

DIRECTORS' REPORT

The Board of Directors has pleasure in submitting their Report and the Audited Financial Statements for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and those of its principal subsidiaries are set out on pages 183 to 186.

RESULTS AND APPROPRIATIONS

The results of the Group for the financial year ended 31 December 2015 are set out in the Consolidated Income Statement and Consolidated Statement of Comprehensive Income on pages 124 to 125.

Appropriations of profits during the financial year are set out in the Consolidated Statement of Change in Equity on page 127.

DIVIDENDS

A first interim dividend of HK\$0.55 per share was paid on 21 September 2015. In lieu of a final dividend, a second interim dividend of HK\$1.35 per share will be paid on 26 April 2016 to Shareholders on record as at 6 April 2016. Total distribution for the year of 2015 will amount to HK\$1.90 (2014: HK\$1.81) per share.

DONATIONS

The Group made donations during the financial year totalling HK\$37 million.

SHARE CAPITAL

During the financial year, 900,000 ordinary shares of the Company were issued at the subscription price of HK\$55.15 per share for a total consideration of HK\$49,635,000 on the exercise of options previously granted under the Company's Share Option Scheme (the "Scheme").

Details of movement in share capital of the Company during the financial year are set out in Note 24 to the Financial Statements on page 164.

EQUITY-LINKED AGREEMENT

No equity-linked agreement which may result in the Company issuing shares was entered into or existed during the financial year, save for the share option scheme of the Company as disclosed on pages 116 to 117 and any outstanding options granted thereunder.

BUSINESS REVIEW

Discussion and analysis of the Group's business in accordance with Schedule 5 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) are covered in different sections of this Annual Report as set out below, which shall form an integral part of this Directors' Report:

- Corporate Profile (page 1 and 2)
- Chairman's Statement (pages 7 to 11)
- Business Review (pages 14 to 67)
- Financial Highlights (pages 12 to 13) and Financial Review (pages 80 to 85)
- Principal Risks and Uncertainties (pages 120 to 122)
- Events after the reporting period – Note 31 to the consolidated financial statements (page 169)

In addition, a Corporate Social Responsibility Report, which gives detailed account of the Group's performance in environmental, social and governance areas, is available for download on the Company's corporate website (www.wharfholdings.com).

DIRECTORS

The Directors of the Company during the financial year and up to the date of this report are Hon Peter K C Woo (retired on 15 May 2015), Mr Stephen T H Ng, Mr Andrew O K Chow, Ms Doreen Y F Lee, Mr Paul Y C Tsui, Ms Y T Leng, Mr K P Chan (appointed on 15 May 2015), Mr Alexander S K Au, Professor Edward K Y Chen, Dr Raymond K F Ch'ien (resigned effective from 1 January 2016), Hon Vincent K Fang, Mr Hans Michael Jebsen, Mr Wyman Li (resigned effective from 2 September 2015), Mr David M Turnbull and Professor E K Yeoh.

Mr K P Chan (appointed as Director after 2015 AGM) is due to retire from the Board in accordance with Article 97 of the Company's Articles of Association and Messrs. Alexander S K Au, Edward K Y Chen, Hans Michael Jebsen and Ms Y T Leng will retire from the Board in accordance with Article 106(A) of the Company's Articles of Association, at the forthcoming Annual General Meeting ("AGM"). The retiring Directors, being eligible, offer themselves for re-election. None of the retiring Directors proposed for re-election at the AGM has a service contract with the Company which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

A list of persons who have served as directors of the Company's subsidiaries during the financial year and up to the date of this report is set out in the sub-section headed "(L) Directors of Subsidiaries" on page 122.

INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the sub-section headed "(J) Disclosure of Connected Transactions" on pages 119 to 120, no transaction, arrangement or contract of significance in relation to the Company's business to which any subsidiaries of the Company, the ultimate holding company of the Company or any subsidiary of such ultimate holding company was a party and in which a Director or any connected entities of a Director had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during that financial year.

DIRECTORS' REPORT

MANAGEMENT CONTRACTS

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

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the financial year was the Company, its subsidiaries or its ultimate holding company or any subsidiary of such ultimate holding company a party to any arrangement to enable the Directors to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, with the exception that during the year, there existed certain outstanding options to subscribe for ordinary shares of the Company and of Wheelock and Company Limited ("Wheelock") granted under the Scheme and Wheelock's share option scheme respectively to certain employees/directors of companies in the Group, some of whom were Directors during the financial year.

Under the respective rules of the two schemes (such rules being subject to the relevant laws and rules applicable from time to time), shares of the Company and/or Wheelock would be issued at such respective prices as being not less than the highest of (a) the indicative price as specified in the written offer; (b) the closing price on the Stock Exchange on the date of grant of the options; and (c) the average closing price on the Stock Exchange for the five trading days immediately preceding the date of grant; and the relevant options would be exercisable during such periods, not being beyond the expiration of 10 years from the date of grant of relevant options, as determined by the boards of directors of the Company and/or Wheelock respectively.

During the financial year, no shares of the Company and/or Wheelock were allotted and issued under the Scheme and/or Wheelock's share option scheme to any person who was a Director during the financial year.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Articles of Association, every Director is entitled to be indemnified out of the assets of the Company against all costs, expenses, losses or liabilities, which he or she may sustain or incur in or about the execution and discharge of the duties of his/her office, to the extent as permitted by laws.

The Company has, together with its holding company (Wheelock) and two listed subsidiaries (Harbour Centre Development Limited and i-CABLE Communications Limited), maintained directors' liability insurance which has been in force throughout the financial year and up to the date of this report to provide appropriate insurance cover for directors of their respective group companies, including *inter alia* the Directors.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities during the financial year.

AUDITORS

The Financial Statements now presented have been audited by KPMG, Certified Public Accountants, who retire and being eligible, offer themselves for re-appointment.

OTHER CORPORATE INFORMATION

Other corporate information supplementary to this Directors' Report are set out on pages 109 to 122.

By Order of the Board
Kevin C Y Hui
Company Secretary

Hong Kong, 9 March 2016

OTHER CORPORATE INFORMATION

(A) Biographical Details of Directors and Senior Managers

(i) Directors

Mr Stephen Tin Hoi Ng, *Chairman & Managing Director* (Age: 63)

Mr Ng joined the Company in 1981. He has been Managing Director of the Company since 1989 and became Chairman in 2015. He also serves as a member and the chairman of the Company's Nomination Committee and as a member of the Company's Remuneration Committee.

