

CORPORATE GOVERNANCE REPORT

The Board of Directors (“Board”) and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders’ value. The corporate governance principles of the Company emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders.

The Company had applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Corporate Governance Code (“CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) throughout the year ended 31st December, 2022.

Key corporate governance principles and corporate governance practices of the Company are summarised below:

I. CODE PROVISIONS

Code Ref.	Code Provisions	Comply (“C”)/ Explain (“E”)	Corporate Governance Practices
A.	CORPORATE PURPOSE, STRATEGY AND GOVERNANCE		
A.1	Corporate strategy, business model and culture		
	Corporate Governance Principle <i>The Company should be headed by an effective Board which should assume responsibility for leadership and control and be collectively responsible for promoting its success by directing and supervising its affairs. Directors should take decisions objectively in the best interests of the Company.</i>		
A.1.1	The board should establish the company’s purpose, values and strategy, and satisfy itself that these and the culture are aligned. All directors must act with integrity, lead by example, and promote the desired culture. Such culture should instil and continually reinforce across the organisation values of acting lawfully, ethically and responsibly.	C	<ul style="list-style-type: none"> The Company’s purpose, value, strategy and culture are set out in Long Term Development Strategy in the Annual Report 2022.
A.1.2	The directors should include a discussion and analysis of the group’s performance in the annual report, an explanation of the basis on which the company generates or preserves value over the longer term (the business model) and the strategy for delivering the company’s objectives.	C	<ul style="list-style-type: none"> The Board has included a discussion and analysis of the Group’s Long Term Development Strategy in the Annual Report 2022.
A.2	Corporate Governance Functions		
	Corporate Governance Principle <i>The Board is responsible for performing the corporate governance duties. It may delegate the responsibility to a committee or committees.</i>		
A.2.1	The terms of reference of the board (or a committee or committees performing this function) should include: <ul style="list-style-type: none"> develop and review the company’s policies and practices on corporate governance and make recommendations to the board; review and monitor the training and continuous professional development of directors and senior management; review and monitor the company’s policies and practices on compliance with legal and regulatory requirements; 	C	<ul style="list-style-type: none"> The Board has delegated the responsibility of performing the corporate governance duties to the audit committee (“Audit Committee”). The terms of reference of the Audit Committee include the following corporate governance functions delegated by the Board: <ol style="list-style-type: none"> Develop and review the Company’s policies and practices on corporate governance and make recommendations to the Board; Review and monitor the training and continuous professional development of Directors and senior management; Review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements; Develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and Review the Company’s compliance with the CG Code and disclosure in the Corporate Governance Report.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.2.1 (Cont'd)	<ul style="list-style-type: none"> – develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and – review the company's compliance with the CG Code and disclosure in the Corporate Governance Report. 		<ul style="list-style-type: none"> • The Audit Committee met in March 2023 and was satisfied that the above-mentioned corporate governance functions were adhered to. Members of the Audit Committee had examined the Company's policies and practices on corporate governance and compliance with legal and regulatory requirements including:– <ol style="list-style-type: none"> 1. Anti-Fraud and Anti-Bribery Policy; 2. Anti-Money Laundering Policy; 3. Board Diversity Policy; 4. Competition Compliance Policy; 5. Director Nomination Policy; 6. Employee Code of Conduct; 7. Information Security Policy; 8. Media, Public Engagement and Donation Policy; 9. Model Code for Securities Transactions by Directors ("Model Code"); 10. Policy on Appointment of Third Party Representatives; 11. Policy on Handling of Confidential Information, Information Disclosure, and Securities Dealing; 12. Privacy Policy and Personal Information Collection Statement; 13. Sanctions Compliance Policy; 14. Shareholders Communication Policy; and 15. Whistleblowing Policy – Procedures for Reporting Possible Improprieties. • In March 2023, Members of the Audit Committee recommended certain improvements to the Board on the below polices: <ol style="list-style-type: none"> i. Shareholders Communication Policy; and ii. Whistleblowing Policy – Procedures for Reporting Possible Improprieties. • In particular, the Audit Committee noted that the Company has established and from time to time updated the Whistleblowing Policy – Procedures for Reporting Possible Improprieties and a system for employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter related to the Company.
B. BOARD COMPOSITION AND NOMINATION			
B.1	Board composition, succession and evaluation Corporate Governance Principle <i>The Board should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business, and should ensure that the directors devote sufficient time and make contributions to the Company that are commensurate with their role and board responsibilities. It should include a balanced composition of Executive and Non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgement. Non-executive directors should be of sufficient caliber and number for their views to carry weight.</i>		
B.1.1	Independent non-executive directors should be identified in all corporate communications that disclose the names of directors.	C	<ul style="list-style-type: none"> • As of the date of this Annual Report, the Board consists of a total of sixteen Directors, including eight Executive Directors, two Non-executive Directors and six Independent Non-executive Directors. Three Alternate Directors have been appointed. More than one Independent Non-executive Directors possesses appropriate professional qualifications, or accounting or related financial management expertise. Independent Non-executive Directors have been identified in all corporate communications that disclose the names of directors. • During the year under review, all Independent Non-executive Directors in office attended to the affairs of the Group through their participation at the annual general meeting, Board and Board Committee meetings and the perusal of Board papers. The Audit Committee, the nomination committee ("Nomination Committee") and the remuneration committee ("Remuneration Committee"), are chaired by Independent Non-executive Directors. The Audit Committee comprises Independent Non-executive Directors only. Independent Non-executive Directors comprise a majority of each of the Nomination Committee and the Remuneration Committee. A majority of the Directors sitting on the sustainability committee ("Sustainability Committee") are Independent Non-executive Directors.

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B.1.1 (Cont'd)			<ul style="list-style-type: none"> The Company maintains the view that a Director's independence is a question of fact and this is formally recognised in the Board Diversity Policy. The Board is committed to assessing this on an ongoing basis with regard to all relevant factors concerned. Some of these factors include: the ability to continually provide constructive challenge for management and other Directors and to express one's own views independent of management or other fellow Directors. These attributes and desired behaviour have been demonstrated by our Independent Non-executive Directors. Details of the composition of the Board are set out on page 202. The Directors' biographical information and the relationships among the Directors are set out on pages 58 to 65. The Board, through the Nomination Committee, reviews the composition of the Board at least annually to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company.
B.1.2	The company should maintain on its website and on HKEX's website an updated list of its directors identifying their roles and functions and whether they are independent non-executive directors.	C	<ul style="list-style-type: none"> The Company maintains an updated list of its Directors setting out their respective roles and functions together with their biographical information, and whether they are independent non-executive directors. This list is updated from time to time and published on the websites of the Company and Hong Kong Exchanges and Clearing Limited ("HKEX"). The Terms of Reference of the Company's Board Committees have also been published on the websites of the Company and/or HKEX to enable shareholders to understand the role of the Independent Non-executive Directors who serve on the relevant Board Committees.
B.1.3	The board should review the implementation and effectiveness of the company's policy on board diversity on an annual basis.	C	<ul style="list-style-type: none"> The Company's Board Diversity Policy as amended from time to time, is available on the Company's website. According to the Board Diversity Policy: <ol style="list-style-type: none"> The Company recognises the benefits of a Board that possesses a balance of skill set, experience, expertise and diversity of perspectives appropriate for the strategies of the Company. The Company believes that board diversity enhances decision-making capability and thus the overall effectiveness of the Board in achieving sustainable business operation and enhancing shareholder value. The Company takes into consideration the benefits of various aspects of diversity, including gender, age, culture, ethnicity, educational background, professional experience and other factors that may be relevant from time to time towards achieving a diversified Board. Appointment to the Board is based on merit and attributes that the selected candidate will bring to the Board to complement and expand the competencies, experience and perspectives of the Board as a whole, taking into account the corporate strategy of the Company. The Nomination Committee is responsible for reviewing the structure, size, diversity profile and skills matrix of the Board, selecting individuals to be nominated as Directors, reviewing succession plan of Directors and making recommendation on these matters to the Board for approval. To this end, the Company is mindful of having an appropriately structured recruitment, selection and training programme at appropriate levels so as to identify and prepare suitable talents for Board positions. The Board, through and by the Nomination Committee, from time to time (and at least once annually) reviews the Board Diversity Policy and monitors its implementation to ensure continued effectiveness and compliance with regulatory requirements and good corporate governance practices. The Nomination Committee shall make recommendations for any necessary revision to the Board for approval. The Company values gender diversity. As of 31st December, 2022: <ol style="list-style-type: none"> <i>At Board level:</i> The Board currently consists of four female directors, representing 25% of the Board. The Board is of the view that gender should not be the only factor in selecting a candidate for the Board. The Company would follow the Board Diversity Policy to take into account various factors in identifying suitable candidates for appointment to the Board, and may adjust the proportion of female Board members over time as appropriate. <i>At workforce level:</i> the ratio of female to male in the workforce of the Group (including subsidiaries but excluding affiliated companies) was 20:80. Notwithstanding the foregoing, gender diversity may be less relevant to the Group's infrastructure business due to the nature of work.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
B.1.4	<ul style="list-style-type: none"> - The company should establish mechanism(s) to ensure independent views and input are available to the board and disclose such mechanism(s) in its Corporate Governance Report. - The board should review the implementation and effectiveness of such mechanism(s) on an annual basis. 	C	<ul style="list-style-type: none"> • The Company maintains the following mechanisms which are reviewed annually to ensure independent views and input are available to the Board:- <ol style="list-style-type: none"> 1. <i>Board and Board Committees' Composition</i> <p>As disclosed in B.1.1 above, the current composition of the Board (comprising 37.5% of Independent Non-executive Directors) and the Audit Committee (comprising all Independent Non-executive Directors only) exceed the independence threshold under the Listing Rules.</p> <p>Separation of the role of the Chairman and the Group Managing Director ensures that there is a balance of power and authority.</p> <p>The Audit Committee, the Nomination Committee and the Remuneration Committee, are chaired by Independent Non-executive Directors. The Audit Committee comprises Independent Non-executive Directors only. Independent Non-executive Directors comprise a majority of each of the Nomination Committee and the Remuneration Committee. A majority of the Directors sitting on the Sustainability Committee are Independent Non-executive Directors. During the year, the Audit Committee held two private sessions with the external auditor and internal auditor respectively without the presence of management.</p> <p>The Company's Director Nomination Policy sets out the approach and procedures for the nomination and selection, and appointment/re-appointment of Directors (including Independent Non-executive Directors). The composition of the Board and Board Committees is regularly reviewed by the Nomination committee to ensure that they have a balance of skill set, experience and diversity of perspective appropriate for the strategies of the Company.</p> <p>The Board has conducted an evaluation of its performance for the year 2022, including the aspects contributing to the effective implementation of the mechanism discussed hereto.</p> 2. <i>Assessment of the Independence of Independent Non-executive Directors</i> <p>All Independent Non-executive Directors are required to provide the Company with an annual written confirmation confirming the independence of each of them and compliance with the requirements set out in the Listing Rules.</p> <p>Independence of each Independent Non-executive Directors is assessed by the Nomination Committee upon appointment and annually on the basis of, among other things, the independence confirmations signed by all Independent Non-executive Directors.</p> <p>Each Independent Non-executive Director is required to inform the Company as soon as practicable if there is any change of any of the matters set out in the annual confirmation of independence or circumstances which may affect his/her independence.</p> 3. <i>Remuneration of Independent Non-executive Directors</i> <p>The Remuneration Committee reviews the remuneration of Independent Non-executive Directors and makes recommendation to the Board. No Director or any of his/her associates was involved in deciding his/her own remuneration at the meeting of the Remuneration Committee. Independent Non-executive Directors received fixed fee(s) for their role as members of the Board and Board Committee(s), such fee(s) are not based on performance of the Group.</p> 4. <i>Meeting between the Chairman and the Independent Non-executive Directors</i> <p>The Chairman meets with Independent Non-executive Directors twice a year (without the presence of other Directors) which provides an effective channel for Independent Non-executive Directors to raise concerns and issues with respect to the Company or its business, such as corporate governance enhancement, effectiveness of the Board and any other matters they may wish to discuss.</p>

