

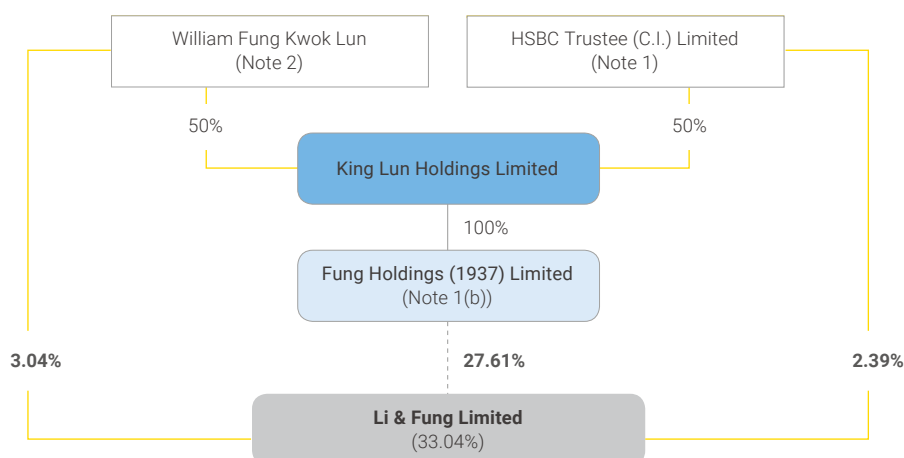
Directors' Interests

As at 30 June 2019, the Directors and chief executives of the Company and their associates had the following interests in the Shares, underlying shares and debentures of the Company and its associated corporations (as defined under 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 Stock Exchange pursuant to the Model Code:

(A) Long Positions in Shares, Underlying Shares and Debentures of the Company

Name of Director	Number of Shares				Total	Percentage of Issued Share Capital ⁸
	Personal Interest	Family Interest	Trust/ Corporate Interest	Equity Derivatives (Share Options)		
Victor Fung Kwok King	2,814,444	–	2,551,966,180 ¹	–	2,554,780,624	30.03%
William Fung Kwok Lun	177,501,260	108,800	2,427,305,472 ²	2,503,000 ⁷	2,607,418,532	30.65%
Spencer Theodore Fung	3,002,000	–	2,556,954,180 ^{1&3}	5,523,000 ⁷	2,565,479,180	30.16%
Marc Robert Compagnon	2,325,400	14,000	16,939,380 ⁴	5,315,000 ⁷	24,593,780	0.29%
Joseph C. Phi	4,629,078	38,000	4,314,600 ⁵	1,106,000 ⁷	10,087,678	0.12%
Martin Tang Yue Nien	60,000	–	60,000 ⁶	–	120,000	0.00%

The following simplified chart illustrates the deemed interests of Victor Fung Kwok King and Spencer Theodore Fung under Note (1) below and the interest of William Fung Kwok Lun under Note (2) below:



NOTES:

As at 30 June 2019,

- (1) Victor Fung Kwok King and Spencer Theodore Fung (son of Victor Fung Kwok King and as his family member) were each deemed to have interests in 2,551,966,180 Shares held in the following manner:
 - (a) 203,012,308 Shares were indirectly held by HSBC Trustee (C.I.) Limited through its wholly-owned subsidiary, First Island Developments Limited. HSBC Trustee is the trustee of a trust established for the benefit of the family members of Victor Fung Kwok King (the "Trust"); and
 - (b) 2,195,727,908 Shares were directly held by Fung Holdings (1937) Limited, a wholly-owned subsidiary of King Lun Holdings Limited, and 153,225,964 Shares were indirectly held by FH (1937) through its wholly-owned subsidiary, Fung Distribution International Limited. King Lun is a company owned 50% by HSBC Trustee as trustee of the Trust and 50% by William Fung Kwok Lun.
- (2) 26,114,400 Shares and 50,294,200 Shares were held by Golden Step Limited and Step Dragon Enterprise Limited respectively, both companies are beneficially owned by William Fung Kwok Lun. 2,348,953,872 Shares were indirectly held by King Lun as mentioned in Note (1)(b) above. 1,943,000 Shares represented the interests in Award Shares granted by the Company and remained unvested. Details on such Award Shares are set out in "Share Award Scheme" section stated below.
- (3) Out of 2,556,954,180 Shares, 4,988,000 Shares represented the interests in Award Shares granted by the Company and remained unvested. Details on such Award Shares are set out in "Share Award Scheme" section stated below. The balance of 2,551,966,180 Shares represented the deemed interests of Spencer Theodore Fung as mentioned in Note (1) above.
- (4) Out of 16,939,380 Shares, 4,649,600 Shares represented the interests in Award Shares granted by the Company and remained unvested. Details on such Award Shares are set out in "Share Award Scheme" section stated below. The balance of 12,289,780 Shares were held by Profit Snow Holdings Limited, a company beneficially owned by Marc Robert Compagnon.
- (5) 4,314,600 Shares represented the interests in Award Shares granted by the Company and remained unvested. Details on such Award Shares are set out in "Share Award Scheme" section stated below.
- (6) 60,000 Shares were held by a trust of which Martin Tang Yue Nien is a beneficiary.
- (7) These interests represented the interests in underlying shares in respect of Share Options granted by the Company to these Directors as beneficial owners, the details of which are set out in the "Share Option Schemes" section stated below.
- (8) The approximate percentages were calculated based on 8,506,586,006 shares in issue as at 30 June 2019.