Among other listed companies in Hong Kong and Singapore, he is deputy chairman of Wheelock and Company Limited ("Wheelock"), holding company of the Company, chairman of Harbour Centre Development Limited ("HCDL"), i-CABLE Communications Limited ("i-CABLE"), Joyce Boutique Holdings Limited ("JBHL") and Wheelock Properties (Singapore) Limited ("WPSL"), as well as a non-executive director of Hotel Properties Limited (a publicly listed associate of Wheelock). He formerly served as a non-executive director of Greentown China Holdings Limited ("Greentown") (a company publicly listed in Hong Kong) until his resignation effective in March 2015.

Mr Ng was born in Hong Kong in 1952 and grew up in Hong Kong. He attended Ripon College in Ripon, Wisconsin, U.S.A. and the University of Bonn, Germany, from 1971 to 1975, and graduated with a major in mathematics. He is deputy chairman of the Hong Kong General Chamber of Commerce and a council member of the Employers' Federation of Hong Kong.

Under the existing service contract between the Group and Mr Ng, his basic salary and various allowances for the year 2016, calculated on an annualised basis, would be approximately HK\$7.82 million (2015: HK\$7.24 million) per annum.

Mr Andrew On Kiu Chow, *Deputy Chairman* (Age: 65)

Mr Chow has been a Director of the Company since July 2011 and become Deputy Chairman in May 2015. As chairman of Wharf China Development Limited, he oversees the Group's development property business in Mainland China. He joined the Group in 2006.

Mr Chow has extensive experience in the finance and property sectors in Hong Kong and Mainland China, and formerly held senior executive positions in Tian An China Investment Limited and Next Media Limited. He is a graduate of The University of Hong Kong where he obtained his bachelor's degree in Social Science. He is also an independent non-executive director of Hong Kong Economic Times Holdings Limited, publicly listed in Hong Kong. He was formerly a non-executive director and vice chairman of Greentown from March 2015 to July 2015.

Under the existing service contract between the Group and Mr Chow, his basic salary and various allowances for the year 2016, calculated on an annualised basis, would be approximately HK\$5.66 million (2015: HK\$5.44 million) per annum.

Ms Doreen Yuk Fong Lee, *Vice Chairman* (Age: 59)

Ms Lee has been a Director of the Company since 2003 and became a Vice Chairman in May 2015. As chairman of Wharf Estates Limited and Wharf China Estates Limited, she oversees the Group's portfolio of investment properties in Hong Kong and Mainland China.

Ms Lee was formerly a director of HCDL (a publicly listed subsidiary of the Company) from July 2010 to July 2012. She is a graduate of The University of Hong Kong where she obtained her bachelor's degree in Arts (Hon). She is also a director of JBHL, publicly listed in Hong Kong.

Under the existing service contract between the Group and Ms Lee, her basic salary and various allowances for the year 2016, calculated on an annualised basis, would be approximately HK\$5.96 million (2015: HK\$5.6 million) per annum.

Mr Paul Yiu Cheung Tsui, *Vice Chairman & Group Chief Financial Officer* (Age: 69)

Mr Tsui, *FCCA, FCPA, FCMA, CGMA, FCIS, CGA-Canada*, is a Vice Chairman & Group Chief Financial Officer of the Company and is also an executive director & group chief financial officer of Wheelock, holding company of the Company. He joined the and Wheelock/Wharf group in 1996 and became a director of Wheelock in 1998. He is also a director of i-CABLE and JBHL, both publicly-listed in Hong Kong as well as a vice chairman of Wheelock Properties Limited. He formerly served as a director of HCDL and WPSL until his resignations in August 2015; and also a director of Greentown until his resignation in July 2015.

Under the existing service contract between the Group and Mr Tsui, his basic salary and various allowances for the year 2016, exclusive of the amounts which would be borne by Wheelock and/or its wholly-owned subsidiary(ies) and calculated on an annualised basis, would be approximately HK\$4.08 million (2015: HK\$3.83 million) per annum.

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Ms Yen Thean Leng, Director (Age: 44)

Ms Leng, *BSc(Hons), MRICS, MHKIS, RPS*, has been a Director of the Company since 11 April 2013. She joined the Group in 2004. Being an executive director of Wharf Estates Limited, Ms Leng is responsible, *inter alia*, for managing the Group's core investment properties in Hong Kong, namely, Harbour City, Times Square and Plaza Hollywood. She was formerly a director of HCDL from 1 July 2012 to 10 April 2013. Ms Leng is a chartered surveyor and holds a Bachelor Degree in Land Management with first class honors and has extensive experience in the real estate industry.

Under the existing service contract between the Group and Ms Leng, her basic salary and various allowances for the year 2016, calculated on an annualised basis, would be approximately HK\$3.88 million (2015: HK\$3.7 million) per annum.

Mr Kwok Pong Chan, Director (Age: 55)

Mr Chan joined the Group in 1993 and has been a Director of the Company since May 2015. He has been involved in various property development projects of the Group in both China and Hong Kong. He is an executive director of Wharf China Development Limited and Wharf China Estates Limited, both wholly-owned subsidiaries of the Company. He is now working on the Group's China Development Property strategy as well as to oversee the Group's massive China Investment Property construction projects. He was formerly a director of HCDL, a publicly listed subsidiary of the Company, from April 2013 to May 2015.

Mr Chan graduated from the Polytechnic University of Hong Kong with Associateship in Civil & Structural Engineering. He is a member of the Hong Kong Institution of Engineers as well as the Institution of Civil Engineers, UK and also a chartered engineer of the Engineering Council UK.

Under the existing service contract between the Group and Mr Chan, his basic salary and various allowances for the year 2016, calculated on an annualised basis, would be approximately HK\$3.39 million (2015: HK\$3.2 million) per annum.

Mr Alexander Siu Kee Au, OBE, Director (Age: 69)

Mr Au, *ACA, FCCA, FCPA, AAIA, FCIB, FHKIB*, has been an Independent Non-executive Director of the Company since 22 October 2012. He also serves as a member of the Company's Audit Committee. A banker by profession, he was the chief executive officer of Hang Seng Bank Limited from October 1993 to March 1998 and of Oversea-Chinese Banking Corporation Limited in Singapore from September 1998 to April 2002.

