

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, 2019.

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 52 and 53 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, 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on page 136.

An interim dividend of HK45.00 cents (approximately US5.79 cents) per share amounting to approximately US\$105,973,000 was paid to the shareholders during the year.

The directors now recommend the payment of a final dividend of HK58.00 cents (approximately US7.46 cents) per share to the shareholders on the register of members on May 22, 2020, amounting to approximately US\$136,603,000.

Property, Plant and Equipment

The Group continued to expand its business and during the year spent approximately US\$31,687,000 on leasehold land and buildings, acquired moulds and tooling for approximately US\$4,626,000, office equipment, furniture and fixtures for approximately US\$16,212,000 and plant and machinery for approximately US\$31,554,000. 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 2,350,000 ordinary shares were cancelled by the Company during the year, among which (i) 850,000 shares were bought back on the Stock Exchange and settled during the year at prices ranging from HK\$40.45 to HK\$41.50; and (ii) 1,500,000 shares were bought back on the Stock Exchange in December 2018 and cancelled in January 2019 at prices ranging from HK\$41.25 to HK\$43.00. The aggregate amount paid by the Company for such buy-backs cancelled during the year amounting to US\$12,644,000 was charged to the retained earnings.

The shares bought back were cancelled immediately and accordingly the issued share capital of the Company was reduced correspondingly. 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 Peter David Sullivan
Mr Vincent Ting Kau Cheung
Mr Johannes-Gerhard Hesse
Mr Robert Hinman Getz (appointed on January 1, 2020)
Mr Manfred Kuhlmann (retired after the conclusion of the annual general meeting of the Company held on May 17, 2019)

In accordance with Article 107(A) of the Company’s Articles of Association, Messrs. Horst Julius Pudwill, Joseph Galli Jr, Vincent Ting Kau Cheung and Johannes-Gerhard Hesse will retire at the forthcoming Annual General Meeting, being eligible, will offer themselves for re-election. In accordance with Article 98 of the Company’s Articles of Association, Mr Robert Hinman Getz, who was appointed on January 1, 2020, shall retire at the forthcoming Annual General Meeting and, being eligible, will offer himself for re-election.

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, 2019 and during the period from January 1, 2020 to the date of this Report are available on the Company’s website (www.ttigroup.com).

Directors’ and Chief Executive’s Interests

As at December 31, 2019, 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) ⁽¹⁾	Interests in underlying shares pursuant to equity derivatives ⁽¹⁾	Total interests in shares/ underlying shares	Approximate aggregate percentage of interests
Mr Horst Julius Pudwill	Beneficial owner	150,973,500 ⁽²⁾	420,500	368,313,794	20.13%
	Interests of spouse	760,000	—		
	Interests of controlled corporation	216,159,794 ⁽³⁾	—		
Mr Stephan Horst Pudwill	Beneficial owner	5,009,500 ⁽⁴⁾	2,500,000	41,517,000	2.27%
	Beneficiary of a trust	34,007,500 ⁽⁵⁾	—		
Mr Joseph Galli Jr	Beneficial owner	8,806,000 ⁽⁶⁾	—	8,806,000	0.48%
Mr Kin Wah Chan	Beneficial owner	37,500 ⁽⁷⁾	2,500,000	2,537,500	0.14%
Mr Chi Chung Chan	Beneficial owner	450,000 ⁽⁸⁾	2,100,000	2,550,000	0.14%
Prof Roy Chi Ping Chung GBS BBS JP	Beneficial owner	49,005,948	497,000	86,577,978	4.73%
	Interests of controlled corporation	37,075,030 ⁽⁹⁾	—		
Mr Camille Jojo	Beneficial owner	182,000 ⁽¹⁰⁾	447,000	629,000	0.03%
Mr Christopher Patrick Langley OBE	Beneficial owner	200,000	347,000	547,000	0.03%
Mr Peter David Sullivan	Beneficial owner	—	497,000	497,000	0.03%
Mr Vincent Ting Kau Cheung	Beneficial owner	4,240,000	147,000	4,387,000	0.24%
Mr Johannes-Gerhard Hesse	Beneficial owner	—	332,000	332,000	0.02%

