3) Kam Hing Lam, BSc, MBA**

Mr Kam, aged 61, has been Executive Director of the Company since 1993. He holds a Bachelor of Science degree in Engineering and a Master's degree in Business Administration. Mr Kam is a member of the Beijing Committee of the Chinese People's Political Consultative Conference of the People's Republic of China.

In addition, he is deputy managing director of Cheung Kong which is a substantial shareholder of the Company within the meaning of Part XV of the SFO. He is also group managing director of CKI, president and chief executive officer of CKLS, executive director of HEH and non-executive director of Spark Infrastructure Group.

Mr Kam Hing Lam is the brother-in-law of Mr Li Ka-shing, Chairman of the Company and the uncle of Mr Li Tzar Kuoi, Victor, Deputy Chairman of the Company. He also holds directorships in certain companies controlled by certain substantial shareholders of the Company. Save as disclosed above, Mr Kam does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr Kam had personal interests in 60,000 Shares, representing approximately 0.0014% of the issued share capital, of the Company within the meaning of Part XV of the SFO. There is no service contract entered into between the Company and Mr Kam, and the term of his service as a Director is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. He is entitled to a director's fee of HK\$120,000 per annum (or a pro rata amount for the duration of his directorship for an incomplete year and subject to review by the Board from time to time). Such emoluments are determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Mr Kam Hing Lam that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Listing Rule 13.51(2).

**(4) Holger Kluge, BCom, MBA**

Mr Kluge, aged 66, has been an Independent Non-executive Director of the Company since 2004 and is a member of the Audit Committee and the Remuneration Committee of the Company. He holds a Bachelor of Commerce degree and a Master's degree in Business Administration.

Mr Kluge worked 40 years for Canadian Imperial Bank of Commerce ("CIBC"), one of North America's largest financial institutions. From 1990 until his retirement in 1999, he was president and chief executive officer of CIBC's Personal and Commercial Bank. He is an independent non-executive director of HEH and a director of Husky and Shoppers Drug Mart Corporation. He was previously a non-executive director of TOM Group Limited (whose shares are listed on the Main Board of the Stock Exchange) (*resigned on 30 June 2005*) and director of HTAL (*resigned on 31 August 2005*). Mr Kluge does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr Kluge had personal interests in 40,000 Shares, representing approximately 0.0009% of the issued share capital of the Company, within the meaning of Part XV of the SFO. There is a service agreement entered into between the Company and Mr Kluge for the appointment of Mr Kluge as an Independent Non-Executive Director of the Company for an initial term of 12 months ended on 31 December 2005 which automatically renews for successive 12-month periods, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. The director's fee specified in the service agreement is HK\$120,000 per annum (or a pro rata amount for the duration of directorship for an incomplete year and subject to review by the Board from time to time). Such emoluments are determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Mr Holger Kluge that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Listing Rule 13.51(2).

**(5) Wong Chung Hin, CBE, JP**

Mr Wong, aged 74, has been a Director of the Company since 1984 and is currently an Independent Non-executive Director of the Company. He is also the chairman of the Audit Committee and a member of the Remuneration Committee of the Company. He is a solicitor.

In addition, he is also an independent non-executive director of The Bank of East Asia, Limited (whose shares are listed on the Main Board of the Stock Exchange) and HEH. He does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr Wong did not have any interests in the Shares within the meaning of Part XV of the SFO. There is a service agreement entered into between the Company and Mr Wong for the appointment of Mr Wong as an Independent Non-Executive Director of the Company for an initial term of 12 months ended on 31 December 2005 which automatically renews for successive 12-month periods, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. The director's fee specified in the service agreement is HK\$120,000 per annum (or a pro rata amount for the duration of his directorship for an incomplete year and subject to review by the Board from time to time). Such emoluments are determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Mr Wong Chung Hin that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Listing Rule 13.51(2).



---

## **APPENDIX II EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE**

---

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to the Shareholders for their consideration of the Repurchase Mandate.

### **1. Share Capital**

As at the Latest Practicable Date, the issued ordinary share capital of the Company comprised 4,263,370,780 Shares.

Subject to the passing of the relevant Ordinary Resolution No (2) at the AGM and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 426,337,078 Shares, representing 10% of the issued ordinary share capital of the Company.

