

# Report of the Directors

The directors have the pleasure in presenting their annual report and the audited financial statements for the year ended December 31, 2018.

## Principal Activities and Business Review

The Company acts as an investment holding company.

The principal activities of the principal subsidiaries and associate are set out in Notes 53 and 54 to the consolidated financial statements, respectively.

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (the "Company Ordinance"), including a fair review of the business and a discussion of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred, and an indication of likely future development in the Group's business, can be found in the "Chairman's Statement", "Chief Executive Officer's Message", "Review of Operations", "Management's Discussion and Analysis", "Corporate Governance Report", "Environmental, Social and Governance Report" and "Financial Summary" sections of this Annual Report. The above sections form part of this report.

## Results and Appropriations

The results of the Group for the year ended December 31, 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on page 126.

An interim dividend of HK38.00 cents (approximately US4.89 cents) per share amounting to approximately US\$89,595,000 was paid to the shareholders during the year.

The directors now recommend the payment of a final dividend of HK50.00 cents (approximately US6.44 cents) per share to the shareholders on the register of members on May 24, 2019, amounting to approximately US\$117,666,000.

## Property, Plant and Equipment

The Group continued to expand its business and during the year spent approximately US\$7,530,000 on leasehold land and buildings, acquired moulds and tooling for approximately US\$2,226,000, office equipment, furniture and fixtures for approximately US\$12,315,000 and plant and machinery for approximately US\$23,110,000. Details of these and other movements in the property, plant and equipment of the Group and the Company during the year are set out in Note 16 to the consolidated financial statements.

## Share Capital

Details of movements during the year in the share capital of the Company are set out in Note 39 to the consolidated financial statements.

A total of 8,600,000 ordinary shares were bought back by the Company during 2018 at prices ranging from HK\$36.25 to HK\$47.55 per share. Among these shares bought back and settled by the Company in 2018, 7,100,000 shares were cancelled during 2018 and 1,500,000 shares were cancelled in January 2019. The aggregate amount paid by the Company for such buy-backs cancelled during 2018 amounting to US\$38,608,000 was charged to the retained earnings.

The shares bought back were cancelled and accordingly the issued share capital of the Company was reduced. The buy-backs of the Company's shares during the year were effected by the Directors pursuant to the mandate granted by shareholders at the previous annual general meeting of the Company, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Company.

## Directors

The directors of the Company during the year and up to the date of this report were:

### Group Executive Directors:

Mr Horst Julius Pudwill, *Chairman*  
Mr Stephan Horst Pudwill, *Vice Chairman*  
Mr Joseph Galli Jr, *Chief Executive Officer*  
Mr Kin Wah Chan  
Mr Chi Chung Chan

### Non-executive Directors:

Prof Roy Chi Ping Chung GBS BBS JP  
Mr Camille Jojo

### Independent Non-executive Directors:

Mr Christopher Patrick Langley OBE  
Mr Manfred Kuhlmann  
Mr Peter David Sullivan  
Mr Vincent Ting Kau Cheung  
Mr Johannes-Gerhard Hesse

In accordance with Article 107(A) of the Company's Articles of Association, Messrs. Kin Wah Chan, Camille Jojo, Manfred Kuhlmann and Peter David Sullivan will retire at the forthcoming Annual General Meeting. With the exception of Mr Manfred Kuhlmann who will not stand for re-election, all other retiring Directors, being eligible, will offer themselves for re-election at the forthcoming Annual General Meeting.

No director proposed for re-election at the forthcoming Annual General Meeting has a service contract which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

## Terms of Office of Non-executive Directors and Independent Non-executive Directors

The term of office for each of the Non-executive Directors and Independent Non-executive Directors is the period up to his retirement by rotation in accordance with Article 107(A) of the Company's Articles of Association.

## Directors of Subsidiaries

The names of all directors who have served on the boards of the subsidiaries of the Company during the year ended December 31, 2018 and during the period from January 1, 2019 to the date of this Report are available on the Company's website ([www.ttigroup.com](http://www.ttigroup.com)).