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 675,000 awarded shares which remained unvested under the share award schemes of the Company as of December 31, 2019. 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 37,500 awarded shares which remained unvested under the share award schemes of the Company as of December 31, 2019. 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 385,500 awarded shares which remained unvested under the share award schemes of the Company as of December 31, 2019 and 5,000,000 shares agreed to be granted to Mr Galli in the following 5 years in 5 equal tranches (i.e. 1,000,000 shares each year) provided the Company meets certain performance criteria each year. 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 37,500 awarded shares which remained unvested under the share award schemes of the Company as of December 31, 2019. 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 37,500 awarded shares which remained unvested under the share award schemes of the Company as of December 31, 2019. 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.

(10) These included Mr Camille Jojo's interests in 150,000 awarded shares which remained unvested under the share award schemes of the Company as of December 31, 2019. Details of Mr Camille Jojo's awarded shares are set out in the Corporate Governance Report.

(11) The 45,674 shares held by Mr Robert Hinman Getz, an Independent Non-executive Director who was appointed on January 1, 2020 are not shown above.

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, 2019.

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 the 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.

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
Directors									
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
	20.5.2019	E	—	97,000	—	—	97,000	51.080	20.5.2020 – 19.5.2029
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
	20.5.2019	E	—	500,000	—	—	500,000	51.080	20.5.2020 – 19.5.2029
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
	20.5.2019	E	—	500,000	—	—	500,000	51.080	20.5.2020 – 19.5.2029
Mr Chi Chung Chan	20.3.2014	D	1,000,000	—	(400,000)	—	600,000	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
	20.5.2019	E	—	500,000	—	—	500,000	51.080	20.5.2020 – 19.5.2029
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
	20.5.2019	E	—	97,000	—	—	97,000	51.080	20.5.2020 – 19.5.2029
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
	20.5.2019	E	—	97,000	—	—	97,000	51.080	20.5.2020 – 19.5.2029
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
	20.5.2019	E	—	97,000	—	—	97,000	51.080	20.5.2020 – 19.5.2029

Share Options (continued)

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
Directors (continued)									
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	20.5.2019	E	—	97,000	—	—	97,000	51.080	20.5.2020 – 19.5.2029
	17.3.2017	D	150,000	—	(150,000)	—	—	32.100	17.3.2018 – 16.3.2027
	14.3.2018	E	100,000	—	(50,000)	—	50,000	47.900	14.3.2019 – 13.3.2028
Mr Johannes-Gerhard Hesse	20.5.2019	E	—	97,000	—	—	97,000	51.080	20.5.2020 – 19.5.2029
	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
Mr Manfred Kuhlmann (retired after the conclusion of the annual general meeting of the Company held on May 17, 2019)	20.5.2019	E	—	97,000	—	—	97,000	51.080	20.5.2020 – 19.5.2029
	17.3.2017	D	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
Total for directors			11,263,500	2,179,000	(3,555,000)	—	9,887,500		
Employees	16.11.2009	D	300,000	—	(250,000)	(50,000)	—	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
Total for employees			900,000	—	(280,000)	(50,000)	570,000		
Total for all categories			12,163,500	2,179,000	(3,835,000)	(50,000)	10,457,500		

The weighted average closing price of the Company's shares immediately before the date on which the share options were granted during 2019 was HK\$50.15 (2018: HK\$48.50).

The closing price of the Company's shares immediately before the date on which the share options were granted was HK\$50.15 in 2019 (2018: HK\$48.50).

The weighted average closing prices of the Company's shares immediately before various dates during 2019 and 2018 on which the share options were exercised were HK\$55.67 and HK\$46.63 respectively.