### **2. Reasons for Repurchases**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

### **3. Funding of Repurchases**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and the Companies Ordinance. The Companies Ordinance provides that the amount of capital repaid in connection with a share repurchase may only be paid from the distributable profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the repurchase to such extent allowable under the Companies Ordinance.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated accounts contained in the Annual Report for the year ended 31 December 2007 in the event that the proposed share repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

---

## APPENDIX II EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

---

### 4. Share Prices

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months and the period from 1 April 2008 to the Latest Practicable Date were as follows:

10.06(1)(b)(x)

	<b>Highest</b> <i>(HK\$)</i>	<b>Lowest</b> <i>(HK\$)</i>
April 2007	77.60	74.80
May 2007	80.00	73.30
June 2007	78.90	74.95
July 2007	88.85	77.35
August 2007	84.25	71.30
September 2007	86.05	74.60
October 2007	99.20	80.15
November 2007	99.80	84.95
December 2007	94.45	85.10
January 2008	92.20	72.95
February 2008	78.00	71.60
March 2008	74.85	68.90
1 April – 18 April 2008	75.70	74.50

### 5. Directors, their undertakings and associates and connected persons

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules and the Companies Ordinance.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such is approved by the Shareholders.

No connected persons have notified the Company that they have a present intention to sell Shares to the Company or have undertaken not to sell any of the Shares held by them to the Company, in the event that the Repurchase Mandate is approved by the Shareholders.

### 6. Takeovers Code

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, subsidiaries of Cheung Kong held together 2,130,202,773 Shares, representing approximately 49.97% of the issued ordinary share capital of the Company and for the purposes of the SFO, each of Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor, TDT1 as trustee of DT1, TDT2 as trustee of DT2 and TUT1 as trustee of UT1 (together the "Trust Companies") is taken to have an interest in the same block of 2,130,202,773 Shares. Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor, as Directors, are also

---

## **APPENDIX II EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE**

---

taken to have interest in 11,496,000 Shares held by a unit trust. In addition, Mr Li Ka-shing held 48,577,000 Shares through certain companies in which he is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings and Mr Li Tzar Kuoi, Victor held 1,086,770 Shares through certain companies in which he is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings. For the purposes of the Takeovers Code, Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are concert parties and are taken to have interests in a total of 2,191,362,543 Shares representing approximately 51.40% of the issued ordinary share capital of the Company.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the relevant Ordinary Resolution No (2) of the AGM, then (if the present shareholdings otherwise remained the same) the aggregate interests of Cheung Kong and the Trust Companies would be increased to approximately 55.52% of the issued ordinary share capital of the Company and similarly, the aggregate interests of both Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor would be increased to approximately 57.11% of the issued ordinary share capital of the Company. In the opinion of the Directors, such increase will not give rise to any obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

### **7. Share repurchases made by the Company**

The Company did not purchase any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

*In this appendix, unless otherwise defined or the context otherwise requires, the following expressions have the following meanings:*

**"Affiliate"** means any "employing company" within the meaning of Section 102(a) of the Tax Ordinance;

**"Approved 102 Option"** means an Option granted pursuant to Section 102(b) of the Tax Ordinance and held in Trust by a Trustee for the benefit of the Participants;

**"Commencement Date"** means, with respect to the vesting schedule of an Option, shall be the date of grant of Option, unless another date for the commencement of the vesting schedule with respect to such Option has been set by the Compensation Committee and written in the Grant Instrument;

**"Compensation Committee"** means the committee duly appointed by the Board of Directors of Partner for the purpose of administering the 2004 Partner Share Option Plan;

**"Effective Date"** means 12 July 2004 the date on which the Board of Directors of Partner first approved the 2004 Partner Share Option Plan;

**"Employee"** means a person who is employed by the Company or its Affiliates, including an individual who is serving as a director or an office holder, all as defined in Section 102 of the Tax Ordinance;

**"Grant Instrument"** means a written instrument signed by Partner and accepted by the Participant in respect of each grant of Option which is to be accompanied by a copy of the 2004 Partner Share Option Plan and contain such provisions as the Compensation Committee, in its sole discretion, may deem necessary or desirable;

**"Partner"** means Partner Communications Company Ltd., a public company incorporated and registered under the laws of the State of Israel;

**"Non-Employee"** a person who is not an Employee of Partner or its Affiliates;

**"Option"** means an option to purchase one or more shares of Partner granted pursuant to the 2004 Partner Share Option Plan;

**"Option Exercise Price"** means the exercise price per share in respect of an Option to be determined in accordance with the 2004 Partner Share Option Plan;