(B) Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 30 June 2019, none of the Directors and chief executives of the Company or their associates had any short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (as defined under 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 Stock Exchange pursuant to the Model Code.

(C) Share Options and Award Shares

The interests of the Directors and chief executives in the Share Options (being regarded as unlisted physically settled equity derivatives) and Awards Shares are detailed in the "Long-term Incentive Schemes" section stated below.

Save as disclosed above, at no time during the year did the Directors and chief executives (including their spouses and children under 18 years of age) have any interest in, or were granted, or exercised, any rights to subscribe for Shares (or warrants or debentures, if applicable) in the Company or its associated corporations, as required to be disclosed pursuant to the SFO.

Long-term Incentive Schemes

(A) Share Option Schemes

2003 OPTION SCHEME

Pursuant to the terms of the 2003 Option Scheme, the 2003 Option Scheme is valid and effective for a period of 10 years commencing on the adoption date and expiring on the tenth anniversary of the adoption date. Accordingly, the 2003 Option Scheme expired on 11 May 2013 and no further options could thereafter be granted under the 2003 Option Scheme. However, all remaining provisions remain in full force and effect to govern the exercise of all the Share Options granted under the 2003 Option Scheme prior to its expiration.

As at 30 June 2019, there were Share Options relating to 8,000,000 Shares granted by the Company representing 0.09% of the issued Shares as at the date of this Report pursuant to the 2003 Option Scheme which were valid and outstanding.

2014 OPTION SCHEME

The 2014 Option Scheme was adopted by the Shareholders at the annual general meeting of the Company held on 15 May 2014. As at 30 June 2019, there were Share Options relating to 27,973,000 Shares granted by the Company representing 0.33% of the issued Shares as at the date of this Report pursuant to the 2014 Option Scheme which were valid and outstanding.

Details of the Share Options granted under the 2003 Option Scheme and the 2014 Option Scheme that remain outstanding as at 30 June 2019 are as follows:

Grant Date	Exercise Price HK\$	Grantees	Number of Share Options			Exercisable period
			As at 1/1/2019	Lapsed	As at 30/6/2019	
2003 Option Scheme						
22/12/2011	12.12 ¹	Spencer Theodore Fung	5,000,000	(1,000,000)	4,000,000	Exercisable in five equal tranches during the period from 1/5/2017 to 30/4/2023 with each tranche having an exercisable period of two years
		Marc Robert Compagnon	5,000,000	(1,000,000)	4,000,000	
2014 Option Scheme						
21/5/2015	7.49 ²	William Fung Kwok Lun	5,006,000	(2,503,000)	2,503,000	Exercisable in two tranches during the period from 1/1/2017 to 31/12/2019 with each tranche having an exercisable period of two years
		Spencer Theodore Fung	3,046,000	(1,523,000)	1,523,000	
		Marc Robert Compagnon	2,630,000	(1,315,000)	1,315,000	
		Joseph C. Phi	2,212,000	(1,106,000)	1,106,000	
		Continuous Contract Employees	41,443,000	(21,250,000)	20,193,000	
16/11/2015	5.81 ³	Continuous Contract Employees	889,000	(285,000)	604,000	Exercisable in two tranches during the period from 1/1/2017 to 31/12/2019 with each tranche having an exercisable period of two years
19/5/2016	4.27 ⁴	Continuous Contract Employees	604,000	–	604,000	Exercisable during the period from 1/1/2018 to 31/12/2019
13/7/2017	2.86 ⁵	Continuous Contract Employees	125,000	–	125,000	Exercisable during the period from 1/1/2018 to 31/12/2019
		Total	65,955,000	(29,982,000)	35,973,000	