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B.1.4 (Cont'd)			<p>5. <i>Provision of Information and Professional Advice</i></p> <p>All Directors (including Independent Non-executive Directors) and Board Committees may seek any information they require from key personnel of the Company and to have access to advice from the Company Secretary and/or independent professional adviser at the expense of the Company if the Director considers such advice necessary for discharge of their duties.</p> <p>6. <i>Directors' Training and Commitment</i></p> <p>Newly appointed Directors receive an induction package explaining the duties and responsibilities of Directors. The Company provides, at the cost of the Company, Directors' training sessions on topics relating to Directors' roles, functions and duties. Please refer to C.1.4 for further details.</p> <ul style="list-style-type: none"> The Board reviews the above mechanisms from time to time (at least annually) and monitors its implementation to ensure their continued effectiveness and compliance with regulatory requirements.
B.2	Appointments, re-election and removal		
	Corporate Governance Principle		
	<i>There should be a formal, considered and transparent procedure for the appointment of new Directors and plans in place for orderly succession for appointments. All Directors should be subject to re-election at regular intervals.</i>		
B.2.1	Directors should ensure that they can give sufficient time and attention to the company's affairs and should not accept the appointment if they cannot do so.	C	<ul style="list-style-type: none"> There is satisfactory attendance at Board meetings during the year. Please refer to C.5.1 below for the attendance records. Executive Directors have hands-on knowledge and expertise in the areas and operations in which they are in charge. Appropriate attention to the affairs of the Company is measured in terms of time as well as the quality of such attention and the ability of the Directors to contribute with reference to their area of knowledge and expertise, and their global perspective.
B.2.2	Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.	C	<ul style="list-style-type: none"> Under the CG Code, all Directors (including Non-executive Directors) are subject to retirement by rotation once every three years and are subject to re-election in accordance with the Company's Bye-laws and the CG Code. The Company has published on its website the procedures for shareholders to propose a person for election as a Director.
B.2.3	<ul style="list-style-type: none"> If an independent non-executive director has served more than nine years, such director's further appointment should be subject to a separate resolution to be approved by shareholders. The papers to shareholders accompanying that resolution should state why the board (or the nomination committee) believes that the director is still independent and should be re-elected, including the factors considered, the process and the discussion of the board (or the nomination committee) in arriving at such determination. 	C	<ul style="list-style-type: none"> Each Independent Non-executive Director who is subject to retirement by rotation will be appointed by a separate resolution in the Company's annual general meeting. In accordance with the Company's Bye-laws and following the review of composition of the Board by the Nomination Committee of the Company, retiring Directors have been proposed to the Board for recommendation to Shareholders for re-election at the annual general meeting. Members of the Nomination Committee abstained from voting on the resolutions of the Nomination Committee to consider his/her own nomination. Each Independent Non-executive Director standing for re-election at the annual general meeting ("Retiring INED") will provide a confirmation of his/her independence in accordance with Rule 3.13 of the Listing Rules. During the years of his/her appointment, he/she has demonstrated his/her ability to express an independent opinion on the affairs of the Company. Notwithstanding his/her years of service as Independent Non-executive Directors of the Company, he/she has consistently brought fresh perspectives, skills and knowledge acquired through his/her other directorships and offices. His/Her wealth of skills, knowledge and experience has enabled him/her to contribute meaningfully and objectively to the Board as an Independent Non-executive Director and his/her independence from management has not been considered impaired by his/her years of service.

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B.2.3 (Cont'd)			<ul style="list-style-type: none"> The Nomination Committee has considered the respective contributions of the Retiring INEDs to the Board and their commitment to their roles. The Nomination Committee has satisfied itself that each of the Retiring INEDs has the requisite integrity, competence and experience to continue fulfilling the role of an Independent Non-executive Director, and that the Retiring INED's length of service on the Board would not impair his/her independent judgement. Based on the biographical information disclosed to the Company, none of the Retiring INEDs holds 7 or more directorships of listed companies. The Board has satisfied itself as to the independence of the Retiring INEDs in light of the criteria set out in Rule 3.13 of the Listing Rules and in accordance with the terms of the guidelines. During his/her tenure as an Independent Non-executive Director, none of the Retiring INEDs was involved in the day-to-day management of the Company nor was financially dependent on the Company which would materially impair with his/her independent judgement. There is no evidence that his/her tenure has compromised his/her continued independence. The Board is of the view that a director's independence should not be defined by his/her tenure on the Board. The Board assesses a director's independence on a case-by-case basis with reference to the director's business acumen, experience in related industries, professional qualification, international business exposure and the nature of the businesses of the Company in addition to tenure. A director who has over time gained in-depth insight into the Company's operations and its markets are well-positioned to offer his/her perspective and advice for discussion at the Board. Long serving directors can bring valuable contributions to the Company with their comprehensive understanding of the operations of the Company, in particular the infrastructure businesses which typically have a long return of investment period. Taking into account all of the circumstances described in this section, each of the Retiring INEDs was considered to be independent and nominated to be so appointed accordingly. The nomination of the retiring Directors was in accordance with the Director Nomination Policy of the Company. Having considered the background and experience of the retiring Directors (including Retiring INED), the Nomination Committee is of the view that the retiring Directors are able to continue to fulfill their roles as required and are appropriate to stand for re-election and their re-appointment would enhance the Board's diversity and performance, and thus accordingly recommends them for re-election at the annual general meeting. The Board, having considered the recommendation of the Nomination Committee, is of the view that the diverse and invaluable knowledge, skill sets and experience of each of the retiring Directors in the businesses of the Group and their general business acumen continue to generate significant contribution to the Company and the Shareholders as a whole. The Board accepted the nomination by the Nomination Committee and recommended the retiring Directors to stand for re-election by the Shareholders at the annual general meeting. The Board considers that the re-election of the retiring Directors as Directors is in the best interest of the Company and the Shareholders as a whole. The retiring Directors abstained from the discussion and voting at the Board meeting regarding their respective nominations.
B.2.4	<p>Where all the independent non-executive directors of the company have served more than nine years on the board, the company should:</p> <ul style="list-style-type: none"> disclose the length of tenure of each existing independent non-executive director on a named basis in the circular to shareholders and/or explanatory statement accompanying the notice of the annual general meeting; and appoint a new independent non-executive director on the board at the forthcoming annual general meeting.* <p>* The appointment of a new independent non-executive director requirement comes into effect for the financial year commencing on or after 1st January, 2023.</p>	C	<ul style="list-style-type: none"> The Board recognises the importance of Board refreshment, which brings in new perspectives and ideas to the Board and the Group. The Nomination Committee is responsible for regularly reviewing the composition of the Board and succession planning for Directors. The Nomination Committee makes recommendations on changes to the Board, taking the Group's corporate strategy and shareholders' value into account. Currently one of the Independent Non-executive Directors has served the Board less than nine years. If and when all the Independent Non-executive Directors have served on the Board for more than nine years, a circular containing the required information on the existing Independent Non-executive Directors will be sent to shareholders together with the notice of the annual general meeting, and a new Independent Non-executive Director will be appointed to the Board at the forthcoming annual general meeting as required by the CG Code and the Listing Rules.