Currently, Mr Au is the chairman and non-executive director of Henderson Sunlight Asset Management Limited, being the manager of the publicly-listed Sunlight Real Estate Investment Trust. He is an independent non-executive director of publicly-listed Henderson Investment Limited, and also a non-executive director of two other companies publicly-listed in Hong Kong, namely, Hong Kong Ferry (Holdings) Company Limited and Miramar Hotel and Investment Company, Limited. Mr Au was formerly an independent non-executive director of Wheelock, which is the Company's holding company, from September 2002 to October 2012 and of Henderson Land Development Company Limited from December 2012 to June 2015, both publicly listed in Hong Kong. An accountant by training, Mr Au is a Chartered Accountant as well as a fellow of The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

Professor Edward Kwan Yiu Chen, GBS, CBE, JP, Director (Age: 71)

Professor Chen has been an Independent Non-executive Director of the Company since 2002. He was the president of Lingnan University in Hong Kong from September 1995 to August 2007. He is an honorary professor of the Open University of Hong Kong and a distinguished fellow of the Hong Kong Institute for the Humanities and Social Sciences at The University of Hong Kong. He is now Chairman of HKU SPACE and President of the Qianhai Institute for Innovative Research in Shenzhen. He was a member of the Legislative Council of Hong Kong from 1991 to 1992, and a member of the Executive Council of Hong Kong from 1992 to 1997. He is a director of a publicly-listed company in Hong Kong, namely, First Pacific Company Limited. He was formerly a director of publicly listed Asia Satellite Telecommunications Holdings Limited.

Professor Chen was educated at The University of Hong Kong (Bachelor of Arts and Master of Social Science) and Oxford University (Doctor of Philosophy). He was appointed a Justice of the Peace in 1993 and awarded a CBE in 1995. In 2003, he was awarded the Gold Bauhinia Star Medal by the Hong Kong SAR Government.

Hon Vincent Kang Fang, SBS, JP, Director (Age: 72)

Mr Fang has been an Independent Non-executive Director of the Company since 1993. He also serves as the chairman and a member of the Company's Audit Committee. He is the chief executive officer of Topypy Company (Hong Kong) Limited and managing director of Fantastic Garments Limited.

Mr Fang currently serves as a member of Legislative Council representing Wholesale and Retail in Functional Constituency. He is the advisor of the Quality Tourism Services Association, a functional constituency representative for retail and wholesale of Hong Kong Retail Management Association and a director of The Federation of Hong Kong Garment Manufacturers. Mr Fang formerly served as the chairman of Hospital Governing Committee of Princess Margaret Hospital and Kwai Chung Hospital, and a member of the Hospital Authority, Hong Kong Tourism Board, the Operations Review Committee of the Independent Commission Against Corruption and the Airport Authority of Hong Kong.

Mr Fang is a graduate of North Carolina State University where he obtained both his bachelor's and master's degrees in Science of Textiles Engineering. Mr Fang was awarded the Silver Bauhinia Star by the Hong Kong SAR Government in 2008. He is also a Justice of the Peace.

Mr Hans Michael Jebsen, BBS, Director (Age: 59)

Mr Jebsen has been an Independent Non-executive Director of the Company since 2001. He also serves as a member of the Company's Audit Committee, Nomination Committee and Remuneration Committee. He is the chairman of Jebsen and Company Limited and also a non-executive director of publicly-listed Hysan Development Company Limited. He currently holds a number of public offices, namely, a trustee of World Wide Fund for Nature Hong Kong, the vice chairman and a board member of the Asian Cultural Council Board of Trustees, affiliate of the Rockefeller Brothers Fund, New York; a member of the Advisory Council of the Business School of The Hong Kong University of Science and Technology and a member of Hong Kong-Europe Business Council of the Hong Kong Trade Development Council, Advisory Council as well as Board of Trustees of Asia Society Hong Kong Center and Advisory Board of the Hong Kong Red Cross.

After schooling in Germany and Denmark, he received a two-year banking education in Germany and the UK and studied Business Administration at the University of St. Gallen in Switzerland from 1978 to 1981.

Mr Jebsen was awarded the Bronze Bauhinia Star by the Hong Kong SAR Government in 2001, made a Knight of the Dannebrog by receiving the Silver Cross of the Order of Dannebrog by H. M. The Queen of Denmark in 2006, was awarded the Merit Cross of the Order of the Merit of the Federal Republic of Germany in 2008 and received the title "Hofjægermester" by H. M. The Queen of Denmark in January 2011. In 2014, Mr Jebsen was awarded the Knight of 1st Class of the Order of Dannebrog, Denmark. Since 2015, he has also been a member of the Operations Review Committee of the Independent Commission Against Corruption. In 2015, Mr Jebsen was also awarded Doctor of Business Administration honoris causa of The Hong Kong University of Science & Technology.

Mr David Muir Turnbull, Director (Age: 60)

Mr Turnbull has been an Independent Non-executive Director ("INED") of the Company since 18 November 2013. He also serves as a member of the Company's Nomination Committee and Remuneration Committee. Mr Turnbull graduated from Cambridge University in 1976 with a Bachelor of Arts degree in Economics and subsequently earned a Master of Arts degree. He joined the Swire Group upon graduation and held various senior management positions with international responsibilities covering aviation, shipping and property during his 30 years' service thereof. He was appointed as a director of Cathay Pacific Airways Limited in 1994 and took up the positions of deputy managing director in 1994, managing director in 1996 and deputy chairman and chief executive in 1998 before his appointment as the chairman in 2005. He is also the former chairman of Swire Pacific Limited from January 2005 to January 2006, and of Hong Kong Aircraft Engineering Company Limited from March 1995 to August 2006. He was formerly an INED of Sands China Ltd. from October 2009 to March 2016.

Mr Turnbull is currently the executive chairman of Pacific Basin Shipping Limited, being publicly-listed in Hong Kong. Mr Turnbull also serves as non-executive director of Green Dragon Gas Limited and Greka Drilling Limited, both being companies publicly-listed on London Stock Exchange and Alternative Investment Market, a sub-market of the London Stock Exchange respectively.

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Professor Eng Kiong Yeoh, GBS, OBE, JP, Director (Age: 69)

Professor Yeoh, MBBS(HK), FHKAM, FHKCCM, FHKCP, FFPHM(UK), FRCP(Edin), FRCP(Lond), FRCP(Glasg), FRACMA, FRACP, is Professor of Public Health, Director at the JC School of Public Health and Primary Care of The Chinese University of Hong Kong (CUHK) and also Head of Division of Health System, Policy and Management at the JC School of Public Health and Primary Care. His research is in health systems, services and policy with an interest in applying systems thinking in studying how the complex components of health systems interact and interrelate to improve health. He is involved in collaborative work with research networks such as the Association of Pacific Rim Universities World Institute and World Bank Institute Asia Network for Capacity Building in Health Systems Strengthening (ANHSS) in studies on health systems and training for policy. He was Chairman of the ANHSS from July 2009 – June 2014, and serves as Cluster Leader for the Knowledge Events. He is also a member of the International Advisory Board of the National University of Singapore Initiative to improve health in Asia, which seeks to contribute to thinking and policy formulation in public health & health systems development in Asia.

