
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 forms 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.

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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
AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
SHARE OPTION SCHEMES OF HUTCHISON HARBOUR RING LIMITED,
HUTCHISON 3G UK HOLDINGS LIMITED AND HUTCHISON 3G ITALIA S.P.A.
AND
NOTICES OF ANNUAL GENERAL MEETING AND
EXTRAORDINARY GENERAL MEETING**

The respective notices convening the Annual General Meeting and the Extraordinary General Meeting of Hutchison Whampoa Limited to be held in the Ballroom, 1st Floor, Harbour Plaza Hong Kong, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Thursday, 20 May 2004 at 12:15 pm and 12:30 pm (or as soon as the Annual General Meeting shall have been concluded or adjourned) at which the above proposals will be considered are set out on pages 44 to 45 and pages 46 to 51 of this circular respectively. Whether or not you are able to attend the meetings, please complete and return the relevant forms of proxy as instructed as soon as possible and in any event not less than 48 hours before the respective times appointed for holding the meetings to the registered office of the Company. Completion and return of the forms of proxy will not preclude you from attending and voting at the meetings should you so wish.

22 April 2004

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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 (other than Appendices III to V), unless 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, 20 May 2004, at 12:15 pm in 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 44 to 45 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 Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company convened to be held on Thursday, 20 May 2004 at 12:30 pm (or as soon as the AGM shall have been concluded or adjourned) in 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 46 to 51 of this circular and any adjournment thereof
“General Mandate”	the general mandate to issue and allot new Shares
“Group”	the Company and its subsidiaries
“H3GI”	Hutchison 3G Italia S.p.A., a company incorporated in Italy and owned as to approximately 88.67% by the Company
“H3GI Share Option Scheme”	the share option scheme proposed to be approved by the Company at the EGM for the benefit of the employees and directors of H3GI and its subsidiaries and other eligible participants specified thereunder
“H3GUKH”	Hutchison 3G UK Holdings Limited, a company incorporated in England and owned as to 65% by the Company

DEFINITIONS

“H3GUKH Share Option Scheme”	the share option scheme proposed to be approved by the Company at the EGM for the benefit of the employees and directors of H3GUKH and its subsidiaries and other eligible participants specified thereunder
“HHR”	Hutchison Harbour Ring Limited, a company incorporated in Bermuda and owned as to approximately 61.97% by the Company, whose shares are listed on the Stock Exchange
“HHR Share Option Scheme”	the share option scheme proposed to be approved by the Company at the EGM for the benefit of the employees and directors of HHR and its subsidiaries and other eligible participants specified thereunder
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	13 April 2004, 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
“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 Option Schemes”	the HHR Share Option Scheme, the H3GUKH Share Option Scheme and the H3GI Share Option Scheme
“Share(s)”	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 or, as the context may require, the main board for the listing of securities operated by it
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD



HUTCHISON WHAMPOA LIMITED

(Incorporated in Hong Kong with limited liability)

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*
George Colin MAGNUS, *Executive Director*
KAM Hing Lam, *Executive Director*
Michael David KADOORIE, *Independent Non-Executive Director*
Simon MURRAY, *Non-Executive Director*
OR Ching Fai, Raymond, *Independent Non-Executive Director*
William SHURNIAK, *Non-Executive Director*
Peter Alan Lee VINE, *Independent Non-Executive Director*
WONG Chung Hin, *Independent Non-Executive Director*

Registered Office:

Hutchison House, 22nd Floor
10 Harcourt Road
Hong Kong

22 April 2004

To the Shareholders

**PROPOSALS FOR
RE-ELECTION OF RETIRING DIRECTORS
AND
GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES
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AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
SHARE OPTION SCHEMES OF HUTCHISON HARBOUR RING LIMITED,
HUTCHISON 3G UK HOLDINGS LIMITED AND HUTCHISON 3G ITALIA S.P.A.
AND
NOTICES OF ANNUAL GENERAL MEETING AND
EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The Company will propose at the AGM resolutions to, inter alia, re-elect the Retiring Directors and 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 22 May 2003.

In addition, the Company will propose resolutions at the EGM to amend the Articles of Association and to approve the adoption of the Share Option Schemes.

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 EGM and to give you notices of the AGM and EGM 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 Company's Articles of Association, Messrs. Li Ka-shing, Frank John Sixt, George Colin Magnus and Michael David Kadoorie 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 22 May 2003, ordinary resolutions were passed to grant the general mandates to the Directors (i) 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; and (ii) to allot, issue and otherwise deal with 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.

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 the Appendix II to this circular.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

A special resolution will be proposed at the EGM to amend the Articles of Association to reflect the recent amendments to the Companies Ordinance and the Listing Rules (subject to certain transitional arrangements) which came into effect on 13 February 2004 and 31 March 2004 respectively. The proposed amendments to the Articles of Association include the following provisions:

- (a) where any Shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted;
- (b) unless otherwise determined by the Directors and notified by the Company to the Shareholders, the length of the period, during which notice to the Company by Shareholders of the intention to propose a person for election as a Director and during which notice to the Company by such person of his willingness to be elected may be given, shall be a 7-day period, commencing on the day after the day of despatch of the notice of the meeting for such election of Director(s) and ending on the date falling 7 days after the despatch of the said notice of the meeting. If the Directors should so determine and notify the Shareholders of a different period for lodgment of the said notices, such period shall in any event be a period of not less than 7 days, commencing no earlier than the day after the despatch of the said notice of the meeting and ending no later than 7 days prior to the date of such meeting; and

LETTER FROM THE BOARD

- (c) subject to such exceptions specified in the Articles of Association, a Director shall not be entitled to vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associate(s) is materially interested and he shall not be counted in the quorum present at the meeting at which such contract or arrangement or proposal is considered.

The proposed amendments of the Articles of Association are set out in the notice of the EGM.

SHARE OPTION SCHEMES

The Directors consider that in order to enable HHR, H3GUKH and H3GI to attract and retain employees and other personnel having appropriate qualifications and experience, it is important that each of HHR, H3GUKH and H3GI would provide such employees and personnel a share option scheme as additional incentive to enable them to acquire certain equity interest in these companies as a reward for their contribution to the long term success of the business of the companies. Proposals are to be made at the EGM for adoption of the HHR Share Option Scheme, the H3GUKH Share Option Scheme and the H3GI Share Option Scheme. Under the respective Share Option Schemes, options to subscribe for respective shares in HHR, H3GUKH and H3GI may be offered to such employees and personnel. Neither H3GUKH nor H3GI had any share option scheme effective as at the Latest Practicable Date.

The term of the respective Share Option Schemes do not contain specific provisions for the minimum period which an option must be held before exercise or for performance targets applicable to options. The Directors consider that it may not always be appropriate to impose such conditions particularly when the purpose of granting options is to remunerate or compensate employees. The Directors consider it more beneficial to HHR, H3GUKH and H3GI respectively to retain the flexibility to determine when such conditions are appropriate. The Directors believe that the subscription price will serve to protect the value of HHR, H3GUKH and H3GI respectively as well as to achieve the purposes of the respective Share Option Schemes.

The principal terms of the HHR Share Option Scheme, H3GUKH Share Option Scheme and the H3GI Share Option Scheme are set out in Appendices III to V to this circular respectively.

AGM AND EGM

Notices convening the AGM and EGM are set out on pages 44 to 45 and pages 46 to 51 of this circular respectively. At the AGM, resolutions will be proposed to re-elect the Retiring Directors and to approve the granting of the General Mandate and the Repurchase Mandate. At the EGM, resolutions will be proposed to amend the Articles of Association and to approve the Share Option Schemes. Details of the poll procedures are set out in Appendix VI to this circular.

Forms of proxy for the AGM and the EGM are enclosed. Whether or not you attend the AGM and EGM, please complete the forms of proxy as instructed and return the same to the Company Secretary at the registered office of the Company at 22nd Floor, Hutchison House, 10 Harcourt Road, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for holding the meetings. You can still attend and vote at the AGM and the EGM even if you have completed and sent in the proxy forms.

LETTER FROM THE BOARD

RECOMMENDATION

Your Directors believe that the re-election of the Retiring Directors, the granting of the General Mandate and the Repurchase Mandate, the proposed amendments to the Articles of Association and the approval of the Share Option Schemes are all in the interests of the Company and the Shareholders. Accordingly, the Directors recommend that you vote in favour of all the resolutions to be proposed at both the AGM and the EGM.

DOCUMENT AVAILABLE FOR INSPECTION

Copies of the Share Option Schemes 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 20 May 2004 and at the EGM.

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 as recently amended by the Stock Exchange, on the Retiring Directors proposed to be re-elected at the AGM.

(1) Li Ka-shing, KBE, GBM, LLD, DSSc

Mr Li, aged 75, has been an Executive Director of the Company since 1979 and the Chairman since 1981. He has been engaged in many major commercial developments in Hong Kong for more than 50 years. He served as a member of the Hong Kong Special Administrative Region's Basic Law Drafting Committee, Hong Kong Affairs Adviser and the Preparatory Committee for the Hong Kong SAR. He is also an Honorary Citizen of Beijing, Shantou, Guangzhou, Shenzhen, Nanhai, Foshan, Chaozhou, Zhuhai and Winnipeg, Canada respectively. Mr Li is a keen supporter of community service organisations, and has served as honorary chairman of many such groups over the years. Mr Li has received Honorary Doctorates from Beijing University, University of Hong Kong, Hong Kong University of Science and Technology, Chinese University of Hong Kong, City University of Hong Kong, Open University of Hong Kong, University of Calgary in Canada and Cambridge University in the United Kingdom.

He is the father of Mr Li Tzar Kuoi, Victor, Deputy Chairman of the Company, and brother-in-law of Mr Kam Hing Lam, Executive Director of the Company. He is also the founder and the Chairman of Cheung Kong (Holdings) Limited ("CKH"), and may be regarded as a founder of each of (i) The Li Ka-Shing Unity Discretionary Trust of which Li Ka-Shing Unity Trustee Corporation Limited ("TDT1") is the trustee and (ii) another discretionary trust of which Li Ka-Shing Unity Trustcorp Limited ("TDT2") is the trustee for the purpose of the SFO. Each of TDT1 and TDT2 holds units in The Li Ka-Shing Unity Trust of which Li Ka-Shing Unity Trustee Company Limited ("TUT1") is the trustee. All of CKH, TUT1, TDT1 and TDT2 are substantial shareholders of the Company within the meaning of Part XV of the SFO. He 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 Director, senior management, substantial shareholder or controlling shareholder of the Company.

