

CORPORATE GOVERNANCE AND OTHER INFORMATION

MEMBERS OF THE BOARD, THE BOARD COMMITTEES AND THE EXECUTIVE DIRECTORATE

List of Members of the Board and the Executive Directorate and their Roles and Functions (as at 8 August 2019)

	Board Committees						
	Executive Committee	Audit Committee	Nominations Committee	Remuneration Committee	Capital Works Committee	Risk Committee	Corporate Responsibility Committee
Members of the Board							
Non-executive Directors							
Rex Auyeung Pak-kuen (Chairman)			M	M			C
James Henry Lau Jr (Secretary for Financial Services and the Treasury)			M	M			
Secretary for Transport and Housing (Frank Chan Fan)			M	M			
Permanent Secretary for Development (Works) (Lam Sai-hung)					M	M	
Commissioner for Transport (Mable Chan)		M				M	
Independent Non-executive Directors ("INED")							
Andrew Clifford Winawer Brandler		M					C
Walter Chan Kar-lok			M				M
Dr Pamela Chan Wong Shui			C				M
Dr Dorothy Chan Yuen Tak-fai				C	M		
Cheng Yan-kee				M	M		
Dr Anthony Chow Wing-kin				M	M		
Dr Eddy Fong Ching		C	M				
James Kwan Yuk-choi					M	M	
Rose Lee Wai-mun		M				M	
Lucia Li Li Ka-lai		M					M
Jimmy Ng Wing-ka					M		M
Benjamin Tang Kwok-bun				M		M	
Dr Allan Wong Chi-yun			M		C		
Johannes Zhou Yuan		M				M	
Executive Director							
Dr Jacob Kam Chak-pui (Chief Executive Officer)	C						M
Members of the Executive Directorate							
Dr Jacob Kam Chak-pui (Chief Executive Officer)	C						M
Roger Francis Bayliss (Projects Director)	M						
Margaret Cheng Wai-ching (Human Resources Director)	M						M
Dr Peter Ronald Ewen (Engineering Director)	M						
Herbert Hui Leung-wah (Finance Director)	M						
Adi Lau Tin-shing (Operations Director)	M						
Gillian Elizabeth Meller (Legal and European Business Director)	M						
Linda So Ka-pik (Corporate Affairs Director)	M						M
David Tang Chi-fai (Property Director)	M						
Jeny Yeung Mei-chun (Commercial Director)	M						

C: Chairman of the committee
M: Member of the committee

Corporate governance is the collective responsibility of the Members of the Board and the Board firmly believes that good corporate governance is fundamental in ensuring the proper management of the Company in the interests of all of its stakeholders. The Board is conscious about continuous improvement in the arena of corporate governance and takes prompt actions in responding to identified improvement opportunities.

CORPORATE GOVERNANCE CODE COMPLIANCE

During the six-month period ended 30 June 2019, the Company has complied with the Code Provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

BUSINESS ETHICS

Practising integrity and responsible business ethics is paramount to the Company's continued success. The Company's Code of Conduct lays down the requirements of the Company in terms of ethical practices and obliges staff to operate transparently and under the highest principles of fairness, impartiality and integrity in all of the places where the Company does business.

The Code of Conduct is reviewed and updated periodically to ensure appropriateness and compliance with corporate and regulatory requirements. Education programmes including seminars and mandatory computer-based training programmes are in place to raise staff awareness. Staff members are also encouraged to report existing or perceived violations or malpractices. Proper procedures have already been put in place pursuant to the whistle-blowing policy of the Company, under which staff members can raise their concerns in a safe environment and in complete confidence if they have genuine suspicions about wrongdoings.

To enable new recruits to embrace the Company's values and ethical commitments, they are briefed on the Code of Conduct as part of the staff induction programme. New recruits are also required to complete the mandatory computer-based training programmes within three months of joining the Company. The Code of Conduct is also uploaded onto the Company's website (www.mtr.com.hk).

In addition, the Code of Conduct serves as a guideline to establish a comparable ethical culture in our subsidiaries and associates in Hong Kong, the Mainland of China and overseas.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules (the "Model Code"). After having made specific enquiry, the Company confirms that all Members of the Board and (where applicable) their Alternate Directors, and all Members of the Executive Directorate have complied with the Model Code throughout the six-month period ended 30 June 2019.

Senior managers, other nominated managers and staff who, because of their office in the Company, are likely to be in possession of Inside Information (which term shall bear the same meaning as in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")) of the Company, have also been requested to comply with the provisions of the Model Code and have confirmed their compliance.