**"102 Option"** means any Options granted to Employees pursuant to Section 102 of the Tax Ordinance;

**"3(i) Option"** means an Option granted pursuant to Section 3(i) of the Tax Ordinance to any person who is a Non-Employee;

**"2004 Partner Share Option Plan"** shall mean the 2004 Share Option Plan of Partner and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time;

**"Ordinary Shares"** means ordinary shares of Partner;

**“Participant”** means an Employee or a Non-Employee to whom an Option is granted pursuant to the 2004 Partner Share Option Plan, and upon his death or legal incapacity, his successors, heirs, executors and administrators, as the case may be;

**“Tax Ordinance”** means the Israeli Income Tax Ordinance (New Version) 1961, as amended, and any regulations, rules, orders or procedures promulgated thereunder;

**“Trustee”** means any individual appointed by Partner to serve as a trustee and approved by the Israeli Tax Authorities, all in accordance with the provisions of Section 102(a) of the Tax Ordinance; and

**“Unapproved 102 Option”** means an Option granted pursuant to Section 102(c) of the Tax Ordinance and not held in trust by a Trustee.

**A. PRINCIPAL TERMS OF 2004 PARTNER SHARE OPTION PLAN**

The following is a summary of the principal terms of the 2004 Partner Share Option Plan.

**1. Purpose**

The 2004 Partner Share Option Plan is intended to promote the interests of Partner and its shareholders by providing employees, officers and advisors of Partner with appropriate incentives and rewards to encourage them to enter into and continue in the employ of or service to Partner and to acquire a proprietary interest in the long-term success of Partner.

The 2004 Partner Share Option Plan is designed to enable employees and officers of Partner to benefit from the provisions of Section 102 of the Tax Ordinance.

**2. Who may join**

Options may be granted to any Employees or Non-Employees of Partner or its Affiliates selected by the Compensation Committee provided, however, that no Option may be granted to any person serving as a member of the Compensation Committee at the time of the grant.

**3. Maximum number of Shares subject to the 2004 Partner Share Option Plan**

The total number of authorized and unissued Ordinary Shares reserved for issuance under the 2004 Partner Share Option Plan shall not exceed 5,775,000 Ordinary Shares, representing approximately 3.15% of the total issued share capital of Partner as at the Effective Date.

**4. Individual limits**

The maximum number of Options which may be issued and allotted and which may be required to be issued and allotted upon the exercise of Options to each Participant under the 2004 Partner Share Option Plan shall not exceed 1% of the total issued share capital of Partner as at the Effective Date.

**5. Acceptance of an offer of Options**

Each Option granted under the 2004 Partner Share Option Plan shall be evidenced by a Grant Instrument signed by Partner and accepted by the Participant. A Participant is not required to pay for the grant of an Option.

Options granted under the 2004 Partner Share Option Plan are personal to the Participant and cannot be assigned or transferred in any manner whatsoever.

**6. Performance targets**

Unless otherwise determined by the Compensation Committee and stated in the Grant Instrument, a Participant is not required to achieve any performance targets before the exercise of an Option granted to him.

**7. Vesting and time of exercise of Options**

An Option shall become cumulatively vested as to one-fourth (25%) of the Ordinary Shares covered thereby on each of the first, second, third, and fourth anniversaries of its Commencement Date, unless otherwise set by the Compensation Committee in the Grant Instrument.

An Option may be exercised during the exercise period as will be determined by the Compensation Committee and will not exceed ten years from the date of Option grant.

**8. Option Exercise Price**

The Option Exercise Price in respect of an Option shall be a price determined by the Compensation Committee in accordance with the 2004 Partner Share Option Plan.

**9. Issuance of Option and Trust Arrangement**

Employees may only be granted 102 Options and Non-Employees may only be granted 3(i) Options.

Partner may designate Options granted to Employees as Unapproved 102 Options or Approved 102 Options in accordance of the terms and conditions set forth in Section 102 of the Tax Ordinance.

All Approved 102 Options and any Ordinary Shares allocated or issued upon exercise thereof and other rights shall be allocated or issued to the Trustee and held for the benefit of the Participants for such period of time as required by Section 102 of the Tax Ordinance. A Participant may not sell or remove the Ordinary Shares from the Trustee before the end of the aforesaid period.

Any grant of Options under the 2004 Partner Share Option Plan shall be in compliance with the requirements under applicable laws and regulations, including by reason of their applicability to Partner's shareholders or otherwise.