## Directors' and Chief Executive's Interests

As at December 31, 2018, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which have been notified to the Company pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such director or

chief executive was taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept under section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") were as follows:

Name of directors	Capacity/Nature of interests	Interests in shares (other than pursuant to equity derivatives) <sup>(1)</sup>	Interests in underlying shares pursuant to equity derivatives <sup>(1)</sup>	Total interests in shares/ underlying shares	Approximate aggregate percentage of interests
Mr Horst Julius Pudwill	Beneficial owner	150,443,500 <sup>(2)</sup>	553,500	367,916,794	20.12%
	Interests of spouse	760,000	—		
	Interests of controlled corporation	216,159,794 <sup>(3)</sup>	—		
Mr Stephan Horst Pudwill	Beneficial owner	5,009,500 <sup>(4)</sup>	3,000,000	42,017,000	2.30%
	Beneficiary of a trust	34,007,500 <sup>(5)</sup>	—		
Mr Joseph Galli Jr	Beneficial owner	3,806,000 <sup>(6)</sup>	1,000,000	4,806,000	0.26%
Mr Kin Wah Chan	Beneficial owner	150,000 <sup>(7)</sup>	2,000,000	2,150,000	0.12%
Mr Chi Chung Chan	Beneficial owner	450,000 <sup>(8)</sup>	2,000,000	2,450,000	0.13%
Prof Roy Chi Ping Chung GBS BBS JP	Beneficial owner	49,005,948	400,000	86,480,978	4.73%
	Interests of controlled corporation	37,075,030 <sup>(9)</sup>	—		
Mr Camille Jojo	Beneficial owner	22,000	350,000	372,000	0.02%
Mr Christopher Patrick Langley OBE	Beneficial owner	200,000	250,000	450,000	0.02%
Mr Manfred Kuhlmann	Beneficial owner	275,000	175,000	450,000	0.02%
Mr Peter David Sullivan	Beneficial owner	—	1,050,000	1,050,000	0.06%
Mr Vincent Ting Kau Cheung	Beneficial owner	4,040,000	250,000	4,290,000	0.23%
Mr Johannes-Gerhard Hesse	Beneficial owner	—	235,000	235,000	0.01%

Notes:

(1) Interests in shares and underlying shares stated above represent long positions of the Company.

The interests of the directors of the Company in the underlying shares pursuant to equity derivatives, which were held as beneficial owner, represent share options granted to them respectively pursuant to the share option schemes adopted by the Company, details of which are separately disclosed in the section headed "Share Options" below. These share options are physically settled and unlisted.

(2) These included Mr Horst Julius Pudwill's interests in 1,824,000 awarded shares, of which 650,000 awarded shares remained unvested under the share award schemes of the Company as of December 31, 2018. Details of Mr Horst Julius Pudwill's awarded shares are set out in the Corporate Governance Report.

## Directors' and Chief Executive's Interests (continued)

Notes: (continued)

- (3) These shares were held by the following companies in which Mr Horst Julius Pudwill has a beneficial interest:

	No. of shares
Sunning Inc.	179,084,764
Cordless Industries Company Limited*	37,075,030
	216,159,794

- (4) These included Mr Stephan Horst Pudwill's interests in 150,000 awarded shares, of which 50,000 awarded shares remained unvested under the share award schemes of the Company as of December 31, 2018. Details of Mr Stephan Horst Pudwill's awarded shares are set out in the Corporate Governance Report.
- (5) These shares were held by a trust of which Mr Stephan Horst Pudwill is one of the beneficiaries.
- (6) These included Mr Joseph Galli Jr's interests in 2,814,000 awarded shares, of which 514,000 awarded shares remained unvested under the share award schemes of the Company as of December 31, 2018. Details of Mr Joseph Galli Jr's awarded shares are set out in the Corporate Governance Report.
- (7) These included Mr Kin Wah Chan's interests in 150,000 awarded shares, of which 50,000 awarded shares remained unvested under the share award schemes of the Company as of December 31, 2018. Details of Mr Kin Wah Chan's awarded shares are set out in the Corporate Governance Report.
- (8) These included Mr Chi Chung Chan's interests in 150,000 awarded shares, of which 50,000 awarded shares remained unvested under the share award schemes of the Company as of December 31, 2018. Details of Mr Chi Chung Chan's awarded shares are set out in the Corporate Governance Report.
- (9) These shares were held by Cordless Industries Company Limited\* in which Prof Roy Chi Ping Chung GBS BBS JP has a beneficial interest.

\* Cordless Industries Company Limited is owned as to 70% by Mr Horst Julius Pudwill and as to 30% by Prof Roy Chi Ping Chung GBS BBS JP.