CHANGES DURING THE PERIOD FROM 1 JANUARY 2019 TO 8 AUGUST 2019

Changes in Composition of the Board

1. Mr Rex Auyeung Pak-kuen was appointed by the Board as a Non-executive Director of the Company with effect from 7 March 2019 and elected as a Board Member of the Company at the Company's Annual General Meeting held on 22 May 2019 (the "2019 AGM").

Pursuant to Article 117(a) of the Company's Articles of Association, The Financial Secretary Incorporated appointed Mr Auyeung as Chairman of the Company with effect from 1 July 2019 until 31 December 2021 (both dates inclusive). He also became the chairman of the Corporate Responsibility Committee and a member of each of the Nominations Committee and the Remuneration Committee of the Company, all with effect from the same time.

2. Mr Lincoln Leong Kwok-kuen retired from the position of Chief Executive Officer (the “CEO”) and ceased to be a member of each of the Board, the Executive Directorate and the Corporate Responsibility Committee of the Company, all with effect from 1 April 2019.
3. Dr Jacob Kam Chak-pui, a Member of the Executive Directorate of the Company and formerly Managing Director – Operations and Mainland Business, was appointed by the Board as the CEO, a member of each of the Board and the Corporate Responsibility Committee, of the Company, all with effect from 1 April 2019. Dr Kam was elected as a Board Member of the Company at the 2019 AGM.
4. Dr Pamela Chan Wong Shui, an INED and a member of each of the Nominations Committee and the Corporate Responsibility Committee of the Company, was appointed by the Board as the chairman of the Nominations Committee of the Company with effect from the conclusion of the 2019 AGM.
5. Mr Walter Chan Kar-lok was elected as a Board Member and became an INED of the Company with effect from the conclusion of the 2019 AGM, and was appointed by the Board as a member of each of the Nominations Committee and the Corporate Responsibility Committee of the Company, with effect from the same time.
6. Mr Cheng Yan-kee was elected as a Board Member and became an INED of the Company with effect from the conclusion of the 2019 AGM, and was appointed by the Board as a member of each of the Remuneration Committee and the Capital Works Committee of the Company, with effect from the same time.
7. Mr Jimmy Ng Wing-ka was elected as a Board Member and became an INED of the Company with effect from the conclusion of the 2019 AGM, and was appointed by the Board as a member of each of the Capital Works Committee and the Corporate Responsibility Committee of the Company, with effect from the same time.
8. Mr Vincent Cheng Hoi-chuen retired as an INED and ceased to be a member of each of the Remuneration Committee and the Corporate Responsibility Committee of the Company, all with effect from the conclusion of the 2019 AGM.
9. Mr Lau Ping-cheung, Kaizer retired as an INED and ceased to be a member of each of the Capital Works Committee and the Corporate Responsibility Committee of the Company, all with effect from the conclusion of the 2019 AGM.
10. Mr Abraham Shek Lai-him retired as an INED and ceased to be the chairman of the Nominations Committee and a member of the Capital Works Committee of the Company, all with effect from the conclusion of the 2019 AGM.
11. Professor Frederick Ma Si-hang retired from the position of Chairman and ceased to be a member of each of the Board, the Nominations Committee and the Remuneration Committee, and the chairman of the Corporate Responsibility Committee of the Company, upon expiration of his tenure after 30 June 2019.

Changes of Alternate Directors

1. Mr Joseph Chan Ho-lim (Under Secretary for Financial Services and the Treasury) and Ms Alice Lau Yim (Permanent Secretary for Financial Services and the Treasury (Treasury)) were appointed by Mr James Henry Lau Jr (Secretary for Financial Services and the Treasury), a Non-executive Director of the Company, as his Alternate Directors with effect from 2 May 2019.
2. Ms Rebecca Pun Ting-ting (Deputy Secretary for Transport and Housing (Transport)) (“DS for T&H (Transport)”) ceased to be an Alternate Director to the Secretary for Transport and Housing (“S for T&H”), a Non-executive Director of the Company, with effect from 15 July 2019.
3. Mrs Sharon Yip Lee Hang-yee (DS for T&H (Transport)) was appointed as an Alternate Director to S for T&H, a Non-executive Director of the Company, with effect from 15 July 2019.

Changes in Composition of the Executive Directorate

1. Mr Roger Francis Bayliss was appointed as Projects Director and became a Member of the Executive Directorate of the Company with effect from 18 March 2019.
2. Mr Lincoln Leong Kwok-kuen retired as the CEO and ceased to be a Member of the Executive Directorate of the Company with effect from 1 April 2019.