Mr Li has corporate interests in 6,833,000 ordinary shares and other interests in 2,141,698,773 ordinary shares in the Company within the meaning of Part XV of the SFO. In addition, there is no service contract between the Company and Mr Li. The emoluments of the Directors are determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

(2) Frank John Sixt, MA, LLL

Mr Sixt, aged 52, has been an Executive Director of the Company since 1991 and the Group Finance Director since 1998. He holds a Master's degree in Arts and a Bachelor's degree in Civil Law, and is a member of the Bar and of the Law Society of the Provinces of Quebec and Ontario, Canada. He is also the Chairman of TOM Group Limited and TOM Online Inc., an executive director of Cheung Kong Infrastructure Holdings Limited, Hutchison Global Communications Holdings Limited and Hongkong Electric Holdings Limited and a director of Hutchison Telecommunications (Australia) Limited, Partner Communications Company Ltd. and Husky Energy Inc. He was previously a director of VoiceStream Wireless Corporation (*resigned on 31 May 2001*) and Concord Pacific Group Inc. (*resigned on 23 March 2002*).

In addition, he is a director of CKH, TUT1, TDT1 and TDT2, all being substantial shareholders of the Company within the meaning of Part XV of the SFO. He also holds directorships in certain companies controlled by certain substantial shareholders and Directors of the Company. Save as disclosed above, Mr Sixt does not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

Mr Sixt has personal interests in 50,000 ordinary shares of the Company within the meaning of Part XV of the SFO. In addition, there is no service contract between the Company and Mr Sixt. The emoluments of the Directors are determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

(3) George Colin Magnus, OBE, MA

Mr Magnus, aged 68, has been an Executive Director of the Company since 1980. He holds a Master's degree in Economics. He is also the Chairman of Hongkong Electric Holdings Limited and Deputy Chairman of Cheung Kong Infrastructure Holdings Limited.

In addition, he is Deputy Chairman of CKH and a director of Continental Realty Limited, both being substantial shareholders of the Company within the meaning of Part XV of the SFO. He also holds directorships in certain companies controlled by certain substantial shareholders and a Director of the Company. Save as disclosed above, Mr Magnus does not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

Mr Magnus has personal interests in 991,000 ordinary shares and family interests in 9,900 ordinary shares of the Company within the meaning of Part XV of the SFO. In addition, there is no service contract between the Company and Mr Magnus. The emoluments of the Directors are determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

(4) Michael David Kadoorie, GBS, LLD (Hon), Officier de la Légion d'Honneur, Commandeur de l'Ordre de Léopold II

Mr Kadoorie, aged 62, has been a Director of the Company since 1995. He is also Chairman of CLP Holdings Limited and The Hongkong and Shanghai Hotels Limited as well as Heliservices (Hong Kong) Limited. He also holds a number of directorships in other companies and is a member of the Council of the University of Hong Kong.

Mr Kadoorie does not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

Mr Kadoorie has other interests in 15,984,095 ordinary shares of the Company within the meaning of Part XV of the SFO. In addition, there is no service contract between the Company and Mr Kadoorie. The emoluments of the Directors are determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to 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 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.

2. Reasons for Repurchase

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 of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. Funding of Repurchase

In repurchasing shares of the Company, 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 2003 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.

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 2004 to the Latest Practicable Date were as follows:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
April 2003	45.40	41.10
May 2003	48.50	43.40
June 2003	49.90	46.60
July 2003	52.75	47.10
August 2003	57.75	49.10
September 2003	60.25	55.25
October 2003	63.00	57.25
November 2003	62.50	54.25
December 2003	58.25	53.25
January 2004	69.25	57.50
February 2004	67.25	61.25
March 2004	66.50	54.50
1 April – 13 April 2004	58.50	56.00

5. Disclosure of Interests

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, their associates, have 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 its subsidiaries or have undertaken not to do so, 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 (Holdings) Limited 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 Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust, Li Ka-

Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust and Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust (together the "Trust Companies") is taken to have an interest in the same 2,130,202,773 Shares. In accordance with the SFO, Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor, as Directors, are deemed to be interested in 2,141,698,773 Shares comprising the same 2,130,202,773 Shares and 11,496,000 Shares held by a unit trust, which in aggregate represented approximately 50.23% of the issued ordinary share capital of the Company. In addition, Mr Li Ka-shing held 6,833,000 Shares through a company in which he is entitled to exercise or control the exercise of one-third or more of the voting power at its general meetings and Mr Li Tzar Kuoi, Victor held 1,086,770 Shares through certain companies in which he is entitled to control one-third or more of the voting rights at their general meetings. Accordingly, Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are taken to have interests in a total of 2,148,531,773 Shares and 2,142,785,543 Shares representing approximately 50.40% and 50.26% of the issued ordinary share capital of the Company, respectively.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to Ordinary Resolution (2) of the AGM, then (if the present shareholdings otherwise remained the same) the deemed interests of Cheung Kong (Holdings) Limited and the Trust Companies in the Company would be increased to approximately 55.52% of the issued ordinary share capital of the Company and similarly, the deemed interests of both Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor in the Company would be increased to approximately 55.99% and 55.84% of the issued ordinary share capital of the Company, respectively. In the opinion of the Directors, such increase may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

7. Share repurchase made by the Company

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

APPENDIX III PRINCIPAL TERMS OF THE HHR SHARE OPTION SCHEME

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

“**AGM**” means the annual general meeting of HHR convened to be held on Thursday, 20 May 2004 at 10:15 am at the Ground Floor, Harbour Plaza Hong Kong, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong;

“**associate(s)**” has the meaning ascribed thereto under the Listing Rules;

“**Board**” means the board of directors of HHR;

“**Bye-laws**” means the bye-laws of HHR;

“**connected person(s)**” has the meaning ascribed thereto under the Listing Rules;

“**Director(s)**” means the director(s) of HHR;

“**HHR**” means Hutchison Harbour Ring Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Stock Exchange;

“**HHR Group**” means HHR and its subsidiaries;

“**HK\$**” means Hong Kong dollars, the lawful currency of Hong Kong;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**Latest Practicable Date**” means 13 April 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;

“**Listing Rules**” means the Rules Governing the Listing of Securities on the Stock Exchange;

“**SGM**” means the special general meeting of HHR convened to be held on Thursday, 20 May 2004 at 10:45 am (or as soon as the AGM shall have been concluded or adjourned) at the Ground Floor, Harbour Plaza Hong Kong, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong;

“**Share Option Scheme**” means the share option scheme proposed to be adopted by HHR at the SGM for the benefit of the employees and directors of HHR and its subsidiaries and other eligible participants specified thereunder;

“**Share(s)**” means share(s) of HK\$0.10 each in the share capital of HHR;

“**Shareholder(s)**” means holder(s) of the Share(s); and

“**Stock Exchange**” means The Stock Exchange of Hong Kong Limited or, as the context may require, the main board for the listing of securities operated by it.

APPENDIX III PRINCIPAL TERMS OF THE HHR SHARE OPTION SCHEME

The following is a summary of the principal terms of the Share Option Scheme.

(i) Purpose

The purpose of the Share Option Scheme is to enable 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.

(ii) Who may join

The Directors (which expression shall, for the purpose of this Appendix, 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:

- (a) any employee/consultant (as to functional areas of finance, business or personnel administration or information technology) or proposed employee/consultant (whether full time or part time, including any executive director but excluding any non-executive director) (the "Eligible Employee") of HHR, any of its subsidiaries or any entity (the "Invested Entity") in which any member of the HHR Group holds any equity interest;
- (b) any non-executive directors (including independent non-executive directors) of HHR, any of its subsidiaries or any Invested Entity;
- (c) any supplier of goods or services to any member of the HHR Group or any Invested Entity;
- (d) any customer of any member of the HHR Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to any member of the HHR Group or any Invested Entity;
- (f) any shareholder of any member of the HHR Group or any Invested Entity or any holder of any securities issued by any member of the HHR Group or any 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 HHR for the subscription of 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 Directors otherwise determine, be construed as a grant of option under the Share Option Scheme.

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

APPENDIX III PRINCIPAL TERMS OF THE HHR SHARE OPTION SCHEME

(iii) Maximum number of Shares

- (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 Share Option Scheme and any other share option scheme must not in aggregate exceed 30% of the relevant class of securities of HHR (or its subsidiaries) in issue from time to time.
- (b) The total number of 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 Share Option Scheme and any other share option scheme of the HHR Group) to be granted under the 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 HHR (or its subsidiaries) in issue as at the date of passing the relevant resolution adopting the Share Option Scheme (the “General Scheme Limit”) assuming no Shares are allotted, issued or repurchased by HHR on or prior to the date on which such resolution is passed at the SGM. Based on the number of Shares in issue on the Latest Practicable Date, the General Scheme Limit of the Share Option Scheme as at the date of its adoption is 402,300,015 Shares.
- (c) Subject to (a) above and without prejudice to (d) below, HHR may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit (a circular containing the information required by the Listing Rules to be despatched to Shareholders for that purpose) provided that the total number of Shares which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the HHR Group must not exceed 10% of the relevant class of securities of HHR (or its subsidiaries) in issue as at the date of approval of the limit and, for the purpose of calculating the limit, options including those outstanding, cancelled, lapsed or exercised in accordance with the 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, HHR may seek separate approval of the Shareholders in general meeting to grant options beyond the General Scheme Limit or, if applicable, the extended limit referred to in (c) above to participants specifically identified by HHR before such approval is sought.

(iv) Maximum entitlement of each participant

The total number of Shares issued and which may fall to be issued upon the exercise of the options granted under the 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 HHR for the time being (the “Individual Limit”). Any further grant of options in excess of the 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 Shareholders in general meeting of HHR 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 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.

APPENDIX III PRINCIPAL TERMS OF THE HHR SHARE OPTION SCHEME

(v) Grant of options to connected persons

- (a) Any grant of options under the Share Option Scheme to a Director, chief executive or substantial shareholder of HHR or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is also the grantee of the options).
- (b) Where any grant of options to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the 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:
 - (aa) representing in aggregate over 0.1% of the Shares in issue; and
 - (bb) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million;

such further grant of options must be approved by the Shareholders in general meeting. HHR must send a circular to the Shareholders. All connected persons of HHR must abstain from voting in favour at such general meeting. Any vote taken at the meeting to approve the grant of such options must be taken on a poll in accordance with the Listing Rules. Any change in the terms of options granted to a substantial shareholder or an independent non-executive Director, or any of their respective associates must be approved by the Shareholders in general meeting.