Professor Yeoh served as Secretary for Health, Welfare and Food of the Government of the Hong Kong Special Administrative Region ("HK Government") between 1999 and 2004. From 1990 to 1999, he was Head of the Hong Kong Hospital Authority with responsibility for the management and transformation of the public hospital system.

As a clinician, Professor Yeoh pioneered public health programmes in the prevention of Hepatitis B and HIV/AIDS. He has held many key positions in professional bodies, both locally and internationally. Professor Yeoh was appointed a Justice of the Peace in 1993 and awarded an Order of the British Empire in 1997. In 2005, he was awarded the Gold Bauhinia Star Medal by HK Government in recognition of his public service.

Notes:

- (1) Wheelock (of which Mr Stephen T H Ng and Mr Paul Y C Tsui are directors) has interests in the share capital of the Company discloseable to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO").
- (2) All of Mr Stephen T H Ng, Mr Andrew O K Chow, Ms Doreen Y F Lee, Mr Paul Y C Tsui, Ms Y T Leng and Mr K P Chan are currently directors of certain subsidiaries of the Company.
- (3) The Company confirms that it has received written confirmation from each of the INEDs confirming their independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and considers them independent.

(ii) Senior Management

Various businesses of the Group are respectively under the direct responsibility of the first six Directors named under (A)(i) above, led by the Chairman and Managing Director. Only those six Directors are regarded as members of the Group's senior management.

(B) Directors' Interests in Securities

(i) Interests in Shares and debentures

At 31 December 2015, Directors had the following beneficial interests, all being long positions, in the shares and/or debt securities of the Company, Wheelock (which is the Company's parent company) and two subsidiaries of the Company, namely, i-CABLE Communications Limited ("i-CABLE") and Modern Terminals Limited ("Modern Terminals"), and another associated corporation of the Company (of which the Company is interested in more than 20% of their respective issued shares), namely, Greentown China Holdings Limited ("Greentown China"). The percentages (where applicable) which the relevant shares represented to the number of shares in issue of the five companies respectively are also set out below:

	Quantity/Amount held (percentage, where applicable)	Nature of Interest
The Company		
Stephen T H Ng	804,445 (0.0265%)	Personal Interest
Alexander S K Au	100,000 (0.0033%)	Personal Interest
Vincent K Fang	100,000 (0.0033%)	Personal Interest
E K Yeoh	15,000 (0.0005%)	Personal Interest
Wheelock		
Stephen T H Ng	300,000 (0.0148%)	Personal Interest
i-CABLE		
Stephen T H Ng	1,265,005 (0.0629%)	Personal Interest
Modern Terminals		
Hans Michael Jebesen	3,787 (5.40%)	Corporate Interest
Greentown China		
Stephen T H Ng	CNY5,000,000	Personal Interest
Andrew O K Chow	330,000 (0.02%)	Personal Interest

Notes:

- (1) The interests in shares disclosed above do not include interests in share options of the Company and/or associated corporation(s) held by Directors as at 31 December 2015. Details of such interests in share options are separately set out below under the sub-sections headed "(ii) Interests in Share Options of the Company" and "(iii) Interests in Share Options of Wheelock".
- (2) The shareholdings classified as "Corporate Interest" in which the Directors concerned were taken to be interested as stated above were interests of corporations at general meetings of which the relevant Director was either entitled to exercise (or taken under Part XV of the Securities and Futures Ordinance (the "SFO") to be able to exercise) or control the exercise of one-third or more of the voting power in general meetings of such corporations.

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(ii) Interests in Share Options of the Company

Set out below are particulars of interests (all being personal interests) in options held during the financial year ended 31 December 2015 by present Directors of the Company to subscribe for ordinary shares of the Company granted/exercisable under the Share Option Scheme of the Company:

Name of Director	Total no. as at 31 December 2015 (percentage based on no. of shares in issue)	Date of grant (Day/Month/Year)	No. of Shares under Option		Subscription Price per Share (HK\$)	Vesting/ Exercise Period (Day/Month/Year)
			As at 1 January 2015	As at 31 December 2015		
Stephen T H Ng	3,500,000 (0.12%)	04/07/2011 05/06/2013	1,500,000	1,500,000	55.15	05/07/2011 – 04/07/2016 ⁽¹⁾
			2,000,000	2,000,000	70.20	06/06/2013 – 05/06/2018 ⁽²⁾
Andrew O K Chow	3,500,000 (0.12%)	04/07/2011 05/06/2013	1,500,000	1,500,000	55.15	05/07/2011 – 04/07/2016 ⁽¹⁾
			2,000,000	2,000,000	70.20	06/06/2013 – 05/06/2018 ⁽²⁾
Doreen Y F Lee	3,320,000 (0.11%)	04/07/2011 05/06/2013	1,320,000	1,320,000	55.15	05/07/2011 – 04/07/2016 ⁽¹⁾
			2,000,000	2,000,000	70.20	06/06/2013 – 05/06/2018 ⁽²⁾
Paul Y C Tsui	2,200,000 (0.07%)	04/07/2011 05/06/2013	1,200,000	1,200,000	55.15	05/07/2012 – 04/07/2016 ⁽¹⁾
			1,000,000	1,000,000	70.20	06/06/2013 – 05/06/2018 ⁽²⁾
Y T Leng	1,250,000 (0.04%)	04/07/2011 05/06/2013	500,000	500,000	55.15	05/07/2011 – 04/07/2016 ⁽¹⁾
			750,000	750,000	70.20	06/06/2013 – 05/06/2018 ⁽²⁾
K P Chan	1,250,000 (0.04%)	04/07/2011 05/06/2013	500,000	500,000	55.15	05/07/2011 – 04/07/2016 ⁽¹⁾
			750,000	750,000	70.20	06/06/2013 – 05/06/2018 ⁽²⁾

Notes:

- (1) The options granted by the Company on 4 July 2011, being outstanding as at both 1 January 2015 and 31 December 2015, were/are vested in five tranches within a period of 5 years, with each tranche covering one-fifth of the relevant options, i.e. exercisable to the extent of one-fifth of the relevant total number of shares and with the 1st, 2nd, 3rd, 4th and 5th tranche being exercisable from 5th of July in the years 2011, 2012, 2013, 2014 and 2015 respectively, with the exception that:
- (i) the relevant options held by Mr Paul Y C Tsui as at 31 December 2015 were/are vested in four tranches, with each tranche covering options for 300,000 Shares being exercisable from 5th of July in the years 2012, 2013, 2014 and 2015 respectively; and
- (ii) the relevant options held by Ms Doreen Y F Lee as at 31 December 2015 were/are vested in five tranches, with the 1st tranche covering options for 120,000 Shares being exercisable from 5 July 2011, and the remaining four tranches each covering options for 300,000 Shares being exercisable from 5th July in the years 2012, 2013, 2014 and 2015 respectively.
- (2) The options granted by the Company on 5 June 2013, being outstanding as at 1 January 2015 and 31 December 2015, were/will be vested in five tranches within a period of 5 years, with each tranche covering one-fifth of the relevant options, i.e. exercisable to the extent of one-fifth of the relevant total number of shares and with the 1st, 2nd, 3rd, 4th and 5th tranche becoming exercisable from 6th of June in the years 2013, 2014, 2015, 2016 and 2017 respectively.
- (3) Except as disclosed above, no option of the Company held by Directors (and/or their associate(s)) lapsed or was exercised or cancelled during the financial year, and no option of the Company was granted to any Director and/or their associate(s) during the financial year.