Save as disclosed above, none of the directors and the chief executive of the Company was interested or had any short position in any shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as at December 31, 2018.

## Share Options

### Share Option Schemes

The Company has two share option schemes in place – Scheme D and Scheme E. Scheme D was adopted on May 29, 2007 and expired on May 28, 2017, though its provisions shall remain in full force and effect in all other respects. Following the expiry of Scheme D, Scheme E was adopted on May 19, 2017 and will expire on May 18, 2027.

Both Scheme D and Scheme E are aimed for recognition of the contribution to the development and growth of the Group by the eligible persons. The scheme rules of both Scheme D and Scheme E are substantially identical and below are the summary of the principal terms of both schemes:

The Board of Directors of the Company may grant share options to the following eligible persons (and their wholly owned companies) of the Company, its subsidiaries and any companies in which the Group holds any equity interest, to subscribe for shares in the Company:

- (i) employees; or
- (ii) Directors; or
- (iii) secondees; or
- (iv) any shareholders of any member of the Group or invested entity or controlling shareholders or any holders of any securities issued by any member of the Group; or
- (v) business partners; or
- (vi) suppliers; or
- (vii) customers; or
- (viii) advisers of the Group.

Share options granted must be taken up within 21 days of the date of grant, upon payment of consideration to be determined by the Board for the grant thereof. Share options may be exercised at any time, subject to vesting conditions from the date of grant to the tenth anniversary thereof. The subscription price is set at the highest of: the closing price of the shares on the date of offer of the share option; or the average closing price of shares as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the date of offer.

The maximum number of shares in respect of which share options may be granted under the respective share option scheme is not permitted to exceed 30.0% of the issued share capital of the Company from time to time or 10.0% of shares in issue as at the adoption date of the respective share option scheme. No person shall be granted an option which exceeds 1.0% of the shares in issue as at the date of offer in any 12-month period up to the date thereof.

Options may be exercised at any time after the first or second anniversary of the date of grant of the share option to the tenth anniversary of the date of grant. The exercise price is determined by the Directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; and (ii) the average closing price of the shares for the five business days immediately preceding the date of grant.

## Share Options (continued)

The following tables disclose movements in the Company's share options during the year:

Share option holders	Date of share options granted	Share option scheme category	Outstanding at beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at end of the year	Subscription price HK\$	Exercise period
<b>Directors</b>									
Mr Horst Julius Pudwill	20.3.2014	D	230,000	—	—	—	230,000	21.600	20.3.2015 – 19.3.2024
	11.9.2015	D	168,000	—	—	—	168,000	29.650	11.9.2016 – 10.9.2025
	17.3.2017	D	155,500	—	—	—	155,500	32.100	17.3.2018 – 16.3.2027
Mr Stephan Horst Pudwill	21.5.2012	D	1,000,000	—	—	—	1,000,000	8.742	21.5.2013 – 20.5.2022
	20.3.2014	D	1,000,000	—	—	—	1,000,000	21.600	20.3.2015 – 19.3.2024
	11.9.2015	D	250,000	—	—	—	250,000	29.650	11.9.2016 – 10.9.2025
	17.3.2017	D	500,000	—	—	—	500,000	32.100	17.3.2018 – 16.3.2027
	14.3.2018	E	—	250,000	—	—	250,000	47.900	14.3.2019 – 13.3.2028
Mr Joseph Galli Jr	16.11.2009	D	1,000,000	—	—	—	1,000,000	6.770	16.11.2010 – 15.11.2019
Mr Kin Wah Chan	20.3.2014	D	1,000,000	—	—	—	1,000,000	21.600	20.3.2015 – 19.3.2024
	11.9.2015	D	250,000	—	—	—	250,000	29.650	11.9.2016 – 10.9.2025
	17.3.2017	D	500,000	—	—	—	500,000	32.100	17.3.2018 – 16.3.2027
	14.3.2018	E	—	250,000	—	—	250,000	47.900	14.3.2019 – 13.3.2028
Mr Chi Chung Chan	20.3.2014	D	1,000,000	—	—	—	1,000,000	21.600	20.3.2015 – 19.3.2024
	11.9.2015	D	250,000	—	—	—	250,000	29.650	11.9.2016 – 10.9.2025
	17.3.2017	D	500,000	—	—	—	500,000	32.100	17.3.2018 – 16.3.2027
	14.3.2018	E	—	250,000	—	—	250,000	47.900	14.3.2019 – 13.3.2028
Prof Roy Chi Ping Chung GBS BBS JP	11.9.2015	D	150,000	—	—	—	150,000	29.650	11.9.2016 – 10.9.2025
	17.3.2017	D	150,000	—	—	—	150,000	32.100	17.3.2018 – 16.3.2027
	14.3.2018	E	—	100,000	—	—	100,000	47.900	14.3.2019 – 13.3.2028
Mr Camille Jojo	17.3.2017	D	250,000	—	—	—	250,000	32.100	17.3.2018 – 16.3.2027
	14.3.2018	E	—	100,000	—	—	100,000	47.900	14.3.2019 – 13.3.2028
Mr Christopher Patrick Langley OBE	17.3.2017	D	150,000	—	—	—	150,000	32.100	17.3.2018 – 16.3.2027
	14.3.2018	E	—	100,000	—	—	100,000	47.900	14.3.2019 – 13.3.2028
Mr Manfred Kuhlmann	11.9.2015	D	25,000	—	(25,000)	—	—	29.650	11.9.2016 – 10.9.2025
	17.3.2017	D	150,000	—	(75,000)	—	75,000	32.100	17.3.2018 – 16.3.2027
	14.3.2018	E	—	100,000	—	—	100,000	47.900	14.3.2019 – 13.3.2028
Mr Peter David Sullivan	16.11.2009	D	200,000	—	—	—	200,000	6.770	16.11.2010 – 15.11.2019
	23.5.2011	D	200,000	—	—	—	200,000	9.872	23.5.2012 – 22.5.2021
	21.5.2012	D	250,000	—	—	—	250,000	8.742	21.5.2013 – 20.5.2022
	11.9.2015	D	150,000	—	—	—	150,000	29.650	11.9.2016 – 10.9.2025
	17.3.2017	D	150,000	—	—	—	150,000	32.100	17.3.2018 – 16.3.2027
	14.3.2018	E	—	100,000	—	—	100,000	47.900	14.3.2019 – 13.3.2028
Mr Vincent Ting Kau Cheung	17.3.2017	D	150,000	—	—	—	150,000	32.100	17.3.2018 – 16.3.2027
	14.3.2018	E	—	100,000	—	—	100,000	47.900	14.3.2019 – 13.3.2028
Mr Johannes-Gerhard Hesse	19.6.2017	E	135,000	—	—	—	135,000	36.300	19.6.2018 – 18.6.2027
	14.3.2018	E	—	100,000	—	—	100,000	47.900	14.3.2019 – 13.3.2028
<b>Total for directors</b>			<b>9,913,500</b>	<b>1,450,000</b>	<b>(100,000)</b>	<b>—</b>	<b>11,263,500</b>		
<b>Employees</b>									
	14.1.2008	D	25,000	—	—	(25,000)	—	7.566	14.1.2009 – 13.1.2018
	17.4.2008	D	200,000	—	(200,000)	—	—	7.780	17.4.2009 – 16.4.2018
	16.11.2009	D	600,000	—	(300,000)	—	300,000	6.770	16.11.2010 – 15.11.2019
	28.12.2009	D	30,000	—	—	—	30,000	6.390	28.12.2010 – 27.12.2019
	17.1.2011	D	20,000	—	—	—	20,000	10.436	17.1.2012 – 16.1.2021
	23.3.2017	D	200,000	—	—	—	200,000	32.150	23.3.2018 – 22.3.2027
	19.6.2017	E	350,000	—	—	—	350,000	36.300	19.6.2018 – 18.6.2027
	<b>Total for employees</b>			<b>1,425,000</b>	<b>—</b>	<b>(500,000)</b>	<b>(25,000)</b>	<b>900,000</b>	
<b>Total for all categories</b>			<b>11,338,500</b>	<b>1,450,000</b>	<b>(600,000)</b>	<b>(25,000)</b>	<b>12,163,500</b>		

### **Share Options** (continued)

The weighted average closing price of the Company's shares immediately before the various dates on which the share options were granted during 2018 was HK\$48.50 (2017: HK\$32.42).

The closing price of the Company's shares immediately before the various dates on which the share options were granted was HK\$48.50 in 2018 (2017: HK\$31.80 to HK\$36.00).