(vi) Time of acceptance and exercise of option

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 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 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 10 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 Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

(vii) Performance targets

Unless the Directors otherwise determined and stated in the offer of the grant of options to a grantee, a grantee is not required to achieve any performance targets before any options granted under the Share Option Scheme can be exercised. No performance targets are specifically stipulated under the Share Option Scheme.

(viii) Subscription price for Shares

The subscription price for Shares under the Share Option Scheme shall be a price determined by the Directors but shall not be less than the highest of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or

APPENDIX III PRINCIPAL TERMS OF THE HHR SHARE OPTION SCHEME

more board lots of Shares on the date of the offer of grant which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of 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 Shares. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

(ix) Ranking of Shares

- (a) Shares allotted and issued upon the exercise of an option will be subject to all the provisions of the Bye-laws and will, subject to the completion of the registration referred to below, rank *pari passu* in all respects with the fully paid Shares in issue on the date on which the option is duly exercised (the "Exercise Date") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted and issued upon the exercise of an option shall not carry voting rights until completion of the registration of the grantee as the holder thereof.
- (b) Unless the context otherwise requires, references to "Shares" in this paragraph include references to shares in the ordinary equity share capital of HHR of such nominal amount as shall result from a sub-division, consolidation, reclassification or reduction of the share capital of HHR from time to time.

(x) Restrictions on the time of grant of options

- (a) No offer for the grant of options shall be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published in newspapers. In particular, during the period commencing one month immediately preceding the earlier of (aa) the date of the meeting of the Directors for the approval of HHR's results for any year, half-year, quarterly or other interim period (whether or not required under the Listing Rules), and (bb) the last date on which HHR must publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the announcement of such results, no option may be granted.
- (b) The Directors may not grant any option to a participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by HHR.

(xi) Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme becomes unconditional.

(xii) Rights on ceasing employment

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death, ill-health or retirement in accordance with his contract of employment or for serious misconduct or other grounds referred to in sub-paragraph (xiv)

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below before exercising his option in full, the grantee may exercise the option (to the extent not already exercised) in whole or in part within a period of 30 days or such longer period as the Directors may determine following the date of such cessation. The date of cessation of service will be taken to be the last day on which the grantee was at work with the HHR Group or the Invested Entity whether salary is paid in lieu of notice or not.

(xiii) Rights on death, ill-health or retirement

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the option in full, his personal representative(s), or, as appropriate, the grantee may exercise the option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation which date shall be the last day on which the grantee was at work with the HHR Group or the Invested Entity whether salary is paid in lieu of notice or not or such longer period as the Directors may determine. Upon the death of a grantee of an option who is not an Eligible Employee, his option (to the extent not already exercised) will lapse on the date of his death.

(xiv) Rights on dismissal

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason that he has been guilty of persistent or serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or the HHR Group or the Invested Entity into disrepute), or on any ground which his employer would be entitled to terminate his Contract of employment by summary dismissal, then unless the Directors otherwise resolve in their absolute discretion, his option will lapse automatically and will not in any event be exercisable on or after the date of cessation to be an Eligible Employee.

(xv) Rights on breach of contract

If the Directors shall at their absolute discretion determine that (i) the grantee of any option (other than an Eligible Employee) or his associate has committed any breach of any contract entered into between the grantee or his associate on the one part and the HHR Group or any Invested Entity on the other part or that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; and (ii) the option granted to the grantee under the Share Option Scheme shall lapse, his option will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

(xvi) Rights on a general offer, a compromise or arrangement

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, HHR shall use all reasonable endeavors to procure that such offer is extended to all the grantees on the same terms, with appropriate changes; and assuming that they will become, by the exercise in full of the options granted to them, Shareholders. If such offer becomes or is declared unconditional, a grantee shall be entitled to exercise his option (to the extent not

APPENDIX III PRINCIPAL TERMS OF THE HHR SHARE OPTION SCHEME

already exercised) to its full extent or to the extent specified in the grantee's notice to HHR in exercise of his option at any time before the close of such offer (or any revised offer). Subject to the above, an option (to the extent not already exercised) will lapse automatically on the date on which such offer (or, as the case may be, revised offer) closes.

(xvii) Rights on winding up

In the event of an effective resolution being proposed for the voluntary winding-up of HHR during the option period, the grantee may subject to the provisions of all applicable laws, by notice in writing to HHR at any time prior to the date on which such resolution is passed exercise his option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the Share Option Scheme and shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his option, to participate in the distribution of the assets of HHR available in liquidation *pari passu* with the Shares in issue on the day prior to the date of such resolution.

(xviii) Adjustments to the subscription price

In the event of a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital (the issue of Shares or other securities of the HHR Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment) of HHR whilst an option remains exercisable such corresponding alterations (if any) certified by the auditors for the time being of or an independent financial adviser to HHR as fair and reasonable will be made to the number or nominal amount of Shares the subject matter of the Share Option Scheme and the option granted and so far as granted and unexercised and/or the subscription price, provided that (i) any adjustments shall give a grantee the same proportion of the issued share capital to which he would have been entitled prior to such alteration; and (ii) no adjustment shall be made the effect of which would be to enable a Share to be allotted and issued at less than its nominal value. In addition, in respect of any such adjustments, other than any adjustment made on a capitalisation issue, such auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

(xix) Cancellation of options

Any cancellation of options granted but not exercised must be approved by the Board.

(xx) Termination of the Share Option Scheme

HHR may by resolution at general meeting at any time terminate the operation of the Share Option Scheme and in such event no further options shall be offered but in all other respects the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

APPENDIX III PRINCIPAL TERMS OF THE HHR SHARE OPTION SCHEME

(xxi) Rights are personal to the grantee

An option is personal to the grantee and shall not be transferable or assignable except for the transmission of an Option on the death of a Grantee to his Personal Representative. Any breach of the foregoing by a Grantee shall entitle HHR to cancel any Option granted to such Grantee to the extent not already exercised.

(xxii) Lapse of option

An option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the period referred to in paragraph (vi);
- (b) the expiry of the periods or dates referred to in paragraph (xii), (xiii), (xiv), (xv), (xvi) and (xvii); and
- (c) the date on which the Directors shall exercise HHR's right to cancel the Option by reason of a breach of paragraph (xxi) by the Grantee of an option in respect of that or any other Option.

(xxiii) Values of all options

The Directors consider that it is not possible for them to state the value of all options that may be granted pursuant to the Share Option Scheme as if they had been granted at the Latest Practicable Date, because the calculation of the value of the options is based on a number of variables such as the exercise price, the exercise period, interest rate, expected volatility and other relevant variables. As no options have been granted, certain variables are not available for calculating the value of the options. The Directors believe that any calculation of the value of the options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to Shareholders.

(xxiv) Miscellaneous

- (a) The Share Option Scheme is conditional on (i) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme; (ii) the passing of the necessary resolution of the shareholder(s) of HHR; and (iii) approval of the shareholders of the holding company of HHR (subject to such holding company being also listed on the Stock Exchange).
- (b) The terms and conditions of the Share Option Scheme relating to (i) the definitions of "Eligible Participants", "Grantee", "Option Period" and "Termination Date" in this appendix; and (ii) the matters set out in rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees of the options except with the approval of the Shareholders at general meeting.
- (c) Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of options granted shall be approved by the Shareholders at general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.

APPENDIX III PRINCIPAL TERMS OF THE HHR SHARE OPTION SCHEME

- (d) Amended terms of the Share Option Scheme or the options shall comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (e) Any change to the authority of the Directors or the scheme administrators in relation to any alteration to the terms of the Share Option Scheme shall be approved by the Shareholders at general meeting.
- (f) Where any matters under the Share Option Scheme require the approval of an independent non-executive Director or the Shareholders, the approval of the independent non-executive directors or the shareholders of the holding company of HHR (subject to such holding company being also listed on the Stock Exchange) must also be obtained where such approval is required under Chapter 17 of the Listing Rules.

APPENDIX IV PRINCIPAL TERMS OF THE H3GUKH SHARE OPTION SCHEME

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

“**Acquiring Company**” means a company which obtains Control of H3GUKH in accordance with paragraph 16 or 19;

“**Adoption Date**” means the date on which the Plan is adopted by ordinary resolution of the shareholders of H3GUKH in general meeting or the date the shareholders of HWL approve the Plan at a general meeting, whichever is the later;

“**Associate**” has the meaning given in the Listing Rules;

“**Auditors**” means the auditors for the time being of H3GUKH (acting as experts and not as arbitrators);

“**Balance Option Certificate**” means the certificate issued to an Option Holder in accordance with paragraph 22;

“**Board**” means the board of directors of H3GUKH or a duly constituted committee of the board of directors of H3GUKH (including, for the avoidance of doubt, the Remuneration Committee);

“**Cash Value**” means an amount equal to the Market Value of the Shares in question (provided that if at such time the Shares are admitted to trading on the Daily Official List of the London Stock Exchange or traded or dealt in on the Alternative Investment Market of the London Stock Exchange, the Market Value shall on any day be the average of the middle market quotations of the Shares as derived from the Daily Official List for the three immediately preceding Dealing Days) less the aggregate Subscription Price of such Shares;

“**Connected Person**” has the meaning given in the Listing Rules;

“**Control**” in relation to a body corporate, means the power of a person to secure

- (i) by means of the holding of shares or the possession of voting power in or in relation to that or any other body corporate; or
- (ii) by virtue of any powers conferred by the articles of association or other document regulating that or any other body corporate,

that the affairs of the first-mentioned body corporate are conducted in accordance with the wishes of that person, and, in relation to a partnership, means the right to a share of more than one-half of the assets, or of more than one-half of the income, of the partnership and the expression “controlled” shall be construed accordingly;

“**Date of Grant**” means the date on which an Option is granted under the Plan;

“**Dealing Day**” means a day on which the London Stock Exchange is open for the transaction of business;

“**Eligible Employee**” means either:

- (i) any employee of any Participating Company; or
- (ii) any director of any Participating Company who is required to devote to his duties substantially the whole of his working hours being not less than 25 hours per week;

APPENDIX IV PRINCIPAL TERMS OF THE H3GUKH SHARE OPTION SCHEME

“**Founders**” means those persons who were under the employment of H3GUKH Group prior to 31 March 2001 and who remain so employed and who the Remuneration Committee determines will receive Initial Grants;

“**H3GUKH**” means Hutchison 3G UK Holdings Limited (company number 3918124);

“**H3GUKH Group**” means H3GUKH and any Participating Company from time to time;

“**HWL**” means Hutchison Whampoa Limited;

“**Independent Non-Executive Director**” means a person who is an independent non-executive director within the meaning of the Listing Rules;

