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

If you have sold or transferred all your shares in CK Hutchison Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or the 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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**NOTICE OF ANNUAL GENERAL MEETING****PROPOSALS FOR****RE-ELECTION OF RETIRING DIRECTORS****GENERAL MANDATES TO ISSUE
NEW SHARES AND REPURCHASE SHARES****AND****SHARE OPTION SCHEME OF
HUTCHISON CHINA MEDITECH LIMITED**

The notice convening the Annual General Meeting of CK Hutchison Holdings Limited to be held at the Grand Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Friday, 13 May 2016 at 12:00 noon at which the above proposals will be considered is set out on pages 8 to 11 of this circular. Irrespective of whether you are able to attend the meeting, please complete and return the form of proxy to the Hong Kong Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

Complimentary shuttle bus service to and from the meeting venue will be provided on 13 May 2016 to shareholders as follows: (i) departing Hankow Road (by YMCA), Tsimshatsui every 15 minutes between 10:30 a.m. and 11:15 a.m. for Harbour Grand Kowloon; and (ii) departing Harbour Grand Kowloon between 1:00 p.m. and 2:15 p.m. for Hankow Road (by YMCA), Tsimshatsui. A shuttle bus guide and schedule to Harbour Grand Kowloon is available on the website of the Company at www.ckh.com.hk.

This circular is in English and Chinese. In case of any inconsistency, the English version shall prevail.

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RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DEFINITIONS

In this circular, unless otherwise defined or the context otherwise requires, the following expressions shall have the following meanings:

“Adoption Date”	the date that the Second HCML Share Option Scheme is adopted by ordinary resolution of the shareholders of HCML in accordance with its articles of association or the date that the Second HCML Share Option Scheme is approved by the Shareholders in general meeting, whichever is the later;
“AGM”	the annual general meeting of the Company convened to be held on Friday, 13 May 2016 at 12:00 noon at the Grand Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong, notice of which is set out on pages 8 to 11 of this circular, and any adjournment thereof;
“Articles of Association”	the articles of association of the Company as amended from time to time;
“Board”	the board of Directors;
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Company”	CK Hutchison Holdings Limited 長江和記實業有限公司, an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the SEHK (Stock Code: 1);
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“General Mandate”	the general mandate to issue and dispose of additional Shares;
“Group”	the Company and its subsidiaries;
“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;
“HCML”	Hutchison China MediTech Limited 和黃中國醫藥科技有限公司, a company incorporated in the Cayman Islands with limited liability whose shares are listed on AIM regulated by the London Stock Exchange;
“Latest Practicable Date”	6 April 2016, 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 SEHK;

DEFINITIONS

“Memorandum”	the Memorandum of Association of the Company as amended from time to time;
“Repurchase Mandate”	the general mandate to repurchase Shares;
“Retiring Directors”	the Directors retiring at the AGM and, being eligible, who offer themselves for re-election at the AGM, in accordance with the Articles of Association;
“Second HCML Share Option Scheme”	the share option scheme proposed to be approved by the Shareholders at the AGM for the benefit of the employees and directors of HCML and its subsidiaries and other eligible participants specified thereunder;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;
“Share(s)”	ordinary share(s) in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“SEHK”	The Stock Exchange of Hong Kong Limited; and
“Takeovers Code”	the Code on Takeovers and Mergers.

LETTER FROM THE BOARD



長江和記實業有限公司 CK HUTCHISON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1)

Board of Directors:

Executive Directors

LI Ka-shing *Chairman*
LI Tzar Kuoi, Victor *Group Co-Managing Director*
and Deputy Chairman
FOK Kin Ning, Canning *Group Co-Managing Director*
CHOW WOO Mo Fong, Susan *Group Deputy*
Managing Director
Frank John SIXT *Group Finance Director and*
Deputy Managing Director
IP Tak Chuen, Edmond *Deputy Managing Director*
KAM Hing Lam *Deputy Managing Director*
LAI Kai Ming, Dominic *Deputy Managing Director*

Non-executive Directors

CHOW Kun Chee, Roland
LEE Yeh Kwong, Charles
LEUNG Siu Hon
George Colin MAGNUS

Independent Non-executive Directors

KWOK Tun-li, Stanley
CHENG Hoi Chuen, Vincent
Michael David KADOORIE
LEE Wai Mun, Rose
William Elkin MOCATTA *Alternate Director to*
Michael David Kadoorie
William SHURNIAK
WONG Chung Hin
WONG Yick-ming, Rosanna

Company Secretary:

Edith SHIH

Registered Office:

PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Principal Place of Business:

12th Floor
Cheung Kong Center
2 Queen's Road Central
Hong Kong

Principal Executive Office:

22nd Floor
Hutchison House
10 Harcourt Road
Hong Kong

13 April 2016

LETTER FROM THE BOARD

Dear Shareholder(s),

NOTICE OF ANNUAL GENERAL MEETING

PROPOSALS FOR

RE-ELECTION OF RETIRING DIRECTORS

GENERAL MANDATES TO ISSUE

NEW SHARES AND REPURCHASE SHARES

AND

SHARE OPTION SCHEME OF

HUTCHISON CHINA MEDITECH LIMITED

1. Introduction

The purpose of this circular is to give Shareholders notice of the forthcoming AGM (the "Notice of AGM") to be held on Friday, 13 May 2016 at 12:00 noon (or, in the event that a black rainstorm warning signal or tropical cyclone warning signal no. 8 or above is in force in Hong Kong at 9:00 a.m. on that day, at the same time and place on Tuesday, 17 May 2016). The circular also provides information regarding resolutions to be proposed at the AGM, in particular, the proposed ordinary resolutions to approve (i) the re-election of the Retiring Directors who are due to retire at the AGM; (ii) the grant to the Board general mandates to issue and repurchase Shares; and (iii) the Second HCML Share Option Scheme.

2. Annual General Meeting

A notice convening the AGM to be held at the Grand Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Friday, 13 May 2016 at 12:00 noon is set out in **Appendix I** to this circular.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll, except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Chairman of the AGM will therefore put each of the resolutions to be proposed at the AGM (as set out in the Notice of AGM) to be voted by way of a poll pursuant to Article 81 of the Articles of Association.

A proxy form for use at the AGM is enclosed with this circular. The proxy form can also be downloaded from the websites of the Company at www.ckh.com.hk and Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. Whether Shareholders are able to attend the AGM in person or not, they should complete, sign and return the proxy form in accordance with the instructions printed thereon to the Hong Kong Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude Shareholders from attending and voting at the AGM or any adjournment thereof should the Shareholders so wish.

An announcement will be made by the Company following the conclusion of the AGM to inform Shareholders of the results of the AGM.

LETTER FROM THE BOARD

3. Re-election of Retiring Directors

Pursuant to Article 111(A) of the Articles of Association, Mr Li Tzar Kuoi, Victor, Mr Fok Kin Ning, Canning, Mr Frank John Sixt, Mr Lee Yeh Kwong, Charles, Mr George Colin Magnus, The Hon Sir Michael David Kadoorie and Dr Wong Yick-ming, Rosanna would hold office until the AGM and, all being eligible, have offered themselves for re-election at the AGM.

Details of the Retiring Directors that are required to be disclosed under the Listing Rules are set out in **Appendix II** to this circular.

Mr Li Tzar Kuoi, Victor, Mr Fok Kin Ning, Canning and Mr Frank John Sixt are directors of certain subsidiaries/associates of the Company. All these companies are important subsidiaries/associates to the Company. Their directorship will enable them to fulfill their fiduciary duties to the Company.

Each of The Hon Sir Michael David Kadoorie and Dr Wong Yick-ming, Rosanna, both being Independent Non-executive Directors eligible for re-election at the AGM, has made a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. Further, the Company is of the view that each of those existing Independent Non-executive Directors meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines.

Any Shareholder who wishes to nominate a person to stand for election as a Director at the AGM must lodge with the Company Secretary of the Company at 22nd Floor, Hutchison House, 10 Harcourt Road, Hong Kong within the period from Friday, 15 April 2016 to Thursday, 21 April 2016, both days inclusive, (i) his written nomination of the candidate, (ii) written confirmation from such nominated candidate of his willingness to be elected as Director, and (iii) the biographical details of such nominated candidate as required under Rule 13.51(2) of the Listing Rules for publication by the Company.

4. General Mandates to Issue New Shares and Repurchase Shares

At the annual general meeting of the Company held on 23 June 2015, ordinary resolutions were passed to grant general mandates to the Directors (i) to issue, allot and dispose of such number of additional Shares not exceeding 20% of the total number of Shares in issue at the date of the passing of the relevant resolution and the number of any Shares repurchased by the Company; and (ii) to repurchase Shares not exceeding 10% of total number of Shares in issue at the date of the passing of the relevant resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of such resolution).

These general mandates will expire at the conclusion of the AGM. Approvals will be sought from Shareholders for the general mandates to (i) issue such Shares for the purposes of the Listing Rules at the AGM as set out in the ordinary resolution in agenda item No. 5(1) of the Notice of AGM; and (ii) exercise power of the Company to repurchase Shares as set out in the ordinary resolution in agenda item No. 5(2) of the Notice of AGM.