**10. Manner of exercise of vested Options**

An Option, or any part thereof, shall be exercised by the Participant's signing and delivering to Partner at its principal office, for the attention of its Secretary (and to the Trustee, if the Option is held in trust), a Notice of Exercise in such form and substance as prescribed by the Compensation Committee and payment for the Ordinary Shares purchased.

Subject to any other applicable provisions of the 2004 Partner Share Option Plan, Ordinary Shares purchased upon the exercise of an Option shall be issued in the name of the Trustee or the Participant, all in accordance with the requirements of the Tax Ordinance.

**11. Ranking of Shares**

Ordinary Shares issued to a Participant upon the exercise of an Option shall be subject to the articles of association of Partner from time to time in force (including, without limitation, provisions relating to voting and dividend) and shall be free and clear of any transfer restrictions.

No Participant shall have any right as a shareholder with respect to any Ordinary Shares covered by or relating to any Option, whether or not exercised, until the due issuance of Ordinary Shares by Partner.

**12. Adjustments of Options granted**

- (a) A Participant's rights under an Option granted may be adjusted in the event of (i) subdivision or combination of Ordinary Shares or upon merger, consolidation, reorganization, recapitalization or similar event, each Participant shall be entitled, upon exercising a vested Option and subject to the terms of the 2004 Partner Share Option Plan, to be issued in respect of the Option, such number of Ordinary Shares or amount of other securities of Partner or such other corporation as were exchangeable for the number of Ordinary Shares which such Participant would have been entitled to purchase had such event or events not occurred, and appropriate adjustments shall be made in the purchase price per share to reflect such subdivision, combination or exchange, so that the Participant will not be materially better or worse off as a result of the relevant event.
- (b) In the event that Partner shall issue bonus shares upon or with respect to its Ordinary Shares, each Participant upon exercising such Option shall be issued by Partner (for the exercise price payable upon such exercise), the Ordinary Shares as to which he is exercising his Option and, in addition thereto (at no additional cost), such number of shares which he would have received if he had been the holder of the Ordinary Shares as to which he is exercising his Option at all times between the date of issuance of such Option on behalf of a Participant in the name of the Trustee and the date of its exercise.
- (c) The Compensation Committee may determine the specific adjustments to be made in accordance with this paragraph 12 and the rules and regulations of any stock exchange applicable from time to time to Partner, by reason of their applicability to its shareholders or otherwise. Determination made in accordance with this paragraph shall be conclusive.

**13. Termination of employment or service**

*On retirement, death or disability of a Participant*

In the event that a Participant's employment or service is terminated by reason of the Retirement, Disability or death of the Participant: (i) Options granted to such Participant, to the extent vested at the time of termination of employment or service, shall be exercisable during the remainder of their exercise period; and (ii) Options granted to such Participant, to the extent that they were not vested at the time of termination of employment or service, shall expire at such time; provided, however, that a pro rata portion of the Options that would have become vested on the next anniversary of the Commencement Date (but for such termination of employment or



service) shall become vested on the date of such termination of employment or service and shall be exercisable during the remainder of their exercise period. Retirement and Disability are to be determined in accordance with the terms of the 2004 Partner Share Option Plan.

*On voluntary termination by a Participant*

In the event that a Participant's employment or service is terminated by the Participant voluntarily for reasons other than Retirement, Disability or death, (i) Options granted to such Participant, to the extent vested at the time of termination of employment or service, shall be exercisable for a period of 90 days following either termination or the date upon which the Participant may freely sell Ordinary Shares acquired upon the exercise of Option, whichever is later; and (ii) Options granted to such Participant, to the extent that they were not vested at the time of Termination of employment or service, shall expire at the time of termination.

*Termination for cause*

In the event a Participant's employment with or service is terminated by reason of the willful and continued failure to perform his duties or obligations or the willful misconduct, all outstanding Options granted to such Participant shall expire upon the termination of employment or service. A Participant may challenge the Compensation Committee's determination to terminate the employment or service, the final determination shall be made by a court of competent jurisdiction.

*Termination other than for cause*

In the event of a Participant's employment or service is terminated for any reason other than for cause, (i) Options granted to such Participant, to the extent vested at the time of termination of employment or service, shall be exercisable during the remainder of their exercise period; and (ii) Options granted to such Participant, to the extent that they were not vested at the time of termination of employment or service, shall expire at such time.