“**Initial Grants**” means the one time initial grants of Options recognising the long service and ongoing contribution of the Founders and other Eligible Employees who were under the employment of the H3GUKH Group prior to 31 March 2001 and who remain so employed and who the Remuneration Committee determines should receive such an initial grant;

“**Latest Practicable Date**” means 13 April 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;

“**Listing**” means an application being made to the UK Listing Authority for admission to the Official List of the ordinary share capital of H3GUKH; or to have the shares of H3GUKH admitted to trading on the Alternative Investment Market of the London Stock Exchange or to be traded or dealt in on any other recognised investment exchange in the United Kingdom or elsewhere in circumstances where a market is made in the ordinary share capital of H3GUKH;

“**Listing Rules**” means the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time;

“**London Stock Exchange**” means London Stock Exchange plc;

“**Market Value**” means on any day the market value of a Share as determined by the Remuneration Committee; in arriving at such market value the Remuneration Committee may at such times as it considers appropriate, consult with independent financial advisers to be selected by it from time to time for such purpose;

“**Official List**” means the official list of the UK Listing Authority;

“**Option**” means a right to acquire Shares granted in accordance with the Rules of this Plan;

“**Option Certificate**” means a certificate issued on to an Option Holder in accordance with paragraph 4;

“**Option Holder**” means an Eligible Employee who has accepted an offer from a Participating Company of an Option in accordance with the Plan or where the context requires a person becoming entitled to an Option in consequence of the death of an Option Holder;

“**Other Plan**” means any other:

- (i) share option scheme involving the grant by H3GUKH or any of its subsidiaries of options over new Shares issued by H3GUKH or any of its subsidiaries established by H3GUKH 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; and

APPENDIX IV PRINCIPAL TERMS OF THE H3GUKH SHARE OPTION SCHEME

(ii) any other employee's share scheme within the meaning of Section 743 of the Companies Act 1985;

"Participating Company" means H3GUKH and any other company of which H3GUKH has Control from time to time;

"Performance Conditions" means any conditions imposed by the Remuneration Committee to be satisfied as a pre-condition to the exercise of an Option pursuant to paragraph 5;

"Plan" means the employee share option plan constituted and governed by the Rules as from time to time amended;

"Remuneration Committee" means the duly constituted remuneration committee of the Board or, before the establishment of a remuneration committee, any duly appointed committee of the Board set up for the purpose of administering the Plan;

"Rules" means the rules of the Plan as amended from time to time;

"Share" means an ordinary share of £1.00 in the capital of H3GUKH (or such other nominal value as may be determined by H3GUKH in general meeting from time to time);

"Stock Exchange" means The Stock Exchange of Hong Kong Limited;

"Subscription Price" means the price at which each Share subject to an Option may be acquired on the exercise of that Option being subject to adjustment in accordance with paragraph 21:

- (i) in the case of the Initial Grants, the price as determined by the Remuneration Committee being not less than £1.00 per Share; and
- (ii) in any other case the Market Value of the Share at the Date of Grant as determined by the Remuneration Committee,

but in any event not being less than the nominal value of such Share at the Date of Grant;

"Subsisting Option" means an Option which has neither lapsed nor been exercised;

"Substantial Shareholder" has the meaning given in the Listing Rules;

"Tax Liability" means the amount of income tax and/or social security contributions (including primary Class 1 national insurance contributions but excluding secondary Class 1 national insurance contributions) for which a Participating Company or any other member of the H3GUKH Group is required to account to the Inland Revenue or other taxation authority (whether pursuant to the PAYE Regulations or otherwise) by virtue of or in consequence of the grant of an Option or its exercise;

"Taxes Act" means the Income and Corporation Taxes Act 1988;

"UK Listing Authority" means the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part IV of the Financial Services Act 1986;

"Vest" means, subject always to paragraph 11, the crystallisation of an Option Holder's right to exercise such Option (or part thereof) (and **"Vests"** and **"Vested"** shall be construed accordingly); and

"Vested Option" means an Option which has Vested.

APPENDIX IV PRINCIPAL TERMS OF THE H3GUKH SHARE OPTION SCHEME

The following is a summary of the principal terms of the Plan of H3GUKH.

1. Purpose

The purpose of the Plan is to provide H3GUKH with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Eligible Employees.

2. Who may join

The Remuneration Committee may grant Options under the Plan to individuals who are Eligible Employees, subject always to any limits and restrictions specified in the Rules.

3. Acceptance of Option offer

An Eligible Employee to whom an Option is granted may by notice in writing given within 30 days of the Date of Grant disclaim in whole or in part his or her rights under that Option by returning the Option Certificate to the company secretary. An Eligible Employee is not required to pay for the grant of an Option.

4. Terms of Options

As soon as possible after the Date of Grant, the Remuneration Committee shall issue an Option Certificate in respect of each Option granted stating (i) the number of Shares to which the Option relates; (ii) the Subscription Price per Share the subject of the Option; (iii) the Date of Grant of the Option; (iv) the period an Option must be held before it will Vest (if any); and (v) (if applicable) any Performance Conditions to which exercise of the Option is subject.

5. Performance Conditions

The Remuneration Committee may make the exercise of an Option conditional on the achievement of Performance Conditions which shall be documented in the Option Certificate.

6. Non-transferability of Options

No Option nor any rights in respect of it may be transferred, assigned or charged or otherwise alienated and any purported transfer, assignment, charge or other alienation shall cause the Option to lapse forthwith.

7. Subscription Price

The Subscription Price will be, (i) in the case of the Initial Grants, the price as determined by the Remuneration Committee (not being less than £1.00 per Share), and (ii) in any other case the Market Value of the Share at the Date of Grant as determined by the Remuneration Committee but in any event not being less than the nominal value of such Share at the Date of Grant.

APPENDIX IV PRINCIPAL TERMS OF THE H3GUKH SHARE OPTION SCHEME

In respect of any Option granted either: (i) after HWL has resolved to seek a separate Listing and up to the date of the Listing; or (ii) during the period commencing 6 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, 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 Shares on Listing, the Subscription Price shall be adjusted to the issue price of the Shares on Listing and no Option (to which this Rule applies) shall be exercised at a Subscription Price below such issue price.

8. Maximum number of Shares subject to the Plan

No Option shall be granted under the Plan which would, at the Date of Grant, cause the number of Shares which shall have been or may be issued both (a) in pursuance of Options granted under the Plan and (b) under any Other Plan (the "Option Plan Shares") to exceed such number as represents 5% of the number of Shares in the capital of H3GUKH in issue at the date of approval of the Plan subject to compliance with Rule 17.03(3) of the Listing Rules. This limit may only be exceeded with the approval of the Shareholders of both H3GUKH and HWL in general meeting in accordance with the requirements of the Listing Rules.

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

As at the Latest Practicable Date, the number of Shares in the capital of H3GUKH in issue was 4,445,486,753. The total number of Shares which may be issued on the exercise of Option Plan Shares to be granted under the Plan which represents 5% of the above number of Shares as at the Latest Practicable Date is 222,274,337 Shares.

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

9. Individual limits

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

10. Restrictions on grant to key individuals

Each grant of Options to an Eligible Employee who is a director (including any Independent Non-Executive Director), chief executive or Substantial Shareholder of HWL, or any of their respective Associates, under the Plan must be approved by the Independent Non-Executive Directors of HWL (excluding any Independent Non-Executive Director of HWL who is the proposed grantee of the Options).

Where any grant of options to a Substantial Shareholder or an Independent Non-Executive Director of HWL, or any of their respective Associates, would result in the Shares issued and to be issued upon exercise of all Options already granted or to be granted under the Plan (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue and (where the Shares are listed on the Stock Exchange), having an aggregate value based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, such further grant of Options by the Board must be approved by the shareholders of H3GUKH and HWL in general meeting (the vote on such approval of the shareholders of HWL to be taken on a poll). Any shareholder of HWL who is a Connected Person of HWL must abstain from voting in favour of the resolution to approve such further grant of Options.

11. Time of exercise of option

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 10 years from the Date of Grant.

12. Option to pay Cash Value

In the event that an Option Holder validly serves notice purporting to exercise his Option (or part thereof), the Remuneration Committee may determine, at its sole discretion (and shall so determine in all case prior to a Listing unless the Board shall otherwise approve), that H3GUKH shall pay a sum equivalent to the Cash Value based on the Market Value as at the date of purported exercise to the Option Holder (or his personal representatives) in lieu of any obligation H3GUKH may have to allot and issue Shares in respect of such purported exercise and upon such payment (to the extent purportedly exercised) will lapse and will no longer be capable of exercise.

13. Lapse of options

An Option will lapse automatically insofar as it has not been exercised on the earlier of:

- (i) the tenth anniversary of the Date of Grant; or

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- (ii) in the event of the death of the Option Holder on or following a Listing, the first anniversary of the Option Holder's death; or
- (iii) in the event of the Option Holder ceasing to be a director or employee within the H3GUKH Group on or following a Listing by reason of injury or disability (other than as a result of alcohol or drug abuse), the date six months following the date upon which the Option Holder ceased to be a director or employee within the H3GUKH Group; or
- (iv) upon the Option ceasing to be capable of exercise under paragraph 16, 17 or 18; or
- (v) subject always to (ii) and (iii) above, forthwith upon the Option Holder ceasing to be a director or employee within the H3GUKH Group for any reason whatsoever (including without limitation by reason of retirement, death, injury, disability or redundancy) unless the Board in its absolute discretion determines otherwise (which discretion the Board shall be under no duty to consider exercising under any circumstances whatsoever); or
- (vi) the Option Holder being adjudicated bankrupt; or
- (vii) the commencement of the winding up of H3GUKH.

14. Tax liability

An Option Holder shall be liable to pay to H3GUKH or any Participating Company an amount equal to the aggregate amount of any Tax Liability before the due date for payment of such amount by a Participating Company.

15. Cancellation of Options

Notwithstanding any other provision in the Plan, the Remuneration Committee may cancel any Option provided that: (i) H3GUKH pays to the Option Holder an amount equal to the Cash Value of the Option at the date of cancellation as determined by the Remuneration Committee, after consultation with the Auditors or an independent financial adviser appointed by the Remuneration Committee; or (ii) the Remuneration Committee offers to grant to the Option Holder replacement Options (or options under any Other Plan) of equivalent value to the Options being cancelled (subject to the limits described in paragraph 8, 9 or 10 above or (iii) the Remuneration Committee makes such arrangements as the Option Holder may agree to compensate him for the loss of the Option.