Changes in Information of Directors

Changes in information of Directors required to be disclosed pursuant to the Listing Rules are set out below:

(i) Changes in Biographical Details

Name of Director	Changes in Information	Nature and Effective Date of Change
Members of the Board		
Rex Auyeung Pak-kuen	Investor and Financial Education Council (Hong Kong) • Member of the Board of Directors (formerly Executive Committee)	Change of name of the governance body (29 March 2019)
	HSBC Provident Fund Trustee (Hong Kong) Limited • Independent Non-executive Director	Appointment (14 June 2019)
	Athenex Inc. • Senior Strategy and Business Advisor	Cessation (6 May 2019)
	Standard Life (Asia) Limited • Independent Non-executive Director	Cessation (30 June 2019)
	Sompo Insurance China Co., Ltd. • Independent Non-executive Director	Cessation (31 July 2019)
Commissioner for Transport (Mable Chan)	Tate's Cairn Tunnel Company Limited (In Members' Voluntary Liquidation) • Director	Cessation (22 October 2018)
Walter Chan Kar-lok	Harbourfront Commission (Hong Kong) • Member	Cessation (1 July 2019)
Dr Pamela Chan Wong Shui	The Community Chest of Hong Kong • Member of the Board of Directors	Appointment (27 June 2019)
Dr Dorothy Chan Yuen Tak-fai	The Chartered Institute of Logistics and Transport • Global Chairperson for Women in Logistics and Transport	Appointment (16 June 2019)
Dr Eddy Fong Ching	SC Digital Solutions Limited • Independent Non-executive Director	Appointment (26 April 2019)
Rose Lee Wai-mun	The Community Chest of Hong Kong • Vice Patron • Member of the Board of Directors • Deputy Chairman of the Executive Committee	• Appointment (27 June 2019) • Cessation (27 June 2019) • Cessation (27 June 2019)
Jimmy Ng Wing-ka	Glorious Sun Enterprises Limited • Independent Non-executive Director	Appointment (8 June 2019)
	Security Bureau (Hong Kong) • Chairman of HKSAR Passports Appeal Board	Appointment (1 July 2019)
Abraham Shek Lai-him (Retired on 22 May 2019)	Chuang's China Investments Limited • Honorary Chairman • Chairman of the Board	• Appointment (29 April 2019) • Cessation (29 April 2019)
Benjamin Tang Kwok-bun	Croucher Foundation • Member of the Audit Committee	Cessation (31 July 2019)
Members of the Executive Directorate		
Dr Jacob Kam Chak-pui	The Hong Kong General Chamber of Commerce • Member of the General Committee	Appointment (1 April 2019)
	International Association of Public Transport (UITP) • Chairman of the Regional and Suburban Railways Division (formerly the Regional and Suburban Railways Assembly)	Change of name of the governance body (23 November 2018)
Margaret Cheng Wai-ching	Labour Department (Hong Kong) • Member of the Labour Advisory Board Committee on Employment Services	Appointment (1 January 2019)
	Education Bureau (Hong Kong) • Member of the Standing Committee on Language Education and Research	Cessation (1 July 2019)
Adi Lau Tin-shing	International Association of Public Transport (UITP) • Chairman of the Asia-Pacific Urban Rail Platform	Cessation (22 March 2019)
David Tang Chi-fai	West Kowloon Cultural District Authority (Hong Kong) • Co-opted Member of the Public Private Partnership Projects Committee under the board	Appointment (6 March 2019)
	Urban Renewal Authority (Hong Kong) • Non-executive Director	Cessation (1 May 2019)
Jeny Yeung Mei-chun	Immigration Department (Hong Kong) • Non-official Member of Users' Committee	Appointment (1 January 2019)
	Social Welfare Department (Hong Kong) • Member of the Advisory Committee on Enhancing Employment of People with Disabilities	Appointment (1 January 2019)
	SC Digital Solutions Limited • Independent Non-executive Director	Appointment (2 May 2019)
	Hong Kong Tourism Board • Member	Cessation (1 April 2019)

Full biographical details of the Directors are available on the Company's website (www.mtr.com.hk)

(ii) Changes in Directors' Remuneration

- Dr Pamela Chan Wong Shui became the chairman (previously a member) of the Company's Nominations Committee with effect from the conclusion of the 2019 AGM held on 22 May 2019. As a result, the annual fee payable to her by the Company has increased from HK\$420,000 to HK\$470,000 per annum effective 22 May 2019. The actual fee receivable by Dr Chan for the year ending 31 December 2019 will be calculated on a pro rata basis.
- Mr Rex Auyeung Pak-kuen, a Non-executive Director of the Company, became the Chairman, the chairman of the Corporate Responsibility Committee and a member of each of the Nominations Committee and the Remuneration Committee, of the Company with effect from 1 July 2019. As a result, the fee payable to him by the Company has increased to HK\$1,730,000 per annum with effect from 1 July 2019. The actual fee receivable by Mr Auyeung for the year ending 31 December 2019 will be calculated on a pro rata basis.