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B.3	Nomination Committee Corporate Governance Principle <i>In carrying out its responsibilities, the Nomination Committee should give adequate consideration to the principles under Sections B.1 and B.2 in the CG Code.</i>										
B.3.1	<ul style="list-style-type: none"> – The nomination committee should be established with specific written terms of reference which deal clearly with its authority and duties. – It should perform the following duties: <ul style="list-style-type: none"> – review the structure, size and composition (including the skills, knowledge and experience) of the board at least annually and make recommendations on any proposed changes to the board to complement the company's corporate strategy; – identify individuals suitably qualified to become board members and select or make recommendations to the board on the selection of individuals nominated for directorships; – assess the independence of independent non-executive directors; and – make recommendations to the board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive. 	<p>C</p> <p>C</p>	<ul style="list-style-type: none"> • The Company established its Nomination Committee on 1st January, 2019 which comprises a majority of Independent Non-executive Directors and is chaired by an Independent Non-executive Director. The Nomination Committee comprises an Independent Non-executive Director, Mrs. Kwok Eva Lee (Chairperson of the Nomination Committee), the Chairman of the Board, Mr. Victor T K Li, and an Independent Non-executive Director, Mr. Barrie Cook. • The terms of reference of the Nomination Committee follow closely the requirements of the CG Code. Nomination Committee meeting was held in March 2022. Attendance record of the members of the Nomination Committee in 2022 is as follows: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Members of the Nomination Committee</th> <th>Attendance</th> </tr> </thead> <tbody> <tr> <td>KWOK Eva Lee (<i>Chairperson</i>)</td> <td>1/1</td> </tr> <tr> <td>Victor T K LI</td> <td>1/1</td> </tr> <tr> <td>Barrie COOK</td> <td>1/1</td> </tr> </tbody> </table> • The Nomination Committee, with delegated responsibility, establishes the policy and procedures for nomination of directors, and determines the process and criteria to select and recommend candidates for directorship. • The following is a summary of the work of the Nomination Committee during 2022: <ol style="list-style-type: none"> 1. Review the structure, size, diversity profile and skills matrix of the Board and the needs of the Board, and make recommendations on any proposed changes, where applicable; 2. Facilitate the Board in the conduct of the selection and nomination process, including identifying suitable candidates for consideration by the Board; 3. Assess the independence of the Independent Non-executive Directors having regard to the criteria under the Listing Rules; 4. Make recommendation to the Board on the re-election of Directors at the 2022 annual general meeting; and 5. Review the Director Nomination Policy and the Board Diversity Policy and make recommendations on any proposed revision to the Board, where applicable. • Please refer to B.1.3 above for details of the Board Diversity Policy. • The Company's Director Nomination Policy sets out the approach and procedures the Board adopts for the nomination and selection of Directors, including the appointment of additional Directors, replacement of Directors and re-election of Directors. • According to the Director Nomination Policy:– <ol style="list-style-type: none"> 1. The Nomination Committee shall from time to time identify, assess, select and nominate suitable director candidates to the Board for it to consider for appointment. The ultimate responsibility for the selection and appointment of Directors rests with the Board as a whole. In the determination of the suitability of a candidate, the Nomination Committee shall consider the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, independence, age, culture, ethnicity, gender diversity and such other factors that it may consider appropriate for a position on the Board. The Board will take into consideration the benefits of a diversified Board when selecting Board candidates. 	Members of the Nomination Committee	Attendance	KWOK Eva Lee (<i>Chairperson</i>)	1/1	Victor T K LI	1/1	Barrie COOK	1/1
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B.3.1 (Cont'd)			<p>2. If the Nomination Committee determines that an additional or replacement Director is required, it will deploy multiple channels for identifying suitable director candidates. Where a retiring Director, being eligible, offers himself/herself for re-election, the Nomination Committee will consider and, if appropriate, make recommendation to the Board for its consideration, for such retiring Director to stand for re-election at a general meeting. A circular containing the requisite information on such retiring Director will be sent to shareholders prior to a general meeting in accordance with the Listing Rules. Shareholders of the Company may nominate a person to stand for election as a Director at a general meeting in accordance with the Company's Bye-laws and applicable laws and regulations. The procedures for such proposal are available on the website of the Company.</p> <ul style="list-style-type: none"> The Director Nomination Policy is available on the website of the Company. The Nomination Committee will from time to time review the Director Nomination Policy, monitor its implementation to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practice and makes recommendation on any proposed revisions as may be required to the Board for approval.
B.3.2	The nomination committee should make available its terms of reference explaining its role and the authority delegated to it by the board by including them on HKEX's website and the company's website.	C	<ul style="list-style-type: none"> The terms of reference of the Nomination Committee (both English and Chinese versions) are available on the websites of the Company and HKEX. The principal responsibilities of the Nomination Committee are: <ol style="list-style-type: none"> to review at least once annually the structure, size, diversity profile and skills matrix of the Board and the needs of the Board and make recommendation on any proposed changes to the Board to complement the Board to achieve the Group corporate strategy as well as promote shareholder value; to identify suitable director candidates and select or make recommendation to the Board on the selection of individuals to be nominated as Directors; to assess the independence of independent non-executive Directors having regard to the criteria under the Listing Rules; to make recommendation to the Board on the appointment or re-appointment of Directors and succession planning for Directors; and to review the Director Nomination Policy and the Board Diversity Policy of the Company periodically and make recommendation on any proposed revisions to the Board.
B.3.3	The company should provide the nomination committee sufficient resources to perform its duties. Where necessary, the nomination committee should seek independent professional advice, at the company's expense, to perform its responsibilities.	C	<ul style="list-style-type: none"> The Nomination Committee is empowered to seek any information they require from senior management of the Company in order to perform their duties and to have access to independent professional advice where necessary.
B.3.4	<p>Where the board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:</p> <ul style="list-style-type: none"> the process used for identifying the individual and why it believes the individual should be elected and the reasons why it considers the individual to be independent; 	C	<ul style="list-style-type: none"> Please refer to B.2.3 above for the details.

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B.3.4 (Cont'd)	<ul style="list-style-type: none"> – if the proposed independent non-executive director will be holding their seventh (or more) listed company directorship, why the board believes the individual would still be able to devote sufficient time to the board; – the perspectives, skills and experience that the individual can bring to the board; and – how the individual contributes to diversity of the board. 	C C C	
C. DIRECTORS' RESPONSIBILITIES, DELEGATION AND BOARD PROCEEDINGS			
C.1	Responsibilities of Directors Corporate Governance Principle <i>Every Director must always know their responsibilities as a Director of the Company and its conduct, business activities and development.</i>		
C.1.1	Newly appointed directors of the company should receive a comprehensive, formal and tailored induction on appointment. Subsequently they should receive any briefing and professional development necessary to ensure that they have a proper understanding of the company's operations and business and are fully aware of their responsibilities under statute and common law, the Listing Rules, legal and other regulatory requirements and the company's business and governance policies.	C	<ul style="list-style-type: none"> • The Company Secretary and authorised officers liaise closely with newly appointed Directors both immediately before and after their appointments to acquaint them with the duties and responsibilities as a Director of the Company and the business operation of the Company. • Briefing meetings will be arranged with key officers of the Company for newly appointed Directors to provide an orientation on matters such as business operation, finance, accounting and risk management. • An induction package, which has been compiled and reviewed by the Company's external legal advisers, setting out the duties and responsibilities of directors under the Listing Rules and relevant regulatory requirements is provided to newly appointed Directors. Further information package comprising the latest developments in laws, rules and regulations relating to the duties and responsibilities of directors will be forwarded to Directors from time to time for their information and ready reference. Guidelines for directors have also been forwarded to the Directors for their information and ready reference. • During the year, the Company had arranged at the cost of the Company, Directors' seminar sessions conducted by qualified professionals experienced on topics relating to the roles, functions and duties of the Directors. Attendance certificates would be issued to Directors who had attended the seminar sessions and requested the said certificates. • In addition, the Company has from time to time provided information and briefings to Directors on the latest developments in the laws, rules and regulations relating to Directors' duties and responsibilities. The Company had also, on an individual basis, advised Directors on queries raised or issues which arise in the performance of their duties as directors.
C.1.2	The functions of non-executive directors include: <ul style="list-style-type: none"> – Participating in board meetings to bring independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct at board meetings; – taking the lead on potential conflicts of interests; 	C C	<ul style="list-style-type: none"> • The Non-executive Directors exercise their independent judgement and advise on the future business direction and strategic plans of the Company. • The Non-executive Directors review the financial information and operational performance of the Company on a regular basis. • Individual Independent Non-executive Directors serve on the different committees, namely, Audit Committee, Remuneration Committee, Nomination Committee and Sustainability Committee of the Company.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices																																												
C.1.2 (Cont'd)	<ul style="list-style-type: none"> – serving on the audit, remuneration, nomination and other governance committees, if invited; and – scrutinising the company's performance in achieving agreed corporate goals and objectives, and monitoring performance reporting. 	C C	<ul style="list-style-type: none"> • The table below provides membership information of these committees on which the Independent Non-executive Directors serve during the year ended 31st December, 2022: <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2">Directors</th> <th colspan="4">Board Committee</th> </tr> <tr> <th>Audit Committee</th> <th>Remuneration Committee</th> <th>Nomination Committee</th> <th>Sustainability Committee</th> </tr> </thead> <tbody> <tr> <td>CHEONG Ying Chew, Henry</td> <td>M</td> <td>C</td> <td>-</td> <td>-</td> </tr> <tr> <td>KWOK Eva Lee</td> <td>-</td> <td>-</td> <td>C</td> <td>-</td> </tr> <tr> <td>SNG Sow-mei alias POON Sow Mei</td> <td>M¹</td> <td>M²</td> <td>-</td> <td>-</td> </tr> <tr> <td>Colin Stevens RUSSEL</td> <td>-</td> <td>M²</td> <td>-</td> <td>-</td> </tr> <tr> <td>LAN Hong Tsung, David</td> <td>M</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Barrie COOK</td> <td>-</td> <td>-</td> <td>M</td> <td>M³</td> </tr> <tr> <td>Paul Joseph TIGHE</td> <td>C¹</td> <td>-</td> <td>-</td> <td>M</td> </tr> </tbody> </table> <p>Notes: C Chairman/Chairperson of the relevant Board committees. M Member of the relevant Board committees.</p> <ol style="list-style-type: none"> 1. Mrs. SNG Sow-mei alias POON Sow Mei retired and Mr. Paul Joseph TIGHE appointed as the Chairperson of the Audit Committee with effect from 10th May, 2022. 2. Mrs. SNG Sow-mei alias POON Sow Mei appointed as a member of the Remuneration Committee following Mr. Colin Stevens RUSSEL's retirement as an Independent Non-executive Director and cease as a member of the Remuneration Committee, all with effect from 1st September, 2022. 3. Mr. Barrie Cook appointed as a member of the Sustainability Committee with effect from 31st December, 2022. 	Directors	Board Committee				Audit Committee	Remuneration Committee	Nomination Committee	Sustainability Committee	CHEONG Ying Chew, Henry	M	C	-	-	KWOK Eva Lee	-	-	C	-	SNG Sow-mei alias POON Sow Mei	M ¹	M ²	-	-	Colin Stevens RUSSEL	-	M ²	-	-	LAN Hong Tsung, David	M	-	-	-	Barrie COOK	-	-	M	M ³	Paul Joseph TIGHE	C ¹	-	-	M
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C.1.3	Board should establish written guidelines no less exacting than the Model Code for relevant employees.	C	<ul style="list-style-type: none"> • The Company had adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. The Model Code has been reviewed and revised by the Company from time to time to comply with the new requirements set out in Appendix 10 to the Listing Rules. • Confirmation has been received from all Directors that they complied with the required standards set out in the Model Code for the year ended 31st December, 2022. • Written guidelines on no less exacting terms than the Model Code relating to securities transactions for employees are set out in the Employee Handbook of the Company. • The Company has a policy on handling of confidential information, information disclosure, and securities dealing for all employees of the Group to comply with when they are in possession of confidential or unpublished information in relation to the Group. Such policy has been from time to time revised to comply with the requirements set out in Part XIVA of the Securities and Futures Ordinance or for other applicable laws, rules and regulations and the most updated version of such policy is available on the Company's intranet and disseminated to all employees of the Company. 																																												
C.1.4	All directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the board remains informed and relevant. The company should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of a listed company director.	C	<ul style="list-style-type: none"> • An induction package, which has been compiled and reviewed by the Company's external legal advisers, setting out the duties and responsibilities of directors under the Listing Rules and relevant regulatory requirements is provided to newly appointed Directors. Further information package comprising the latest developments in laws, rules and regulations relating to the duties and responsibilities of directors will be forwarded to Directors from time to time for their information and ready reference. Guidelines for directors have also been forwarded to Directors for their information and ready reference. • In addition, the Company has from time to time provided information and briefings to Directors on the latest developments in the laws, rules and regulations relating to Directors' duties and responsibilities. The Company had also, on an individual basis, advised Directors on queries raised or issues which arise in the performance of their duties as directors. • The Directors have provided to the Company their records of continuous professional development during the year 2022. 																																												