With reference to these resolutions, the Board wishes to state that it has no immediate plans to issue any new Shares or to repurchase any Shares pursuant to the relevant mandates.

LETTER FROM THE BOARD

An explanatory statement, as required by the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listings on the SEHK of their own securities on the SEHK, to provide requisite information to Shareholders for considering the proposal to authorise the Board to exercise the power of the Company to repurchase Share(s) up to a maximum of 10% of the total number of Shares in issue at the date of the passing of this ordinary resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of such resolution) is set out in **Appendix III** to this circular.

5. Second HCML Share Option Scheme

A share option scheme of HCML was adopted by the shareholders of HCML on 4 June 2005 and approved by the shareholders of the listed parent company of HCML on 18 May 2006 (which was subsequently amended by the directors of HCML on 21 March 2007) (the "2005 HCML Scheme"). Under the 2005 HCML Scheme, 2,548,958 options over the shares of HCML were granted (excluding cancelled and lapsed option grants) representing approximately 4.2% of the total issued share capital of HCML as at the Latest Practicable Date.

The 2005 HCML Scheme will cease to have effect on 17 May 2016. In order to enable HCML to attract and retain employees and other personnel having appropriate qualifications and experience, the directors of HCML consider it important that HCML continues to be equipped with the ability to offer such employees and personnel options to acquire equity interests in HCML as a reward and additional incentive for their contribution to the long term success of the business of HCML. A proposal is to be made at the AGM for approval of the Second HCML Share Option Scheme. Under the Second HCML Share Option Scheme, options to subscribe for shares in HCML may be offered and granted to employees and directors of HCML and its subsidiaries and other eligible participants specified therein for up to 4% of the total issued share capital of HCML at the Adoption Date.

The Second HCML Share Option Scheme does not contain any specific requirements for the minimum period which an option must be held before exercise or for performance targets applicable to options. The directors of HCML have retained the flexibility to impose such conditions if and when they consider appropriate. The directors of HCML believe that the formulation in the Second HCML Share Option Scheme for setting the minimum subscription price for the shares in HCML will serve to protect the value of HCML as well as to achieve the purposes of the Second HCML Share Option Scheme.

The Directors have considered and agreed with the views of the directors of HCML that the Second HCML Share Option Scheme would enable HCML to attract and retain employees and other personnel having appropriate qualifications and experience. The adoption of the Second HCML Share Option Scheme is subject to, and conditional upon, approval being obtained from the Shareholders.

As at the Latest Practicable Date, having made all reasonable enquiries, the Company was not aware of any Shareholder who is required under the Listing Rules to abstain from voting on the ordinary resolution to be proposed at the AGM to approve the Second HCML Share Option Scheme.

The principal terms of the Second HCML Share Option Scheme are set out in **Appendix IV** to this circular.

LETTER FROM THE BOARD

6. Recommendation

The Board considers that the ordinary resolutions as set out in the Notice of AGM are all in the best interests of the Company and its Shareholders as a whole. The Board also considers that it is in the interests of the Company and its Shareholders to elect those Retiring Directors. Accordingly, the Board recommends Shareholders to vote in favour of all such resolutions at the AGM.

7. Document Available for Inspection

A copy of the Second HCML Share Option Scheme is available for inspection at the Company's principal executive office at 22nd Floor, Hutchison House, 10 Harcourt Road, Hong Kong during normal business hours on any business day up to and including 13 May 2016 and at the AGM.

Yours faithfully,

Li Ka-shing

Chairman



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of CK Hutchison Holdings Limited (the “Company”) will be held at the Grand Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Friday, 13 May 2016 at 12:00 noon (or, in the event that a black rainstorm warning signal or tropical cyclone warning signal no. 8 or above is in force in Hong Kong at 9:00 a.m. on that day, at the same time and place on Tuesday, 17 May 2016) for the following purposes:

1. To consider and adopt the audited Financial Statements, the Reports of the Directors and the Independent Auditor for the year ended 31 December 2015.
2. To declare a final dividend.
3. To re-elect retiring Directors.
4. To appoint Auditor and authorise the Directors to fix the Auditor's remuneration.
5. To consider and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

- (1) **“THAT:**
 - (a) a general mandate be and is hereby unconditionally given to the Directors during the Relevant Period (as hereinafter defined) to issue, allot and dispose of such number of additional shares of the Company not exceeding twenty per cent. of the total number of shares of the Company in issue at the date of the passing of this Resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares of the Company after the passing of this Resolution), such mandate to include the granting of offers, options, warrants or rights to subscribe for, or to convert any securities (including bonds and convertible debentures) into, shares of the Company which might be exercisable or convertible during or after the Relevant Period; and
 - (b) 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 of the Company in general meeting.”
 - (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 shares 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 maximum number of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed ten per cent. of the total number of shares of the Company in issue at the date of the passing of this Resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares of the Company after the passing 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 of the Company in general meeting.”
 - (3) **“THAT** the general mandate granted to the Directors to issue, allot and dispose of such number of additional shares of the Company pursuant to Ordinary Resolution No. 5(1) set out in the notice convening this meeting be and is hereby extended by the addition thereto of such number of shares of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution No. 5(2) set out in the notice convening this meeting, provided that such number of shares of the Company shall not exceed ten per cent. of the total number of shares of the Company in issue at the date of the passing of this Resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares of the Company after the date of the passing of this Resolution).”
- 6. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“THAT with effect from the conclusion of the meeting at which this Resolution is passed, the rules of the share option scheme of Hutchison China MediTech Limited (an indirect subsidiary of the Company) (a copy of which has been produced to the meeting and marked “A”) (the “Second HCML Share Option Scheme”) be and it is hereby approved and

that the Directors, acting together, individually or by committee, be and they are hereby authorised to approve any amendments to the rules of the Second HCML 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 Second HCML 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, 13 April 2016

Notes:

- a. *At the Annual General Meeting, the Chairman of the meeting will put each of the above resolutions to be voted by way of a poll under Article 81 of the Company's Articles of Association.*
- b. *Any shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint more than one proxy to attend and on a poll, vote in his stead. A proxy need not be a shareholder of the Company.*
- c. *To be valid, the proxy form together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be deposited at the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof (as the case may be).*
- d. *Completion and return of the proxy form will not preclude a shareholder from attending and voting at the Annual General Meeting or any adjournment thereof (as the case may be) should the shareholder so desire.*
- e. *The Register of Members of the Company will be closed from Tuesday, 10 May 2016 to Friday, 13 May 2016 (or Tuesday, 17 May 2016, in the event that the Annual General Meeting is to be held on Tuesday, 17 May 2016 because of a black rainstorm warning signal or tropical cyclone warning signal no. 8 or above (as detailed above)), both days inclusive, during which period no transfer of shares will be effected, to determine shareholders' entitlement to attend and vote at the Annual General Meeting. In order to be entitled to attend and vote at the Annual General Meeting, all share certificates with completed transfer forms, either overleaf or separately, must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 9 May 2016.*
- f. *In order to be qualified for the proposed final dividend payable on Wednesday, 1 June 2016, all share certificates with completed transfer forms, either overleaf or separately, must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 19 May 2016, being the record date for determining shareholders' entitlement to the proposed final dividend. In the event that the Annual General Meeting is held on a date later than 13 May 2016 because of bad weather or other reasons, the record date for determination of entitlement to the final dividend will be deferred accordingly. Further details of the new record date will be announced in such circumstances.*

- g. *In relation to item No. 3 above, Mr Li Tzar Kuoi, Victor, Mr Fok Kin Ning, Canning, Mr Frank John Sixt, Mr Lee Yeh Kwong, Charles, Mr George Colin Magnus, The Hon Sir Michael David Kadoorie and Dr Wong Yick-ming, Rosanna will hold office until the Annual General Meeting and, all of them being eligible, have offered themselves for re-election at the Annual General Meeting.*

Details of the above Directors are set out in Appendix II to the circular of the Company dated 13 April 2016 (the "Circular"). Details of submitting the proposal by a shareholder for nomination of a person for election as a Director of the Company at the Annual General Meeting are set out under the section headed "Re-election of Retiring Directors" in the Circular.

- h. *In relation to Ordinary Resolution No. 5(2) above, the Explanatory Statement containing the information necessary to enable the shareholders to make an informed decision on whether to vote for or against the resolution to approve the granting of an authority for the repurchase by the Company of its own shares, as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, is set out in Appendix III to the Circular.*

- i. *In relation to Ordinary Resolution No. 6 above, the principal terms of the Second HCML Share Option Scheme are set out in Appendix IV to the Circular.*

- j. **BAD WEATHER ARRANGEMENTS:**

The Annual General Meeting will be held on Friday, 13 May 2016 as scheduled regardless of whether or not an amber or red rainstorm warning signal is in force in Hong Kong at any time on that day.

However, if a black rainstorm warning signal or a tropical cyclone warning signal no. 8 or above is in force in Hong Kong at 9:00 a.m. on Friday, 13 May 2016, the Annual General Meeting will not be held on that day but will be automatically postponed and, by virtue of this notice, be held at the same time and place on Tuesday, 17 May 2016 instead.

Shareholders may call the hotline at (852) 3169 3868 or visit the website of the Company at www.ckh.com.hk for details of the postponement and alternative meeting arrangements.