INDUCTION PROGRAMME, TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT

On appointment, new Members of the Board (including Government nominated Directors), Alternate Directors and Members of the Executive Directorate are given a comprehensive, formal and tailored induction programme which covers:

- the roles of a director from the strategic, planning and management perspectives, as well as the essence of corporate governance and the trends in these areas; and
- the general and specific duties of a director under general law (common law and legislation) and the Listing Rules.

In addition to the above, a Familiarization Programme to understand the key areas of the Company's business and operations is also provided.

Induction and familiarization programmes have been or will be provided to Mr Rex Auyeung Pak-kuen, Mr Walter Chan Kar-lok, Mr Cheng Yan-kee and Mr Jimmy Ng Wing-ka, the new Board Members, Mr Joseph Chan Ho-lim, Ms Alice Lau Yim and Mrs Sharon Yip Lee Hang-ye, the new Alternate Directors, and Mr Roger Francis Bayliss, the new Member of the Executive Directorate.

To assist Members of the Board and the Executive Directorate in continuing their professional development, the Company Secretary recommends them to attend relevant seminars and courses at the cost of the Company.

Save for the above, materials on the subject of corporate governance and e-learning provided by The Stock Exchange of Hong Kong Limited (the "HKSE") are also provided/notified to Members of the Board, Alternate Directors and Members of the Executive Directorate from time to time to keep them abreast of latest developments on this front.

BOARD MEETINGS

The Board held eight meetings (three Regular Meetings, three Special Meetings and two Private Meetings) during the six-month period ended 30 June 2019.

Regular Meetings

At these Regular Meetings, the Board reviewed, discussed and, where appropriate, approved matters relating to the Company's businesses, operations and financial performance. In particular, the following key matters were discussed at these Regular Meetings:

- Corporate Governance matters, including:
 - Review of the Board's structure and composition, and its corporate governance functions;
 - Review of Enterprise Risk Management Annual Report 2018 and the effectiveness of the Company's risk management and internal control systems;
 - Assessment of the independence of the INEDs;
 - Receipt of the proceedings of various Board Committee meetings and an MTR Academy Council meeting;
 - Receipt of shareholder analysis and investors' feedback;

- Approval of Sustainability Report 2018;
- Appointment of new Members of the Board; and
- Approval of Nomination Policy;
- 2019 AGM:
 - Recommendation of the election / re-election of Retiring Members of the Board and election of new Members of the Board; and
 - Recommendation of the renewal of the Scrip Dividend Scheme;
- Operations:
 - Review of 2018 train service performance;
 - Receipt of updates on the Tsuen Wan Line incident on 18 March 2019; and
 - Contract award for lifts and escalators maintenance services;
- Projects:
 - Receipt of updates on the Shatin to Central Link project and related matters;
- Mainland China and International Business:
 - Receipt of updates on Mainland China Business and Business Development; and
 - Receipt of updates on Macau Business and Business Development;
- Property:
 - Award of contract for fitting out works of an investment property;
- Commercial and Marketing:
 - Review of the principles for revising the Company's fares under the Fare Adjustment Mechanism (the "FAM"); and
 - Approval of the Controlled Fares for 2019 under the FAM;
- Financial:
 - Approval of 2018 Annual Report and Accounts.

Special Meetings

Three special meetings were held to consider matters relating to the Shatin to Central Link project, the Tsuen Wan Line incident on 18 March 2019 and the tender arrangement for a property development project.

Private Meetings

A private meeting was held in January 2019 for the Board to consider an internal policy matter and a senior executive appointment. The Legal and European Business Director and the Human Resources Director were invited to attend.

Another private meeting was held in March 2019 to consider the appointment of the new CEO, which the former CEO, the Legal and European Business Director and the Human Resources Director were invited to attend.

COMMUNICATION WITH SHAREHOLDERS

Annual General Meeting

The Company's 2019 AGM was held on 22 May 2019. The Chairman continued his practice of proposing separate resolutions for each substantially separate matter.