**14. Cancellation of Options**

The Compensation Committee may determine whether, to what extent and under what circumstances an Option may be cancelled. Where Partner cancels any Option granted to a Participant but not exercised and issues new Option(s) to the same Participant, the issue of such new Option(s) may only be made with available unissued Options (excluding, for this purpose, the Options so cancelled) within the limit of the 2004 Partner Share Option Plan under paragraph 3.

**15. Beneficiary designation**

Each Participant may file with Partner a written designation of beneficiary to whom any benefit under the 2004 Partner Share Option Plan is to be delivered in the case of his death and may, from time to time, amend or revoke such designation.

**16. Non-transferability of Options**

Save as provided in paragraph 15, no Options granted shall be assigned, transferred or given as collateral to any third party. During the lifetime of a Participant, each and all of such Participant's rights under the Options shall be exercisable by the Participant only.

**17. Tax**

Any tax consequences arising from the grant or exercise of any Option or payment for Ordinary Shares or any other event or act in relation to the 2004 Partner Share Option Plan shall be borne by the Participant.

In respect of withholding tax requirements, Partner may deduct an amount sufficient to satisfy such requirements relating to the Options granted or may require the Participant to remit in cash such amount as is applicable. If such amount of cash is not remitted in a timely manner, Partner may withhold such Ordinary Shares or any other non-cash assets pending payment by the Participants.

**18. Governing Law**

The 2004 Partner Share Option Plan, all instruments issued thereunder or in connection therewith, shall be governed by, and construed and administered in accordance with the laws of the State of Israel.

**19. Required approvals**

The 2004 Partner Share Option Plan is subject to the receipt, and the terms, of all approvals required under any applicable laws, including by reason of their applicability to its shareholders or otherwise.

**20. Amendments of the 2004 Partner Share Option Plan**

- (a) Subject to terms of the 2004 Partner Share Option Plan and the rules and/or regulations of any stock exchange applicable from time to time to Partner, by reason of their applicability to its shareholders or otherwise, the 2004 Partner Share Option Plan may be altered in any respect by a resolution of the Board of Directors of Partner except that, to the extent applicable, provisions relating to matters set out in Rule 17.03 of Chapter 17 of the Listing Rules as amended from time to time shall not be altered to the advantage of Participants except with the prior sanction of a resolution of Partner in general meeting.
- (b) Any alterations to the terms and conditions of the 2004 Partner Share Option Plan which are of a material nature or to the Options granted shall be approved by the shareholders of Partner except where the alterations take effect automatically under the existing terms of the 2004 Partner Share Option Plan.
- (c) Any change to the authority of the Board of Directors of Partner or the Compensation Committee in relation to any alteration to the terms of the 2004 Partner Share Option Plan must be approved by the shareholders of Partner in general meeting.

**21. Term of the 2004 Partner Share Option Plan**

Subject to paragraph 22, the 2004 Partner Share Option Plan shall continue in effect for a period of ten years from the Effective Date, after which period no further Options shall be granted but the provisions of the 2004 Partner Share Option Plan shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the 2004 Partner Share Option Plan.

**22. Termination of the 2004 Partner Share Option Plan**

The 2004 Partner Share Option Plan may be terminated at any time by Partner and in such event no further Options will be offered, but the then existing Options shall remain in full force and effect as if the 2004 Partner Share Option Plan had not been terminated unless mutually agreed otherwise between the Participants and Partner.

**23. Administration of the 2004 Partner Share Option Plan**

The Compensation Committee shall administer the 2004 Partner Share Option Plan and exercise all the powers and authorities either specifically granted to it under the 2004 Partner Share Option Plan or necessary or advisable in the administration of the 2004 Partner Share Option Plan. The interpretation and construction by the Compensation Committee on any provision of the 2004 Partner Share Option Plan or any Grant Instrument or Option thereunder shall be final and conclusive, unless otherwise determined by the board of directors of Partner.

**B. PROPOSED AMENDMENTS TO THE 2004 PARTNER SHARE OPTION PLAN****1. To increase the total number of Partner Shares reserved for issuance upon exercise of all options granted under the 2004 Partner Share Option Plan**

The existing Section 3.1 of the 2004 Partner Share Option Plan provides as follows:

“3.1 *Shares Available for Options.* The total number of authorised and unissued Ordinary Shares reserved for issuance under the Plan shall not exceed 5,775,000 Ordinary Shares, representing approximately 3.15% of the total issued share capital of the Company as at the Effective Date. Such number of Ordinary Shares shall be subject to adjustment as required for the implementation of the provisions of the Plan, in accordance with Section 3.2 below. In the event an Option granted to any Participant expires or otherwise terminates hereunder, shares reserved for issuance upon the exercise of such Option shall become available for issuance upon the exercise of any other Options which the Company may grant under the Plan.”