Shareholders should make their own decision as to whether they would attend the Annual General Meeting under bad weather conditions having regard to their own situation and if they should choose to do so, they are advised to exercise care and caution.

- k. *The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.*

As required by the Listing Rules, the particulars of the Directors proposed to be re-elected at the AGM are set out in this Appendix II.

(1) LI Tzar Kuoi, Victor, BSc, MSc, LL.D (Hon)

Mr Victor Li, aged 51, has been a Director of the Company since 11 December 2014. He was designated as Executive Director, Managing Director and Deputy Chairman of the Company on 9 January 2015 and re-designated as Executive Director, Group Co-Managing Director and Deputy Chairman of the Company on 3 June 2015. He joined Cheung Kong (Holdings) Limited (“Cheung Kong”) in 1985 and acted as Deputy Managing Director from 1993 to 1998. He has been Deputy Chairman of Cheung Kong since 1994, Managing Director since 1999 and Chairman of the Executive Committee since 2013. The listing status of Cheung Kong on the SEHK was replaced by the Company on 18 March 2015 and he was re-designated as Director of Cheung Kong and ceased to act as Chairman of the Executive Committee of Cheung Kong on 3 June 2015. He is Managing Director, Deputy Chairman and Executive Director of Cheung Kong Property Holdings Limited (“Cheung Kong Property”) as well as Chairman of its Executive Committee. He has been an Executive Director of Hutchison Whampoa Limited (“HWL”) since 1995 and Deputy Chairman since 1999 and was re-designated as Director on 8 June 2015 when HWL was privatised by way of a scheme of arrangement on 3 June 2015. Mr Victor Li is the Chairman of Cheung Kong Infrastructure Holdings Limited (“CKI”) and CK Life Sciences Int’l., (Holdings) Inc., a Non-executive Director of Power Assets Holdings Limited (“Power Assets”) and HK Electric Investments Manager Limited (“HKEIML”) as the trustee-manager of HK Electric Investments (“HKEI”), Non-executive Director and the Deputy Chairman of HK Electric Investments Limited (“HKEIL”) and Co-Chairman of Husky Energy Inc (“Husky”). Save and except Cheung Kong Property, the aforementioned companies are either subsidiaries or associated companies of the Group in which Mr Victor Li acts as Chairman, Co-Chairman, Deputy Chairman or Director for the purpose of overseeing the management of such businesses. Except for Cheung Kong, HWL and HKEIML, all the companies/investment trust mentioned above are listed in Hong Kong or overseas.

Mr Victor Li is also the Deputy Chairman of Li Ka Shing Foundation Limited, Li Ka Shing (Overseas) Foundation and Li Ka Shing (Canada) Foundation, and a Director of The Hongkong and Shanghai Banking Corporation Limited. Mr Victor Li serves as a member of the Standing Committee of the 12th National Committee of the Chinese People’s Political Consultative Conference of the People’s Republic of China. He is also a member of the Commission on Strategic Development of Hong Kong Special Administrative Region and Vice Chairman of the Hong Kong General Chamber of Commerce. Mr Victor Li is the Honorary Consul of Barbados in Hong Kong. Mr Victor Li holds a Bachelor of Science degree in Civil Engineering, a Master of Science degree in Civil Engineering and an honorary degree, Doctor of Laws, honoris causa (LL.D.).

Mr Victor Li is a son of Mr Li Ka-shing, the Chairman of the Company and a substantial Shareholder within the meaning of Part XV of the SFO, and a nephew of Mr Kam Hing Lam, Deputy Managing Director of the Company. Mr Victor Li is also a director of certain substantial Shareholders within the meaning of Part XV of the SFO, and a director of certain companies controlled by certain substantial Shareholders. Li Ka-Shing Unity Trustee Corporation Limited (“TDT1”) as trustee of The Li Ka-Shing Unity Discretionary Trust (“DT1”), Li Ka-Shing Unity Trustcorp Limited (“TDT2”) as trustee of another discretionary trust (“DT2”), and Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust in which each of TDT1 and TDT2 holds units, are substantial Shareholders within the meaning of Part XV of the SFO. The discretionary beneficiaries of each of DT1

and DT2 include Mr Victor Li, his wife and children. Save as disclosed above, Mr Victor Li does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr Victor Li had personal interests in 220,000 Shares, family interests in 405,200 Shares, corporate interests in 2,572,350 Shares and other interests in 1,094,244,254 Shares, in aggregate representing approximately 28.43% of the issued Shares within the meaning of Part XV of the SFO. The term of his service as a Director is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. The director's fee of Mr Victor Li as an Executive Director of the Company under his appointment letter is HK\$220,000 per annum. Such fee is subject to review by the Board from time to time and proration for an incomplete year of service. The emoluments specified in service agreement appointing Mr Victor Li as Group Co-Managing Director and Deputy Chairman of the Company are HK\$4,893,348 per annum and such amount of discretionary bonus which the Company may decide to pay. Such emoluments are determined by reference to the performance and profitability of the Company, as well as remuneration benchmark in the industry and the prevailing market conditions.

Mr Victor Li previously held directorship in Star River Investment Limited ("Star River") (*ceased to act as director on 4 June 2005*), a company owned as to 50% by Cheung Kong with its place of incorporation in Hong Kong and active in acquiring property for development. Star River commenced creditors' voluntary winding up on 28 September 2004, with a wholly owned subsidiary of Cheung Kong being the petitioning creditor. The amount involved in the winding up was HK\$17,259,710.34 and Star River was dissolved on 4 June 2005.

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

(2) FOK Kin Ning, Canning, BA, DFM, FCA (ANZ)

Mr Fok, aged 64, has been a Non-executive Director of the Company since 9 January 2015 and was re-designated as an Executive Director and Group Co-Managing Director of the Company on 3 June 2015. Mr Fok has been a Director of Cheung Kong since 1985 and became a Non-executive Director in 1993. The listing status of Cheung Kong on the SEHK was replaced by the Company on 18 March 2015 and he was re-designated as Director of Cheung Kong on 3 June 2015. Mr Fok has been an Executive Director of HWL since 1984, Group Managing Director since 1993 and was re-designated as Director on 8 June 2015 when HWL was privatised by way of a scheme of arrangement on 3 June 2015. He is also the Chairman of Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH"), Hutchison Telecommunications (Australia) Limited ("HTAL"), Hutchison Port Holdings Management Pte. Limited ("HPPM") as the trustee-manager of Hutchison Port Holdings Trust ("HPH Trust"), Power Assets, HKEIML as the trustee-manager of HKEI, and HKEIL, Co-Chairman of Husky, Deputy Chairman of CKI and an Alternate Director to a Director of HTHKH. The aforementioned companies are either subsidiaries or associated companies of the Group in which Mr Fok acts as Chairman, Co-Chairman, Deputy Chairman or Director for the purpose of overseeing the management of such businesses. He was previously the Chairman of Hutchison Harbour Ring Limited (now known as China Oceanwide Holdings Limited) (*resigned on 19 December 2014*). Except for Cheung Kong, HWL, HPPM and

HKEIML, all the companies/business trust/investment trust mentioned above are listed in Hong Kong or overseas. He holds a Bachelor of Arts degree and a Diploma in Financial Management, and is a Fellow of Chartered Accountants Australia and New Zealand.

Mr Fok is a director of certain companies controlled by a substantial Shareholder within the meaning of Part XV of the SFO. Save as disclosed above, Mr Fok does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr Fok had a corporate interest in 4,111,438 Shares, representing approximately 0.10% of the issued Shares within the meaning of Part XV of the SFO. The term of his service as a Director is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. The director's fee of Mr Fok as an Executive Director of the Company under his appointment letter is HK\$220,000 per annum. Such fee is subject to review by the Board from time to time and proration for an incomplete year of service. The emoluments specified in the service agreement appointing Mr Fok as Group Co-Managing Director of the Company are HK\$11,270,450 per annum and such amount of discretionary bonus which the Company may decide to pay. Such emoluments are determined by reference to the performance and profitability of the Company as well as remuneration benchmark in the industry and the prevailing market conditions.

Mr Fok previously held directorship in Peregrine Investments Holdings Limited ("Peregrine") (*resigned on 12 January 1998*), a company incorporated in Bermuda and registered under Part XI of the former Companies Ordinance (Cap. 32 of the Laws of Hong Kong) which was an investment bank. Peregrine commenced compulsory liquidation on 18 March 1998. The liquidation of Peregrine is still in progress and the total claim admitted by the liquidators of Peregrine amounts to HK\$15,278 million.