(iii) Interests in Share Options of Wheelock

Set out below are particulars of all interests (all being personal interests) in options held during the financial year ended 31 December 2015 by present Directors of the Company to subscribe for ordinary shares of Wheelock granted/exercisable under the share option scheme of Wheelock:

Name of Director	Date of grant (Day/Month/Year)	No. of Wheelock Shares under Option		Subscription price per Share (HK\$)	Vesting/ Exercise period (Day/Month/Year)
		As at 1 January 2015	As at 31 December 2015 (percentage based on no. of shares in issue)		
Paul Y C Tsui	14/06/2013	1,500,000	1,500,000 (0.074%)	39.98	15/06/2013 – 14/06/2018

Notes:

- (a) The share options of Wheelock outstanding as at both 1 January 2015 and 31 December 2015 were/will be vested in five tranches within a period of 5 years, with each tranche covering one-fifth of the relevant options, i.e. exercisable to the extent of one-fifth of the relevant total number of Wheelock's shares, and with the 1st, 2nd, 3rd, 4th and 5th tranche becoming exercisable from 15th of June in the years 2013, 2014, 2015, 2016 and 2017 respectively.
- (b) No share option of Wheelock held by Directors of the Company lapsed or was exercised or cancelled during the financial year and no share option of Wheelock was granted to any Director of the Company during the financial year.

Except as disclosed above, as recorded in the register kept by the Company under section 352 of the SFO in respect of information required to be notified to the Company and the Stock Exchange by the Directors and/or Chief Executive of the Company pursuant to the SFO or to the Model Code (or any other applicable code), there were no interests, whether long or short positions, held or deemed to be interested as at 31 December 2015 by any of Directors or Chief Executive of the Company in shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), nor had there been any rights to subscribe for any shares, underlying shares or debentures of the Company and its associated corporations held or deemed to be interested by any of them as at 31 December 2015.

(C) Substantial Shareholders' Interests

Given below are the names of all parties, other than person(s) who is/are Director(s), who/which were, directly or indirectly, interested in 5% or more of any class of voting shares of the Company as at 31 December 2015, the respective relevant numbers of shares in which they were, and/or were deemed to be, interested as at that date as recorded in the register kept by the Company under section 336 of the SFO (the "Register") and the percentages which the shares represented to the total number of shares in issue of the Company:

Names	No. of Ordinary Shares (percentage based on total number of shares in issue)
(i) Wheelock and Company Limited	1,789,006,608 (59.02%)
(ii) HSBC Trustee (C.I.) Limited	1,789,006,608 (59.02%)

Notes:

- (1) For the avoidance of doubt and double counting, it should be noted that the shareholdings stated against parties (i) and (ii) represented the same block of shares.
- (2) Wheelock deemed shareholding interests stated above included interests held through its wholly-owned subsidiaries, namely, Lynchpin Limited ("LL"), WF Investment Partners Limited ("WIPL") and Wheelock Investments Limited ("WIL"), with 248,871,072 shares (8.21%) being the deemed interests held by LL, 1,349,610,536 shares (44.53%) being the deemed interests held by WIPL, 187,525,000 shares (6.19%) being the deemed interests held by High Fame Investments Limited and 1,789,006,608 shares (59.02%) being the deemed interests held by WIL.

All the interests stated above represented long positions. As at 31 December 2015, there were no short position interests recorded in the Register.

DIRECTORS' REPORT

(D) Share Option Scheme

(I) Summary of the Share Option Scheme (the "Scheme")

- (a) Purpose of the Scheme:
To provide directors and/or employees with the opportunity of acquiring an equity interest in the Company, to continue to provide them with the motivation and incentive to give their best contribution towards the Group's continued growth and success.
- (b) Eligibility:
Eligible participants include any person(s) who is/are full-time and/or part-time employee(s) and/or director(s) of the Company, any of its subsidiary(ies), and/or any of its associate(s). "Associates" include jointly-controlled entities and subsidiary(ies) of associates and of jointly-controlled entity(ies).
- (c) (i) Total number of ordinary shares in the capital of the Company (the "Shares") available for issue under the Scheme as at the date of this annual report:
281,024,732
- (ii) Percentage of the issued share capital that it represents as at the date of this annual report:
9.27%
- (d) Maximum entitlement of each eligible participant under the Scheme:
Not to exceed 1% of the Shares in issue in any 12-month period unless approved by Shareholders of the Company
- (e) Period within which the Shares must be taken up under an option:
Within 10 years from the date on which the option is offered or such shorter period as the Directors may determine
- (f) Minimum period for which an option must be held before it can be exercised:
No minimum period unless otherwise determined by the Board
- (g) (i) Price payable on application or acceptance of the option:
HK\$10.00
- (ii) The period within which payments or calls must or may be made:
28 days after the offer date of an option or such shorter period as the Directors may determine
- (iii) The period within which loans for the purposes of the payments or calls must be repaid:
Not applicable
- (h) Basis of determining the subscription price:
The subscription price shall be determined by the Directors at the time of offer but shall not be less than whichever is the highest of:
- (i) the indicative price per share for subscription of Shares under the option as specified in the written offer containing the offer of the grant of the option to an eligible participant;
- (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant of an option, which must be a Stock Exchange trading day;
- (iii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five Stock Exchange trading days immediately preceding the date of grant of an option; and
- (iv) the nominal value of a Share (not applicable due to the abolition of par value upon implementation of the new Companies Ordinance, Cap 622 of the Laws of Hong Kong on 3 March 2014).
- (i) The remaining life of the Scheme:
Approximately 5 years (expiring on 8 June 2021)

(III) Details of Share Options Granted

Details of the Company's share options granted to Directors of the Company and the relevant movement(s) during the financial year are set out in the sub-section headed "Interests in Share Options of the Company".

