

CORPORATE GOVERNANCE CODE

During the financial period under review, all the code provisions set out in the Corporate Governance Code in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) were met by the Company, with the exception of two deviations, namely, (i) Code Provision A.2.1 (the “First Deviation”) providing for the roles of chairman and chief executive to be performed by different individuals; and (ii) Code Provision F.1.3 (the “Second Deviation”) providing for the company secretary to report to the board chairman or the chief executive.

Regarding the First Deviation, the relevant arrangement is deemed appropriate as it is considered to be more efficient for one single person to be the Chairman of the Company as well as to discharge the executive functions of a chief executive. The Board of Directors believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high calibre individuals, with more than half of them being Independent Non-executive Directors. As regards the Second Deviation, the Company Secretary of the Company has for some years directly reported to, and continues to report to, the Deputy Chairman of the Company, which is considered appropriate and reasonable given the size of the Group. In the view of the Directors, this reporting arrangement in no way adversely affects the efficient discharge by the Company Secretary of his job duties.

CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

A set of the Company’s own code of conduct (the “Company’s Code”) was adopted by the Company in 2014 to govern Directors’ securities transactions with terms thereof being no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Listing Rules. The Company has made specific enquiry of all Directors of the Company, and all the Directors have complied with the required standard set out in the Company’s Code during the period under review.

DIRECTORS' INTERESTS IN SECURITIES

(A) INTERESTS IN SHARES & DEBT SECURITIES

At 30 June 2019, Directors of the Company had the following interests, all being personal, beneficial and long position interests, in the shares and/or debt securities of the Company, of three subsidiaries of the Company, namely, The Wharf (Holdings) Limited ("WHL"), Wharf Real Estate Investment Company Limited ("Wharf REIC") and Wheelock Finance Limited, and also of Greentown China Holdings Limited, which is regarded as an associated corporation of the Company, and the percentages which the relevant shares represented as compared to the total number of shares in issue of the relevant companies respectively are also set out below:

	Quantity (percentage, where applicable) held
The Company	
Douglas C K Woo – Ordinary Shares	3,000,000 (0.15%)
Stephen T H Ng – Ordinary Shares	176,000 (0.01%)
Stewart C K Leung – Ordinary Shares	250,000 (0.01%)
Paul Y C Tsui – Ordinary Shares	300,000 (0.01%)
Ricky K Y Wong – Ordinary Shares	609,000 (0.03%)
WHL	
Stephen T H Ng – Ordinary Shares	1,509,445 (0.05%)
Kenneth W S Ting – Ordinary Shares	659,024 (0.02%)
Wharf REIC	
Stephen T H Ng – Ordinary Shares	1,009,445 (0.03%)
Kenneth W S Ting – Ordinary Shares	659,024 (0.02%)
Wheelock Finance Limited	
Ricky K Y Wong – HKD Guaranteed Notes due 2022	HK\$5,000,000
Greentown China Holdings Limited	
Ricky K Y Wong – USD Fixed Rate Notes due 2020	US\$600,000

Note: The interests in shares disclosed above do not include interests in share options of the Company and/or its subsidiary(ies) held by Directors of the Company as at 30 June 2019. Details of such interests in share options are separately set out below under subsections "(B) Interests in Share Options of the Company" and "(C) Interests in Share Options of WHL".

(B) INTERESTS IN SHARE OPTIONS OF THE COMPANY

Set out below are particulars and movement(s), if any, of all options (all being personal interests) held during the six months ended 30 June 2019 by Directors (and/or their respective associate(s)) of the Company to subscribe for ordinary shares of the Company (“Wheelock’s share(s)”) granted/exercisable under the share option scheme of the Company:

Name of Director	Total No. of Wheelock’s shares under option held as at 30 June 2019 (percentage based on all issued shares)	Date of grant (Day/Month/Year)	No. of Wheelock’s shares under option				Subscription price per share (HK\$)
			As at date of grant	As at 1 January 2019	Exercised during the period	As at 30 June 2019	
Douglas C K Woo	5,000,000 (0.24%)	07/07/2016	5,000,000	5,000,000	–	5,000,000	36.60
Stewart C K Leung	1,200,000 (0.06%)	07/07/2016	3,000,000	1,200,000	–	1,200,000	36.60
Paul Y C Tsui	900,000 (0.04%)	07/07/2016	1,500,000	900,000	–	900,000	36.60
Ricky K Y Wong	1,200,000 (0.06%)	07/07/2016	3,000,000	1,800,000	600,000 (Note b)	1,200,000	36.60

Notes:

- (a) *Regarding the share options granted to the abovementioned Directors on the date of grant as set out above, the share options as originally granted (i.e. the original total quantity of options granted on the date of grant) were/are vested in five tranches within a period of 5 years, with each tranche covering one-fifth of the options, i.e. exercisable to the extent of one-fifth of the total number of Wheelock’s shares under option, and with the 1st tranche exercisable from the day immediately following the date of grant, and the 2nd, 3rd, 4th and 5th tranches exercisable from the day immediately following the 1st, 2nd, 3rd and 4th anniversary dates of the date of grant respectively; all the options will lapse at the close of business on the 5th anniversary date of the date of grant.*
- (b) *The closing price of Wheelock’s shares immediately before the date of exercise of options by Mr Ricky K Y Wong (all exercised on the same day) during the period under review was HK\$58.65 per share.*