CORPORATE GOVERNANCE REPORT

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C.1.4 (Cont'd)			<ul style="list-style-type: none"> During the year, the Company had arranged at the cost of the Company, Directors' seminar sessions conducted by qualified professionals experienced on topics relating to the roles, functions and duties of the Directors. Attendance certificates would be issued to Directors who had attended the seminar sessions and requested the said certificates. Directors have also participated in continuous professional training organised by professional bodies and/or government authorities. The Directors' knowledge and skills are continuously developed and refreshed by, inter alia, the following means: <ol style="list-style-type: none"> Reading memoranda issued or materials provided (for example, in-house directors' seminar) from time to time by the Company to Directors, and as applicable, briefings and reports by the Company Secretary, as regards legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties with the latest developments in public consultations, laws, rules and regulations relating to the duties and responsibilities of directors and corporate governance; Participation in continuous professional training seminars/conferences/courses/workshops on subjects relating to directors' duties and corporate governance, etc. organised by the Company and/or professional bodies and/or government authorities; and Reading news/journal/magazine/other reading materials as regards legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties. Record of the Directors' training during 2022 is as follows: <table border="1" data-bbox="758 996 1428 1568"> <thead> <tr> <th data-bbox="758 996 1244 1030">Members of the Board</th> <th data-bbox="1244 996 1428 1030">Training received</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="758 1030 1428 1064">Executive Directors</td> </tr> <tr> <td data-bbox="758 1064 1244 1097">Victor T K LI (<i>Chairman</i>)</td> <td data-bbox="1244 1064 1428 1097">(1) & (3)</td> </tr> <tr> <td data-bbox="758 1097 1244 1131">KAM Hing Lam (<i>Group Managing Director</i>)</td> <td data-bbox="1244 1097 1428 1131">(1) & (3)</td> </tr> <tr> <td data-bbox="758 1131 1244 1164">IP Tak Chuen, Edmond (<i>Deputy Chairman</i>)</td> <td data-bbox="1244 1131 1428 1164">(1), (2) & (3)</td> </tr> <tr> <td data-bbox="758 1164 1244 1198">FOK Kin Ning, Canning (<i>Deputy Chairman</i>)</td> <td data-bbox="1244 1164 1428 1198">(1) & (3)</td> </tr> <tr> <td data-bbox="758 1198 1244 1232">Frank John SIXT</td> <td data-bbox="1244 1198 1428 1232">(1) & (3)</td> </tr> <tr> <td data-bbox="758 1232 1244 1265">Andrew John HUNTER (<i>Deputy Managing Director</i>)</td> <td data-bbox="1244 1232 1428 1265">(1) & (3)</td> </tr> <tr> <td data-bbox="758 1265 1244 1299">CHAN Loi Shun (<i>Chief Financial Officer</i>)</td> <td data-bbox="1244 1265 1428 1299">(1), (2) & (3)</td> </tr> <tr> <td data-bbox="758 1299 1244 1332">CHEN Tsien Hua</td> <td data-bbox="1244 1299 1428 1332">(1) & (2)</td> </tr> <tr> <td colspan="2" data-bbox="758 1332 1428 1366">Independent Non-executive Directors</td> </tr> <tr> <td data-bbox="758 1366 1244 1400">CHEONG Ying Chew, Henry</td> <td data-bbox="1244 1366 1428 1400">(1) & (2)</td> </tr> <tr> <td data-bbox="758 1400 1244 1433">KWOK Eva Lee</td> <td data-bbox="1244 1400 1428 1433">(1) & (2)</td> </tr> <tr> <td data-bbox="758 1433 1244 1467">SNG Sow-mei alias POON Sow Mei</td> <td data-bbox="1244 1433 1428 1467">(1), (2) & (3)</td> </tr> <tr> <td data-bbox="758 1467 1244 1500">LAN Hong Tsung, David</td> <td data-bbox="1244 1467 1428 1500">(1) & (3)</td> </tr> <tr> <td data-bbox="758 1500 1244 1534">Barrie COOK</td> <td data-bbox="1244 1500 1428 1534">(1)</td> </tr> <tr> <td data-bbox="758 1534 1244 1568">Paul Joseph TIGHE</td> <td data-bbox="1244 1534 1428 1568">(1), (2) & (3)</td> </tr> <tr> <td colspan="2" data-bbox="758 1568 1428 1601">Non-executive Directors</td> </tr> <tr> <td data-bbox="758 1601 1244 1635">LEE Pui Ling, Angelina</td> <td data-bbox="1244 1601 1428 1635">(1) & (2)</td> </tr> <tr> <td data-bbox="758 1635 1244 1668">George Colin MAGNUS</td> <td data-bbox="1244 1635 1428 1668">(1), (2) & (3)</td> </tr> </tbody> </table> 	Members of the Board	Training received	Executive Directors		Victor T K LI (<i>Chairman</i>)	(1) & (3)	KAM Hing Lam (<i>Group Managing Director</i>)	(1) & (3)	IP Tak Chuen, Edmond (<i>Deputy Chairman</i>)	(1), (2) & (3)	FOK Kin Ning, Canning (<i>Deputy Chairman</i>)	(1) & (3)	Frank John SIXT	(1) & (3)	Andrew John HUNTER (<i>Deputy Managing Director</i>)	(1) & (3)	CHAN Loi Shun (<i>Chief Financial Officer</i>)	(1), (2) & (3)	CHEN Tsien Hua	(1) & (2)	Independent Non-executive Directors		CHEONG Ying Chew, Henry	(1) & (2)	KWOK Eva Lee	(1) & (2)	SNG Sow-mei alias POON Sow Mei	(1), (2) & (3)	LAN Hong Tsung, David	(1) & (3)	Barrie COOK	(1)	Paul Joseph TIGHE	(1), (2) & (3)	Non-executive Directors		LEE Pui Ling, Angelina	(1) & (2)	George Colin MAGNUS	(1), (2) & (3)
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C.1.5	Directors should disclose to the company at the time of their appointments, and in a timely manner for any changes, the number and nature of offices held in public companies or organisations and other significant commitments. The identity of the public companies or organisations and an indication of the time involved should also be disclosed. The board should determine for itself how frequently this disclosure should be made.	C	<ul style="list-style-type: none"> The Directors have disclosed to the Company at the time of their appointments and from time to time thereafter the number and nature of offices held in public companies or organisations, other significant commitments, and the identity of the public companies or organisations involved. 																																								

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C.1.6	Independent non-executive directors and other non-executive directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. Generally, they should also attend general meetings to gain and develop a balanced understanding of the views of shareholders.	C	<ul style="list-style-type: none"> There is satisfactory attendance at Board meetings, Board Committee meetings, the meetings between the Chairman and the Independent Non-executive Directors and the annual general meeting during the year. Please refer to B.3.1, C.2.2, C.5.1, D.3.3, E.1.2 and F.2.2 for the attendance records. Extent of participation and contribution should be viewed both quantitatively and qualitatively. 																						
C.1.7	Independent non-executive directors and other non-executive directors should make a positive contribution to the development of the company's strategy and policies through independent, constructive and informed comments.	C	<ul style="list-style-type: none"> Please refer to C.1.6 above. 																						
C.1.8	Arrange appropriate insurance cover in respect of legal action against the directors.	C	<ul style="list-style-type: none"> The Company has arranged and maintained appropriate and adequate Directors and Officers liability insurance coverage for its Directors and officers since its listing on the Stock Exchange. 																						
C.2	<p>Chairman and Chief Executive Corporate Governance Principle <i>There should be a clear division of responsibilities between the Chairman and the Group Managing Director of the Company to ensure a balance of power and authority.</i></p>																								
C.2.1	<ul style="list-style-type: none"> Separate roles of chairman and chief executive not to be performed by the same individual. Division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. 	C C	<ul style="list-style-type: none"> The positions of Chairman and Group Managing Director are currently held by separate individuals. The Chairman determines the broad strategic direction of the Group in consultation with the Board and is responsible for the high-level oversight of management. The Group Managing Director, with the support of the Executive Directors, is responsible for strategic planning of different business functions and day-to-day management and operation of the Group. 																						
C.2.2	The chairman should ensure that all directors are properly briefed on issues arising at board meetings.	C	<ul style="list-style-type: none"> With the support of the Executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and receive adequate and reliable information on a timely basis. In addition to regular Board meetings, the Chairman met with the Independent Non-executive Directors without the presence of other Directors in May and November of 2022. Attendance records in 2022 are as follows: <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: right; border-bottom: 1px solid black;"></th> <th style="text-align: right; border-bottom: 1px solid black;">Attendance</th> </tr> </thead> <tbody> <tr> <td colspan="2">Chairman</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Victor T K LI</td> <td style="border-bottom: 1px solid black; text-align: right;">2/2</td> </tr> <tr> <td colspan="2">Independent Non-executive Directors</td> </tr> <tr> <td style="border-bottom: 1px solid black;">CHEONG Ying Chew, Henry</td> <td style="border-bottom: 1px solid black; text-align: right;">2/2</td> </tr> <tr> <td style="border-bottom: 1px solid black;">KWOK Eva Lee</td> <td style="border-bottom: 1px solid black; text-align: right;">2/2</td> </tr> <tr> <td style="border-bottom: 1px solid black;">SNG Sow-mei alias POON Sow Mei</td> <td style="border-bottom: 1px solid black; text-align: right;">2/2</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Colin Stevens RUSSEL ^{Note}</td> <td style="border-bottom: 1px solid black; text-align: right;">1/1</td> </tr> <tr> <td style="border-bottom: 1px solid black;">LAN Hong Tsung, David</td> <td style="border-bottom: 1px solid black; text-align: right;">2/2</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Barrie COOK</td> <td style="border-bottom: 1px solid black; text-align: right;">2/2</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Paul Joseph TIGHE</td> <td style="border-bottom: 1px solid black; text-align: right;">2/2</td> </tr> </tbody> </table> <p>Note: Retired as an Independent Non-executive Director with effect from 1st September, 2022.</p>		Attendance	Chairman		Victor T K LI	2/2	Independent Non-executive Directors		CHEONG Ying Chew, Henry	2/2	KWOK Eva Lee	2/2	SNG Sow-mei alias POON Sow Mei	2/2	Colin Stevens RUSSEL ^{Note}	1/1	LAN Hong Tsung, David	2/2	Barrie COOK	2/2	Paul Joseph TIGHE	2/2
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C.2.3	The chairman should be responsible for ensuring that directors receive, in a timely manner, adequate information, which must be accurate, clear, complete and reliable.	C	<ul style="list-style-type: none"> The Board papers including supporting analysis and related background information are normally sent to the Directors at least three days before Board meetings. Communications between Non-executive Directors (including Independent Non-executive Directors) on the one hand, and the Company Secretary as co-ordinator for the other business units of the Group on the other, is a dynamic and interactive process to ensure that queries raised and clarification sought by the Directors are dealt with promptly and further supporting information and/or documentation is provided as appropriate.
C.2.4	<ul style="list-style-type: none"> The chairman to provide leadership for the board. The chairman should ensure that the board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner. The chairman should be primarily responsible for drawing up and approving the agenda for each board meeting. The chairman should take into account, where appropriate, any matters proposed by the other directors for inclusion in the agenda. The chairman may delegate this responsibility to a designated director or the company secretary. 	<p>C</p> <p>C</p> <p>C</p>	<ul style="list-style-type: none"> The Chairman is an Executive Director who is responsible for the leadership and effective running of the Board. The Chairman determines the broad strategic direction of the Group in consultation with the Board and is responsible for the high-level oversight of the management. The Board meets regularly and held meetings in March, May, August and November of 2022. With the support of the Executive Directors and the Company Secretary, the Chairman ensures that all Directors are properly briefed on all key and appropriate issues in a timely manner. The Company Secretary assists the Chairman in preparing the agenda for each Board meeting and ensures that, where applicable, matters proposed by other Directors are included in the agenda; and that all applicable rules and regulations are followed.
C.2.5	The chairman should take primary responsibility for ensuring that good corporate governance practices and procedures are established.	C	<ul style="list-style-type: none"> The Chairman leads the Board in fostering the Group's corporate culture in alignment with the purpose, values and strategy set by the Board, to reinforce the Group's vision and pursuit of success. The Board as a whole and the management of the Company are committed to the maintenance of good corporate governance practices and procedures.
C.2.6	<ul style="list-style-type: none"> The chairman should encourage all directors to make a full and active contribution to the board's affairs and take the lead to ensure that it acts in the best interests of the company. The chairman should encourage directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that board decisions fairly reflect board consensus. 	<p>C</p> <p>C</p>	<ul style="list-style-type: none"> Please refer to C.2.3 and C.2.4 above for the details.
C.2.7	The chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors.	C	<ul style="list-style-type: none"> In addition to regular full Board meetings, the Chairman met with the Independent Non-executive Directors without the presence of other Directors in May and November of 2022. Please refer to C.2.2 above for the attendance records.