A total of 13 resolutions were passed at the 2019 AGM (with resolution no. 3 comprising four separate resolutions), each supported by over 98% of the votes cast. The full text of the resolutions is set out in the 2019 AGM Circular (which comprised Notice of the 2019 AGM) dated 12 April 2019.

All resolutions at the 2019 AGM were passed by way of a poll, and the poll results were posted on the respective websites of the Company (www.mtr.com.hk) and the HKSE on the same day after the 2019 AGM.

For the benefit of the Company's shareholders who did not attend the 2019 AGM, the whole proceedings were webcast and posted on the Company's website in the same evening. Minutes of the 2019 AGM is made available on the Company's website (www.mtr.com.hk).

CONSTITUTIONAL DOCUMENT

The Company's Articles of Association (in both English and Chinese) are available on the websites of both the Company (www.mtr.com.hk) and the HKSE. During the six-month period ended 30 June 2019, there was no change to the Company's Articles of Association.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2019, the interests or short positions of the Members of the Board and the Executive Directorate in the shares, underlying shares and debentures of the Company (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the HKSE pursuant to the Model Code, were as follows:

Members of the Board/ Alternate Directors/ Members of the Executive Directorate	No. of ordinary shares held			No. of share options [‡]	No. of award shares [‡]	Total interests	Percentage of aggregate interests to total no. of voting shares in issue ^Δ
	Personal interests*	Family interests [†]	Other interests	Personal interests*	Personal interests*		
Professor Frederick Ma Si-hang (Note 1)	–	270,000 (Note 1)	270,000 (Note 1)	–	–	270,000	0.00440
Dr Jacob Kam Chak-pui	281,171	–	–	–	333,984	615,155	0.01002
Dr Pamela Chan Wong Shui	9,072	1,675 (Note 2)	–	–	–	10,747	0.00017
Cheng Yan-kee (Note 3)	–	2,000 (Note 3)	–	–	–	2,000	0.00003
Rose Lee Wai-mun	3,350 (Note 4)	–	–	–	–	3,350	0.00005
Lucia Li Li Ka-lai	–	1,614 (Note 5)	2,215 (Note 5)	–	–	3,829	0.00006
Alice Lau Yim (Note 6)	1,116	–	–	–	–	1,116	0.00002
Mak Shing-cheung	558	8,058 (Note 7)	–	–	–	8,616	0.00014
Dr Raymond So Wai-man	–	1,675 (Note 8)	–	–	–	1,675	0.00003
Roger Francis Bayliss (Note 9)	–	–	–	–	30,150	30,150	0.00049
Margaret Cheng Wai-ching	92,529	–	–	–	108,194	200,723	0.00327
Dr Peter Ronald Ewen	46,698	–	–	–	76,135	122,833	0.00200
Herbert Hui Leung-wah	42,660	2,233 (Note 10)	–	–	–	78,785	0.00201
Adi Lau Tin-shing	89,521	–	–	26,000	83,567	199,088	0.00324
Gillian Elizabeth Meller	105,800	–	–	–	79,950	185,750	0.00302
Linda So Ka-pik	71,536	–	–	–	79,817	151,353	0.00246
David Tang Chi-fai	190,550	–	–	–	84,634	275,184	0.00448
Jeny Yeung Mei-chun	664,753	–	–	–	84,267	749,020	0.01220

Notes

As at 30 June 2019,

- 1 Professor Frederick Ma Si-hang retired as Chairman, a Member of the Board, chairman of the Corporate Responsibility Committee and a member of each of the Nominations Committee and the Remuneration Committee, of the Company, all with effect from 1 July 2019. The 270,000 shares were indirectly held by The Ma Family Trust established by Professor Ma for himself and his family of which his spouse was also a beneficiary.
- 2 The 1,675 shares were held by Dr Pamela Chan Wong Shui's spouse.
- 3 Mr Cheng Yan-kee was elected as a Member of the Board and became an INED of the Company, with effect from the conclusion of the 2019 AGM and was appointed by the Board as a member of each of the Remuneration Committee and the Capital Works Committee of the Company, with effect from the same time. The 2,000 shares were held by Mr Cheng's spouse.
- 4 At the time of her election as a Director of the Company, Ms Rose Lee Wai-mun had an interest in 3,350 shares.
- 5 The 1,614 shares were held by Mrs Lucia Li Li Ka-lai's spouse and the 2,215 shares were jointly held by Mrs Li and her spouse.
- 6 Ms Alice Lau Yim (Permanent Secretary for Financial Services and the Treasury (Treasury)) has been appointed by Mr James Henry Lau Jr (Secretary for Financial Services and the Treasury), a Non-executive Director of the Company, as his Alternate Director with effect from 2 May 2019.
- 7 The 8,058 shares were held by Mr Mak Shing-cheung's spouse.
- 8 The 1,675 shares were held by Dr Raymond So Wai-man's spouse.
- 9 Mr Roger Francis Bayliss was appointed as Projects Director and became a Member of the Executive Directorate of the Company, with effect from 18 March 2019.
- 10 The 2,233 shares were held by Mr Herbert Hui Leung-wah's spouse.