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

(3) Frank John SIXT, MA, LLL

Mr Sixt, aged 64, has been a Non-executive Director of the Company since 9 January 2015 and was re-designated as an Executive Director, Group Finance Director and Deputy Managing Director of the Company on 3 June 2015. Mr Sixt has been an Executive Director of Cheung Kong since 1991 and became a Non-executive Director in 1998. The listing status of Cheung Kong on the SEHK was replaced by the Company on 18 March 2015 and he was re-designated as Director of Cheung Kong on 3 June 2015. He has been an Executive Director of HWL since 1991, Group Finance Director since 1998 and was re-designated as Director on 8 June 2015 when HWL was privatised by way of a scheme of arrangement on 3 June 2015. He is also the Non-executive Chairman of TOM Group Limited, an Executive Director of CKI, a Non-executive Director of HTHKH, HPHM as the trustee-manager of HPH Trust and Power Assets, a Director of HTAL and Husky, and an Alternate Director to Directors of HTAL, HKEIML as the trustee-manager of HKEI, and HKEIL. The aforementioned companies are either subsidiaries or associated companies of the Group in which Mr Sixt acts as Chairman or Director for the purpose of overseeing the management of such businesses. Except for Cheung Kong, HWL, HPHM and HKEIML, all the companies/business trust/investment trust mentioned above are listed in Hong Kong or overseas. 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 Québec and Ontario, Canada.

In addition, Mr Sixt is a director of certain substantial Shareholders within the meaning of Part XV of the SFO, and a director of certain companies controlled by certain substantial Shareholders. Save as disclosed above, Mr Sixt does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr Sixt had personal interests in 136,800 Shares, representing approximately 0.003% of the issued Shares, within the meaning of Part XV of the SFO. The term of his service as a Director is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. The director's fee of Mr Sixt as an Executive Director of the Company under his appointment letter is HK\$220,000 per annum. Such fee is subject to review by the Board from time to time and proration for an incomplete year of service. The emoluments specified in the service agreement appointing Mr Sixt as Group Finance Director and Deputy Managing Director of the Company are HK\$8,288,040 per annum and such amount of discretionary bonus which the Company may decide to pay. Such emoluments are determined by reference to the performance and profitability of the Company, as well as remuneration benchmark in the industry and the prevailing market conditions.

Mr Sixt was a Director of vLinx Inc. until 12 April 2002, a private Canadian company engaged in the development of technology and software which was petitioned into bankruptcy on 15 April 2002. The total liability involved was CAD386,989 and the company was struck off from the registry in British Columbia on 4 February 2013.

Save as disclosed above, there are no other matters concerning Mr Sixt that are required to be brought to the attention of the Shareholders, nor is there other information that is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

(4) LEE Yeh Kwong, Charles, GBM, GBS, OBE, JP

Mr Charles Lee, aged 79, has been a Non-executive Director of the Company since 9 January 2015. Mr Charles Lee has been a Non-executive Director of Cheung Kong since 2013 until his resignation on 3 June 2015. The listing status of Cheung Kong on the SEHK was replaced by the Company on 18 March 2015. He was a Director of Cheung Kong during the period from August 1972 to March 1997. Mr Charles Lee has also been a Non-executive Director of HWL since 2013 until his resignation on 8 June 2015 when HWL was privatised by way of a scheme of arrangement on 3 June 2015. He is a Board Member and Campaign Committee Co-Chairman of The Community Chest of Hong Kong. Mr Charles Lee is one of the founders of the solicitor's firm Woo, Kwan, Lee & Lo, a major law firm in Hong Kong. He holds a Master's degree in law and is a qualified solicitor in both Hong Kong and the United Kingdom. He was awarded the degree of Doctor of Laws honoris causa by The Hong Kong University of Science and Technology, the degree of Doctor of Business Administration by The Hong Kong Polytechnic University and the degree of Doctor of Social Sciences, honoris causa by the University of Hong Kong and The Open University of Hong Kong respectively. Mr Charles Lee is also a qualified accountant and a chartered secretary.

Mr Charles Lee does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr Charles Lee had personal interests in 762,124 Shares, family interests in 37,620 Shares and corporate interests in 6,840 Shares and in aggregate representing approximately 0.02% of the issued Shares, within the meaning of Part XV of the SFO. The initial term of his service as a Non-executive Director of the Company ended on

31 December 2015; such appointment being automatically renewed for successive 12-month periods, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. The director's fee of Mr Charles Lee as a Non-executive Director of the Company under his appointment letter is HK\$220,000 per annum. Such fee is subject to review by the Board from time to time and proration for an incomplete year of service.

Save as disclosed above, there are no other matters concerning Mr Charles Lee that are required to be brought to the attention of the Shareholders, nor is there other information that is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

(5) George Colin MAGNUS, OBE, BBS, MA

Mr Magnus, aged 80, has been a Non-executive Director of the Company since 9 January 2015. He acted as an Executive Director of Cheung Kong since 1980 and Deputy Chairman since 1985 until he retired from these offices in October 2005. The listing status of Cheung Kong on the SEHK was replaced by the Company on 18 March 2015. He has been a Non-executive Director of Cheung Kong since November 2005 until his resignation on 3 June 2015. He has been an Executive Director of HWL since 1980 and was re-designated as Non-executive Director since November 2005 until his resignation on 8 June 2015 when HWL was privatised by way of a scheme of arrangement on 3 June 2015. He served as Deputy Chairman of HWL from 1984 to 1993. He is also a Non-executive Director of CKI, an Independent Non-executive Director of HKEIML as the trustee-manager of HKEI, and HKEIL, and a Director (independent) of Husky. Mr Magnus was previously an Independent Non-executive Director (re-designated from a Non-executive Director to an Independent Non-executive Director on 28 September 2012) of Power Assets (*resigned on 29 January 2014*). He was previously the Chairman of Power Assets from 1993 to 2005 and Deputy Chairman of CKI from 1996 to 2005. Except for Cheung Kong, HWL and HKEIML, all the companies/investment trust mentioned above are listed in Hong Kong or overseas. Mr Magnus holds a Master's degree in Economics.

Mr Magnus does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr Magnus had personal interests in 83,360 Shares, family interest in 16,771 Shares and other interests in 833,868 Shares, in aggregate representing approximately 0.02% of the issued Shares within the meaning of Part XV of the SFO. The initial term of his service as a Non-executive Director of the Company ended on 31 December 2015; such appointment being automatically renewed for successive 12-month periods, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. The director's fee of Mr Magnus as a Non-executive Director of the Company under his appointment letter is HK\$220,000 per annum. Such fee is subject to review by the Board from time to time and proration for an incomplete year of service.

The Insider Dealing Tribunal, established pursuant to the provisions of Section 141G of the former Securities Ordinance (Cap. 333 of the Laws of Hong Kong) (later repealed in 2002), was appointed in relation to dealings in the securities of International City Holdings Limited ("ICH") which took place in 1984. The Insider Dealing Tribunal determined in 1986 that Cheung Kong, Starpeace Limited ("Starpeace") (now liquidated but previously a subsidiary of Cheung Kong), Mr Magnus (being at that time a director of Cheung Kong and Starpeace) and other parties were involved in insider dealing of certain securities of ICH. However, no disqualification, director/officer ban, cease trade ban, penalty or other consequence

(criminal, civil or regulatory) resulted from such determination by the Insider Dealing Tribunal and there was no determination of any dishonesty or fraud or motive of deriving personal benefits on the part of the relevant directors.

Save as disclosed above, there are no other matters concerning Mr Magnus that are required to be brought to the attention of the Shareholders, nor is there other information that is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

(6) The Hon Sir Michael David KADOORIE, GBS, LL.D (Hon), DSc (Hon), Commandeur de la Légion d'Honneur, Commandeur de l'Ordre des Arts et des Lettres, Commandeur de l'Ordre de la Couronne, Commandeur de l'Ordre de Leopold II

The Hon Sir Michael David Kadoorie, aged 74, has been an Independent Non-executive Director of the Company since 3 June 2015. He has been a Director of HWL since 1995 until his resignation on 24 July 2015 when HWL was privatised by way of a scheme of arrangement on 3 June 2015. He is the Chairman of CLP Holdings Limited and The Hongkong and Shanghai Hotels, Limited, as well as Heliservices (Hong Kong) Limited ("Heliservices"). He is also an Alternate Director to a Director of Hong Kong Aircraft Engineering Company Limited. Except HWL and Heliservices, all the companies mentioned above are listed in Hong Kong.

The Hon Sir Michael David Kadoorie does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, The Hon Sir Michael David Kadoorie had other interests in 11,752,120 Shares, representing approximately 0.30% of the issued Shares within the meaning of Part XV of the SFO. The initial term of his service as an Independent Non-executive Director of the Company ended on 31 December 2015; such appointment being automatically renewed for successive 12-month periods, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. The director's fee of The Hon Sir Michael David Kadoorie as an Independent Non-executive Director of the Company under his appointment letter is HK\$220,000 per annum. Such fee is subject to review by the Board from time to time and proration for an incomplete year of service.

Save as disclosed above, there are no other matters concerning The Hon Sir Michael David Kadoorie that are required to be brought to the attention of the Shareholders, nor is there other information that is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

(7) WONG Yick-ming, Rosanna, PhD, DBE, JP

Dr Wong, aged 63, has been an Independent Non-executive Director of the Company since 9 January 2015 and the Chairman of the Remuneration Committee of the Company since 18 March 2015. She has been an Independent Non-executive Director of Cheung Kong since 2001 until her resignation on 3 June 2015. The listing status of Cheung Kong on the SEHK was replaced by the Company on 18 March 2015. She was previously an Alternate Director of the Company and Cheung Kong (both resigned on 3 June 2015). She holds a Doctor of Philosophy degree in Sociology from the University of California (Davis), U.S.A. and has been awarded Honorary Doctorates by The Chinese University of Hong Kong, The Hong Kong Polytechnic University, the University of Hong Kong, The Hong Kong Institute of Education and University of Toronto in Canada. She is currently a member of the 12th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. She is also a member of The Hong Kong University of Science and Technology Business School Advisory Council and serves as a Global Advisor to Mars, Incorporated. She is an Executive Director of The Hong Kong Federation of Youth Groups, the Non-executive Chairman of The Hongkong Bank Foundation's Advisory Committee and an Independent Non-executive Director of HTHKH, The Hongkong and Shanghai Banking Corporation Limited and The Hongkong and Shanghai Hotels, Limited ("HKSH"), both HTHKH and HKSH are listed in Hong Kong.