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C.2.8	The chairman should ensure that appropriate steps are taken to provide effective communication with shareholders and that their views are communicated to the board as a whole.	C	<ul style="list-style-type: none"> To facilitate effective and systematic communication with shareholders, the Company has a Shareholders Communication Policy, a copy of which is available on the Company's website. This policy is subject to regular review to ensure its implementation and effectiveness. The Company establishes different forms of engagement for different groups of stakeholders to keep consistent interactions and maintains different communication channels for shareholders and investors to communicate their views on matters regarding the Company's businesses and affairs. These channels, include (i) printed copies of corporate communications (including but not limited to annual reports, interim reports, notices of meetings, circulars and proxy forms) required under the Listing Rules, and shareholders can choose to receive such documents using electronic means through the Company's website; (ii) the annual general meeting provides a forum for shareholders to raise comments and exchange views with the Board; (iii) updated and key information on the Group is available on the website of the Company; (iv) the Company's website offers a communication channel between the Company and its shareholders and stakeholders; (v) press conferences and briefing meetings with analysts are arranged from time to time, where applicable, to update on the performance of the Group; (vi) the Company's Branch Share Registrar deals with shareholders for share registration and related matters; and (vii) the Corporate Affairs Department of the Company handles enquiries from shareholders and investors generally. These channels allow the Company to receive feedback from our shareholders and investors. Any unanswered questions raised from the shareholders in the annual general meetings/general meetings will be dealt with by the Company Secretary, the authorised officers and other appropriate departments. In addition, the Investor Relations' contact details are available at the Company's website for taking enquiries and receiving information requests from shareholders. Those enquiries and information requests will be handled by Investor Relations and other appropriate departments. Having reviewed the implementation of the multiple channels of communication in place, the Board, through and by the Audit Committee, considers that the implementation of the Company's shareholders communication policy was effective during the year ended 31st December, 2022.
C.2.9	The chairman should promote a culture of openness and debate by facilitating the effective contribution of non-executive directors in particular and ensuring constructive relations between executive and non-executive directors.	C	<ul style="list-style-type: none"> The Chairman promotes a culture of openness and actively encourages Directors with different views to voice their opinion and be fully engaged in the Board's affairs so as to contribute to the Board's functions.
C.3	Management functions Corporate Governance Principle <i>The Company should have a formal schedule of matters specifically reserved for Board approval and those delegated to management.</i>		
C.3.1	When the board delegates aspects of its management and administration functions to management, it must, at the same time, give clear directions as to the management's powers, in particular, where management should report back and obtain prior board approval before making decisions or entering into any commitments on the company's behalf.	C	<ul style="list-style-type: none"> Executive Directors are in charge of different business units and functional divisions in accordance with their respective areas of expertise. The management of the Company reports acquisitions of or investments in business or projects, and other matters as considered appropriate, back to the Board, and obtains the Board's prior approval before making decisions or entering into any commitments on behalf of the Company. Where appropriate, disclosure is made and/or circulars are issued to obtain shareholders' approval in accordance with the requirements of the applicable rules and regulations. Please refer to the Management Structure Chart set out on page 184. For matters or transactions of a material nature, the same will be referred to the Board for approval. For matters or transactions of a magnitude requiring disclosure under the Listing Rules or other applicable rules or regulations, appropriate disclosure will be made and where necessary, a circular will be prepared and shareholders' approval will be obtained in accordance with the requirements of the applicable rules and regulations.