Details of the share options and award shares are set out in the sections headed "2007 Share Option Scheme" and "Executive Share Incentive Scheme" respectively on pages 42 to 44

* Interests as beneficial owner

† Interests of spouse or child under 18 as beneficial owner

Δ The Company's total number of voting shares in issue as at 30 June 2019 was 6,141,984,589

Save as disclosed above and in the sections headed “2007 Share Option Scheme” and “Executive Share Incentive Scheme”:

- A as at 30 June 2019, no Member of the Board or the Executive Directorate of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO); and
- B during the six-month period ended 30 June 2019, no Member of the Board or the Executive Directorate of the Company nor any of their spouses or children under 18 years of age held any rights to subscribe for equity or debt securities of the Company nor had there been any exercises of any such rights by any of them,

as recorded in the register kept by the Company under section 352 of the SFO or otherwise notified to the Company and the HKSE pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

Set out below is the name of the party which was interested in 5% or more of all the Company's voting shares in issue and the number of shares in which it was interested as at 30 June 2019 as recorded in the register kept by the Company under section 336 of the SFO:

Name	No. of ordinary shares held	Percentage of ordinary shares to all the voting shares in issue ^Δ
The Financial Secretary Incorporated (“FSI”) (in trust on behalf of Government)	4,634,173,932	75.45%

^Δ The Company's total number of voting shares in issue as at 30 June 2019 was 6,141,984,589

The Company has been informed by the Hong Kong Monetary Authority that, as at 30 June 2019, approximately 0.35% of the ordinary shares of the Company in issue (not included in the FSI shareholding set out in the above table) were held for the account of the Exchange Fund. The Exchange Fund is a fund established under the Exchange Fund Ordinance (Cap. 66 of the Laws of Hong Kong) under the control of the Financial Secretary.

OTHER PERSONS' INTERESTS

Pursuant to section 337 of the SFO, the Company has maintained a register recording the shareholding information provided by persons in response to the Company's requests pursuant to section 329 of the SFO.

Save as disclosed above and in the sections headed “Directors' Interests in Shares and Underlying Shares of the Company” and “Substantial Shareholders' Interests”, as at 30 June 2019, the Company has not been notified of any other persons who had any interests or short positions in the shares or underlying shares of the Company which would be required to be recorded in the register kept by the Company pursuant to section 336 of the SFO.

2007 SHARE OPTION SCHEME

Movements in the outstanding share options to subscribe for ordinary shares of the Company granted under the 2007 Share Option Scheme during the six-month period ended 30 June 2019 are set out below:

Member of the Executive Directorate and eligible employees	Date granted	Options granted (Notes 1 to 3)	Period during which rights exercisable (day/month/year)	Options outstanding as at 1 January 2019	Options vested during the period	Options lapsed during the period	Options exercised during the period	Exercise price per share of options (HK\$)	Options outstanding as at 30 June 2019	Weighted average closing price of shares immediately before the date(s) on which options were exercised (HK\$)
Adi Lau Tin-shing	30/5/2014	80,000	23/5/2015 – 23/5/2021	26,000	–	–	–	28.65	26,000	–
Other eligible employees	30/3/2012	15,868,500	23/3/2013 – 23/3/2019	840,000	–	–	840,000	27.48	–	46.40
	6/5/2013	20,331,500	26/4/2014 – 26/4/2020	2,709,000	–	–	813,000	31.40	1,896,000	47.81
	30/5/2014	19,812,500	23/5/2015 – 23/5/2021	4,595,500	–	–	846,000	28.65	3,749,500	47.47

Notes

- No option may be exercised later than seven years after its date of offer and no option may be offered to be granted more than seven years after the adoption of the 2007 Share Option Scheme on 7 June 2007. The 2007 Share Option Scheme expired at 5.00 p.m. on 6 June 2014, with no further option granted since then.*
- The exercise price of the share options is determined upon the offer of grant of the options and should not be less than the greatest of (a) the average closing price per share of the Company for the five business days immediately preceding the date of offer of such options; (b) the closing price per share of the Company on the date of offer of such options, which must be a business day; and (c) the nominal value per share of the Company immediately before 3 March 2014.*
- The share options granted were subject to a vesting schedule in tranches of one-third each per annum starting from the first anniversary of the date of offer of the options (the "Offer Anniversary") and became fully vested on the third Offer Anniversary.*

EXECUTIVE SHARE INCENTIVE SCHEME

The Company adopted the Executive Share Incentive Scheme (formerly the "2014 Share Incentive Scheme") on 15 August 2014. The purposes of the Executive Share Incentive Scheme are to retain management and key employees, to align participants' interests with the long-term success of the Company and to drive the achievement of strategic objectives of the Company.