Dr Wong does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Dr Wong did not have any interests in the Shares within the meaning of Part XV of the SFO. The initial term of her service as an Independent Non-executive Director of the Company ended on 31 December 2015; such appointment being automatically renewed for successive 12-month periods, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. The director's fees of Dr Wong as an Independent Non-executive Director and the Chairman of the Remuneration Committee of the Company under her appointment letter are HK\$220,000 and HK\$60,000 per annum respectively. Such fees are subject to review by the Board from time to time and proration for an incomplete year of service.

Save as disclosed above, there are no other matters concerning Dr Wong that are required to be brought to the attention of the Shareholders, nor is there other information that is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) of the Listing Rules.

1. Issued Shares

As at the Latest Practicable Date, the total number of Shares in issue were 3,859,678,500.

Subject to the passing of the relevant ordinary resolution in agenda item No. 5(2) 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 385,967,850 Shares, representing 10% of the total number of Shares in issue at the date of the passing of the ordinary resolution in agenda item No. 5(2).

2. Reasons for Repurchase

The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from its Shareholders to enable the Directors to repurchase the Shares in the market.

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 its Shareholders.

3. Funding of Repurchase

Repurchases of Shares must be funded out of funds legally available for such purpose in accordance with the Memorandum and Articles of Association of the Company and the laws of the Cayman Islands, being profits of the Company or out of the proceeds of a fresh issue of the Shares made for the purpose of the repurchase, or, if authorised by the Articles of Association and subject to the Cayman Islands Companies Law, out of capital of the Company, and, in the case of any premium payable on the repurchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company before or at the time the Shares are repurchased, or if authorised by the Articles of Association and subject to the Cayman Islands Companies Law, out of capital of the Company.

The Directors do not propose to exercise the Repurchase Mandate to such an 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. In the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period, there might be a material adverse impact on the working capital and/or gearing position of the Company as compared with the position of the Company as disclosed in the audited financial statements for the year ended 31 December 2015 contained in the 2015 annual report of the Company.

4. Share Prices

The highest and lowest prices at which the Shares were traded on the SEHK during each of the previous 12 months up to the Latest Practicable Date were as follows:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
April 2015	171.80	157.00
May 2015	174.90	113.50
June 2015	124.70	110.00
July 2015	116.40	103.00
August 2015	116.80	97.50
September 2015	111.80	98.50
October 2015	109.50	102.00
November 2015	107.00	100.50
December 2015	105.40	99.20
January 2016	104.40	92.00
February 2016	99.25	91.80
March 2016	103.00	94.00
1 April 2016 up to the Latest Practicable Date	101.80	98.35

5. Undertaking

The Directors have undertaken to the SEHK that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to Ordinary Resolution No. 5(2) in accordance with the Listing Rules and the laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquires, their close associates, have any present intention to sell any Shares to the Company under the Repurchase Mandate if such is approved by the Shareholders.

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

6. Takeovers Code

If on 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, each of Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor, 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 is taken to have an interest under the SFO in the same block of 1,001,953,744 Shares, representing approximately 25.96% of the total number of Shares then in issue. Apart from the foregoing, Mr Li Ka-shing held 66,359,256 Shares through certain companies in which he beneficially owns the entire issued share capital. Mr Li Tzar Kuoi, Victor also personally and through his family and certain companies which are owned and controlled by him, held a total of 2,897,550 Shares.

In addition, each of Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor, is taken to have an interest under the SFO in the same block of 7,863,264 Shares held by Li Ka-Shing Castle Trustee Company Limited as trustee of The Li Ka-Shing Castle Trust and 84,427,246 Shares held by a company controlled by Li Ka-Shing Castle Trustee Corporation Limited as trustee of a discretionary trust. In addition, Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are also deemed to be interested in 300,000 Shares held by Li Ka Shing Foundation Limited under the SFO. For the purpose of the Takeovers Code, Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are parties presumed to be acting in concert with each other and are taken to have an interest in a total of 1,163,801,060 Shares, representing approximately 30.15% of the total number of Shares in issue.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the ordinary resolution in agenda item No. 5(2), then (if such shareholdings otherwise remained the same) the attributable shareholding in which Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are taken to have an interest under the SFO would be increased to approximately 33.50% of the total number of Shares in issue.

In the opinion of the Directors, such increase may give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate to such an extent as would result in such mandatory offer obligation arising.

7. Share Repurchase made by the Company

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

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

“2005 HCML Scheme” means the share option scheme of HCML adopted by Shareholders on 4 June 2005 and approved by the shareholders of the Listed Parent on 18 May 2006 which was subsequently amended by the Board on 21 March 2007;

“Adoption Date” means the later of:

- (i) the date that the Second HCML Share Option Scheme is adopted by ordinary resolution of the shareholders of HCML in accordance with its articles of association; and
- (ii) the date that the Second HCML Share Option Scheme is approved by the shareholders of the Listed Parent in general meeting;

“Applicable Employee” means any Eligible Employee who:

- (i) together with that Eligible Employee’s family (being his or her spouse and any children under the age of 18 years), has a direct or indirect interest in 0.5% or more of a class of HCML’s shares that have been admitted to trading on a Stock Exchange; or
- (ii) is likely to be in possession of unpublished price sensitive information in relation to HCML because of his or her employment with the Member of the Group;

“Associate” has the meaning given in Chapter 1 of the Listing Rules;

“Auditors” means the auditors of HCML from time to time;

“Balance Option Certificate” means the certificate issued to an Option Holder in accordance with paragraph 15(c);

“Board” means the board of directors of HCML (and, where appropriate, includes any committee or delegate of the Board appointed by the Board to perform any of its functions including, for the avoidance of doubt, the Remuneration Committee);

“Business Day” means any day on which clearing banks are open for business in Hong Kong (not being a Saturday or Sunday and being deemed to commence at 9:00 am and finish at 5:00 pm);

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

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

“Contract” means, in relation to an employee or Director, his or her contract of employment or service contract with his or her Employer (as amended from time to time), whether or not such Contract is written or oral and comprised in one or more documents;

“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;

“Director” means a director of any Member of the Group;

“**Eligible Employee**” means an employee or Director holding salaried office or employment under a Contract with a Member of the Group;

“**Eligible Person**” means any person who is (or will be on and following the Offer Date) either:

- (i) an Eligible Employee; or
- (ii) a non-executive Director (excluding any Independent Non-Executive Directors),

who is notified by the Board that he or she is an Eligible Person;

“**Employer**” means, in relation to an Eligible Employee, the Member of the Group which employs or has appointed him or her under his or her Contract;

“**Exercise Price**” means in respect of any Option, the Market Value of the Shares as at the Offer Date. The Exercise Price may be adjusted in accordance with paragraph 14;

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

“**HCML**” means Hutchison China MediTech Limited 和黃中國醫藥科技有限公司, a company incorporated in the Cayman Islands with limited liability whose shares are listed on AIM regulated by the London Stock Exchange;

“**Independent Non-Executive Director**” means, in relation to any company, a person who is an independent non-executive director of that company within the meaning of Rule 3.11 of the Listing Rules (or, where applicable, the listing rules of the relevant Stock Exchange);

“**Latest Practicable Date**” means 6 April 2016, being the latest practicable date prior to the printing of this circular for ascertaining information contained herein;

“**Listed Parent(s)**” means any holding companies (as defined under the Listing Rules) of HCML from time to time, whose shares are listed on the Stock Exchange;

“**Listing**” means the admission of Shares to trading on a Stock Exchange;

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

“**Market Value**” on any particular day means:

- (i) where Shares of the same class are admitted to trading on any Stock Exchange, the higher of:
 - (a) the average of the closing prices on the five Dealing Days immediately preceding the Offer Date;
 - (b) the closing price of the Shares as stated on the Stock Exchange’s daily quotations sheet of the Shares on the Offer Date; and
 - (c) the nominal value of the Shares; or

- (ii) where Shares of the same class are not admitted to trading on any Stock Exchange, the value of a Share determined in such manner as the Board considers reasonable according to objective criteria;

“Member of the HCM Group” means HCML and any of its subsidiaries (as defined in the Companies Law (Cayman Islands) as amended from time to time) or affiliates or any other companies which the Board determines will be a Member of the HCM Group;

“Member of the Group” means:

- (i) HCML;
- (ii) the Listed Parent(s) and any of their subsidiaries (as defined in the Companies Law (Cayman Islands) as amended from time to time) or affiliates; and
- (iii) any holding company, subsidiaries or affiliates of HCML (as defined in the Companies Law (Cayman Islands) as amended from time to time) or other companies which the Board determines will be subject to the Second HCML Share Option Scheme;