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Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices										
C.3.2	Formalise functions reserved to the board and those delegated to management and to review those arrangements periodically to ensure that they remain appropriate to the company's needs.	C	<ul style="list-style-type: none"> Accountable to the shareholders under the leadership of the Chairman, the Board leads, directs and supervises the Company's affairs to enable the long term success of the Company. The Board is responsible for the Group's future development directions; overall strategies and policies; evaluation of the performance of the Group and the management; and approval of matters that are of a material or substantial nature. The Board evaluates the Group's operating, financial and sustainability performance and oversees the executive management of the Company with the support of various standing committees, and ensures the Company maintains effective communication with shareholders and appropriate engagement with other key stakeholders. Under the leadership of the Group Managing Director, management is responsible for the day-to-day operations of the Group. 										
C.3.3	Directors should clearly understand delegation arrangements in place. The company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment.	C	<ul style="list-style-type: none"> Formal letters of appointment have been issued to all Directors setting out the key terms and conditions of their respective appointment. 										
C.4	Board Committees Corporate Governance Principle <i>Board Committees should be formed with specific written terms of reference which deal clearly with their authority and duties.</i>												
C.4.1	Where board committees are established to deal with matters, the board should give them sufficiently clear terms of reference to enable them to perform their functions properly.	C	<ul style="list-style-type: none"> Five Board Committees, namely, Audit Committee, Remuneration Committee, Nomination Committee, Sustainability Committee and executive committee ("Executive Committee"), have been established with specific terms of reference. The Company established its Sustainability Committee on 1st December, 2020. A majority of the Directors sitting on the Sustainability Committee are Independent Non-executive Directors. The Sustainability Committee headed by an Executive Director, Mr. Ip Tak Chuen, Edmond, comprises two Independent Non-executive Directors, Mr. Barrie Cook and Mr. Paul Joseph Tighe, and the Company Secretary, Ms. Eirene Yeung, as members. The terms of reference of the Sustainability Committee are available on the websites of the Company and HKEX. The Sustainability Committee, with delegated responsibility, oversees management and advises the Board on the development and implementation of the sustainability initiatives of the Group, including reviewing the related ESG policies and practices, and assessing and making recommendations on matters concerning the Group's sustainability development and ESG risks. Sustainability Committee meetings were held in March and November of 2022. Attendance records of the members of the Sustainability Committee in 2022 are as follows: <table border="1" data-bbox="762 1496 1434 1641"> <thead> <tr> <th>Members of the Sustainability Committee</th> <th>Attendance</th> </tr> </thead> <tbody> <tr> <td>IP Tak Chuen, Edmond (<i>Chairman</i>)</td> <td>2/2</td> </tr> <tr> <td>Paul Joseph TIGHE</td> <td>2/2</td> </tr> <tr> <td>Barrie COOK ^{Note}</td> <td>N/A</td> </tr> <tr> <td>Eirene YEUNG</td> <td>2/2</td> </tr> </tbody> </table> <p>Note: Appointed as a member of the Sustainability Committee on 31st December, 2022.</p> <ul style="list-style-type: none"> The following is a summary of the work of the Sustainability Committee during 2022: <ol style="list-style-type: none"> Review the Group's sustainability objectives, strategies, priorities, initiatives, goals, targets, work progress and highlights for the year of 2021, in consultation with the external professional consultant; Consider adoption the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and other initiatives with a view to enhancing the Company's sustainability disclosures and ability to identify and address sustainability-related issues; Consider rating agencies' analyses of the Group's sustainability performance; Review the potential climate-related financial risks, i.e. physical risk and transition risk, that might affect the Group; Review the Company's sustainability frameworks and sustainability related policies, practices and management approach; Review the Company's standalone sustainability report for the year of 2021 prepared in consultation with the external professional consultant; 	Members of the Sustainability Committee	Attendance	IP Tak Chuen, Edmond (<i>Chairman</i>)	2/2	Paul Joseph TIGHE	2/2	Barrie COOK ^{Note}	N/A	Eirene YEUNG	2/2
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C.4.1 (Cont'd)			<p>7. Review the progress of the Group in 2022 towards the sustainability targets and sustainability-related issues, trends and best practices;</p> <p>8. Consider an introductory review of the exposure drafts of the International Sustainability Standards released by the International Sustainability Standards Board (ISSB) in March 2022;</p> <p>9. Review of the Company's alignment to United Nations Sustainable Development Goals (UNSDGs) for the Group's sustainability targets and goals; and</p> <p>10. Consider the plan and preparatory work for Company's sustainability report for the year of 2022.</p> <ul style="list-style-type: none"> At the meeting of the Sustainability Committee held in March 2023, the Sustainability Committee reviewed the sustainability report for the year 2022 and adopted revisions of the following sustainability policies of the Company, among other agenda items: (a) Environmental Policy; b) Human Rights Policy; and (c) Supplier Code of Conduct. The Company established its Executive Committee on 26th April, 2005, which comprises the Chairman of the Board (Chairman of the Executive Committee), five Executive Directors and six key personnel of the Company. The Executive Committee meets regularly to discuss and make decisions on matters relating to the management and operations of the Company, and to assess and make recommendations to the Board on acquisitions of or investments in business or projects. 																																										
C.4.2	The terms of reference of board committees should require them to report back to the board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).	C	<ul style="list-style-type: none"> Board Committees report to the Board of their decisions and recommendations at the Board meetings. 																																										
C.5	<p>Conduct of board proceedings and supply of and access to information</p> <p>Corporate Governance Principle</p> <p><i>The Company should ensure Directors can participate in Board proceedings in a meaningful and effective manner. Directors should be provided in a timely manner with appropriate information in the form and quality to enable them to make an informed decision and perform their duties and responsibilities.</i></p>																																												
C.5.1	Regular board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of directors.	C	<ul style="list-style-type: none"> The Board meets regularly and held meetings in March, May, August and November of 2022. Directors' attendance record in 2022 is as follows: <table border="1"> <thead> <tr> <th>Members of the Board</th> <th>Attendance</th> </tr> </thead> <tbody> <tr> <td colspan="2">Executive Directors</td> </tr> <tr> <td>Victor T K LI (<i>Chairman</i>)</td> <td>4/4</td> </tr> <tr> <td>KAM Hing Lam (<i>Group Managing Director</i>)</td> <td>4/4</td> </tr> <tr> <td>IP Tak Chuen, Edmond (<i>Deputy Chairman</i>)</td> <td>4/4</td> </tr> <tr> <td>FOK Kin Ning, Canning (<i>Deputy Chairman</i>)</td> <td>4/4</td> </tr> <tr> <td>Frank John SIXT</td> <td>4/4</td> </tr> <tr> <td>Andrew John HUNTER (<i>Deputy Managing Director</i>)</td> <td>4/4</td> </tr> <tr> <td>CHAN Loi Shun (<i>Chief Financial Officer</i>)</td> <td>4/4</td> </tr> <tr> <td>CHEN Tsien Hua</td> <td>4/4</td> </tr> <tr> <td colspan="2">Independent Non-executive Directors</td> </tr> <tr> <td>CHEONG Ying Chew, Henry</td> <td>4/4</td> </tr> <tr> <td>KWOK Eva Lee</td> <td>4/4</td> </tr> <tr> <td>SNG Sow-mei alias POON Sow Mei</td> <td>4/4</td> </tr> <tr> <td>Colin Stevens RUSSEL ^{Note}</td> <td>2/3</td> </tr> <tr> <td>LAN Hong Tsung, David</td> <td>4/4</td> </tr> <tr> <td>Barrie COOK</td> <td>3/4</td> </tr> <tr> <td>Paul Joseph TIGHE</td> <td>4/4</td> </tr> <tr> <td colspan="2">Non-executive Directors</td> </tr> <tr> <td>LEE Pui Ling, Angelina</td> <td>4/4</td> </tr> <tr> <td>George Colin MAGNUS</td> <td>4/4</td> </tr> </tbody> </table> <p>Note: Retired as an Independent Non-executive Director with effect from 1st September, 2022.</p> <ul style="list-style-type: none"> The Directors have the options to attend Board meetings in person, by phone or through means of electronic communication or by their respective alternate directors (if applicable) in accordance with the Company's Bye-laws. An updated and consolidated version of the Company's Memorandum of Association and Bye-laws (both English and Chinese versions) are available on the websites of the Company and HKEX. There were no significant changes in the Company's constitutional documents during the year 2022. 	Members of the Board	Attendance	Executive Directors		Victor T K LI (<i>Chairman</i>)	4/4	KAM Hing Lam (<i>Group Managing Director</i>)	4/4	IP Tak Chuen, Edmond (<i>Deputy Chairman</i>)	4/4	FOK Kin Ning, Canning (<i>Deputy Chairman</i>)	4/4	Frank John SIXT	4/4	Andrew John HUNTER (<i>Deputy Managing Director</i>)	4/4	CHAN Loi Shun (<i>Chief Financial Officer</i>)	4/4	CHEN Tsien Hua	4/4	Independent Non-executive Directors		CHEONG Ying Chew, Henry	4/4	KWOK Eva Lee	4/4	SNG Sow-mei alias POON Sow Mei	4/4	Colin Stevens RUSSEL ^{Note}	2/3	LAN Hong Tsung, David	4/4	Barrie COOK	3/4	Paul Joseph TIGHE	4/4	Non-executive Directors		LEE Pui Ling, Angelina	4/4	George Colin MAGNUS	4/4
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Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.5.2	All directors are given an opportunity to include matters in the agenda for regular board meetings.	C	<ul style="list-style-type: none"> All Directors are consulted as to whether they may wish to include any matter in the agenda before the agenda for each regular Board meeting is issued.
C.5.3	<ul style="list-style-type: none"> At least 14 days notice for regular board meetings. Reasonable notice for other board meetings. 	C C	<ul style="list-style-type: none"> Regular Board meetings in a particular year are usually scheduled towards the end of the immediately preceding year to give all Directors adequate time to plan their schedules to attend the meetings. At least 14 days formal notice would be given before each regular meeting. The Directors are given as much prior notice as is reasonable and practical under the circumstances of ad hoc Board meetings in addition to regular Board meetings. According to the Company's Bye-laws, any Director may waive notice of any meeting.
C.5.4	Minutes of board meetings and meetings of board committees should be kept by a duly appointed secretary of the meeting and should be open for inspection at any reasonable time on reasonable notice by any director.	C	<ul style="list-style-type: none"> The Company Secretary and the authorised officers prepare written resolutions or minutes and keeps records of substantive matters discussed and decisions resolved at all Board and Board Committee meetings. Board and Board Committee minutes are sent to all Directors/Board Committee members within a reasonable time after each Board and Board Committee meeting. Board and Board Committee minutes/resolutions are available for inspection by Directors/Board Committee members.
C.5.5	<ul style="list-style-type: none"> Minutes of board meetings and meetings of board committees should record in sufficient detail the matters considered and decisions reached. Draft and final versions of minutes for all directors to comment and keep records within a reasonable time after the board meeting. 	C C	<ul style="list-style-type: none"> Minutes record in sufficient detail the matters considered by the Board/Board Committees and decisions reached. Directors are given an opportunity to comment on draft Board minutes. Final version of Board minutes is placed on record within a reasonable time after the Board meeting.
C.5.6	<ul style="list-style-type: none"> A procedure agreed by the board to enable directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the company's expense. The board should resolve to provide separate independent professional advice to directors to assist them perform their duties to the company. 	C C	<ul style="list-style-type: none"> Directors have been advised that the Company Secretary can arrange independent professional advice at the expense of the Company should such advice be considered necessary by any Director.
C.5.7	<ul style="list-style-type: none"> If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should be dealt with by a physical board meeting rather than a written resolution. Independent non-executive directors who, and whose close associates, have no material interest in the transaction should be present at that board meeting. 	C C	<ul style="list-style-type: none"> Important matters are usually dealt with by way of written resolutions so that all Directors (including Independent Non-executive Directors) can note and comment, as appropriate, on the matters before approval is granted. A director must declare his/her interest in the matters to be passed in the resolution, if applicable. If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with in accordance with applicable rules and regulations and, if appropriate, an independent Board committee will be set up to deal with the matter.
C.5.8	<ul style="list-style-type: none"> Send agenda and full board papers to all directors at least 3 days before a regular board or board committee meeting. As far as practicable for other board or board committee meetings. 	C C	<ul style="list-style-type: none"> Board/Board Committee papers are circulated not less than three days before the regular Board/Board Committee meetings to enable the Directors/Board Committee members to make informed decisions on matters to be raised at the Board/Board Committee meetings.

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C.5.9	<ul style="list-style-type: none"> – Management has an obligation to supply the board and its committees with adequate and reliable information in a timely manner to enable it to make informed decisions. – The board and individual directors should have separate and independent access to the company's senior management for making further enquiries where necessary. 	C C	<ul style="list-style-type: none"> • The Company Secretary and the Chief Financial Officer attend all regular Board meetings to advise on corporate governance, statutory compliance and accounting and tax related financial matters, as appropriate. • Communications between Directors on the one hand, and the Company Secretary, who acts as co-ordinator for the other business units of the group on the other, is a dynamic and interactive process to ensure that queries raised and clarification sought by the Directors are dealt with and that further supporting information is provided as appropriate.
C.5.10	<ul style="list-style-type: none"> – All directors are entitled to have access to board papers and related materials. – Queries raised by directors should receive a prompt and full response, if possible. 	C C	<ul style="list-style-type: none"> • Please see C.5.8 and C.5.9 above.
C.6	<p>Company Secretary</p> <p>Corporate Governance Principle</p> <p><i>The Company Secretary plays an important role in supporting the Board by ensuring good information flow within the Board and that Board policy and procedures are followed. The Company Secretary is responsible for advising the Board through the Chairman and/or the Group Managing Director on governance matters and should also facilitate induction and professional development of Directors.</i></p>		
C.6.1	The company secretary should be an employee of the company and have day-to-day knowledge of the company's affairs.	C	<ul style="list-style-type: none"> • The Company Secretary of the Company has been appointed since the listing of the Company*. The Company Secretary confirmed that she has complied with all the required qualifications, experience and training requirements under the Listing Rules for the year ended 31st December, 2022. • The Company Secretary and the authorised officers prepare written resolutions and minutes as appropriate and keeps records of substantive matters discussed and decisions resolved at all Board and Board Committee meetings. • The Company Secretary advises the Board from time to time on compliance with all applicable laws, rules and regulations in relation to the investments of the Group and keeps the Board abreast of relevant legislative, regulatory and corporate governance developments. <p>* Except for a brief period of approximately four months during which the position had taken up by her then deputy.</p>
C.6.2	The board should approve the selection, appointment or dismissal of the company secretary.	C	<ul style="list-style-type: none"> • The appointment and removal of the Company Secretary are subject to Board approval in accordance with the Company's Bye-laws.
C.6.3	The company secretary should report to the board chairman and/or the chief executive.	C	<ul style="list-style-type: none"> • The Company Secretary reports to the Board through the Chairman whilst all members of the Board have access to the advice of the Company Secretary.
C.6.4	All directors should have access to the advice and services of the company secretary to ensure that board procedures, and all applicable law, rules and regulations, are followed.	C	<ul style="list-style-type: none"> • Directors have access to the Company Secretary and the authorised officers who are responsible to the Board for ensuring that Board procedures, and all applicable rules and regulations, are followed. • Memoranda are issued and other resources (such as the webcasts of the Stock Exchange on corporate governance) are relayed, and directors' trainings are arranged to Directors from time to time to update them with legal and regulatory changes and matters of relevance to Directors in the discharge of their duties.
D.	AUDIT, INTERNAL CONTROL AND RISK MANAGEMENT		
D.1	<p>Financial reporting</p> <p>Corporate Governance Principle</p> <p><i>The Board should present a balanced, clear and comprehensible assessment of the Company's performance, position and prospects.</i></p>		
D.1.1	Management should provide sufficient explanation and information to the board to enable it to make an informed assessment of financial and other information put before it for approval.	C	<ul style="list-style-type: none"> • Directors are provided with a review of the Group's major business activities and key financial information on a quarterly basis.