The Remuneration Committee may, from time to time, at its absolute discretion, determine the criteria for any eligible employee to participate in the Executive Share Incentive Scheme as award holders in accordance with the rules of the Executive Share Incentive Scheme. An award holder may be granted an award of Restricted Shares and/or Performance Shares (together, the "Award Shares").

Restricted Shares are awarded to selective eligible employees and vested ratably over three years in equal tranches (unless otherwise determined by the Remuneration Committee). Performance Shares are awarded to eligible employees generally on a three-year performance cycle ("Performance Period"), subject to review and approval by the Remuneration Committee from time to time. The vesting of the Performance Shares is subject to the performance of the Company, assessed by reference to certain pre-determined performance metrics approved by the Board for the relevant Performance Period and such other performance conditions as determined by the Remuneration Committee from time to time.

The Award Shares to be granted under the Executive Share Incentive Scheme are issued ordinary shares in the capital of the Company. In general, the Company will pay to the third party trustee (the "Trustee") monies and may give directions or a recommendation to the Trustee to apply such amount of monies and/or such other net amount of cash derived from the ordinary shares of the Company held as part of the funds of the trust to acquire existing ordinary shares of the Company from the market. Such ordinary shares will be held on trust by the Trustee for the relevant award holders. The Trustee shall not exercise any voting rights in respect of any ordinary shares of the Company held in the trust and no award holder is entitled to instruct the Trustee to exercise the voting rights in respect of any unvested Award Shares.

As part of the overall governance of the Executive Share Incentive Scheme, the Company reviews the scheme features on a regular basis to ensure continued relevance and effectiveness.

The maximum number of Award Shares that may at any time be the subject of an outstanding award granted under the Executive Share Incentive Scheme shall not exceed 2.5% of the number of issued ordinary shares of the Company as at 1 January 2015, the effective date of the Executive Share Incentive Scheme (the "Effective Date").

For the six-month period ended 30 June 2019, a total of 2,306,800 Award Shares (2018: 4,061,850 Award Shares) were awarded under the Executive Share Incentive Scheme. As at 30 June 2019, a total of 5,821,942 Award Shares (2018: 6,212,053 Award Shares) were neither vested, lapsed nor had been forfeited, representing 0.10% of the issued ordinary shares of the Company (2018: 0.11%) as at the Effective Date.

The particulars of the Award Shares granted are as follows:

Members of the Executive Directorate and eligible employees	Date of award	Types of Award Shares granted		Award Shares outstanding as at 1 January 2019	Award Shares vested during the period	Award Shares lapsed and/or forfeited during the period	Award Shares outstanding as at 30 June 2019
		Restricted Shares	Performance Shares				
Lincoln Leong Kwok-kuen (Note 1)	8/4/2016	64,850	–	21,618	21,618	–	–
	10/4/2017	63,900	–	42,600	42,600	–	–
	16/3/2018	80,000	–	80,000	80,000	–	–
	10/4/2018	73,300	239,950	313,250	73,300	–	239,950
Dr Jacob Kam Chak-pui	8/4/2016	21,550	–	7,184	7,184	–	–
	10/4/2017	22,050	–	14,700	7,350	–	7,350
	10/4/2018	25,550	50,450	76,000	8,516	–	67,484
	1/4/2019	120,000	–	–	–	–	120,000
Roger Francis Bayliss (Note 2)	8/4/2019	47,400	91,750	–	–	–	139,150
	8/4/2019	–	30,150	–	–	–	30,150
Margaret Cheng Wai-ching	19/8/2016	71,428	–	23,810	–	–	23,810
	10/4/2017	16,950	30,400	11,300	5,650	–	5,650
	10/4/2018	17,600	50,450	68,050	5,866	–	62,184
	8/4/2019	16,550	–	–	–	–	16,550
Dr Peter Ronald Ewen	10/4/2017	15,050	–	10,034	5,016	–	5,018
	10/4/2018	12,250	50,450	62,700	4,083	–	58,617
	8/4/2019	12,500	–	–	–	–	12,500
Herbert Hui Leung-wah	10/4/2017	15,200	30,400	10,134	5,066	–	5,068
	10/4/2018	14,200	50,450	64,650	4,733	–	59,917
	8/4/2019	13,800	–	–	–	–	13,800
Adi Lau Tin-shing	8/4/2016	8,400	–	2,800	2,800	–	–
	10/4/2017	17,700	25,050	11,800	5,900	–	5,900
	10/4/2018	16,450	50,450	66,900	5,483	–	61,417
	8/4/2019	16,250	–	–	–	–	16,250
Gillian Elizabeth Meller	8/4/2016	17,300	–	5,768	5,768	–	–
	10/4/2017	16,200	–	10,800	5,400	–	5,400
	10/4/2018	16,050	50,450	66,500	5,350	–	61,150
	8/4/2019	13,400	–	–	–	–	13,400
Linda So Ka-pik	8/4/2016	16,400	44,050	5,468	5,468	–	–
	10/4/2017	15,300	–	10,200	5,100	–	5,100
	10/4/2018	14,200	50,450	64,650	4,733	–	59,917
	8/4/2019	14,800	–	–	–	–	14,800