“Offer Date” means, in relation to an Option, the date on which an Eligible Person is offered such Option pursuant to paragraph 2 which must be a Business Day;

“Option” means a right granted under the Second HCML Share Option Scheme to subscribe for Shares in accordance with the Second HCML Share Option Scheme;

“Option Certificate” means an option certificate issued by HCML in accordance with paragraph 4(c) in such form as the Board may determine, and setting out the number of Shares included in the Options, the Exercise Price, Option Period, vesting condition of the Options (if applicable) and any other terms of the Option (as referred to in paragraph 6);

“Option Holder” means a person holding an Option (and, where relevant, includes his/her personal representatives);

“Option Offer” means the offer of the grant of an Option made by HCML pursuant to paragraph 4;

“Option Period” means, in relation to an Option, the period (which is notified at the Offer Date and as set out in the Option Certificate) during which the Option may be exercised, such period not to exceed the period of 10 years from the Offer Date of such Option;

“Other Scheme” means any other share option scheme involving the grant by HCML or any of its subsidiaries of options over new securities issued by HCML or any of its subsidiaries established by HCML 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 SEHK to be analogous to a share option scheme as described in Chapter 17 of the Listing Rules including without limitation the 2005 HCML Scheme;

“Performance Conditions” means any conditions imposed by the Board to be satisfied as a pre-condition to the exercise of an Option in accordance with paragraph 6(a);

“**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 Second HCML Share Option Scheme;

“**Rules**” means the rules of the Second HCML Share Option Scheme as amended from time to time;

“**Scheme Limit**” means the total number of Shares which may be issued upon exercise of all the Options granted under the Second HCML Share Option Scheme as set out in paragraph 9(a);

“**Second HCML Share Option Scheme**” means the new share option scheme of HCML known as “Hutchison China MediTech Limited Share Option Scheme” constituted and governed by the Rules;

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

“**Shareholders**” means the holders of the Shares;

“**Share**” means a fully paid ordinary share in the capital of HCML;

“**Stock Exchange**” means a recognised stock exchange (including, for the avoidance of doubt, the AIM regulated by the London Stock Exchange);

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

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

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

1. Purpose

The purpose of the Second HCML Share Option Scheme is to provide HCML with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Eligible Persons or such other purposes as the Board may approve from time to time.

2. Offer of Grant

Subject to the limits specified in paragraphs 9 and 10 not being exceeded and the restrictions specified in paragraph 11 and any applicable regulatory and legal requirements including, if appropriate, any applicable law or regulatory requirement dealing with the offer of securities to the public and any applicable codes of conduct, the Board may offer the grant to any Eligible Person an Option to subscribe for such number of Shares at the Exercise Price in relation to such number of Options under the Second HCML Share Option Scheme as the Board may determine. An offer of the grant of an Option shall be made to any Eligible Person in such form as the Board may determine from time to time, specifying the number of Shares included in the Option, the Exercise Price, Option Period and other terms of the Option (as referred to in paragraph 6).

3. Restrictions on the Time of Grant of Options

A grant of Options may not 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 accordance with the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of:

- (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Listed Parent's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Listed Parent to publish an announcement of its results for any year, half-year, quarterly or any other interim period, whether or not required under the Listing Rules,

and ending on the date of the results announcement, no Option may be granted. The period during which no Option may be granted will cover any period of delay in the publication of a results announcement.

In addition to the above, a grant of Options may not be made to a member of the Board or an Applicable Employee during the period commencing two months immediately preceding the:

- (i) publication of HCML's annual accounts or, if shorter, the period for the relevant financial year end to the time of publication; and
- (ii) notification of HCML's half-year report or quarterly results (whichever is applicable) to the Regulatory Information Service of the UK Financial Conduct Authority or, if shorter, the period for the relevant financial period end to the time of notification.

4. Acceptance of Offers of Options

- (a) An Option Offer shall be open for acceptance in writing or by telex or facsimile transmission or (if the Board agrees) by electronic communication received by such person as is designated by the Board for such period (not exceeding 60 days inclusive of, and from, the Offer Date) as the Board may determine and notify to the Eligible Persons concerned. Offers of Options not accepted within this period shall be deemed to have been irrevocably declined. No Option Offer shall be open for acceptance after the expiry of the duration of the Second HCML Share Option Scheme as specified in paragraph 5 or after any person in receipt of such an offer ceases to be an Eligible Person.
- (b) The grant of an Option shall not have effect until the duplicate letter comprising acceptance of the Option Offer duly signed by the Eligible Person is received by HCML in accordance with paragraph 4(a) above. For the avoidance of doubt, the grant of an Option by HCML will be deemed to have occurred on the Offer Date unless otherwise declined or lapsed.
- (c) HCML may if it so determines (but shall not be obliged to do so) issue an Option Certificate to any Eligible Person who has accepted an offer in accordance with paragraph 4(b) under the common seal of HCML (or as otherwise provided for under the Companies Law (Cayman Islands), if applicable) and if it so determines, shall do so within 7 days after the end of the period for acceptance of the offer referred to in paragraph 4(a).
- (d) In the event that no Option Certificate is issued by HCML pursuant to these Rules in relation to an Option, then references in these Rules to the Option Certificate in respect of that Option shall unless the context otherwise requires, be to the relevant Option Offer for that Option.

Option holders are not required to pay for the grant of any Option.

5. Period of the Second HCML Share Option Scheme

Subject to paragraphs 19 and 20, the Second HCML Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options will be granted but the provisions of the Second HCML Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior to the expiry of the 10 year period and which are at that time or become thereafter capable of exercise under the Rules, or otherwise to the extent as may be required in accordance with the provisions of the Second HCML Share Option Scheme.

6. Terms of Options*(a) Performance conditions*

The Board may in its absolute discretion make, in individual cases, the exercise of an Option conditional on the achievement of objective Performance Conditions which shall be documented in the Option Certificate. The Board may, at its sole discretion, vary, waive or amend any such Performance Conditions or may impose entirely different Performance Conditions to those specified in the Option Certificate, to the extent allowable under relevant law or regulatory restrictions.

(b) *Minimum holding period*

The Board may, at its sole discretion, determine in relation to any grant of Options that the 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 minimum holding 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 or she continues to be bound by the said minimum holding restriction.

(c) *Additional terms of Options*

An Option shall be subject to such terms and conditions as may be determined by the Board at the Offer Date and specified in the Option Certificate. Such terms and conditions must not be contrary to the purpose of the Second HCML Share Option Scheme. These terms and conditions may include, without limitation:

- (i) the number of Shares to which the Option relates;
- (ii) the Exercise Price per Share the subject of the Option;
- (iii) the Offer Date 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);
- (vi) (if applicable) any minimum holding period; and
- (vii) lapse conditions which may be different from those in paragraph 13 (but not so as to extend the Option Period beyond 10 years or to provide an advantage to an Option Holder without approval of the shareholders of the Listed Parent (where required)).

(d) *Tax Liability*

It shall be a term of grant of an Option that an Option Holder shall be liable to pay to HCML or any Member of the Group an amount equal to the aggregate amount of any Tax Liability before the due date for payment of such amount by a Member of the Group. In the event that a Tax Liability becomes due on the exercise of an Option, the Option may not be exercised unless the Option Holder has either:

- (i) made a payment to HCML or relevant Member of the Group of an amount equal to such Tax Liability; or
- (ii) entered into arrangements with HCML or other Member of the Group to secure that such payment is made, whether by authorising the relevant company to procure the sale on his or her behalf of some or all of the Shares to be issued or transferred to the Option Holder on the exercise of the Option and authorising the payment to the relevant company of the relevant amount of the proceeds of sale or otherwise.

(e) *Board discretion*

Subject to paragraphs 17 and 18, the Board may at any time:

- (i) waive any provision or matter specified in an Option Certificate pursuant to this paragraph; or
- (ii) vary or amend any term or condition attaching to an Option with the agreement of the Option Holder (unless otherwise permitted to do so in the Board's sole discretion in accordance with these Rules, in which case the agreement of the Option Holder is not required),

if the Board determines that circumstances exist when to do so would be consistent with the purpose of the Second HCML Share Option Scheme.

7. Non-transferability of Options

Except for the transmission of an Option on the death of an Option Holder to his/her personal representatives, neither the Option nor any rights in respect of it may be transferred, assigned or otherwise disposed of by any Option Holder to any other person. If an Option Holder transfers, assigns or disposes of any such Option or rights, whether voluntarily or involuntarily, then the relevant Option will immediately lapse.

8. Exercise Price

The Exercise Price will be (subject to paragraph 14), in respect of any Option, the Market Value of the Shares as at the Offer Date.

9. Maximum Number of Shares subject to the Second HCML Share Option Scheme

(a) *Scheme Limit*

Subject to paragraphs 9(b), (c) and (d) below, the total number of Shares which may be issued upon exercise of all Options to be granted under the Second HCML Share Option Scheme must not in aggregate exceed 4% of the Shares in issue as at the Adoption Date (the "Scheme Limit"). Options lapsed in accordance with the terms of the Second HCML Share Option Scheme will not be counted for the purpose of calculating the Scheme Limit.