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D.1.2	Management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the company's performance, position and prospects in sufficient detail to enable the board as a whole and each director to discharge their duties.	C	<ul style="list-style-type: none"> Monthly updates are provided to all members of the Board, for the purpose of providing a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail and to enable the Board as a whole and each Director to discharge their duties.
D.1.3	<ul style="list-style-type: none"> The directors should acknowledge in the Corporate Governance Report their responsibility for preparing the accounts. There should be a statement by the auditors about their reporting responsibilities in the auditor's report on the financial statements. Unless it is inappropriate to assume that the company will continue in business, the directors should prepare the accounts on a going concern basis, with supporting assumptions or qualifications as necessary. Where the directors are aware of material uncertainties relating to events or conditions that may cast significant doubt on the company's ability to continue as a going concern, they should be clearly and prominently disclosed and discussed at length in the Corporate Governance Report. 	<p>C</p> <p>C</p> <p>C</p> <p>N/A</p>	<ul style="list-style-type: none"> The Directors acknowledged in writing on an annual basis their responsibility for preparing the financial statements of the Group. Directors are not aware of material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern as referred to in D.1.3 of the CG Code. With the assistance of the Company's Finance and Accounting Department which are under the supervision of the Chief Financial Officer who is a professional accountant, the Directors ensure the preparation of the financial statements of the Group are in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the publication of the financial statements of the Group is done in a timely manner. The statement by the auditor of the Company regarding its reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 86 to 90.
D.1.4	The board should present a balanced, clear and understandable assessment in annual and interim reports and other financial disclosures required by the Listing Rules. It should also do so for reports to regulators and information disclosed under statutory requirements.	C	<ul style="list-style-type: none"> The Board aims to present a clear, balanced and understandable assessment of the Group's performance and position in all shareholder communications. The Board is aware of and updated with the requirements under the applicable rules and regulations about timely disclosure of inside information or matters regarding the Company and will authorise the publication of such announcements as and when the occasion arises. The Company Secretary and the authorised officers together with the Accounting Department work closely and in consultation with legal advisers to review the materiality and sensitivity of transactions and proposed transactions and advise the Board accordingly.
D.2	<p>Risk management and internal control</p> <p>Corporate Governance Principle</p> <p><i>The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. Such risks would include, amongst others, material risks relating to ESG. The Board should oversee management in the design, implementation and monitoring of the risk management and internal control systems, and management should provide a confirmation to the Board on the effectiveness of these systems.</i></p>		
D.2.1	The board should oversee the group's risk management and internal control systems on an ongoing basis, ensure that a review of the effectiveness of the company's and its subsidiaries' risk management and internal control systems has been conducted at least annually and report to shareholders that it has done so in its Corporate Governance Report. The review should cover all material controls, including financial, operational and compliance controls.	C	<ul style="list-style-type: none"> The Board is responsible for maintaining sound and effective risk management and internal control systems, which include the development of necessary policies and procedures. Such systems are reviewed twice a year to ensure they are operating effectively on an ongoing basis. The Group maintains an enterprise risk management framework to identify, assess, manage, monitor and control current and emerging risks. Risk management and internal control systems are designed to help the achievement of business objectives in the following categories: <ol style="list-style-type: none"> Alignment with and supportive of the Group's strategies; Effectiveness and efficiency of operations which include safeguarding assets against unauthorised user or disposition; Reliability of financial and operational reporting; and Compliance with applicable laws, regulations, and internal controls and procedures.

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D.2.2	The board's annual review should, in particular, ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the company's accounting, internal audit, financial reporting functions as well as those relating to the company's ESG performance and reporting.	C	<ul style="list-style-type: none"> The Board, through the Audit Committee, reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, financial reporting functions as well as those relating to the company's ESG performance and reporting at the Board meeting held in March 2023 and noted that the Company has been in compliance with the Code Provision for the year 2022. Please also refer to D.3.3 below.
D.2.3	<p>The board's annual review should, in particular, consider:</p> <ul style="list-style-type: none"> the changes, since the last annual review, in the nature and extent of significant risks (including ESG risks), and the company's ability to respond to changes in its business and the external environment; the scope and quality of management's ongoing monitoring of risks (including ESG risks) and of the internal control systems, and where applicable, the work of its internal audit function and other assurance providers; the extent and frequency of communication of monitoring results to the board (or board committee(s)) which enables it to assess control of the company and the effectiveness of risk management; significant control failings or weaknesses that have been identified during the period. Also, the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the company's financial performance or condition; and the effectiveness of the company's processes for financial reporting and Listing Rules compliance. 	<p>C</p> <p>C</p> <p>C</p> <p>C</p>	<ul style="list-style-type: none"> The Board, through the Audit Committee, regularly reviews the significant risks (including ESG risks) and decisions that could have a material impact on the Group. These reviews consider the level of risk that the Group is prepared to take in pursuit of the business strategy and the effectiveness of the management controls in place to mitigate the risk exposure. They also regularly review the effectiveness of any remedial actions taken during the reporting period in order to respond to changes in its business and the external environment. The Audit Committee, on behalf of the Board, regularly reviews the scope and quality of the risk management framework (including ESG risks) and effectiveness of the internal control systems. The Audit Committee evaluates the internal audit function on an ongoing basis by reviewing internal audit resources, plans, budgets and its work. The Audit Committee also carries out a review of the reports from the external auditors, Messrs. Deloitte Touche Tohmatsu ("Deloitte"), regarding the internal controls and relevant financial reporting matters in the Company. The Group's risk management and internal control systems are reviewed twice a year by the management. Each business unit has to perform risk assessment where the risks associated with achieving the business objectives are identified and analysed. It also includes a review of the control mechanism for each risk and action plan is put in place to address the areas for improvement. The Chief Executive Officer and Chief Financial Officer of each business unit need to provide a formal confirmation to acknowledge review of their control systems and highlight any weaknesses. Such confirmations are reviewed by the Audit Committee, through Internal Audit, and submitted to the Board for its assessment. No significant control failings or weaknesses had been identified during the reporting period. The Board is not aware of any material unforeseen outcomes or contingencies that may in the future have a material impact on the Company's financial performance or condition. The Board has conducted a review of the effectiveness of the Group's risk management and internal control systems, including all material financial, operational and compliance controls, and concluded that they are adequate and effective.
D.2.4	<p>The company should disclose, in the Corporate Governance Report, a narrative statement on how it has complied with the risk management and internal control code provisions during the reporting period. In particular, the company should disclose:</p> <ul style="list-style-type: none"> the process used to identify, evaluate and manage significant risks; 	<p>C</p> <p>C</p>	<ul style="list-style-type: none"> The Company has complied with the code provisions on risk management and internal controls during the reporting period. The Group has in place an Enterprise Risk Management framework which is consistent with the COSO (Committee of Sponsoring Organisations of the Treadway Commission) framework. The framework supports the Group to identify, evaluate and manage significant risks.