It is proposed that such existing Section 3.1 be deleted in its entirety and be replaced with the following:

“3.1 *Shares Available for Options.* On the Effective Date, the total number of authorised and unissued Ordinary Shares reserved for issuance upon exercise of all Options granted under the Plan was not to exceed 5,775,000 Ordinary Shares, which represented approximately 3.15% of the total issued share capital of the Company as at the Effective Date. Conditional upon applicable approvals having been obtained, the aforesaid limit shall be increased by 8,142,000 Ordinary Shares to not exceeding a total of 13,917,000 Ordinary Shares which represents approximately 8.84% of the total issued share capital of the Company as of 31 March 2008. The total number of Ordinary Shares reserved for issuance under the Plan shall be subject to adjustment as required for the implementation of the provisions of the Plan, in accordance with Section 3.2 below. In the event an Option granted to any Participant expires or otherwise terminates hereunder, shares reserved for issuance upon the exercise of such Option shall become available for issuance upon the exercise of any other Options which the Company may grant under the Plan.”

“Effective Date” is defined to mean 12 July 2004, the date on which the Board of Directors of Partner first approved the Plan.

**2. To introduce provisions allowing acceleration in vesting of unvested options or the exercise of vested options in the event of change in control or voluntary winding up of Partner**

It is proposed that a new Section 6 be added to the 2004 Partner Share Option Plan as follows:

“6. Acceleration in the Event of a Change in Control; Winding Up

6.1 *Acceleration in the Event of a Change in Control.* In the event that within six months after a Change in Control of the Company a Participant’s employment with or service to the Company is terminated by or a Participant receives a notice of termination from the Company for any reason (other than termination

for Cause), the Options granted to such Participant whether vested or not shall be automatically and immediately accelerated so that all such Options shall become vested and exercisable within thirty (30) days after the date of termination of employment or service.

All outstanding Options so vested in the manner as aforesaid which are not exercised within the thirty (30) days after the date of termination of employment or service shall terminate and cease to be outstanding upon the expiry of the aforesaid thirty-day period.

For the purpose of this Section 6.1, "Change in Control" shall mean

- (i) the acquisition which results in holding, directly or indirectly, of (a) the power to control at least 50% of the Company's share capital; or (b) the power (exercisable alone or together in concert with others) to direct or cause the direction of the management and policies of the Company, whether through the ownership of Ordinary Shares, by law, contract or otherwise; or (c) the power (exercisable alone or together in concert with others) to elect or appoint at least 50% of the Board of Directors of the Company;
- (ii) a merger, consolidation or similar transaction (including an arrangement) of the Company following which the Company is not a surviving corporation;
- (iii) a merger, consolidation or similar transaction (including an arrangement) following which the holders of voting securities of that other company holding, in aggregate, 50% or more of all outstanding Ordinary Shares of the Company (including a merged or successor company) resulting from such merger, consolidation or similar transaction; or
- (iv) the sale, lease or exchange of all or substantially all of the property of the Company, other than in the ordinary course of business of the Company or to its subsidiary;

Provided that any event or transaction contemplated in sub-paragraph (i), (ii) or (iii) shall not constitute a Change in Control for purposes of this Plan if following such event or transaction, 50% or more of voting securities of the Company remain held directly or indirectly by the ultimate shareholder prior to such event or transaction (the "Ultimate Shareholder") or any company or other person controlled directly or indirectly in any matter whatever whether through the ownership of voting securities or otherwise in fact by the Ultimate Shareholder.

- 6.2 *Acceleration in the Event of winding up.* In the event of an effective resolution being proposed for the voluntary winding-up of the Company, any Participant may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time prior to the date on which such resolution is passed, exercise his vested Options (to the extent not already exercised) either to its full extent or to the extent specified in such Notice of Exercise (in accordance with the provisions of Section 8.5) and shall accordingly be entitled, in respect of the Ordinary Shares to be issued upon the exercise of his or her vested Option, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Ordinary Shares in issue on the date prior to the date of such resolution."