Further if a Listing shall not have occurred within 3 years of the Adoption Date, the Remuneration Committee may, in its absolute discretion, at any time thereafter, either: (i) permit some or all Subsisting Options to be exercised notwithstanding that the same have not otherwise become exercisable; (ii) pay a sum equivalent to the Cash Value of all Subsisting Options as at the date of any such exercise of discretion to any Option Holder in lieu of any obligation H3GUKH may have to issue Shares upon the exercise of his Option, in which case any such Option shall, to the extent the Cash Value is paid (subject to all deductions as required by law including any Tax Liability), lapse and no longer be capable of exercise; or (iii) implement any alternative compensation arrangement or arrangements for Option Holders which it considers appropriate and fair in substitution for or in addition the Plan and terminate or modify the Plan accordingly.

16. Rights on a general offer

If a person or an Acquiring Company obtains Control of H3GUKH as a result of making a general offer to acquire the whole of the issued ordinary share capital of H3GUKH which is made on a condition such that if it is satisfied the person making the offer will have Control of H3GUKH or is making a general offer to acquire all the shares in H3GUKH which are of the same class as the Shares then the Remuneration Committee may (in its absolute discretion) allow any Subsisting Option to be exercised within 21 days of the time when the person making the offer has obtained Control of H3GUKH (or until the lapse of the Option under paragraph 18 below, if later) provided that the Performance Conditions (if any) attaching to the Option shall have been met or waived as at such time.

17. Rights on compromise or arrangement

If under Section 425 of the Companies Act 1985 the Court sanctions a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of H3GUKH or its amalgamation with any other company or companies the Remuneration Committee may (in its absolute discretion) allow any Subsisting Option to be exercised within 21 days of the Court sanctioning the compromise or arrangement provided that the Performance Conditions (if any) attaching to the Option shall have been satisfied or waived as at such time.

18. Rights where person becomes bound or entitled to acquire shares

If any person becomes bound or entitled to acquire Shares in H3GUKH under Section 429 of the Companies Act 1985 the Remuneration Committee may (in its absolute discretion) allow any Subsisting Option to be exercised at any time when the person remains so bound or entitled provided that the Performance Conditions (if any) attaching to the Option shall have been satisfied or waived as at such time.

19. Rights where Acquiring Company obtains Control of H3GUKH

If an Acquiring Company obtains Control of H3GUKH (i) as result of making a general offer to acquire the whole of the issued ordinary share capital of H3GUKH which is made on a condition such that if it is satisfied the person making the offer will have Control of H3GUKH or is making a general offer to acquire all the shares in H3GUKH which are of the same class as the Shares; (ii) in pursuance of a compromise or arrangement sanctioned by the Court under Section 425 of the Companies Act 1985; or (iii) as a result of becoming bound or entitled to acquire Shares in H3GUKH under Part XIII A of the Companies Act 1985, then an Option Holder may (and shall if so directed by the Remuneration Committee in respect of the whole or part of his Option failing which his Option (or relevant part) shall lapse) at any time within the appropriate period by agreement with the Acquiring Company release his rights under the Plan (in this paragraph referred to as "the old rights") in consideration for the grant to him of rights which are equivalent to the old rights but relate to shares in a different company.

For the purposes of this paragraph, appropriate period means (a) in the circumstances specified in (i) above a period of 21 days beginning with the time when the Acquiring Company has obtained Control of H3GUKH and any conditions subject to which the offer is made being satisfied; (b) in the circumstances specified in (ii) above the period of 21 days beginning with the time when the Court sanctions a compromise or arrangement; (c) in the circumstances specified in (iii) above the period (not exceeding 6 months) during which the Acquiring Company remains bound or entitled as mentioned in those Sections.

20. Rights on voluntary winding-up

If H3GUKH passes an effective resolution for voluntary winding up, any Subsisting Option may in the absolute discretion of the Remuneration Committee be exercised within 21 days of the passing of such resolution provided that the Performance Conditions (if any) attaching to the Option shall have been satisfied or waived as at such date.

21. Reorganisation of capital structure

In the event of capitalisation of profits or reserves, rights issues of Shares, consolidation or subdivision of Shares or reduction of the share capital of H3GUKH in accordance with applicable laws and regulatory requirements (other than an issue of any share capital as consideration in respect of a transaction), such corresponding adjustments (if any) shall be made to (i) the number of Shares, the subject matter of the Option (insofar as it is unexercised); and/or (ii) the Subscription Price at which the Options are exercisable.

Any such adjustment shall be made on the basis that (i) the proportion of the issued share capital of H3GUKH to which an Option Holder is entitled after such adjustment shall remain as nearly as possible the same as that to which he was entitled before such adjustment; (ii) it will not enable any Share to be issued at less than its nominal value, or to increase the proportion of the issued share capital of H3GUKH for which any Option Holder would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustments; and (iii) that the Auditors or independent financial adviser selected by the Remuneration Committee (as appropriate) must confirm to the Remuneration Committee in writing that the adjustment satisfies the requirements of the Note to Rule 17.03(13) of the Listing Rules, except where such adjustment is made on a capitalisation issue.

22. Manner of exercise of Options

An Option shall be exercised in whole or in part by the Option Holder or as the case may be his personal representatives giving notice to H3GUKH in writing and shall be effective on the date of its receipt by H3GUKH (the "Date of Exercise") provided that no exercise shall be valid unless and until any Performance Conditions if any attaching to such Option shall have been confirmed by the Remuneration Committee as having been satisfied or waived.

Shares shall be allotted and issued (or, at the discretion of the Board, transferred) pursuant to a notice of exercise within 30 days of the Date of Exercise. Save for any rights determined by reference to a record date preceding the Date of Exercise such Shares shall rank *pari passu* with the other shares of the same class in issue at the Date of Exercise and will be subject to all the provisions of the Articles of Association of H3GUKH including without limitation provisions relating to voting, dividend and transfer.

Where an Option is exercised only in part the balance shall remain exercisable on the same terms as originally applied to the whole Option and a Balance Option Certificate shall be issued accordingly by H3GUKH as soon as possible after the partial exercise.

23. Ranking of Shares

No dividends will be payable and no voting rights will be exercisable in relation to an Option that has not been exercised. Shares issued or transferred on the exercise of an Option will rank equally in all respects with the Shares in issue on the date of allotment. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.

24. Amendments to the Plan and terms of Options

The Remuneration Committee may from time to time amend the provisions of the Plan however, (i) no amendment may detrimentally affect Option Holders as regards an Option granted prior to the amendment being made without the prior written consent of the holders of a majority of the Shares which are the subject of Options at the time in question; (ii) no amendment shall be made which operates to the advantage of Option Holders without the prior approval of H3GUKH and HWL in general meeting; (iii) no amendment shall be made to the limit on the number of Options that may be granted under the Plan (or to this provision); (iv) the Remuneration Committee may in its absolute discretion provide that any amendment to the provisions of the Plan shall apply only to those members of the H3GUKH Group which the Remuneration Committee specifies in writing; (v) any amendments to the terms and conditions of the Plan which are of a material nature or any change to the terms and conditions of Options granted may only be made with the approval of the shareholders of H3GUKH and HWL save where the amendments take effect automatically under the existing terms of the Plan; (vi) where the terms and conditions of Options granted to an Eligible Employee who is a Substantial Shareholder or an Independent Non-Executive Director of HWL, or any of their respective Associates are to be amended, the resolution of the shareholders of HWL to approve the amendment must be taken on a poll and any Connected Person of HWL must abstain from voting in favour of the resolution to approve such amendment; and the amended provisions of the Plan or Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

Any change to the authority of the Remuneration Committee in relation to any amendment of the Rules may only be made with the approval of the shareholders of H3GUKH and HWL in general meeting.

25. Termination of the Plan

The Plan may be terminated at any time by the Board or by resolution of H3GUKH in general meeting and if the Plan is so terminated no further Options shall be offered by H3GUKH hereunder but the then existing rights of the Option Holders under the Plan shall not thereby be affected.

26. Period of the Plan

The Remuneration Committee may at any time (but not earlier than the Adoption Date nor later than the tenth anniversary thereof) grant Options under the Plan to individuals who are Eligible Employees.

27. Conditions

The Plan is conditional on the approval of the shareholders in General Meeting and the approval of the shareholders of HWL.

28. Administration

The Plan shall be administered by the Remuneration Committee whose decision on all disputes shall be final.

29. Value of all options

The Board considers that it is not possible for them to state the value of all options that may be granted pursuant to the Plan as if they had been granted at the Latest Practicable Date, because the calculation of the value of the Options is based on a number of variables such as the exercise price, the exercise period, interest rate, expected volatility and other relevant variables. As no options have been granted, certain variables are not available for calculating the value of the Options. The Board believes that any calculation of the value of the options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to shareholders.

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

“**Acquiring Company**” means a company which obtains Control of H3GI in accordance with paragraph 16 or 19;

“**Adoption Date**” means the date on which the Plan is adopted by ordinary resolution of the shareholders of H3GI or the date the shareholders of HWL approve the Plan at a general meeting or the date the Remuneration Committee approves the Plan, whichever is the later;

“**Associate**” has the meaning given in the Listing Rules;

“**Auditors**” means the auditors for the time being of H3GI (acting as experts and not as arbitrators);

“**Balance Option Certificate**” means the certificate issued to an Option Holder in accordance with paragraph 22;

“**Board**” means the board of directors of H3GI or a duly constituted committee of the board of directors of H3GI (including, for the avoidance of doubt, the Remuneration Committee);

“**Cash Value**” means an amount equal to the Market Value of the Shares in question (provided that if at such time the Shares are admitted to trading on a recognised stock exchange, the Market Value shall on any day be the average of the middle market quotations of the Shares for the three immediately preceding Dealing Days) less the aggregate Subscription Price of such Shares;

“**CEO**” means the chief executive officer(s) of H3GI;

“**Connected Person**” has the meaning given in the Listing Rules;

“**Control**” in relation to a company, means:

- (i) companies in which another company, by virtue of the shares or quotas held, has the majority required for the resolutions of the regular meeting;
- (ii) companies which are under the dominant influence of another company by virtue of the shares or quotas held by the latter or of particular contractual bonds with it; or
- (iii) companies controlled by another company through the shares or quotas held by companies controlled by the latter,

and the expression “controlled” shall be construed accordingly;

“**Date of Grant**” means the date on which an Option is granted under the Plan;

“**Dealing Day**” means a day on which the recognised stock exchange in which the Shares are admitted to trading is open for the transaction of business;

“**Eligible Employee**” means either:

- (i) any employee of any Participating Company; or
- (ii) any director of any Participating Company who is required to devote to his duties a substantial part of his working hours;