(C) INTERESTS IN SHARE OPTIONS OF WHL

There was in existence during the financial period a share option scheme of WHL (the “WHL’s Scheme”). Set out below are particulars and movement(s), if any, of all options (all being personal interests) held during the six months ended 30 June 2019 by Directors (and/or their respective associate(s)) of the Company to subscribe for ordinary shares of WHL (“WHL’s share(s)”) granted/exercisable under the WHL’s Scheme:

Name of Director	Total No. of WHL’s shares under option held as at 30 June 2019 (percentage based on all issued shares)	Date of grant (Day/Month/Year)	No. of WHL’s shares under option				Subscription price per share (HK\$)
			As at date of grant	As at 1 January 2019	Exercised during the period	As at 30 June 2019	
Stephen T H Ng	3,500,000 (0.11%)	07/07/2016	5,000,000	3,500,000	–	3,500,000	15.92
Paul Y C Tsui	900,000 (0.03%)	07/07/2016	1,500,000	900,000	–	900,000	15.92

Note: Regarding the share options granted to the abovementioned Directors on the date of grant as set out above, the share options as originally granted (i.e. the original total quantity of options granted on the date of grant) 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 total number of WHL’s shares under option, and with the 1st tranche exercisable from the day immediately following the date of grant, and the 2nd, 3rd, 4th and 5th tranches exercisable from the day immediately following the 1st, 2nd, 3rd and 4th anniversary dates of the date of grant respectively; all the options will lapse at the close of business on the 5th anniversary date of the date of grant.

Except as disclosed above:

- (1) no share option of the Company and/or WHL held by Directors of the Company and/or their associate(s) lapsed or was exercised or cancelled during the financial period and no share option of the Company and/or WHL was granted to any Director of the Company and/or any of their associate(s) during the financial period; and
- (2) as recorded in the register kept by the Company under Section 352 of the Securities and Futures Ordinance (“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 Listing Rules, there were no interests, both long and short positions, held as at 30 June 2019 by any of the Directors or Chief Executive of the Company in shares, underlying shares or debentures of the Company and/or 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/or its associated corporations held by any of them as at 30 June 2019.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

Given below are the names of all parties who/which were, directly or indirectly, interested in 5% or more of any class of voting shares of the Company as at 30 June 2019 and the respective relevant numbers of shares (percentages based on all issued 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"):

Names	Number (percentage) of Ordinary Shares
(i) Mr Peter K C Woo (Note 2)	286,836,652 (14.01%)
(ii) Mrs Bessie P Y Woo (Note 2)	286,836,652 (14.01%)
(iii) HSBC Trustee (C. I.) Limited	995,221,678 (48.58%)

Notes:

- (1) Duplication occurred in respect of the shareholdings stated against parties (i) and (ii) above to the extent that they represented the same block of shares.
- (2) For the purpose of disclosure of interests in share options of the Company and of WHL under the Listing Rules, Mr Douglas C K Woo is regarded as an associate of each of party (i) and party (ii). Particulars of Mr Douglas C K Woo's relevant share option interests (not included in the interests held by party (i) and party (ii) mentioned above) are set out above under subsections (B) and (C) in the section headed "Directors' Interests in Securities".

All the interests stated above represented long positions and as at 30 June 2019, there were no short position interests recorded in the Register.

SHARE OPTION SCHEMES

(A) DETAILS OF OUTSTANDING OPTIONS FOR SHARES OF THE COMPANY

Set out below are particulars and movement(s), if any, during the six months ended 30 June 2019 of all share options of the Company outstanding during the period (all such share options were granted to Directors of the Company working under employment contracts that are regarded as “continuous contracts” for the purposes of the Employment Ordinance and all being participants with options not exceeding the respective individual limits):

Date of grant (Day/Month/Year)	No. of Wheelock's shares under option			Vesting/Exercise Period (both dates inclusive) (Day/Month/Year)	Subscription price per share (HK\$)
	As at 1 January 2019	Exercised during the period	As at 30 June 2019		
07/07/2016:	1,000,000	–	1,000,000	08/07/2016 – 07/07/2021	36.60
	1,000,000	–	1,000,000	08/07/2017 – 07/07/2021	36.60
	1,900,000	600,000	1,300,000	08/07/2018 – 07/07/2021	36.60
	2,500,000	–	2,500,000	08/07/2019 – 07/07/2021	36.60
	2,500,000	–	2,500,000	08/07/2020 – 07/07/2021	36.60
Total:	8,900,000	600,000	8,300,000		

Notes:

- (1) The closing price of Wheelock's shares immediately before the date of exercise of the options (all exercised on the same day) during the financial period as abovementioned was HK\$58.65 per share.
- (2) Except as disclosed above, no share option of the Company lapsed or was granted, exercised or cancelled during the financial period.