Set out below are particulars during the financial year of all of the Company's outstanding share options which were granted to certain employees (six of them being Directors of the Company), all working under employment contracts that are regarded as "continuous contracts" for the purposes of the Employment Ordinance and are participants with options not exceeding the respective individual limits:

Date of grant (Day/Month/Year)	No. of shares under option				Vesting/Exercise Period (Day/Month/Year)	Price per shares to be paid on exercise of options (HK\$)
	As at 1 January 2015	Exercised during the year	Lapsed during the year	As at 31 December 2015		
04/07/2011	1,540,000	–	–	1,540,000	05/07/2011 – 04/07/2016	55.15
	2,320,000	(300,000)	–	2,020,000	05/07/2012 – 04/07/2016	
	2,320,000	(300,000)	–	2,020,000	05/07/2013 – 04/07/2016	
	2,320,000	–	(300,000)	2,020,000	05/07/2014 – 04/07/2016	
	10,820,000	(900,000)	(300,000)	9,620,000		
05/06/2013	2,500,000	–	(400,000)	2,100,000	06/06/2013 – 05/06/2018	70.20
	2,500,000	–	(400,000)	2,100,000	06/06/2014 – 05/06/2018	
	2,500,000	–	(400,000)	2,100,000	06/06/2015 – 05/06/2018	
	2,500,000	–	(400,000)	2,100,000	06/06/2016 – 05/06/2018	
	2,500,000	–	(400,000)	2,100,000	06/06/2017 – 05/06/2018	
	12,500,000	–	(2,000,000)	10,500,000		
Total:	23,320,000	(900,000)	(2,300,000)	20,120,000		

Notes:

- (1) Share options for a total of 2,300,000 shares of the Company lapsed in accordance with the terms of the Company's Share Option Scheme during the financial year.
- (2) Except as disclosed above, no share option of the Company lapsed or was granted, exercised or cancelled during the financial year.
- (3) The weighted average closing price of the shares of the Company immediately before the date(s) of exercise(s) of the share option during the financial year was HK\$59.04 per share.

(E) Retirement Benefits Schemes

The Group's principal retirement benefits schemes available to its Hong Kong employees are defined contribution schemes (including the Mandatory Provident Fund) which are administered by independent trustees. Both the Group and the employees contribute respectively to the schemes sums which represent certain percentage of the employees' salaries. The contributions by the Group are expensed as incurred and may be reduced by contribution forfeited for those employees who have left the schemes prior to full vesting of the relevant employee's contribution.

The employees of the Group's subsidiaries in the PRC are members of the state-managed social insurance and housing funds operated by the Government of PRC. The PRC subsidiaries are required to contribute a certain percentage of payroll costs to the funds to fund the benefits. The only obligation of the Group with respect to the retirement benefits of PRC employees is to make the specified contributions.

DIRECTORS' REPORT

(F) Directors' Interests in Competing Business

Set out below is information disclosed pursuant to Rule 8.10 of the Listing Rules.

Five Directors of the Company, namely, Messrs Stephen T H Ng, Andrew O K Chow, Paul Y C Tsui, K P Chan and Ms Doreen Y F Lee, being directors of Wheelock and/or certain subsidiary(ies) and/or associate(s) of Wheelock ("Wheelock Group"), are considered as having an interest in Wheelock Group under Rule 8.10(2) of the Listing Rules of the Hong Kong Stock Exchange.

The development and/or investment in property assets and hotel businesses by Wheelock Group are considered as competing businesses for the Group. However, the Group itself has adequate experience in property and hotel businesses, which it is capable of carrying on independently of the Wheelock Group.

For safeguarding the interests of the Group, the INEDs and the Audit Committee of the Company would on a regular basis review the business and operational results of the Group to ensure, *inter alia*, that the Group's (i) development of properties for sale and/or investment; (ii) property leasing businesses; and (iii) hotel businesses are and continue to be run at arm's length from those of the Wheelock Group.

(G) Major Customers and Suppliers

For the financial year ended 31 December 2015:

- (i) the aggregate amount of purchases (not including the purchases of items which are of a capital nature) attributable to the Group's five largest suppliers represented less than 30% of the Group's total purchases; and
- (ii) the aggregate amount of turnover attributable to the Group's five largest customers represented less than 30% of the Group's total turnover.

(H) Debentures, Bank Loans, Overdrafts and other Borrowings

Particulars of any and all debentures, bank loans, overdrafts and/or other borrowings of the Company and of the Group as at 31 December 2015 which are repayable on demand or within a period not exceeding one year are set out in Note 20 to the Financial Statements on pages 154 and 155. Those which would fall due for repayment after a period of one year are particularised in Note 20 to the Financial Statements on pages 154 and 155.

(I) Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed public float under the Listing Rules throughout the financial year ended 31 December 2015.

(J) Disclosure of Connected Transactions

Set out below is information in relation to connected transactions involving the Company and/or its subsidiaries, particulars of which were previously disclosed in announcements of the Company dated 5 January 2015, 30 December 2011 and 26 September 2014 respectively and are required under the Listing Rules to be disclosed in the Annual Report and Financial Statements of the Company.

(i) Beijing Land Joint Venture

On 5 January 2015, the Group and China Merchants Property Development Co., Ltd. ("CMP") group together with two independent partners, 北京華潤曙光房地產開發有限公司 ("BJCR") and 深圳平安不動產有限公司 ("SZPA") (collectively the "Parties") entered into two co-operation agreements ("Co-operation Agreements") for the purpose of joint bidding and development of two pieces of land in Beijing with total site area of about 117,226.1 square metres and total maximum developable gross floor area of about 338,174 square metres (the "Beijing Lands"), through two project companies with the share of ownership being 25:24:26:25 and 25:26:24:25 amongst the Group, CMP, BJCR and SZPA respectively. The two project companies would have initial registered capitals of RMB100 million (equal to about HK\$127 million) and RMB10 million (equal to about HK\$13 million) respectively, which would be contributed by each of the Parties in proportion to their respective ownership percentage. Upon completion of the capital contribution, both the project companies became owned as to 25% by the Group. The purpose of the relevant transaction is for broadening the asset and earnings base of the Group.

The Beijing Lands were acquired by the Parties via a government land auction in Beijing in the PRC on 5 January 2015 at an aggregate price of RMB8,690 million (equal to about HK\$11,016 million). Pursuant to the term of the Co-operation Agreements, such land costs will be borne by the two project companies, which are to be financed by way of shareholders' loan from the Parties in amounts proportionate to their respective ownership percentage.

As CMP is a 51.89%-owned subsidiary of China Merchants Group Co., Ltd. which in turn is an indirect substantial shareholder of a non-wholly-owned subsidiary of the Company, CMP was regarded as a connected person of the Company at the time when the Co-operation Agreements were entered into by the Group. Therefore, the relevant transactions constituted connected transactions for the Company under the Listing Rules.