**3. To allow, upon compliance with conditions specified therein, cashless exercise of vested options**

It is proposed that a new Section 8.6 be added to the 2004 Partner Share Option Plan as follows:

“8.6 *Cashless Exercise* – The Board of Directors of the Company may, at its discretion, resolved from time to time to allow Participants to exercise their vested Options through a cashless exercise procedure during a fixed period pursuant to which each vested Option will entitle its holder, with the right to purchase Ordinary Shares (subject to the adjustments described in Section 3.2 above), in accordance with the following formula (“Cashless Options”):

$$\frac{(A \times B) - (A \times C)}{B}$$

**B**

**A = the number of vested Options the Participant requests to exercise as written in the Notice of Exercise;**

**B = the fair market value of an Ordinary Share on the Notice Date (as defined in this Section 8.6) determined in accordance with the terms set out in Section 8.1 above;**

**C = the Option Exercise Price.**

During the period when Cashless Exercise is allowed, the Participant may elect to exercise vested Options by signing and delivering to the Company at its principal office, to the attention of its Secretary (or to the Trustee, if the Option is held in trust), an exercise notice (“Notice of Exercise”) in such form and substance as may be prescribed by the Committee and pay the nominal value of the Ordinary Shares in the manner as specified in Section 8.5.

The Committee or someone designated by it and/or the Trustee will make all applicable calculations with respect to the Option Exercise Price and determine the amount of Ordinary Shares issued or to be issued upon exercise of the vested Options, all in accordance with the Plan on the date on which the Notice of Exercise has been delivered (as specified in Section 8.5, and if such date is not a business day, the first business day following such date) (“Notice Date”) including the applicable exchange rate in effect on the Notice Date and such calculation will be binding on the Participants.

Fractional Shares will be rounded down to the nearest whole number of Ordinary Shares.”

Articles 58 to 61 of the Articles of Association set out the procedures under which a poll may be demanded.

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by –

- (i) the chairman of the meeting; or
- (ii) not less than five members present in person or by proxy and entitled to vote; or
- (iii) a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) a member or members present in person or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.

A poll demanded on the election of a chairman or on a question of adjournment shall take forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need to be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

---

## NOTICE OF ANNUAL GENERAL MEETING

---

NOTICE is hereby given that the Annual General Meeting of shareholders of the Company will be held at the Ballroom, 1st Floor, Harbour Plaza Hong Kong, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Thursday, 22 May 2008 at 12:00 noon for the following purposes:

1. To receive and consider the Statement of Audited Accounts and Reports of the Directors and Auditor for the year ended 31 December 2007.
2. To declare a final dividend.
3. To re-elect Directors.
4. To appoint Auditor and authorise the Directors to fix the Auditor's remuneration.
5. As special business to consider and, if thought fit, pass the following resolutions:

### Ordinary Resolutions

- (1) **“THAT** a general mandate be and is hereby unconditionally given to the Directors to issue and dispose of additional ordinary shares of the Company not exceeding 20% of the existing issued ordinary share capital of the Company.”
- (2) **“THAT:**
  - (A) subject to paragraph (B) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase ordinary shares of HK\$0.25 each in the capital of the Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
  - (B) the aggregate nominal amount of ordinary shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (A) above shall not exceed 10% of the aggregate nominal amount of the ordinary share capital of the Company in issue at the date of this Resolution, and the said approval shall be limited accordingly; and
  - (C) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of
    - (i) the conclusion of the next Annual General Meeting of the Company;
    - (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; and
    - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.”
- (3) **“THAT** the general mandate granted to the Directors to issue and dispose of additional ordinary shares pursuant to Ordinary Resolution No (1) set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the ordinary share capital of the Company repurchased by the Company under the authority granted pursuant to



---

## NOTICE OF ANNUAL GENERAL MEETING

---

Ordinary Resolution No (2) set out in the notice convening this meeting, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued ordinary share capital of the Company at the date of this Resolution.”