(B) DETAILS OF OUTSTANDING OPTIONS FOR SHARES OF WHL

Set out below are particulars and movement(s), if any, during the six months ended 30 June 2019 of all WHL's share options outstanding during the period (all such share options were granted to employees and/or directors of WHL and/or its subsidiaries (some being also Directors of the Company), all working under employment contracts that are regarded as "continuous contracts" for the purposes of the Employment Ordinance and all being participants with options not exceeding the respective individual limits):

Date of grant (Day/Month/Year)	No. of WHL's shares under option		Exercised during the period	Vesting/Exercise Period (both dates inclusive) (Day/Month/Year)	Subscription price per share (HK\$)
	As at 1 January 2019	As at 30 June 2019			
07/07/2016:	-	-	-	08/07/2016 – 07/07/2021	15.92
	800,000	-	-	08/07/2017 – 07/07/2021	15.92
	2,300,000	-	-	08/07/2018 – 07/07/2021	15.92
	2,900,000	-	-	08/07/2019 – 07/07/2021	15.92
	2,900,000	-	-	08/07/2020 – 07/07/2021	15.92
Total:	8,900,000	-	-		

Note: Except as disclosed above, no share option of WHL lapsed or was granted, exercised or cancelled during the financial period.

CHANGES OF INFORMATION OF DIRECTORS

(A) Given below is the latest information regarding annual emoluments, calculated on an annualised basis for the year 2019 (and the year 2018), of all those Directors of the Company for whom there have been changes of amounts of emoluments since the publication of the last annual report of the Company:

Directors	#Salary and various allowances HK\$' 000	##Discretionary annual bonus in cash HK\$' 000
Douglas C K Woo	6,936 (2018: 6,480)	13,000 (2018: 15,000)
Stephen T H Ng	8,649 (2018: 8,392)	15,000 (2018: 41,640)
Stewart C K Leung	5,519 (2018: 5,501)	9,000 (2018: 12,000)
Paul Y C Tsui	5,643 (2018: 5,470)	8,000 (2018: 17,430)
Ricky K Y Wong	5,214 (2018: 4,968)	9,000 (2018: 10,000)

Not including the Chairman's fee of HK\$300,000 (2018: HK\$250,000) per annum and the Remuneration Committee Member's fee of HK\$50,000 (2018: HK\$50,000) per annum payable to Mr Douglas C K Woo and the Director's fee of HK\$250,000 (2018: HK\$200,000) per annum to each of the other Directors of the Company payable by the Company.

Paid during the six-month period ended 30 June 2019, with the amounts of such discretionary annual bonuses fixed/decided unilaterally by the employers.

- (B) Given below is the latest information regarding the directorships held at present and/or former directorship(s) (if any) held within the past three years in other listed public company(ies) in respect of any and all those Director(s) of the Company for whom there has/have been change(s) in the relevant information since the publication of the last annual report of the Company:

Director(s)	Present/(Former) directorship(s) in other listed public company(ies)
Stephen T H Ng	WHL; Wharf REIC; Harbour Centre Development Limited; Joyce Boutique Holdings Limited; Greentown China Holdings Limited (appointed in July 2019); (<i>i-CABLE Communications Limited</i>); (<i>Hotel Properties Limited</i>); (<i>Wheelock Properties (Singapore) Limited</i>)

PURCHASE, SALE OR REDEMPTION OF SHARES

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

RECORD DATE FOR INTERIM DIVIDEND

There will be no book closure for determining Shareholders' entitlements to the Interim Dividend, which will be paid on Tuesday, 17 September 2019 to Shareholders on record as at the close of business on Wednesday, 28 August 2019. In order to qualify for the abovementioned Interim Dividend, all share transfers, accompanied by the relevant share certificates, must be lodged with the Company's Registrars, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, 28 August 2019.

By Order of the Board

Wilson W S Chan

Company Secretary

Hong Kong, 12 August 2019

As at the date of this Interim Report, the Board of Directors of the Company comprises Mr Douglas C K Woo, Mr Stephen T H Ng, Mr Stewart C K Leung, Mr Paul Y C Tsui, Mr Ricky K Y Wong and Mrs Mignonne Cheng, together with seven Independent Non-executive Directors, namely, Mr Tak Hay Chau, Mr Winston K W Leong, Mr Alan H Smith, Mr Richard Y S Tang, Mr Kenneth W S Ting, Ms Nancy S L Tse and Dr Glenn S Yee.

Notwithstanding any choice of language or means for the receipt of corporate communications (viz. annual report, interim report, etc.) previously made by Shareholder(s) and communicated to the Company, Shareholder(s) has/have the option (which may be exercised at any time by giving reasonable prior notice to the Company) of changing the choice of printed language version(s) to English only, Chinese only or both English and Chinese for receiving future corporate communications, or changing the choice of receiving future corporate communications to using electronic means instead of in printed version (or vice versa). Such notice of change of choice should contain the full name(s) in English, address and contact telephone number of the relevant Shareholder(s), together with the relevant words (i.e. instruction in writing) regarding the request for the change of choice, and should be sent to the Company, c/o the Company's Registrars, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by post or by hand delivery, or via email to wheelockcompany-ecom@hk.tricorglobal.com.