The weighted average closing prices of the Company's shares immediately before various dates during 2018 and 2017 on which the share options were exercised were HK\$46.63 and HK\$38.21 respectively.

The fair values of the share options granted in 2018 measured at various dates on which the share options were granted was HK\$11.82 (2017: HK\$7.98 to HK\$8.68). The weighted average fair value of the share options granted in 2018 was HK\$11.82 (2017: HK\$8.11) per option.

### **Arrangements to Purchase Shares or Debentures**

Other than as disclosed above and for satisfying the awarded shares granted under the Company's share award schemes (details of which are set out in this Annual Report), at no time during the year was the Company, or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and neither the directors or the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

### **Director's Interests in Transactions, Arrangements and Contracts of Significance**

No transactions, arrangements and contracts of significance, to which the Company, or any of its subsidiaries, was a party and in which a director or a connected entity of a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### **Directors' Indemnities**

Pursuant to the Company's Articles of Association, every director of the Company shall be entitled to be indemnified out of the assets and profits of the Company against all losses or liabilities (to the fullest extent permitted by the Companies Ordinance) which he/she may sustain or incur in or about the execution of the duties of his/her office. The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Company.

### **Management Contracts**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

### **Equity-linked Agreements**

During the year, the Group has not entered into any equity-linked agreements.

## Substantial Shareholders' Interests

As at December 31, 2018, the interests and short positions of the following persons, other than directors and chief executive of the Company, in the shares, underlying shares and debentures of the Company which have been disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO have been recorded in the register kept by the Company pursuant to section 336 of the SFO:

Name	Total interests in shares	(L/S/LP)*	Approximate aggregate percentage of interests
Artisan Partners Asset Management Inc. <sup>(1)</sup>	94,073,945	(L)	5.14%
JPMorgan Chase & Co. <sup>(2)</sup>	109,685,632	(L)	6.00%
	452,346	(S)	0.02%
	65,505,351	(LP)	3.58%
Schroders Plc <sup>(3)</sup>	110,259,415	(L)	6.03%
The Bank of New York Mellon Corporation <sup>(4)</sup>	101,076,883	(L)	5.53%
	30,842,830	(S)	1.69%
	67,843,748	(LP)	3.71%

\* (L/S/LP) represents (Long position/Short position/Lending pool)

Notes:

(1) The following is a breakdown of the interest in shares in the Company held by Artisan Partners Asset Management Inc.:

Name	Remarks	Total interests in shares				Approximate percentage of interests
		Direct interests	(L/S/LP)*	Deemed interests	(L/S/LP)*	
Artisan Partners Asset Management Inc.	(1a)	—	—	94,073,945	(L)	5.14%
Artisan Partners Holdings LP	(1b)	—	—	94,073,945	(L)	5.14%
Artisan Investments GP LLC	(1b)	—	—	94,073,945	(L)	5.14%
Artisan Partners Limited Partnership	(1b)	94,073,945	(L)	—	—	5.14%

Remarks:

- (1a) Artisan Partners Asset Management Inc. is listed on The New York Stock Exchange. The capacity of Artisan Partners Asset Management Inc. in holding the 94,073,945 shares of long position was as controlled corporation.
- (1b) Artisan Partners Holdings LP, Artisan Investments GP LLC and Artisan Partners Limited Partnership were all directly or indirectly owned by Artisan Partners Asset Management Inc. and by virtue of the SFO, Artisan Partners Asset Management Inc. was deemed to be interested in the shares held by these subsidiaries.

## Substantial Shareholders' Interests (continued)

Notes: (continued)

(2) The following is a breakdown of the interests in shares in the Company held by JPMorgan Chase & Co.:

Name	Remarks	Total interests in shares				Approximate percentage of interests
		Direct interests	(L/S/LP)*	Deemed interests	(L/S/LP)*	
JPMorgan Chase & Co.	(2a)	—	—	109,685,632	(L)	6.00%
		—	—	452,346	(S)	0.02%
		—	—	65,505,351	(LP)	3.58%
J.P. Morgan Securities LLC	(2b)	1,231,565	(L)	—	—	0.07%
		93,500	(S)	—	—	0.01%
JF Asset Management Limited	(2b)	9,352,000	(L)	—	—	0.51%
JPMorgan Asset Management (Japan) Limited	(2b)	1,242,700	(L)	—	—	0.07%
JPMorgan Asset Management (Taiwan) Limited	(2b)	668,000	(L)	—	—	0.04%
J.P. Morgan Investment Management Inc.	(2b)	24,249,000	(L)	—	—	1.33%
J.P. Morgan Trust Company of Delaware	(2b)	31,550	(L)	—	—	0.00%
J.P. Morgan Whitefriars LLC	(2b)	1,359,618	(L)	—	—	0.07%
		73,346	(S)	—	—	0.00%
JPMorgan Chase Bank, N.A.	(2b)	—	—	2,698,039	(L)	0.15%
		—	—	358,846	(S)	0.02%
J.P. Morgan Equity Holdings, Inc.	(2b)	—	—	31,550	(L)	0.00%
J.P. Morgan International Finance Limited	(2b)	—	—	2,698,039	(L)	0.15%
		—	—	358,846	(S)	0.02%

## Substantial Shareholders' Interests (continued)

Notes: (continued)

(2) The following is a breakdown of the interests in shares in the Company held by JPMorgan Chase & Co.: (continued)

Name	Remarks	Total interests in shares				Approximate percentage of interests
		Direct interests	(L/S/LP)*	Deemed interests	(L/S/LP)*	
J.P. Morgan Securities plc	(2b)	1,338,421	(L)	—	—	0.07%
		285,500	(S)	—	—	0.02%
JPMorgan Chase Bank, N.A.	(2b)	67,452,706	(L)	—	—	3.69%
JPMorgan Asset Management (UK) Limited	(2b)	2,760,072	(L)	—	—	0.15%
J.P. Morgan Broker-Dealer Holdings Inc	(2b)	—	—	1,231,565	(L)	0.07%
		—	—	93,500	(S)	0.01%
J.P. Morgan Capital Holdings Limited	(2b)	—	—	1,338,421	(L)	0.07%
		—	—	285,500	(S)	0.02%
JPMorgan Asset Management Holdings Inc	(2b)	—	—	47,623,772	(L)	2.60%
JPMorgan Asset Management (Asia) Inc.	(2b)	—	—	11,262,700	(L)	0.62%
JPMorgan Asset Management Holdings (UK) Limited	(2b)	—	—	2,760,072	(L)	0.15%
JPMorgan Chase Holdings LLC	(2b)	—	—	48,886,887	(L)	2.67%
		—	—	93,500	(S)	0.01%
J.P. Morgan Overseas Capital LLC	(2b)	—	—	1,359,618	(L)	0.07%
		—	—	73,346	(S)	0.00%
JPMorgan Asset Management International Limited	(2b)	—	—	2,760,072	(L)	0.15%

Remarks:

(2a) JPMorgan Chase & Co. is listed on New York Stock Exchange. The capacity of JPMorgan Chase & Co. in holding the 109,685,632 shares of long position, 452,346 shares of short position and 65,505,351 shares of lending pool respectively was as controlled corporation.

(2b) J.P. Morgan Securities LLC, JF Asset Management Limited, JPMorgan Asset Management (Japan) Limited, JPMorgan Asset Management (Taiwan) Limited, J.P. Morgan Investment Management Inc., J.P. Morgan Trust Company of Delaware, J.P. Morgan Whitefriars LLC, JPMorgan Chase Bank, N.A., J.P. Morgan Equity Holdings, Inc., J.P. Morgan International Finance Limited, J.P. Morgan Securities plc, JPMorgan Chase Bank, N.A., JPMorgan Asset Management (UK) Limited, J.P. Morgan Broker-Dealer Holdings Inc, J.P. Morgan Capital Holdings Limited, JPMorgan Asset Management Holdings Inc, JPMorgan Asset Management (Asia) Inc., JPMorgan Asset Management Holdings (UK) Limited, JPMorgan Chase Holdings LLC, J.P. Morgan Overseas Capital LLC and JPMorgan Asset Management International Limited were all directly or indirectly owned by JPMorgan Chase & Co. and by virtue of the SFO, JPMorgan Chase & Co. was deemed to be interested in the shares held by these subsidiaries.