Members of the Executive Directorate and eligible employees	Date of award	Types of Award Shares granted		Award Shares outstanding as at 1 January 2019	Award Shares vested during the period	Award Shares lapsed and/or forfeited during the period	Award Shares outstanding as at 30 June 2019
		Restricted Shares	Performance Shares				
David Tang Chi-fai	8/4/2016	17,950	–	5,984	5,984	–	–
	10/4/2017	17,250	–	11,500	5,750	–	5,750
	10/4/2018	16,850	50,450	67,300	5,616	–	61,684
	8/4/2019	17,200	–	–	–	–	17,200
Jeny Yeung Mei-chun	8/4/2016	18,850	–	6,284	6,284	–	–
	10/4/2017	17,700	–	11,800	5,900	–	5,900
	10/4/2018	17,350	50,450	67,800	5,783	–	62,017
	8/4/2019	16,350	–	–	–	–	16,350
Other eligible employees	8/4/2016	2,199,700	107,450	589,668	585,532	4,136	–
	10/4/2017	1,994,050	26,350	1,162,593	586,446	10,585	565,562
	10/4/2018	1,954,800	1,028,450	2,784,450	616,486	77,717	2,090,247
	8/4/2019	1,773,900	122,750	–	4,450	5,500	1,886,700

Notes

- 1 Mr Lincoln Leong Kwok-kuen retired as the Chief Executive Officer, and as a member of the Board, the Corporate Responsibility Committee and the Executive Directorate of the Company, all with effect from 1 April 2019.
- 2 Mr Roger Francis Bayliss was appointed as Projects Director and became a Member of the Executive Directorate of the Company, with effect from 18 March 2019.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Group did not purchase, sell or redeem any of the Group's listed securities during the six-month period ended 30 June 2019. However, the Trustee of the Executive Share Incentive Scheme, pursuant to the terms of the rules and the trust deed of the Executive Share Incentive Scheme, purchased on the HKSE a total of 1,870,000 ordinary shares of the Company for a total consideration of approximately HK\$88 million during the same period (2018: HK\$239 million).

LOAN AGREEMENTS WITH COVENANT RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDER

As at 30 June 2019, the Group had borrowings of HK\$30,096 million (2018: HK\$30,761 million) with maturities ranging from 2019 to 2055 and undrawn committed banking facilities of HK\$6,271 million (2018: HK\$18,077 million), which were subject to the condition that Government, being the Company's controlling shareholder, owns more than half of all the Company's voting shares in issue. Failure to satisfy such condition may result in immediate repayment of the borrowings being demanded and cancellation of the undrawn committed banking facilities.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Company's shareholders' entitlement to the 2019 interim dividend, the Register of Members of the Company was closed from 23 August 2019 to 28 August 2019 (both days inclusive) during which time no transfers of shares in the Company were effected. To qualify for the 2019 interim dividend, all completed transfer documents, accompanied by the relevant share certificates, had to be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 22 August 2019 (Hong Kong time). The 2019 interim dividend, with a scrip dividend option (except for shareholders with registered addresses in New Zealand or the United States of America or any of its territories or possessions), is expected to be distributed on 11 October 2019 to shareholders whose names appeared on the Register of Members of the Company as at the close of business on 28 August 2019.