NOTES:

- (1) Following the spin-off and separate listing of Global Brands, the exercise price applicable to the Share Options outstanding on the record date for the distribution in specie (i.e. 7 July 2014) was adjusted from HK\$14.50 to HK\$12.12 with effect from 31 August 2014.
- (2) The closing market price per Share as at the date preceding the date on which the Share Options were granted and stated in the Stock Exchange's daily quotation sheet on 20 May 2015 was HK\$7.29.
- (3) The closing market price per Share as at the date preceding the date on which the Share Options were granted and stated in the Stock Exchange's daily quotation sheet on 13 November 2015 was HK\$5.58.
- (4) The closing market price per Share as at the date preceding the date on which the Share Options were granted and stated in the Stock Exchange's daily quotation sheet on 18 May 2016 was HK\$4.25.
- (5) The closing market price per Share as at the date preceding the date on which the Share Options were granted and stated in the Stock Exchange's daily quotation sheet on 12 July 2017 was HK\$2.85.
- (6) Details of Share Options granted by the Company are set out in Note 12 to the condensed interim financial information.

(B) Share Award Scheme

The Share Award Scheme was adopted by the Shareholders at the annual general meeting of the Company held on 21 May 2015.

During the period, no Award Shares were awarded to eligible persons pursuant to the Share Award Scheme.

As at 30 June 2019, the trustee of the Share Award Scheme held a total of 9,472,700 Shares which can be applied to satisfy awards to non-connected persons.

The movement in the Award Shares under the Share Award Scheme during the period are as follows:

Grant Date	Grantees	Number of Award Shares			As at 30/6/2019	Vesting Date
		As at 1/1/2019	Granted	Unvested/ Forfeited*		
21/5/2015	Spencer Theodore Fung	90,000	–	–	90,000	To be vested on 31 December 2019
	Marc Robert Compagnon	76,600	–	–	76,600	
	Joseph C. Phi	64,600	–	–	64,600	
	Connected Persons other than Directors	600,300	–	–	600,300	
	Non-connected Persons	4,220,700	–	(296,500)	3,924,200	
16/11/2015	Non-connected Persons	165,200	–	(3,300)	161,900	To be vested on 31 December 2019
19/5/2016	Connected Persons other than Directors	7,300	–	–	7,300	To be vested on 31 December 2019
	Non-connected Persons	266,400	–	(7,800)	258,600	
14/11/2016	Non-connected Persons	53,700	–	(2,300)	51,400	To be vested on 31 December 2019
13/7/2017	William Fung Kwok Lun	762,000	–	–	762,000	To be vested in two tranches with the vesting date on 31 December of each year from 2019 to 2020
	Spencer Theodore Fung	762,000	–	–	762,000	
	Marc Robert Compagnon	634,000	–	–	634,000	
	Joseph C. Phi	508,000	–	–	508,000	
	Connected Persons other than Directors	2,984,000	–	–	2,984,000	
	Non-connected Persons	32,862,800	–	(1,692,000)	31,170,800	
23/3/2018	Spencer Theodore Fung	986,000	–	–	986,000	To be vested in two tranches with the vesting date on 31 December of each year from 2019 to 2020
	Marc Robert Compagnon	986,000	–	–	986,000	
	Joseph C. Phi	986,000	–	–	986,000	
	Connected Persons other than Directors	1,096,000	–	–	1,096,000	
	Non-connected Persons	958,000	–	(18,000)	940,000	
23/8/2018	William Fung Kwok Lun	1,181,000	–	–	1,181,000	To be vested in three tranches with the vesting date on 31 December of each year from 2019 to 2021
	Spencer Theodore Fung	3,150,000	–	–	3,150,000	
	Marc Robert Compagnon	2,953,000	–	–	2,953,000	
	Joseph C. Phi	2,756,000	–	–	2,756,000	
	Connected Persons other than Directors	5,459,000	–	–	5,459,000	
	Non-connected Persons	46,074,400	–	(2,834,000)	43,240,400	
	Total	110,643,000	–	(4,853,900)	105,789,100	

* Award Shares that are not vested and/or are forfeited in accordance with the terms of the Share Award Scheme are held by the trustee to be applied towards future awards in accordance with the provisions of the Share Award Scheme.