## Substantial Shareholders' Interests (continued)

Notes: (continued)

(3) The following is a breakdown of the interests in shares in the Company held by Schroders Plc:

Name	Remarks	Total interests in shares				Approximate percentage of interests
		Direct interests	(L/S/LP)*	Deemed interests	(L/S/LP)*	
Schroders Plc	(3a)	—	—	110,259,415	(L)	6.03%
Schroder Administration Limited	(3b)	—	—	110,259,415	(L)	6.03%
Schroder International Holdings Limited	(3b)	—	—	109,242,728	(L)	5.97%
Schroder Investment Management (Hong Kong) Limited	(3b)	29,505,000	(L)	—	—	1.61%
Schroder Investment Management (Singapore) Limited	(3b)	65,485,500	(L)	—	—	3.58%
Schroder Investment Management Limited	(3b)	6,740,000	(L)	—	—	0.37%
	(3b)	—	—	7,512,228	(L)	0.41%
Schroder Investment Management North America Limited	(3b)	7,512,228	(L)	—	—	0.41%
Schroder Wealth Holdings Limited	(3b)	—	—	1,016,687	(L)	0.06%
Schroder & Co Bank AG	(3b)	188,980	(L)	—	—	0.01%
Schroder & Co. Limited	(3b)	—	—	827,707	(L)	0.05%
Schroder & Co (Asia) Limited	(3b)	827,707	(L)	—	—	0.05%

Remarks:

- (3a) Schroders Plc is listed on London Stock Exchange. The capacity of Schroders Plc in holding the 110,259,415 shares of long position was as investment manager.
- (3b) Schroder Administration Limited, Schroder International Holdings Limited, Schroder Investment Management (Hong Kong) Limited, Schroder Investment Management (Singapore) Limited, Schroder Investment Management Limited, Schroder Investment Management North America Limited, Schroder Wealth Holdings Limited, Schroder & Co Bank AG, Schroder & Co. Limited and Schroder & Co (Asia) Limited were all directly or indirectly owned by Schroders Plc and by virtue of the SFO, Schroders Plc was deemed to be interested in the shares held by these subsidiaries.

## Substantial Shareholders' Interests (continued)

Notes: (continued)

(4) The following is a breakdown of the interest in shares in the Company held by The Bank of New York Mellon Corporation:

Name	Remarks	Total interests in shares				Approximate percentage of interests
		Direct interests	(L/S/LP)*	Deemed interests	(L/S/LP)*	
The Bank of New York Mellon Corporation	(4a)	—	—	101,076,883	(L)	5.53%
		—	—	30,842,830	(S)	1.69%
		—	—	67,843,748	(LP)	3.71%
The Bank of New York Mellon	(4b)	101,076,883	(L)	—	—	5.53%
		30,842,830	(S)	—	—	1.69%

Remarks:

(4a) The Bank of New York Mellon Corporation is listed on New York Stock Exchange. The capacity of The Bank of New York Mellon Corporation in holding the 101,076,883 shares of long position, 30,842,830 shares of short position and 67,843,748 shares of lending pool respectively was as controlled corporation.

(4b) The Bank of New York Mellon was directly or indirectly owned by The Bank of New York Mellon Corporation and by virtue of the SFO, The Bank of New York Mellon Corporation was deemed to be interested in the shares held by this subsidiary.

Save as disclosed above, no other person was interested in or had a short position in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of the Part XV of the SFO as at December 31, 2018.

## Dividend Policy

Stable dividend payment to shareholders of the Company is our primary objective. The Board of Directors of the Company determines the interim dividend and recommends the final dividend which requires the approval of shareholders of the Company. In proposing any dividend payout, the Board of Directors shall take into account, inter alia, the Group's operations, earnings, financial condition, cash availability, capital expenditure and future development requirements and other factors that may deem relevant at such time. Any payment of the dividend by the Company is also subject to any restrictions under the Companies Ordinance and the Company's Articles of Association.

## Environmental, Social and Governance ("ESG")

The Company has adopted the latest ESG reporting guidelines issued by the Stock Exchange. A report on TTI's environmental, social and governance commitment can be found on pages 78 to 111.

## Sufficiency of Public Float

The Company has maintained a sufficient public float throughout the year ended December 31, 2018.

## Donations

During the year, the Group made charitable and other donations totalling US\$1,793,000.

## Auditor

A resolution will be submitted to the Annual General Meeting to re-appoint Messrs Deloitte Touche Tohmatsu as auditor of the Company.

## Horst Julius Pudwill

Chairman  
Hong Kong

March 6, 2019