(ii) Master Tenancy Agreements

During the financial year, there existed various tenancy agreements entered into between certain subsidiaries of the Company as landlords and certain subsidiaries, associates and/or affiliates of Wisdom Gateway Limited ("WGL") as tenants (the "Eligible Tenants") for the purpose of the letting by the landlords to the tenants certain retail/commercial premises owned by the Group for operating various retail businesses, including Lane Crawford stores and City Super stores.

On 30 December 2011, the Company entered into a master tenancy agreement (the "MTA") with WGL for a term of three years from 1 January 2012 to 31 December 2014. The MTA is for the purpose of, *inter alia*, regulating various continuing connected transactions in respect of the leasing of premises owned by members of the Group to the Eligible Tenants and providing for the aggregate annual cap amount of rentals in relation thereto during the said three-year term.

Also on 26 September 2014, the Company entered into a renewal master tenancy agreement (the "Renewal MTA") with WGL for a new term of three years commencing on 1 January 2015 and expiring on 31 December 2017. The Renewal MTA is for the purpose of providing, *inter alia*, for the aggregate annual cap amount of rentals, which is fixed at HK\$1,580 million per annum, in respect of the leasing of premises owned by members of the Group to members of WGL group and its associated or affiliated companies during the said three-year term.

As WGL is indirectly wholly-owned by a trust, the settlor of which is the previous Director of the Company, namely, Hon Peter K C Woo, the MTA and the Supplemental Agreement and various transactions contemplated and/or governed thereunder (collectively, the "MTA Transactions"), and also the Renewal MTA, constitute continuing connected transactions for the Company under the Listing Rules.

The annual aggregate amount of rental under the MTA, which is subject to the relevant aggregate annual cap amount previously disclosed in the abovementioned announcement dated 26 September 2014, received by Wharf group from WGL group for the financial year ended 31 December 2015 amounted to HK\$1,050 million.

DIRECTORS' REPORT

(iii) Confirmation from the Directors and the Auditors

- (a) The Directors, including the Independent Non-executive Directors, of the Company have reviewed the MTA Transactions mentioned under Section (J)(ii) above and confirmed that the MTA Transactions were entered into:
- (1) by the Group in the ordinary and usual course of its business;
 - (2) on normal commercial terms or better; and
 - (3) according to the agreements governing the MTA Transactions on terms that are fair and reasonable and in the interests of the Shareholders of the Company as a whole.
- (b) In accordance with paragraph 14A.56 of the Listing Rules, the Board of Directors engaged the Company's auditors to perform procedures on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

The auditors of the Company have advised the nothing has come to their attention that causes them to believe that:

- (1) the MTA Transactions had not been approved by the Company's Board of Directors;
- (2) the MTA Transactions were not, in all material respects, entered into in accordance with the terms of the related agreements governing the MTA Transactions;
- (3) the relevant cap amounts, where applicable, have been exceeded during the financial year ended 31 December 2015; and
- (4) in the event that there would be any transactions involving the provision of goods and services by the Group, the transactions were not, in any material respects, in accordance with the pricing policies of the Group.

- (iv) With regard to the Related Party Transactions as disclosed under Note 26 to the Financial Statements on page 167, the transactions stated under paragraph (a) therein constitute connected transactions (as defined under the Listing Rules) of the Company/and the one under paragraph (b) constitute a fully exempt connected transaction of the Company, for all of which the applicable requirements under the Listing Rules have been duly complied with.

(K) Principal Risks and Uncertainties

The following is a list of principal risks and uncertainties that are considered to be of significance and have potential to affect the Group's businesses, results of operations and financial conditions. However, this is non-exhaustive as there may be other risks and uncertainties arise resulting from changes in economic and other conditions over time. The Group employs a risk management and internal control framework to identify current and foreseeable risks at different levels of the organization so as to take preventive actions to avoid or mitigate their adverse impacts.

Risks pertaining to Investment Properties ("IP")

IP segment is the Group's core business with IP assets accounted for over 70% of the Group's total. With the majority of the properties located in Hong Kong and Mainland China, the general economic climate, regulatory changes, government policies and the political conditions in both Hong Kong and Mainland China may have a significant impact on the Group's overall financial results and condition. The Group's rental income may experience more frequent adjustments resulting from competition arising from oversupply in retail and office areas. Furthermore, rental levels may also be impacted by external economic and market conditions including but not limited to the fluctuations in general supply and demand, performance in stock markets and financial volatility, which may indirectly affect the Group's IP performance.

IPs are stated at their fair values in accordance with the Hong Kong Financial Reporting Standards in the statement of financial position at each reporting period. The fair values are provided by independent professional surveyors, using the income capitalization approach which capitalized the net income of properties and takes into account the significant adjustments on term yield to account for the risk upon reversion and the changes in fair value are recognised in the income statement. Given the size of the Group's IP portfolio, any significant change in the IP values may overwhelmingly affect the Group's results that may not be able to reflect the Group's operating and cash flow performance.

In this respect, the Group regularly assesses changes in the economic environment and keeps alert to market needs and competitors' offensives in order to maintain competitiveness. Continuously maintaining the quality of the assets and building up a diversified and high-quality tenant-mix also help the Group to grow revenue and to resist a sluggish economy. In addition, long-range planned and tactical promotions are seamlessly executed for maintaining the IPs' leading brands and value.

Risks pertaining to Development Properties ("DP")

DP segment is the Group's another major business, particularly in Mainland China. Accordingly, the DP segment is subject to economic, political and legal developments in Mainland China as well as in the economies in the surrounding region. In recent years, the DP market movements in Mainland China have been concurrently affected by the economic trend and government policies including but not limited to the adoption of category-based regulatory measures and the bilateral regulatory measures for the real estate market, policy changes in mortgage levels and ownership, interest rate changes, supply and demand conditions as well as the overall economic volatility in Mainland China. The Group's DP segment is expected to continue exposing to these risks, which may affect the Group's investment strategy and business model as well as the performance in DP.

In this respect, the Group actively assesses the overall economic, political and legal developments as well as the property markets both in Hong Kong and other provinces in Mainland China for deciding viable acquisitions and selling strategies. For each potential project, detailed feasibility studies and stress tests with regard to all aspects will be carried out before an acquisition to minimize the commercial and legal risks.

Risks pertaining to Logistic segment

The Group operates container terminals both in Hong Kong and Mainland China. The low global trade growth environment is likely to continue through 2016, impacting volume growth and putting pressure on shipping lines to economise and rationalise their networks further. With more downside than upside risks in the macro economic landscape there is little chance that global trade growth will recover this year and increasing uncertainty in Europe could weaken sentiment further.