6. As special business to consider and, if thought fit, pass the following resolutions:

### Ordinary Resolutions

- (1) **“THAT**, with effect from the conclusion of the meeting at which this resolution is passed, the rules of the share option plan adopted in 2004 by Partner Communications Company Ltd. (“Partner”, an indirect non-wholly owned subsidiary of the Company held through Hutchison Telecommunications International Limited (“HTIL”), whose shares are listed on the Tel-Aviv Stock Exchange with American depository shares quoted on US Nasdaq) (a copy of which has been produced to the meeting and marked “A”) be and they are hereby approved.”
- (2) **“THAT**, conditionally on the approval of the same by the shareholders of HTIL whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited and New York Stock Exchange, Inc., (i) the existing plan mandate limit in respect of the granting of options to subscribe for shares in Partner (the “Partner Shares”) under the share option plans of Partner be refreshed and renewed to the extent and provided that the total number of Partner Shares which may be allotted and issued pursuant to the exercise of the options to be granted under the 2004 Partner Share Option Plan as defined in the circular to shareholders of the Company dated 24 April 2008 (excluding options previously granted, outstanding, cancelled, lapsed or exercised under all share option plans of Partner) shall be increased by 8,142,000 Partner Shares; and (ii) the 2004 Partner Share Option Plan be amended by increasing the total number of Partner Shares reserved for issuance upon exercise of options to be granted under the 2004 Partner Share Option Plan by 8,142,000 Partner Shares.”
- (3) **“THAT**, with effect from the conclusion of the meeting at which this resolution is passed, the proposed amendments to the 2004 Partner Share Option Plan as described in the Circular and more particularly set out in the amended 2004 Partner Share Option Plan (a copy of which have been produced to the meeting and marked “B”), and conditionally on the approval of the same by the shareholders of Partner and HTIL, be and they are hereby approved, subject to such modifications of the relevant amendments to the 2004 Partner Share Option Plan as the Directors of the Company may consider necessary, taking into account the requirements of the relevant regulatory authorities, including without limitation, The Stock Exchange of Hong Kong Limited, and that the Directors be authorised to do all such acts and things as may be necessary to carry out such amendments and (if any) modifications into effect.”

7. As special business to consider and, if thought fit, pass the following resolutions:

### Ordinary Resolutions

- (1) **“THAT** the downward adjustment to the exercise price of the HTIL Share Options (as defined in the circular to shareholders of the Company dated 24 April 2008 (the “Circular”) outstanding and unvested at the date of payment of the HTIL Transaction Special Dividend (as defined in the Circular) on a dollar-for-dollar basis be and is hereby approved.”

---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (2) “**THAT** the HTIL Share Option Terms Change (as defined in the Circular), under which, inter alia, downward adjustment to the exercise price of the share options granted but not exercised as at the date of each payment of special dividend by HTIL shall be made by an amount which the HTIL Directors consider as reflecting the impact such payment will have or will likely to have on the trading prices of the ordinary shares of HTIL, provided that, inter alia, (a) the amount of the downward adjustment shall not exceed the amount of such special dividend to be paid; (b) such adjustment shall take effect on the date of payment by HTIL of such special dividend; and (c) the adjusted exercise price of the share options shall not, in any case, be less than the nominal value of the ordinary shares of HTIL.”

The Register of Members of the Company will be closed from Thursday, 15 May 2008 to Thursday, 22 May 2008 both dates inclusive.

By Order of the Board

**Edith Shih**  
Company Secretary

Hong Kong, 24 April 2008

Notes:

1. *In order to qualify for the final dividend payable on Friday, 23 May 2008, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 pm on Wednesday, 14 May 2008.*
2. *Only members are entitled to attend and vote at the meeting.*
3. *A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of that member. A proxy need not be a member. The Company's Articles of Association require proxy forms to be deposited at the registered office of the Company at 22nd Floor, Hutchison House, 10 Harcourt Road, Hong Kong not later than 48 hours before the time for holding the meeting.*
4. *At the meeting, the chairman of the meeting will exercise his power under Article 58 of the Articles of Association of the Company to put each of the above resolutions to the vote by way of a poll. The poll results will be published on the websites of the Company and The Stock Exchange of Hong Kong Limited on 22 May 2008.*
5. *With respect to Ordinary Resolution No (1), the Directors wish to state that they have no immediate plans to issue any new shares of the Company. Approval is being sought from the members under Ordinary Resolution No (1) as a general mandate for the purposes of Section 57B of the Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.*
6. *A circular containing the information regarding, inter alia, the Directors proposed to be re-elected, the general mandates to issue shares and repurchase shares of the Company, the 2004 Partner Share Option Plan, including the Plan Mandate Limit Refreshment Proposal and the Plan Amendment Proposal, and change of terms of the HTIL Share Options and HTIL Share Option Scheme, will be sent to the shareholders of the Company together with the Company's 2007 Annual Report.*