“**H3GI**” means Hutchison 3G Italia S.p.A. (registered office at Trezzano sul Naviglio, Via Leonardo da Vinci 1, Milan, Italy);

“**H3GI Group**” means H3GI and any Participating Company from time to time;

“**HWL**” means Hutchison Whampoa Limited;

“**Independent Non-Executive Director**” means a person who is an independent non-executive director within the meaning of the Listing Rules;

“**Initial Grants**” means the one time initial grants of Options recognising the long service and ongoing contribution of those Eligible Employees who were under the employment of the H3GI Group prior to 31 July 2001 and who at the Date of Grant remain so employed and who the Remuneration Committee determines should receive such an initial grant;

“**Latest Practicable Date**” means 13 April 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;

“**Listing**” means an application being made to the competent Listing Authority for admission to trading on a recognised stock exchange the ordinary share capital of H3GI;

“**Listing Authority**” means any authority acting in its capacity as the competent listing authority in respect of a recognised stock exchange;

“**Listing Rules**” means the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time;

“**Market Value**” means on any day the market value of a Share as determined by the Remuneration Committee according to objective criteria provided that if at such time the Shares are admitted to trading on a recognised stock exchange the Market Value shall take into account (but not necessarily be equal to) the average of the middle market quotations of the Shares for the three immediately preceding Dealing Days;

“**Option**” means a right to acquire Shares granted in accordance with the Rules of this Plan;

“**Option Certificate**” means a certificate issued on to an Option Holder in accordance with paragraph 4;

“**Option Holder**” means an Eligible Employee who has accepted an offer from a Participating Company of an Option in accordance with the Plan or where the context requires a person becoming entitled to an Option in consequence of the death of an Option Holder;

“**Other Plan**” means any other share option scheme involving the grant by H3GI or any of its subsidiaries of options over new 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;

“**Participating Company**” means H3GI and any other company of which H3GI has Control from time to time;

“**Performance Conditions**” means any conditions imposed by the Remuneration Committee to be satisfied as a pre-condition to the exercise of an Option pursuant to paragraph 5;

“**Plan**” means the employee share option plan constituted and governed by the Rules as from time to time amended;

“**Remuneration Committee**” means the duly constituted remuneration committee of the Board or, before the establishment of a remuneration committee, any duly appointed committee of the Board set up for the purpose of administering the Plan;

“**Rules**” means the rules of the Plan as amended from time to time;

“**Share**” means an ordinary share of Euro1.00 in the capital of H3GI (or such other nominal value as may be determined by H3GI in general meeting from time to time);

“**Stock Exchange**” means The Stock Exchange of Hong Kong Limited;

“**Subscription Price**” means the price at which each Share subject to an Option may be acquired on the exercise of that Option being subject to adjustment in accordance with paragraph 21:

- (i) in the case of the Initial Grants, the price as determined by the Remuneration Committee; and
- (ii) in any other case the Market Value of the Share at the Date of Grant as determined by the Remuneration Committee,

but in any event not being less than the fair market value of the Shares or the nominal value of such Share at the Date of Grant as determined according to Articles 48(2)(g-bis) and 9(4) of D.p.r. no. 917/86 as amended from time to time;

“**Subsisting Option**” means an Option which has neither lapsed nor been exercised;

“**Substantial Shareholder**” has the meaning given in the Listing Rules;

“**Tax Liability**” means the amount of income tax and/or social security contributions for which a Participating Company or any other member of the H3GI Group is required to account to any competent authority by virtue of or in consequence of the grant of an Option or its exercise;

“**Vest**” means, subject always to paragraph 11, the crystallisation of an Option Holder's right to exercise such Option (or part thereof) (and “**Vests**” and “**Vested**” shall be construed accordingly); and

“**Vested Option**” means an Option which has Vested.

The following is a summary of the principal terms of the Plan of H3GI.

1. Purpose

The purpose of the Plan is to provide H3GI with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Eligible Employees.

2. Who may join

The Remuneration Committee may grant Options under the Plan to individuals who are Eligible Employees, subject always to any limits and restrictions specified in the Rules.

3. Grant and acceptance of Option offer

The form, manner and timing of grant of Options, the maximum number of Shares in respect of each Option, the Subscription Price, any condition on exercise of each Option, and all other terms relating or attaching to such grant shall be at the absolute discretion of the Remuneration Committee subject to compliance with the Listing Rules. The Remuneration Committee may delegate to the CEO the power to grant Options to any Eligible Employee which power shall in all cases be subject to the directions of the Remuneration Committee in relation thereto.

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

4. Terms of Options

As soon as possible after the Date of Grant, the Remuneration Committee shall issue an Option Certificate in respect of each Option granted stating (i) the number of Shares to which the Option relates; (ii) the Subscription Price per Share the subject of the Option; (iii) the Date of Grant of the Option; (iv) (if applicable) any Performance Conditions to which exercise of the Option is subject; (v) the period an Option must be held before it will Vest (if any); and (vi) (if applicable) any lockup period.

5. Performance Conditions

The Remuneration Committee may make, in individual cases, the exercise of an Option conditional on the achievement of Performance Conditions which shall be documented in the Option Certificate.

6. Non-transferability of Options

No Option nor any rights in respect of it may be transferred, assigned or charged or otherwise alienated and any purported transfer, assignment, charge or other alienation shall cause the Option to lapse forthwith.

7. Subscription Price

The Subscription Price will be, (i) in the case of the Initial Grants, the price as determined by the Remuneration Committee, and (ii) in any other case the Market Value of the Share at the Date of Grant as determined by the Remuneration Committee but in any event not being less than the nominal value of such Share at the Date of Grant.

In respect of any Option granted either: (i) after HWL has resolved to seek a separate Listing and up to the date of the Listing; or (ii) during the period commencing 6 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 Option Holder is less than the issue price of the Shares on Listing, the Subscription Price shall be adjusted to the issue price of the Shares on Listing and no Option (to which this Rule applies) shall be exercised at a Subscription Price below such issue price.

8. Maximum number of Shares subject to the Plan

No Option shall be granted under the Plan which would, at the Date of Grant, cause the number of Shares which shall have been or may be issued both (a) in pursuance of Options granted under the Plan and (b) under any Other Plan (the "Option Plan Shares") to exceed such number as represents 5% of the number of Shares in the capital of H3GI in issue at the date of approval of the Plan subject to compliance with Rule 17.03(3) of the Listing Rules. This limit may only be exceeded with the approval of the shareholders of both H3GI and HWL in general meeting in accordance with the requirements of the Listing Rules.

No Option shall be granted under the Plan which would, at the Date of Grant, cause the number of Shares which shall have been or may be issued both (a) in pursuance of Options granted under the Plan and (b) under any Other Plan to exceed 130,185,000 (on the basis of an assumed total number of shares in issue of 4.5 billion at Euro 1 per share representing an aggregate paid up shareholders' equity of Euro 4.5 billion immediately prior to Listing) without the prior written consent of the board of directors of HWL (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 Shares which may be issued upon exercise of all outstanding Options granted and not yet exercised under the Plan and under any Other Plan to Eligible Employees must not exceed 30% of the Shares of H3GI in issue from time to time.

9. Individual limits

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

10. Restrictions on grant to key individuals

Each grant of Options to an Eligible Employee who is a director (including any Independent Non-Executive Director), chief executive or Substantial Shareholder of HWL, or any of their respective Associates, under the Plan must be approved by the Independent Non-Executive Directors of HWL (excluding any Independent Non-Executive Director of HWL who is the proposed grantee of the Options).

Where any grant of options to a Substantial Shareholder or an Independent Non-Executive Director of HWL, or any of their respective Associates, would result in the Shares issued and to be issued upon exercise of all Options already granted or to be granted under the Plan (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue and (where the Shares are listed on the Stock Exchange), having an aggregate value based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, such further grant of Options by the Board must be approved by the shareholders of H3GI and HWL in general meeting (the vote on such approval of the shareholders of HWL to be taken on a poll). Any shareholder of HWL who is a Connected Person of HWL must abstain from voting in favour of the resolution to approve such further grant of Options.

11. Time of exercise of option

Subsisting Options shall Vest as to one third on the date of (and immediately following) a Listing, as to a further one third on the date one calendar year after a Listing and as to the final one third on the date two calendar years after a Listing.

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 8 years from the Date of Grant.

12. Option to pay Cash Value

In the event that an Option Holder validly serves notice purporting to exercise his Option (or part thereof), the Remuneration Committee may determine, at its sole discretion, that H3GI shall pay a sum equivalent to the Cash Value to the Option Holder (plus the amount of any additional income tax and/or social security contribution that he/she will incur as a result of receiving the Cash Value instead of receiving Shares pursuant to the exercise of the relevant Option) based on the Market Value as at the date of purported exercise in lieu of any obligation H3GI may have to allot and issue Shares in respect of such purported exercise and upon such payment (to the extent purportedly exercised) will lapse and will no longer be capable of exercise.

13. Lapse of options

An Option will lapse automatically insofar as it has not been exercised on the earlier of:

- (i) the eighth anniversary of the Date of Grant; or
- (ii) in the event of the death of the Option Holder on or following a Listing, the first anniversary of the Option Holder's death; or

- (iii) in the event of the Option Holder ceasing to be a director or employee within the H3GI Group on or following a Listing by reason of injury or disability (other than as a result of alcohol or drug abuse), the date six months following the date upon which the Option Holder ceased to be a director or employee within the H3GI Group; or
- (iv) upon the Option ceasing to be capable of exercise under paragraph 16, 17 or 18; or
- (v) subject always to (ii) and (iii) above, forthwith upon the Option Holder ceasing to be a director or employee within the H3GI Group for any reason whatsoever (including without limitation by reason of resignation, retirement, death, injury, disability, dismissal or redundancy) unless the Remuneration Committee in its absolute discretion determines otherwise (which discretion the Remuneration Committee shall be under no duty to consider exercising under any circumstances whatsoever); or
- (vi) the Option Holder being adjudicated bankrupt or subject to any other insolvency procedure; or
- (vii) the commencement of the winding up of H3GI.

14. Tax liability

An Option Holder shall be liable to pay to H3GI or any Participating Company an amount equal to the aggregate amount of any Tax Liability before the due date for payment of such amount by a Participating Company.

15. Cancellation of Options

Notwithstanding any other provision in the Plan, the Remuneration Committee may cancel any Option provided that: (i) H3GI pays to the Option Holder an amount equal to the fair market value of the Option at the date of cancellation as determined by the Remuneration Committee, after consultation with the Auditors or an independent financial adviser appointed by the Remuneration Committee; or (ii) the Remuneration Committee offers to grant to the Option Holder replacement Options (or options under any Other Plan) of equivalent value to the Options being cancelled (subject to the limits described in paragraph 8, 9 or 10 above) or (iii) the Remuneration Committee makes such arrangements as the Option Holder may agree to compensate him for the loss of the Option.