Network rationalisation results in an environment where there is a high risk of business churn, particularly in the transshipment segment. As discussions on new alliances also involve those shipping lines not directly impacted by these deals there is uncertainty on the net impact for individual terminal operators.

While continuing to seek additional throughput, Modern Terminals will remain focused on improving operational performance and delivering on customer requirements to maximise cash flow and strengthen the company's balance sheet. We have already commenced the next steps in our multi-year programme to increase our operational efficiency and infrastructure capability, the benefits of which will flow through in 2016 and 2017.

Risks pertaining to Hotel Segment

The Group operates 14 hotels in the Asia Pacific region, six of which are owned by the Group. Hotel performance is usually subject to a high degree of fluctuations caused by both predictable and unpredictable factors including seasonality, social stability, epidemic diseases and changes in economic conditions. For instance, the recent Central Government Anti-corruption drive in Mainland, the policy change on the grant of multiple-entry permits to Shenzhen residents, together with the change in the foreign exchanges of the surrounding regions have varied the development pattern of the tourism and hospitality industry with heavily relied on the growth of visitor arrivals from Mainland.

In this respect, Hotel Segment closely assesses the impact of the geopolitical outlook and economic development of different countries for building its portfolios and exposures to match with the Group's risk appetite. It also takes continual reviews of competition, legal and political changes as well as market trends for setting its business strategies including marketing and pricing to protect and drive profitability.

Risks pertaining to CME segment

The Group's CME segment is faced with fast changing user behaviour enabled by new technologies in a crowded market.

This is particularly the case for i-CABLE operating in a highly competitive TV market with an abundant supply of fresh programs and channels created locally and a good number of these over free TV. A weak user demand combined with an over-supplied market has made it harder for i-CABLE to return to profitability. This has in turn adversely affected its cash position, at a time when continual investment is important to sustain its competitiveness and build for the future. Nevertheless, i-CABLE is committed to make smarter investments in content and infrastructure. When a free TV licence is issued in the near future, it should help i-CABLE leverage on its production expertise and broadcasting infrastructure, to develop a new revenue stream and to reinforce its reputation in local content.

DIRECTORS' REPORT

On the other hand, Wharf T&T is facing two major threats that can harm its profitability, viz. drastic or continuous economic slowdown, which may result in an increase in company closures or downsizing, and competitive price pressure that leads to yield reduction. However, with the ability to provide a rich portfolio of ICT products and solutions and a superior Fibre-To-The-Desk (FTTD) coverage compared to most of its competitors, Wharf T&T possesses unique bundling capabilities and market share gain potential to generate additional quality income to neutralize any adverse impact arising from any change in macro market landscape.

Legal and Regulatory Compliance risk

Whilst the Group has a diversified portfolio of business operations across Hong Kong, various Mainland cities and various Asia Pacific regions, any failure to anticipate the trend of regulatory changes or cope with relevant requirements may result in non-compliance of a local laws or regulation, leading to not only financial loss but also reputational damage to the Group. In mitigation of relevant risks, the Group has actively assesses the effect of relevant developments and engages closely with regulatory authorities and external advisors on new laws and regulations and also trending legislations to ensure relevant requirements are properly complied with in an effective manner.

Financial risk

The Group is exposed to financial risks related to interest rate risks, foreign currency risks, equity price and credit in the normal course of its business. For further details of such risks and relevant management policies, please refer to note 23 to the financial statements from pages 159 to 164.

(L) Directors of Subsidiaries

The names of all persons who, during the financial year and up to 9 March 2016 (the date of the Directors' Report of the Company), served as directors of all those companies included as subsidiaries in the consolidated financial statements of the Company for the financial year ended 31 December 2015 are set out below:-

Andrea Limited	LEUNG Kam Cheung	WONG Che Kwong
CHAN King Chuen Lourice	LEUNG Kwan Yuen Andrew	WONG Chi Kit
CHAN Kwok Pong	LEVESQUE Peter Jon	WONG Kwong Yiu
CHAN Sik Wah	LI Lei	WONG Pui Chee Gigi
CHAN Wing Sang Wilson*	LI Jun	WONG Sin Yue Cynthia*
CHAN Wing Yee Almira	LI Qingan	WOO Chun Kuen Douglas
Chavalit Uttasart	LI Yongqian	WOO Kwong Ching Peter*
CHEUNG Ka Lung Tom*	LI Yubin*	WU Fu Liang*
CHEUNG Mark Quintin	LING Miu Ngan	WU Guan
CHIU Ying Chun Ronald	LO Wai Man	WU Yung Wei Patrick
CHOI Margaret	LUK Koon Hoo Roger	XIAO Zheng Guang*
CHOW On Kiu	MA Wai Shin Vincent	YE Zhong Xiao
CHOW Ming Kuen Joseph	MILLIKEN, Andrew	YEUNG HO Ingrid Poi Yan
DENG Weidong*	NG Tin Hoi Stephen	YICK Chi Ming Frankie
de LACY STAUNTON Hugh Maurice Victor	NG Tze Yuen*	YIM Kong
DOMMESTRUP Anders*	NGAN Chiu Long Sunny*	YOUNG Stephen Ying Yuen
FU Chi Yuen Patrick	OON Hock Neo	YU Ka Kai Simon
FU Wai Hung	PAO Zen Kwok Peter	ZEMAN Allan
GUO Yong	SHOU Bainian*	ZERBE Jared Heath
HAO Jian Min	SIT Kien Ping Peter	ZHANG Lu
HENNIG Hans Helmuth	SIU Wing Koon	ZHANG Vicky Yuanyuan
HU Shao Ming Herman	SIU Yau Chung Joseph	ZHANG Yi
HUANG Xuan	SUN Qi	ZUO Yong Quan
HUI Chung Ying Kevin	SZE Tsai Ping Michael	王玲
HUNG Hing On*	TAM Wai Choi	毛立鵬
KELLY Sean Aloysius	TAN Bee Kim	毛滿金*
KWAN Hon Kong William*	TANG See King	李春農*
KWAN Jut Ho	TANG Sing Ming Sherman	郭志成
LAI Tse Ming Benjamin	TSANG Chin Cheung Samuel	凌學風
LAM Chun On	TSO Hok Chiu Vivian	陳小平
LAM Yuk Lau	TSOI Kwong Ki	高璟山*
LEE Yuk Fong Doreen	TSUI Yiu Cheung	陸美麗
LENG Yen Thean	WEI Qing Shan	趙長清*

* ceased to be a director as at 9 March 2016.