Assuming no further Shares are issued or repurchased by HCML prior to the Adoption Date, the Scheme Limit of the Second HCML Share Option Scheme will be 2,411,324 Shares as at the Latest Practicable Date.

(b) *Refreshing the Scheme Limit*

Subject to paragraph 9(d) below if applicable, the Board may (with the approval of the shareholders of the Listed Parent in general meeting if required to do so under the Listing Rules) "refresh" the Scheme Limit under paragraph 9(a) above (and may further "refresh" such limit in accordance with the provisions of this paragraph) provided that the total number of Shares which may be issued upon exercise of all Options to be granted under the Second HCML Share Option Scheme and any options to be granted under any Other Scheme under the limit as "refreshed" shall not exceed 10% of the Shares in issue at the date on which shareholders of the Listed Parent approve

the “refreshed” limit (where applicable). Options previously granted under the Second HCML Share Option Scheme and any Other Scheme (including those outstanding, cancelled, lapsed in accordance with the terms of the relevant scheme, or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”.

(c) *Exceeding the Scheme Limit*

The Board may grant Options to any Eligible Person(s) specifically identified by it which would cause the Scheme Limit under paragraph 9(a) above (including, for the avoidance of doubt, any such limit as “refreshed” under paragraph 9(b) above) to be exceeded, but only with the approval of the Shareholders in general meeting (and by the shareholders of the Listed Parent, if required under the Listing Rules), and subject always to paragraph 9(d) below and paragraphs 10 and 11.

(d) *10% maximum limit*

The limit on the number of Shares which may be issued upon exercise of all outstanding Options granted and not yet exercised under the Second HCML Share Option Scheme and any options granted and not yet exercised under any Other Schemes must not exceed 10% of the Shares in issue from time to time.

10. Individual Limit

- (a) Subject to paragraph 10(b) below (and subject always to paragraphs 9(d) and 11), the Board shall not grant any Options (the “Relevant Options”) to any Eligible Person which, if exercised, would result in such Eligible Person 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 or her under all Options (including both exercised and outstanding Options) granted to him or her in the 12-month period up to and including the Offer Date of the Relevant Options, exceeds 1% of the Shares in issue at such date.

For the avoidance of doubt, Shares which are not capable of issue because the Relevant Options have lapsed in accordance with the provisions of the Second HCML Share Option Scheme shall not be counted toward the limit set out in this paragraph 10(a).

- (b) Notwithstanding paragraph 10(a) above, the Board may grant Options to any Eligible Person(s) which would cause the limit under paragraph 10(a) above in relation to such Eligible Person to be exceeded, but only with the approval of the shareholders of the Listed Parent in general meeting (with such Eligible Person and his or her Associates abstaining from voting), and subject always to paragraph 9(d).

11. Restriction on Grants to Individuals

- (a) Each grant of Options to an Eligible Person who is a Director (including an Independent Non-Executive Director), chief executive or Substantial Shareholder of the Listed Parent, or any of their respective Associates, under the Second HCML Share Option Scheme and any Other Schemes must be approved by the Independent Non-Executive Directors of the Listed Parent (excluding any Independent Non-Executive Director who is the proposed grantee of the Options).

- (b) Where any grant of Options to a Substantial Shareholder or an Independent Non-Executive Director of the Listed Parent, or any of their respective Associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted under the Second HCML Share Option Scheme (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
- (i) representing in aggregate over 0.1% of the Shares in issue; and
 - (ii) 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 grant of Options must be approved by the Shareholders in general meeting (the vote on such approval to be taken on a poll) and, where HCML has Listed Parent(s), by the shareholders of the Listed Parent(s) in general meeting. Any Shareholder who is a Connected Person of the Listed Parent must abstain from voting in favour of the resolution to approve such grant of Options.

12. Vesting

The number of Shares in respect of which the Option vests on any occasion shall be rounded down to the nearest whole Share and the fraction shall be carried forward and added to the number of Shares in respect of which the Option vests at the next available vesting date.

13. Lapse and Cancellation of Options

(a) Lapse on expiry of Option Period

An Option will immediately lapse on the earlier of:

- (i) the expiry of the Option Period; or
- (ii) the date when any circumstance referred to in paragraph 7 occurs; or
- (iii) subject to paragraphs 13(b) to (e) and (g) below, on an Option Holder ceasing to be an Eligible Person.

(b) Lapse on cessation of employment for death, illness or retirement

Subject to paragraph 13(c) below, if an Option Holder ceases to be an Eligible Employee by reason of:

- (i) the Option Holder's death; or
- (ii) the Option Holder's serious illness or injury which, in the opinion of the Board, renders the Option Holder concerned unfit to perform the duties of his or her employment and which in the normal course would render the Option Holder unfit to continue performing the duties under his or her Contract for the following 12 months provided such illness or injury is not self-inflicted or as a result of alcohol or drug abuse; or

- (iii) the Option Holder's retirement on reaching the applicable retirement age in accordance with the terms of an Option Holder's Contract or applicable company policy (if any); or
- (iv) the Option Holder's early retirement by agreement with the Option Holder's Employer,

then, subject to paragraph 15(d), any outstanding offer of an Option which has not been accepted under paragraph 4 and any unvested Option will immediately lapse and the Option Holder or his or her personal representatives (if appropriate) may (subject to paragraphs 13(a)(i) and 13(a)(ii)) exercise all his or her vested Options as at the date of cessation of employment or directorship within a period of 12 months thereafter or such longer period as the Board may determine. Any vested Option not exercised prior to the expiry of the above-mentioned period shall lapse.

(c) *Lapse on termination for cause*

If the Board determines that any Option Holder (including an Option Holder who has ceased to be an Eligible Employee in circumstances such that his or her Options continue to subsist in accordance with paragraph 13(b) or 13(d)) is guilty of any misconduct or any other conduct which would justify the termination of his or her Contract or appointment for cause (or, in the case of an Option Holder who has ceased to be an employee, would have justified the termination of his or her Contract for cause but which does not become known to HCML until after he or she has ceased employment with any Member of the Group), then any Option (whether vested or unvested) held by the Option Holder shall immediately lapse (unless the Board resolves otherwise in its absolute discretion).

(d) *Lapse on cessation of employment for any other reason*

Subject to paragraph 13(c) above, if an Option Holder ceases to be an Eligible Employee for any reason other than those set out in paragraph 13(b) above, then, subject to paragraph 15(d), any outstanding offer of an Option which has not been accepted under paragraph 4 and any unvested Option will immediately lapse and the Option Holder or his or her personal representatives (if appropriate) may (subject to paragraphs 13(a)(i) and 13(a)(ii) above) exercise all his or her vested Options as at the date of cessation of employment or directorship within a period of 30 days thereafter or such longer period as the Board may determine. Any vested Option not exercised prior to the expiry of the above-mentioned period shall immediately lapse.

For the purposes of this paragraph 13(d), an Option Holder will not be treated as ceasing to be an Eligible Employee if he or she is re-employed by a Member of the HCM Group within seven days. He or she will also not be treated as ceasing to be an Eligible Employee unless he or she ceases to be an employee of any Member of the HCM Group.

(e) *Lapse on a general offer after Listing*

If a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner is made to all Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person associated with or acting in concert with the offeror) after Listing, HCML shall use all reasonable endeavours to procure that such offer is

extended to all the Option Holders on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them (whether at the time vested or unvested), Shareholders. If such offer becomes or is declared unconditional or such scheme or arrangement is formally proposed to Shareholders, the Option Holder shall, notwithstanding any other terms on which his or her Options were granted (provided that any Performance Conditions must first be satisfied)), be entitled to exercise his or her vested and unvested Options at any time up until:

- (i) the close of such offer (or any revised offer); or
- (ii) the record date for entitlements under a scheme of arrangement,

as applicable ("Closing Date"). The Options will immediately lapse on the Closing Date.

(f) Lapse on winding-up

If notice is duly given of a resolution for the voluntary winding-up of HCML, vested Options may (subject to paragraphs 13(a) and 15(d)) be exercised prior to the date of the resolution. The Option Holder shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his or her Option, to participate in the distribution of the assets of HCML available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolutions.

(g) Cancellation of Options

Notwithstanding any other provision in the Second HCML Share Option Scheme (except for paragraphs 17 and 18), the Board may cancel any Option. Unless the Option Holder otherwise agrees, the Board may only cancel an Option if, at the election of the Board:

- (i) HCML 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 Board, after consultation with the Auditors or an independent financial adviser appointed by the Board; or
- (ii) the Board offers to grant to the Option Holder replacement Options (or options under any Other Scheme) of equivalent value to the Options to be cancelled as determined by the Board, after consultation with the Auditors or an independent financial adviser appointed by the Board, provided that the grant of such replacement Options (or options under any Other Scheme) shall not cause the limits set out in paragraphs 9 and 10 to be breached; or
- (iii) the Board makes such arrangements as the Option Holder may agree to compensate him or her for the cancellation of the Option.

(h) Lapse in other circumstances

In relation to any Option Holder who is not an Eligible Employee, the Board may specify at the Offer Date any circumstances in which the Option may lapse.