Further if a Listing shall not have occurred within 3 years after the Adoption Date, the Remuneration Committee may (but shall not be obliged to), in its absolute discretion, at any time thereafter, adopt any of the following measures: (i) permit some or all Subsisting Options to be exercised notwithstanding that the same have not otherwise become exercisable; (ii) pay a sum equivalent to the Cash Value of some or all Subsisting Options as at the date of any such exercise of discretion to any Option Holder in lieu of any obligation H3GI may have to issue Shares upon the exercise of his Option, in which case any such Option shall, to the extent the Cash Value is paid (subject to all deductions as required by law including any Tax Liability), lapse and no longer be capable of exercise; or (iii) implement any alternative compensation arrangement or arrangements for some or all Option Holders which it considers appropriate and fair in substitution for or in addition the Plan and terminate or modify the Plan accordingly.

16. Rights on a general offer

If a person or an Acquiring Company obtains Control of H3GI as a result of making a general offer to acquire the whole of the issued ordinary share capital of H3GI which is made on a condition such that if it is satisfied the person making the offer will have Control of H3GI or is making a general offer to acquire all the shares in H3GI which are of the same class as the Shares then the Remuneration Committee may (in its absolute discretion) allow any Subsisting Option to be exercised within 21 days of the time when the person making the offer has obtained Control of H3GI (or until the lapse of the Option under paragraph 18 below, if later) provided that the Performance Conditions (if any) attaching to the Option shall have been met or waived as at such time.

17. Rights on compromise or arrangement

If a competent Court sanctions a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of H3GI or its amalgamation with any other company or companies the Remuneration Committee may (in its absolute discretion) allow any Subsisting Option to be exercised within 21 days of the Court sanctioning the compromise or arrangement provided that the Performance Conditions (if any) attaching to the Option shall have been satisfied or waived as at such time.

18. Rights where person becomes bound or entitled to acquire shares

If any person becomes bound or entitled to acquire Shares in H3GI pursuant to D.Lgs. no. 58/98 the Remuneration Committee may (in its absolute discretion) allow any Subsisting Option to be exercised at any time when the person remains so bound or entitled provided that the Performance Conditions (if any) attaching to the Option shall have been satisfied or waived as at such time.

19. Rights where Acquiring Company obtains Control of H3GI

If an Acquiring Company obtains Control of H3GI (i) as result of making a general offer to acquire the whole of the issued ordinary share capital of H3GI which is made on a condition such that if it is satisfied the person making the offer will have Control of H3GI or is making a general offer to acquire all the shares in H3GI which are of the same class as the Shares; (ii) in pursuance of a compromise or arrangement sanctioned by a competent Court; or (iii) as a result of becoming bound or entitled to acquire Shares in H3GI pursuant to D.Lgs. no. 58/98, then an Option Holder may (and shall if so directed by the Remuneration Committee in respect of the whole or part of his Option failing which his Option (or relevant part) shall lapse) at any time within the appropriate period by agreement with the Acquiring Company release his rights under the Plan (in this paragraph referred to as "the old rights") in consideration for the grant to him of rights which are equivalent to the old rights but relate to shares in a different company.

For the purposes of this paragraph, appropriate period means (a) in the circumstances specified in (i) above a period of 21 days beginning with the time when the Acquiring Company has obtained Control of H3GI and any conditions subject to which the offer is made being satisfied; (b) in the circumstances specified in (ii) above the period of 21 days beginning with the time when the competent Court sanctions a compromise or arrangement; (c) in the circumstances specified in (iii) above the period (not exceeding 6 months) during which the Acquiring Company remains bound or entitled as mentioned in those Sections.

20. Rights on voluntary winding-up

If H3GI passes an effective resolution for voluntary winding up, any Subsisting Option may in the absolute discretion of the Remuneration Committee, to the extent allowable under relevant law, be exercised within 21 days of the passing of such resolution provided that the Performance Conditions (if any) attaching to the Option shall have been satisfied or waived as at such date.

21. Reorganisation of capital structure

In the event of capitalisation of profits or reserves, rights issues of Shares, consolidation or subdivision of Shares or reduction of the share capital of H3GI in accordance with applicable laws and regulatory requirements (other than an issue of any share capital as consideration in respect of a transaction), such corresponding adjustments (if any) shall be made to (i) the number of Shares, the subject matter of the Option (insofar as it is unexercised); and/or (ii) the Subscription Price at which the Options are exercisable.

Any such adjustment shall be made on the basis that (i) the proportion of the issued share capital of H3GI to which an Option Holder is entitled after such adjustment shall remain as nearly as possible the same as that to which he was entitled before such adjustment; (ii) it will not enable any Share to be issued at less than its nominal value, or to increase the proportion of the issued share capital of H3GI for which any Option Holder would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustments; and (iii) that the Auditors or independent financial adviser selected by the Remuneration Committee (as appropriate) must confirm to the Remuneration Committee in writing that the adjustment satisfies the requirements of the Note to Rule 17.03(13) of the Listing Rules, except where such adjustment is made on a capitalisation issue.

22. Manner of exercise of Options

An Option shall be exercised in whole or in part by the Option Holder or as the case may be his personal representatives giving notice to H3GI in writing and shall be effective on the date of its receipt by H3GI (the "Date of Exercise") provided that no exercise shall be valid unless and until any Performance Conditions if any attaching to such Option shall have been confirmed by the Remuneration Committee as having been satisfied or waived.

Shares shall be allotted and issued (or, at the discretion of the Remuneration Committee, transferred) pursuant to a notice of exercise within 30 days of the Date of Exercise. Save for any rights determined by reference to a record date preceding the Date of Exercise such Shares shall rank *pari passu* with the other shares of the same class in issue at the Date of Exercise and will be subject to all the provisions of the Articles of Association of H3GI including without limitation provisions relating to voting, dividend and transfer. However, the Remuneration Committee, may at its sole discretion, determine in relation to any grant of Options to certain senior executives of a Participating Company that the said Option Holder shall not be entitled to dispose of or otherwise transfer the Shares issued pursuant to the exercise of any such Option for a lockup period specified at the time of grant and which shall be specified in the relevant Option Certificate; in such event, the exercise of such Option shall be conditional on the relevant Option Holder confirming in writing at the time of exercise that he continues to be bound by the said lockup restriction.

Where an Option is exercised only in part the balance shall remain exercisable on the same terms as originally applied to the whole Option and a Balance Option Certificate shall be issued accordingly by H3GI as soon as possible after the partial exercise.

23. Ranking of Shares

No dividends will be payable and no voting rights will be exercisable in relation to an Option that has not been exercised. Shares issued or transferred on the exercise of an Option will rank equally in all respects with the Shares in issue on the date of allotment. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.

24. Amendments to the Plan and terms of Options

The Board may from time to time amend the provisions of the Plan however, (i) no amendment may detrimentally affect Option Holders as regards an Option granted prior to the amendment being made without the prior written consent of the Subsisting Option holders at the time in question; (ii) no amendment shall be made which operates to the advantage of Option Holders without the prior approval of H3GI and HWL in general meeting; (iii) no amendment shall be made to the limit on the number of Options that may be granted under the Plan (or to this provision); (iv) the Remuneration Committee may in its absolute discretion provide that any amendment to the provisions of the Plan shall apply only to those members of the H3GI Group which the Remuneration Committee specifies in writing; (v) any amendments to the terms and conditions of the Plan which are of a material nature or any change to the terms and conditions of Options granted may only be made with the approval of the shareholders of H3GI and HWL save where the amendments take effect automatically under the existing terms of the Plan; (vi) where the terms and conditions of Options granted to an Eligible Employee who is a Substantial Shareholder or an Independent Non-Executive Director of HWL, or any of their respective Associates are to be amended, the resolution of the shareholders of HWL to approve the amendment must be taken on a poll and any Connected Person of HWL must abstain from voting in favour of the resolution to approve such amendment; and the amended provisions of the Plan or Options must still comply with the relevant requirement of Chapter 17 of the Listing Rules.

Any change to the authority of the Remuneration Committee in relation to any amendment of the Rules may only be made with the approval of the shareholders of H3GI and HWL in general meeting.

25. Termination of the Plan

The Plan may be terminated at any time by the Board or by resolution of H3GI in general meeting and if the Plan is so terminated no further Options shall be offered by H3GI hereunder but the then existing rights of the Option Holders under the Plan shall not thereby be affected.

26. Period of the Plan

The Remuneration Committee may at any time (but not earlier than the Adoption Date nor later than the eighth anniversary thereof) grant Options under the Plan to individuals who are Eligible Employees.

27. Suspension

The Remuneration Committee may in the event of specific and unusual circumstances (including but not limited to capital operations requiring adjustment or redefinition of the share capital of H3GI or significant negative variations in the profit and loss statement or balance sheet of H3GI) at any time suspend the exercise of Subsisting Options to the extent not contrary to relevant law. Each suspension(s) shall not be for more than 3 months and shall not exceed 12 months in total. The Remuneration Committee shall give at least 8 days written notice to the Subsisting Options holders.

28. Conditions

The Plan is conditional on the approval of the shareholders in General Meeting and the approval of the shareholders of HWL.

29. Administration

The Plan shall be administered by the Remuneration Committee whose decision on all disputes shall be final and binding in all matters relating to the Plan. The Remuneration Committee may entrust a bank or any other person or entity to manage specific aspects of or matters relating to the Plan.

30. Value of all options

The Board considers that it is not possible for them to state the value of all options that may be granted pursuant to the Plan as if they had been granted at the Latest Practicable Date, because the calculation of the value of the Options is based on a number of variables such as the exercise price, the exercise period, interest rate, expected volatility and other relevant variables. As no options have been granted, certain variables are not available for calculating the value of the Options. The Board believes that any calculation of the value of the options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to shareholders.

Articles 58 to 61 of the Articles of Association sets 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 in the Company 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 in the Ballroom, 1st Floor, Harbour Plaza Hong Kong, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Thursday, 20 May 2004 at 12:15 pm for the following purposes:

1. To receive and consider the statement of accounts and reports of the directors and auditors for the year ended 31 December 2003.
2. To declare a final dividend.
3. To elect directors.
4. To appoint auditors and authorise the directors to fix their remuneration.
5. As special business to consider and, if thought fit, pass the following Ordinary 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."

NOTICE OF ANNUAL GENERAL MEETING

- (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 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."