The fair value of the share options granted in 2019 measured at the date on which the share options were granted was HK\$12.69 (2018: HK\$11.82). The weighted average fair value of the share options granted in 2019 was HK\$12.69 (2018: HK\$11.82) 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, 2019, 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. ⁽¹⁾	94,073,945	(L)	5.14%
JPMorgan Chase & Co. ⁽²⁾	128,381,072	(L)	7.02%
	5,238,390	(S)	0.29%
	38,257,381	(LP)	2.09%
The Bank of New York Mellon Corporation ⁽³⁾	109,789,313	(L)	6.00%
	32,390,575	(S)	1.77%
	70,341,844	(LP)	3.84%

* (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	
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	
JPMorgan Chase & Co.	(2a)	—	—	128,381,072	(L) 7.02%
		—	—	5,238,390	(S) 0.29%
		—	—	38,257,381	(LP) 2.09%
China International Fund Management Co., Ltd.	(2b)	66,000	(L)	—	— 0.00%
JPMorgan Asset Management (Taiwan) Limited	(2b)	496,500	(L)	—	— 0.03%
J.P. Morgan Bank Luxembourg S.A. – Amsterdam Branch	(2b)	116,459	(L)	—	— 0.01%
J.P. Morgan AG	(2b)	329,000	(L)	—	— 0.02%
J.P. Morgan Bank Luxembourg S.A. – Stockholm Bankfilial	(2b)	489,500	(L)	—	— 0.03%
J.P. Morgan Securities LLC	(2b)	683,430	(L)	—	— 0.04%
		455,930	(S)	—	— 0.02%
JPMORGAN CHASE BANK, N.A. – LONDON BRANCH	(2b)	8,945,784	(L)	—	— 0.49%
J.P. Morgan Investment Management Inc.	(2b)	62,736,500	(L)	—	— 3.43%
JPMORGAN ASSET MANAGEMENT (UK) LIMITED	(2b)	3,880,500	(L)	—	— 0.21%
J.P. Morgan Prime Inc.	(2b)	21,500	(L)	—	— 0.00%
		21,500	(S)	—	— 0.00%
J.P. Morgan Bank (Ireland) Public Limited Company	(2b)	1,000	(L)	—	— 0.00%
JPMorgan Chase Bank, N.A. – Sydney Branch	(2b)	6,217,803	(L)	—	— 0.34%
J.P. Morgan Bank Luxembourg S.A. – Oslo Branch	(2b)	33,500	(L)	—	— 0.00%
J.P. Morgan Bank Luxembourg S.A.	(2b)	382,000	(L)	—	— 0.02%
JPMorgan Asset Management (Japan) Limited	(2b)	740,772	(L)	—	— 0.04%
J.P. Morgan Trust Company of Delaware	(2b)	39,225	(L)	—	— 0.00%
JPMorgan Chase Bank, National Association	(2b)	22,535,221	(L)	—	— 1.23%
JPMorgan Chase Bank, N.A. – Hong Kong Branch	(2b)	2,896,752	(L)	—	— 0.16%
JPMorgan Asset Management (Asia Pacific) Limited	(2b)	10,992,000	(L)	—	— 0.60%
J.P. Morgan (Suisse) SA	(2b)	617,818	(L)	—	— 0.03%
J.P. MORGAN SECURITIES PLC	(2b)	6,159,808	(L)	—	— 0.34%
		4,760,960	(S)	—	— 0.26%

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 ASSET MANAGEMENT (UK) LIMITED	(2b)	—	—	66,000	(L)	0.00%
JPMORGAN ASSET MANAGEMENT HOLDINGS (UK) LIMITED	(2b)	—	—	3,946,500	(L)	0.22%
JPMORGAN ASSET MANAGEMENT INTERNATIONAL LIMITED	(2b)	—	—	3,946,500	(L)	0.22%
JPMorgan Asset Management Holdings Inc.	(2b)	—	—	78,912,272	(L)	4.31%
JPMorgan Chase Holdings LLC	(2b)	—	—	79,656,427	(L)	4.35%
		—	—	477,430	(S)	0.03%
JPMorgan Asset Management (Asia) Inc.	(2b)	—	—	12,229,272	(L)	0.67%
J.P. Morgan Bank Luxembourg S.A.	(2b)	—	—	639,459	(L)	0.03%
J.P. Morgan International Finance Limited	(2b)	—	—	8,129,085	(L)	0.44%
		—	—	4,760,960	(S)	0.26%
JPMorgan Chase Bank, National Association	(2b)	—	—	26,189,424	(L)	1.43%
		—	—	4,760,960	(S)	0.26%
J.P. Morgan Broker-Dealer Holdings Inc.	(2b)	—	—	704,930	(L)	0.04%
		—	—	477,430	(S)	0.03%
J.P. Morgan Securities LLC	(2b)	—	—	21,500	(L)	0.00%
		—	—	21,500	(S)	0.00%
J.P. Morgan Equity Holdings, Inc.	(2b)	—	—	39,225	(L)	0.00%
J.P. MORGAN CAPITAL HOLDINGS LIMITED	(2b)	—	—	6,159,808	(L)	0.34%
		—	—	4,760,960	(S)	0.26%