14. Reorganisation of Capital Structure*(a) Adjustments*

Subject to paragraph 14(b) below, in the event of any alteration in the capital structure of HCML whilst any Option remains outstanding, whether by way of capitalisation of profits or reserves, rights issue of Shares, consolidation or subdivision of Shares or reduction of the share capital of HCML in accordance with applicable laws and regulatory requirements (other than an issue of any share capital in satisfaction of a dividend in accordance with applicable laws or an issue of Shares as consideration in respect of a transaction to which HCML is a party), 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 price at which the Options are exercisable,

as the Auditors or independent financial adviser appointed by the Board shall certify in writing to the Board to be in their opinion fair and reasonable.

(b) Adjustment of limits

The maximum number of Shares subject to the Second HCML Share Option Scheme and the individual limits referred to in paragraphs 10 and 11(b)(i) will be adjusted, in such manner as the Auditors or independent financial adviser appointed by the Board shall certify in writing to the Board to be fair and reasonable, in the event of any alteration in the capital structure of HCML whether by way of capitalisation of profits or reserves, rights issue of Shares, consolidation or subdivision of Shares or reduction of the share capital of HCML provided that no such adjustment shall be made in the event of an issue of Shares as consideration in respect of a transaction to which HCML is a party or an issue of any share capital in satisfaction of a dividend in accordance with applicable laws.

15. Exercise of Options*(a) Exercise of Options*

Any Option:

- (i) which has vested;
- (ii) in respect of which any conditions attaching to the Option have been satisfied or waived by the Board in its sole discretion; and
- (iii) which has not lapsed,

may be exercised at any time, provided that the restriction in paragraph 15(d) below is not breached.

(b) Manner of exercise

An Option Holder may exercise any or all of his or her Options by notice of exercise in writing in such form as the Board may from time to time require delivered to such person as is designated by the Board. The notice of exercise of the Option must be completed, signed by the Option Holder or by his or her appointed agent, and must be accompanied by:

- (i) the relevant Option Certificate or Balance Option Certificate, if any; and
- (ii) correct payment in full of the total Exercise Price for the number of Shares being subscribed for.

(c) Exercise in part

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 may, if HCML so determines (and it shall not be obliged to do so), be issued accordingly by HCML as soon as possible after the partial exercise. A Balance Option Certificate shall state the remaining number of Shares over which the Option remains capable of exercise and shall be in such form as the Board may from time to time determine.

(d) Restrictions on exercise

No Option may be exercised in circumstances where such exercise would, in the opinion of the Board, be in breach of a statutory or regulatory requirement.

16. Rights

No dividends (including distributions made upon the liquidation of HCML) will be payable and no voting rights will be exercisable in relation to an Option that has not been exercised. Shares issued on the exercise of an Option will rank equally in all respects with the Shares in issue on the date of exercise. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of exercise.

17. Amendments to the Second HCML Share Option Scheme

Subject to the provisions of this paragraph 17, the Board may amend any of the provisions of the Second HCML Share Option Scheme (including, without limitation, amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions imposed by the provisions of the Second HCML Share Option Scheme, other than those imposed by Chapter 17 of the Listing Rules) at any time (but not so as to affect adversely any rights which have accrued to any Option Holder at that date).

Subject to the provisions of this paragraph 17, the Board may in its absolute discretion provide that any amendment to the provisions of the Second HCML Share Option Scheme shall apply only to particular Members of the Group which the Board specifies in writing.

The Shareholders in general meeting must approve in advance by ordinary resolution any proposed amendment which is to the advantage of present or future Option Holders, and which relates to any of the following:

- (a) the purpose of the Second HCML Share Option Scheme;
- (b) the definitions of “Eligible Employee” or “Eligible Person”;
- (c) the limitations on the total number of Shares which may be issued upon exercise of all Options to be granted under the Second HCML Share Option Scheme as provided for in paragraphs 9(a), 9(b), 9(c) and 9(d);
- (d) the maximum entitlement of each Eligible Person under the Second HCML Share Option Scheme as provided in paragraph 10;
- (e) the definition of “Option Period”;
- (f) the terms of paragraphs 6(a) and 6(b);
- (g) the terms of paragraph 4 regarding payment on grant;
- (h) the basis of determination of the Exercise Price under the Second HCML Share Option Scheme;
- (i) the voting, dividend, transfer and other rights, including those arising on liquidation of HCML attaching to the Options (if applicable) and the Shares falling to be issued upon exercise of the Options;
- (j) the duration of the Second HCML Share Option Scheme under paragraph 5;
- (k) the circumstances under which Options automatically lapse under paragraphs 13(a), 13(b), 13(c), 13(d) and 13(e);
- (l) the adjustment provisions applicable in the event of a capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction or any other variation of the share capital of HCML under paragraphs 14(a), 14(c) and 14(d);
- (m) the cancellation of Options under paragraph 13(g);
- (n) the treatment of Options on termination of the Second HCML Share Option Scheme under paragraph 19;
- (o) the restriction on the transfer of Options under paragraph 7; or
- (p) the terms of this paragraph 17.

Any amendment to the terms and conditions of these Rules which are of a material nature may only be made with the approval of the Shareholders save where the amendments take effect automatically under these Rules.

Any amendments to the Second HCML Share Option Scheme which require the approval of the Shareholders in a general meeting will also require the approval of the shareholders of the Listed Parents (if applicable) in general meeting, such approval to be obtained as nearly simultaneously with the approval of the Shareholders as may be reasonably practicable.

18. Amendments to terms of Options

- (a) Any material amendments to the terms and conditions of any Options granted under the Second HCML Share Option Scheme may only be made with the approval of the Shareholders in general meeting save where the amendments take effect automatically under these Rules.
- (b) Where the terms and conditions of Options granted to an Eligible Person who is a Substantial Shareholder or an Independent Non-Executive Director of HCML, or any of their respective Associates, are to be amended, the resolution of the Shareholders to approve the amendment must be taken on a poll and any Connected Person must abstain from voting in favour of the resolution to approve such amendment.
- (c) Where HCML has one or more Listed Parents, any amendment under above paragraphs 18(a) and 18(b) may only be made with the approval of the shareholders of the Listed Parent(s) in general meeting, such approval to be obtained as nearly simultaneously with the approval of the Shareholders as referred to in above paragraph 18(a) or 18(b) as may be reasonably practicable.

19. Termination of the Second HCML Share Option Scheme*(a) Termination by Board*

The Board may terminate the Second HCML Share Option Scheme at any time by resolving that no further Options shall be granted under the Second HCML Share Option Scheme. If the Board decides to terminate the Second HCML Share Option Scheme under this paragraph 19(a), then no new offers to grant Options under the Second HCML Share Option Scheme will be made and the Board may determine whether Options which have been previously granted but not yet exercised shall either:

- (i) continue to be subject to these Rules (which shall remain in full force and effect to the extent necessary to give effect to such Options); or
- (ii) be cancelled in accordance with paragraph 13(g).

(b) Automatic termination

The Second HCML Share Option Scheme will terminate automatically in accordance with paragraph 5 at midnight on the day immediately before the 10th anniversary of the Adoption Date on expiry of the duration of the Second HCML Share Option Scheme as provided for in paragraph 5.

(c) *Termination by the Shareholders*

The Second HCML Share Option Scheme may be terminated at any time with the approval of the Shareholders. Following the termination of the Second HCML Share Option Scheme under this paragraph 19(c):

- (i) no new offers to grant Options under the Second HCML Share Option Scheme will be made; and
- (ii) Options which have been previously granted but not yet exercised shall continue to be valid and exercisable in accordance with these Rules unless otherwise cancelled in accordance with paragraph 13(g).

20. Suspension

The Board 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 HCML or significant negative variations in the profit and loss statement or balance sheet of HCML) at any time suspend the exercise of outstanding Options to the extent not contrary to relevant law. Each suspension shall not be for more than three months and shall not exceed 12 months in total. The Board shall give at least eight (8) days written notice to the Option Holders specifying the starting date of suspension, its duration and the expected date of resumption of the relevant suspended rights.

21. Conditions

The Second HCML Share Option Scheme is conditional on the approval of the shareholders of the Listed Parent in general meeting.

22. Administration

- (a) The responsibility for administration of the Second HCML Share Option Scheme shall rest with the Board or a duly constituted committee of the Board. In addition, the Board may appoint an administrator or administrators in relation to the Second HCML Share Option Scheme (or certain aspects thereof) on such terms as the Board may determine.
- (b) The decision of the Board on the interpretation of the Rules or as to whether any circumstances exist which may affect the treatment of any Option or any Option Holder under these Rules or in any dispute relating to any Option or matter relating to the Second HCML Share Option Scheme will be final and binding (in the absence of manifest error).
- (c) The Board may establish such guidelines or rules for the administration of the Second HCML Share Option Scheme as it may from time to time determine are appropriate provided such rules or guidelines are consistent with the Rules of the Second HCML Share Option Scheme. In case of any inconsistency between the Rules of the Second HCML Share Option Scheme and any guidelines or rules set out by the Board, the former shall prevail. The Board may, in its absolute discretion, set out different guidelines or rules for the administration of the Second HCML Share Option Scheme to apply to particular groups of Eligible Persons and/or to particular Members of the Group.

23. 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 Second HCML 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. 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.