The register of members will be closed from Thursday, 13 May 2004 to Thursday, 20 May 2004 both days inclusive.

By order of the board

Edith SHIH
Company Secretary

Hong Kong, 22 April 2004

Notes:

- 1. In order to qualify for the final dividend payable on Friday, 21 May 2004, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited, for registration not later than 4:00 pm, Wednesday, 12 May 2004.*
- 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 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.*
- 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 mandate to issue shares and the mandate to repurchase shares of the Company will be sent to the shareholders together with the Company's 2003 Annual Report.*

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that an Extraordinary General Meeting of shareholders of the Company will be held in the Ballroom, 1st Floor, Harbour Plaza Hong Kong, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Thursday, 20 May 2004 at 12:30 pm (or as soon as the Annual General Meeting convened for the same place and date at 12:15 pm shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following Resolutions:

Special Resolution

“THAT the Articles of Association of the Company be altered in the following manner:

- (A) by adding the following definitions in Article 2 immediately after the definition “These presents”:

“Associates Shall have the same meaning as that set out in Rule 1.01 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as modified from time to time.”

“Clearing house A recognised clearing house within the meaning of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Chapter 571) as modified from time to time.”

- (B) by deleting Article 16 in its entirety and substituting the following therefor:

“16. (A) Any person (subject as aforesaid) whose name is entered in the register of members in respect of any shares of any one class, upon the issue or transfer of any such shares, shall be entitled: without payment to one certificate for all such shares of any one class being issued or transferred (as the case may be); or several certificates each of which is for one or more of such shares of any one class being issued or transferred (as the case may be) upon payment for every certificate after the first one of such reasonable out-of-pocket expenses as the Directors may from time to time determine, provided that such payment shall not exceed the amount as may from time to time be permitted under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(B) Share certificates shall be issued after allotment or lodgement of a transfer with the Company within the relevant time limit as may be required by the Statutes or other codes, rules and regulations as may be prescribed by the applicable regulatory authority from time to time, whichever is shorter, except in the case of a transfer which the Company is for the time being entitled to refuse to register and does not register.”

with the following marginal note:

“Issue of certificates”

- (C) by deleting Articles 34(A) and 34(B) in their entirety and substituting the following therefor:

“34. (A) All transfers of shares may be effected by an instrument of transfer in writing in any usual or common form or in such other form as may be prescribed by The Stock Exchange of Hong Kong Limited or in such other form as the Directors

NOTICE OF EXTRAORDINARY GENERAL MEETING

may accept and may be executed under hand or, if the transferor or transferee is a Clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Directors may approve from time to time.

- (B) The instrument of transfer shall be executed by or on behalf of the transferor and the transferee. Without prejudice to Article 34(A), the Directors may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers.”

with the following marginal note to Article 34(A):

“Form of transfer”

and with the following marginal note to Article 34(B):

“Execution of transfer”

- (D) by deleting the words “or Extraordinary” in Article 57;
- (E) by renumbering the existing Article 65 as Article 65(A) and adding the following paragraph immediately thereafter as Article 65(B):

“(B) Where any member is, under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.”

with the following marginal note:

“Votes not be counted”

- (F) by renumbering the existing Article 73 as Article 73(A) and adding the following paragraph immediately thereafter as Article 73(B):

“(B) If a Clearing house (or its nominee(s)) is a member of the Company, it may authorise or appoint such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised or appointed, the authorisation or instrument of proxy shall specify the number and class of shares in respect of which each such person is so authorised or appointed. A person so authorised or appointed under the provisions of this Article shall be entitled to exercise the same powers on behalf of the Clearing house (or its nominee(s)) which he represents as that Clearing house (or its nominee(s)) could exercise as if such person were an individual member of the Company including, where applicable, the right to vote individually on a show of hands notwithstanding any contrary provisions contained in these Articles.”

- (G) by inserting in the third line of Article 85 the words “or such other manner of rotation as may be required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as modified from time to time) or other codes, rules and regulations as may be prescribed by the applicable regulatory authority from time to time” immediately after the words “greater than one-third”;

NOTICE OF EXTRAORDINARY GENERAL MEETING

(H) by deleting Article 89 in its entirety and substituting the following therefor:

“89. No person, other than a Director retiring at the meeting, shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless there shall have been lodged at the Office notice in writing signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose that person for election as a Director and also notice in writing signed by that person of his willingness to be elected as a Director. Unless otherwise determined by the Directors and notified by the Company to the member, the period for lodgment of the said notices shall be a 7-day period commencing on the day after the despatch of the notice of the meeting for such election of Director(s) and ending on the date falling 7 days after the despatch of the said notice of the meeting. If the Directors should so determine and notify the members of a different period for lodgment of the said notices, such period shall in any event be a period of not less than 7 days, commencing on no earlier than the day after the despatch of the said notice of the meeting and ending no later than 7 days prior to the date of such meeting.”

with the following marginal note:

“Proposal of directors”

(I) by deleting Article 90 in its entirety and substituting the following therefor:

“90. The Company may by Ordinary Resolution remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for breach of any such agreement). Special notice is required of a resolution to remove a Director, or to appoint somebody in place of a Director so removed at the meeting at which he is removed, in accordance with the Ordinance. Any person so elected and appointed to fill the vacancy of a removed Director shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.

In this Article 90, “special notice” in relation to a resolution shall have the meaning ascribed thereto in the Ordinance.”

(J) by adding the following new Article immediately after Article 92(D):

“(E) An alternate Director shall be responsible and liable for his own act, omission and default. An alternate Director shall not be deemed to be an agent of the Director who appoints him. The Director who appoints the alternate Director shall not be vicariously liable for any acts, including but not limited to any tort, committed by the alternate Director while acting in the capacity of alternate Director.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

(K) by deleting Articles 97(A) and 97(B) in their entirety and substituting the following therefor:

“97. (A) Save as herein provided, a Director shall not vote on any resolution of the Directors approving any contract or arrangement or any other proposal whatsoever in which he or any of his Associate(s) has any material interest otherwise than by virtue of his interests in shares, debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(B) A Director shall (in the absence of any other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:–

- (i) the giving of any security or indemnity to him or his Associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he or his Associate(s) has himself/themselves assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he or his Associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting thereof;
- (iv) any proposal concerning any other company in which he or his Associate(s) is/are interested only, whether directly or indirectly, as an officer, executive or shareholder or in which he or his Associate(s) is/are beneficially interested in shares of that company, provided that he and any of his Associate(s) are not in aggregate beneficially interested in five per cent. or more of the issued shares of any class of such company (or of any third company through which his interest or that of his Associate(s) is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);
- (v) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries, including the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme which relates both to Directors (or his Associate(s)) and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his Associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (vi) any contract or arrangement in which the Director or his Associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING

For the purposes of this Article 97(B), “subsidiary” shall have the meaning as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as modified from time to time.”

(L) by deleting Article 97(D) in its entirety and substituting the following therefor:

“(D) If any question shall arise at any meeting as to the materiality of a Director’s or his Associate’s interest or as to the entitlement of any Director to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned and of his Associate(s) have not been fully disclosed.”

(M) by renumbering the existing Article 145 as Article 145(A) and adding the following paragraph immediately thereafter as Article 145(B):

“(B) Subject to the provisions of and so far as may be permitted by the Statutes, the Company may purchase and maintain for any officer of the Company:

- (i) insurance against any liability to the Company, a related company or any other party in respect of any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the Company or a related company; and
- (ii) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the Company or a related company.

In this Article 145(B), “related company” in relation to the Company means any company that is the Company’s subsidiary or holding company or a subsidiary of the Company’s holding company.””

Ordinary Resolutions

- (1) “THAT, with effect from the conclusion of the meeting at which this resolution is passed, the rules of the share option scheme of Hutchison Harbour Ring Limited (“HHR”, a subsidiary of the Company which is listed on the Main Board of The Stock Exchange of Hong Kong Limited) (a copy of which has been produced to the meeting and marked “A”) (the “HHR Share Option Scheme”), and conditionally on the approval of the HHR Share Option Scheme by the shareholders of HHR be and they are hereby approved and adopted and that the directors of the Company acting together, individually or by committee be and they are hereby authorised to approve any amendments to the rules of the HHR Share Option Scheme as may be acceptable or not objected to by The Stock Exchange of Hong Kong Limited, and to take all such steps as may be necessary, desirable or expedient to carry into effect the HHR Share Option Scheme subject to and in accordance with the terms thereof with effect from the conclusion of the meeting at which this resolution is passed.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (2) "THAT, with effect from the conclusion of the meeting at which this resolution is passed, the rules of the share option scheme of Hutchison 3G UK Holdings Limited ("H3GUKH", a subsidiary of the Company) (a copy of which has been produced to the meeting and marked "B") (the "H3GUKH Share Option Scheme") be and they are hereby approved and adopted and that the directors of the Company acting together, individually or by committee be and they are hereby authorised to approve any amendments to the rules of the H3GUKH Share Option Scheme as may be acceptable or not objected to by The Stock Exchange of Hong Kong Limited, and to take all such steps as may be necessary, desirable or expedient to carry into effect the H3GUKH Share Option Scheme subject to and in accordance with the terms thereof with effect from the conclusion of the meeting at which this resolution is passed."
- (3) "THAT, with effect from the conclusion of the meeting at which this resolution is passed, the rules of the share option scheme of Hutchison 3G Italia S.p.A. ("H3GI", a subsidiary of the Company) (a copy of which has been produced to the meeting and marked "C") (the "H3GI Share Option Scheme") be and they are hereby approved and adopted and that the directors of the Company acting together, individually or by committee be and they are hereby authorised to approve any amendments to the rules of the H3GI Share Option Scheme as may be acceptable or not objected to by The Stock Exchange of Hong Kong Limited, and to take all such steps as may be necessary, desirable or expedient to carry into effect the H3GI Share Option Scheme subject to and in accordance with the terms thereof with effect from the conclusion of the meeting at which this resolution is passed."

By order of the board

Edith SHIH

Company Secretary

Hong Kong, 22 April 2004

Notes:

- 1. Only members are entitled to attend and vote at the meeting.*
- 2. 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 not later than 48 hours before the time for holding the meeting.*
- 3. 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.*
- 4. Amendments to the Articles of Association of the Company are being made to reflect the recent amendments to the Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A circular containing the information regarding, inter alia, the amendments to the Articles of Association of the Company and the share option schemes of Hutchison Harbour Ring Limited, Hutchison 3G UK Holdings Limited and Hutchison 3G Italia S.p.A. will be sent to the shareholders together with the Company's 2003 Annual Report.*