Remarks:

- (2a) JPMorgan Chase & Co. is listed on New York Stock Exchange. The capacity of JPMorgan Chase & Co. in holding the 128,381,072 shares of long position, 5,238,390 shares of short position and 38,257,381 shares of lending pool respectively was as controlled corporation.
- (2b) China International Fund Management Co., Ltd., JPMorgan Asset Management (Taiwan) Limited, J.P. Morgan Bank Luxembourg S.A. – Amsterdam Branch, J.P. Morgan AG, J.P. Morgan Bank Luxembourg S.A.- Stockholm Bankfilial, J.P. Morgan Securities LLC, JPMORGAN CHASE BANK, N.A. – LONDON BRANCH, J.P. Morgan Investment Management Inc., JPMORGAN ASSET MANAGEMENT (UK) LIMITED, J.P. Morgan Prime Inc., J.P. Morgan Bank (Ireland) Public Limited Company, JPMorgan Chase Bank, N.A. – Sydney Branch, J.P. Morgan Bank Luxembourg S.A. – Oslo Branch, J.P. Morgan Bank Luxembourg S.A., JPMorgan Asset Management (Japan) Limited, J.P. Morgan Trust Company of Delaware, JPMorgan Chase Bank, National Association, JPMorgan Chase Bank, N.A. – Hong Kong Branch, JPMorgan Asset Management (Asia Pacific) Limited, J.P. Morgan (Suisse) SA, J.P. MORGAN SECURITIES PLC, JPMORGAN ASSET MANAGEMENT (UK) LIMITED, JPMORGAN ASSET MANAGEMENT HOLDINGS (UK) LIMITED, JPMORGAN ASSET MANAGEMENT INTERNATIONAL LIMITED, JPMorgan Asset Management Holdings Inc., JPMorgan Chase Holdings LLC, JPMorgan Asset Management (Asia) Inc., J.P. Morgan Bank Luxembourg S.A., J.P. Morgan International Finance Limited, JPMorgan Chase Bank, National Association, J.P. Morgan Broker-Dealer Holdings Inc., J.P. Morgan Securities LLC, J.P. Morgan Equity Holdings, Inc. and J.P. MORGAN CAPITAL HOLDINGS 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 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	(3a)	—	—	109,789,313	(L)	6.00%
		—	—	32,390,575	(S)	1.77%
		—	—	70,341,844	(LP)	3.84%
The Bank of New York Mellon	(3b)	109,732,758	(L)	—	—	6.00%
		32,390,575	(S)	—	—	1.77%
BNY MELLON, NATIONAL ASSOCIATION	(3b)	56,555	(L)	—	—	0.00%

Remarks:

- (3a) 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 109,789,313 shares of long position, 32,390,575 shares of short position and 70,341,844 shares of lending pool respectively was as controlled corporation.
- (3b) The Bank of New York Mellon and BNY MELLON, NATIONAL ASSOCIATION were all 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 these subsidiaries.

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, 2019.

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 74 to 121.

Sufficiency of Public Float

The Company has maintained a sufficient public float throughout the year ended December 31, 2019.

Donations

During the year, the Group made charitable and other donations totalling US\$2,539,000.

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 4, 2020