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D.2.4 (Cont'd)	<ul style="list-style-type: none"> – the main features of the risk management and internal control systems; 	C	<ul style="list-style-type: none"> • The Group adopts a "top-down and bottom-up" approach to manage risk exposures which works as follows: Managing Risk from Top-down: <u>The Board and Audit Committee</u> <ol style="list-style-type: none"> 1. Assess and determine the nature and extent of the risks that the Group is willing to accept in pursuit of its strategic and business objectives; and 2. Ensure appropriate and effective risk management and internal control systems are in place. <u>Senior Management</u> <ol style="list-style-type: none"> 1. Oversee the Group's risk profile and evaluate if major risks are appropriately mitigated; and 2. Review and confirm the effectiveness of the risk management processes. Managing Risk from Bottom-up: <u>Risk and Control Monitoring Functions</u> <ol style="list-style-type: none"> 1. Establish relevant policies and procedures for the Group; and 2. Monitor business units in the implementation of effective risk management and internal control systems. <u>Operational Level</u> <ol style="list-style-type: none"> 1. Identify, assess, mitigate and report the risks; and 2. Provision of reports and data relating to emerging risks to the Board, through the Audit Committee. • Through this "top-down and bottom-up" risk review process, the risks identified in each business unit will be presented in the Group Risk Register, where they are considered significant on a group level. This Register, of which the content is confirmed by the Group Managing Director and the Chief Financial Officer, forms part of the Risk Management Report for review and approval by the Audit Committee every half-yearly. The Audit Committee, on behalf of the Board, reviews the Report to ensure that all the significant risks are identified and appropriately managed. • Pages 185 to 192 of the Annual Report also provide a description of the Group's risk factors which could affect the Group's financial condition or results of operations to differ materially from expected or historical results.
	<ul style="list-style-type: none"> – an acknowledgement by the board that it is responsible for the risk management and internal control systems and reviewing their effectiveness. It should also explain that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss; 	C	<ul style="list-style-type: none"> • Both risk management and internal control systems are designed to manage rather than eliminate risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material errors, losses or fraud. The concept of reasonable assurance recognises that the cost of control procedure should not exceed the expected benefits.
	<ul style="list-style-type: none"> – the process used to review the effectiveness of the risk management and internal control systems and to resolve material internal control defects; and 	C	<ul style="list-style-type: none"> • Please refer to D.2.3 above.
	<ul style="list-style-type: none"> – the procedures and internal controls for the handling and dissemination of inside information. 	C	<ul style="list-style-type: none"> • Regarding the procedures and internal controls for handling inside information, the Group: <ol style="list-style-type: none"> 1. is well aware of its statutory and regulatory obligations to announce any inside information; 2. has implemented policy and procedure which strictly prohibit unauthorised use of confidential information and insider trading, and has communicated to all staff; and 3. requires that only Directors and delegated officers can act as the Group's spokesperson and respond to external enquiries about the Group's affairs.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
D.2.5	The company should have an internal audit function. The company without an internal audit function should review the need for one on an annual basis and should disclose the reasons for the absence of such a function in the Corporate Governance Report.	C	<ul style="list-style-type: none"> Internal Audit, reporting directly to the Audit Committee and the Group Managing Director, performs independent assessment of the risk management and internal control systems. Using a risk based methodology, Internal Audit prepares its audit plan in consultation with, but independent of, management, and it is reviewed by the Audit Committee. The audit work focuses on those areas of the Group's activities with greatest perceived risks. Ad hoc review will also be performed on areas of concern identified by the Audit Committee and management. Management of individual business unit will be informed of the areas for improvement, and Internal Audit will closely monitor the implementation of agreed corrective actions.
D.2.6	The company should establish a whistleblowing policy and system for employees and those who deal with the company (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, with the audit committee about possible improprieties in any matter related to the company.	C	<ul style="list-style-type: none"> The terms of reference of the Audit Committee include the requirement to review arrangements that employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Company has established the Whistleblowing Policy – Procedures for Reporting Possible Improprieties for employees and those who deal with the Group (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in matters of financial reporting, internal control or other matters relating to the Group. Such procedures are included into the Company's Employee Handbook and available on the Company's website. The Company has issued an Employee Handbook to its staff, which contains the mechanism for employees to raise any issues they may have to their department heads and to the Human Resources Department for necessary action (whether these relate to their career development or any other grievances and complaints they may have).
D.2.7	The company should establish policy(ies) and system(s) that promote and support anti-corruption laws and regulations.	C	<ul style="list-style-type: none"> The Group adopts a "zero tolerance" approach to bribery, corruption and fraud of any kind. The Company has established Anti-Fraud and Anti-Bribery Policy and Employee Code of Conduct to set out the minimum standards of ethical conduct to which all employees are required to adhere. The Anti-Fraud and Anti-Bribery Policy and Employee Code of Conduct are available on the Company's website. The Company has issued an Employee Handbook to its staff, which contains the mechanism for employees to declare to their department heads, the Director concerned and the Human Resources Department should the employees receive or be offered any commission, rebate, discount, gratuity, profit, gifts or any other form of benefit. Anti-corruption training is provided as part of the onboarding process and on an ongoing basis to ensure the Company's expectations are effectively communicated to all levels of staff.
D.3	Audit Committee Corporate Governance Principle <i>The Board should establish formal and transparent arrangements to consider how it will apply financial reporting, risk management and internal control principles and maintain an appropriate relationship with the Company's auditors.</i>		
D.3.1	<ul style="list-style-type: none"> Full minutes of audit committee meetings should be kept by a duly appointed secretary of the meeting. Draft and final versions of minutes should be sent to all committee members for their comment and records, within a reasonable time after the meeting. 	<p>C</p> <p>C</p>	<ul style="list-style-type: none"> Minutes of the Audit Committee meetings are kept by the Company Secretary. Draft minutes of the meetings of the Audit Committee are circulated to members of the Audit Committee within a reasonable time after each meeting for their review and comments and the signed minutes are shared with the members for reference.
D.3.2	A former partner of existing auditing firm shall not act as a member of the audit committee for 2 years from the date of the person ceasing to be a partner of or to have any financial interest in, the firm, whichever is later.	C	<ul style="list-style-type: none"> No member of the Audit Committee is a former partner of the existing auditing firm of the Company during the two years after he/she ceases to be a partner of the auditing firm. The terms of reference of the Audit Committee comply with the requirement under the Listing Rules for prohibiting a former partner of the Company's existing auditing firm from acting as a member of the Audit Committee for a period of two years from the later of (a) the date of his/her ceasing to be a partner of the firm; or (b) the date of his/her ceasing to have any financial interest in the firm.

CORPORATE GOVERNANCE REPORT

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices										
D.3.3	<p>The audit committee's terms of reference should include at least:</p> <ul style="list-style-type: none"> – make recommendations to the board on the appointment, reappointment and removal of external auditor and approval of their terms of engagement; – review and monitor external auditor's independence and objectivity and effectiveness of audit process; – develop and implement policy on engaging an external auditor to supply non-audit services; – review of the company's financial information; and – oversight of the company's financial reporting system, risk management and internal control systems, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the company's accounting and financial reporting function. 	C	<ul style="list-style-type: none"> • The terms of reference of the Audit Committee follow closely the requirements of the CG Code. • Audit Committee meetings were held in March, May, August and November of 2022. Attendance records of the members of the Audit Committee in 2022 are as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Members of the Audit Committee</th> <th style="text-align: right;">Attendance</th> </tr> </thead> <tbody> <tr> <td>Paul Joseph TIGHE ^{Note} (<i>Chairman</i>)</td> <td style="text-align: right;">4/4</td> </tr> <tr> <td>CHEONG Ying Chew, Henry</td> <td style="text-align: right;">4/4</td> </tr> <tr> <td>SNG Sow-mei alias POON Sow Mei ^{Note}</td> <td style="text-align: right;">4/4</td> </tr> <tr> <td>LAN Hong Tsung, David</td> <td style="text-align: right;">4/4</td> </tr> </tbody> </table> <p>Note: Mrs. SNG Sow-mei alias POON Sow Mei retired and Mr. Paul Joseph TIGHE appointed as the Chairperson of the Audit Committee with effect from 10th May, 2022.</p> • The following is a summary of the work of the Audit Committee during 2022: <ol style="list-style-type: none"> 1. Review the financial reports for 2021 annual results and 2022 interim results, and unaudited financial results for the 1st quarter and the 3rd quarter 2022; 2. Review the findings and recommendations of the Group Internal Audit on the work of various business units and divisions/departments and updates on remedial actions, as appropriate; 3. Review the effectiveness of the risk management and internal control systems; 4. Review the external auditor's audit planning report and audit findings; 5. Review the external auditor's remuneration; 6. Review the risks of different business units and analysis thereof provided by the relevant business units and the Internal Audit Department; 7. Review the control mechanisms for such risks advising on action plans for improvement of the situations; 8. Review the arrangements employees can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters; and 9. Review the corporate governance policies and practices. • After due and careful consideration of reports from management and the internal and external auditors, the Audit Committee noted that no suspected fraud or irregularities, significant internal control deficiencies, or suspected infringement of laws, rules, or regulations had been found, and concluded at the meeting held on 13th March, 2023 that the internal control system was adequate and effective. • On 13th March, 2023, the Audit Committee met to review the Group's 2022 consolidated financial statements, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditor. After review and discussions with the management, internal auditor and external auditor, the Audit Committee endorsed the accounting treatment adopted by the Company, and the Audit Committee had to the best of its ability assured itself that the disclosure of the financial information in the Annual Report 2022 complied with the applicable accounting standards and Appendix 16 to the Listing Rules. The Audit Committee therefore resolved to recommend for the Board's approval of the consolidated financial statements for the year ended 31st December, 2022. • The Audit Committee also recommended to the Board the re-appointment of Deloitte as the Company's external auditor for 2023 and that the related resolution shall be put forth for shareholders' consideration and approval at the 2023 annual general meeting. • The Group's Annual Report 2022 has been reviewed by the Audit Committee. The Company's external auditor was invited to attend the meetings held in March, August and November of 2022. During the year ended 31st December, 2022, the Audit Committee held two private sessions with the external auditor and internal auditor respectively without the presence of management. 	Members of the Audit Committee	Attendance	Paul Joseph TIGHE ^{Note} (<i>Chairman</i>)	4/4	CHEONG Ying Chew, Henry	4/4	SNG Sow-mei alias POON Sow Mei ^{Note}	4/4	LAN Hong Tsung, David	4/4
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CORPORATE GOVERNANCE REPORT

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E.1.1	The remuneration committee should consult the chairman and/or chief executive about their remuneration proposals for other executive directors and should have access to professional advice if necessary.	C	<ul style="list-style-type: none"> The Remuneration Committee has consulted the Chairman and/or the Group Managing Director about proposals relating to the remuneration packages and other human resources issues of the Directors and senior management, including, without limitation, succession plan and key personnel movements as well as policies for recruiting and retaining qualified personnel. The emoluments of Directors have been determined with reference to the skills, knowledge, involvement in the Company's affairs and the performance of each Director, and to the profitability of the Company and prevailing market conditions during the year. To enable them to better advise on the Group's future remuneration policy and related strategies, the Remuneration Committee has been advised of the Group's existing remuneration policy and succession plan, including the corporate philosophy in formulating employees' remuneration packages, and market trends and related information. The Remuneration Committee is satisfied that there is in place a clear system for determining remuneration, which is reasonable and has been followed consistently in its application. 								
E.1.2	<p>The remuneration committee's terms of reference should include:</p> <ul style="list-style-type: none"> – recommend to the board on the company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; – review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives; – either to determine, with delegated responsibility, or to make recommendations to the board on the remuneration packages of individual executive directors and senior management; – recommend to the board on the remuneration of non-executive directors; – consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group; – review and approve compensation payable on loss or termination of office or appointment; – review and approve compensation arrangements relating to dismissal or removal of directors for misconduct; and – ensure that no director or any of their associates is involved in deciding that director's own remuneration. 	C	<ul style="list-style-type: none"> The Company established its Remuneration Committee on 1st January, 2005. A majority of the members are Independent Non-executive Directors. The Remuneration Committee comprises an Independent Non-executive Director, Mr. Cheong Ying Chew, Henry (Chairman of the Remuneration Committee), the Chairman of the Board, Mr. Victor T K Li, and an Independent Non-executive Director, Mrs. Sng Sow-mei alias Poon Sow Mei. The terms of reference of the Remuneration Committee follow closely the requirements of the CG Code. The Remuneration Committee, with delegated responsibility, determines the remuneration packages of individual Executive Directors and senior management, and makes recommendations the remuneration of Non-executive Directors. Since the publication of the Annual Report 2021 in April 2022, a meeting of the Remuneration Committee was held in January 2023. Attendance record of the members of the Remuneration Committee is as follows: <table border="1" data-bbox="762 1227 1430 1344"> <thead> <tr> <th>Members of the Remuneration Committee</th> <th>Attendance</th> </tr> </thead> <tbody> <tr> <td>CHEONG Ying Chew, Henry (<i>Chairman</i>)</td> <td>1/1</td> </tr> <tr> <td>Victor T K LI</td> <td>1/1</td> </tr> <tr> <td>Mrs. SNG Sow-mei alias POON Sow Mei</td> <td>1/1</td> </tr> </tbody> </table> The following is a summary of the work of the Remuneration Committee during the said meeting: <ol style="list-style-type: none"> Review the remuneration policy for 2022/2023; Recommend to the Board the Company's policy and structure for the remuneration of Directors and the management; Review and determine the remuneration packages of Executive Directors and the management with reference to the established system of the Company for determining the remuneration review; Review the remuneration of Non-executive Directors; and Review the annual bonus policy. No Director or any of his/her associates was involved in deciding his/her own remuneration at the meeting of the Remuneration Committee held in January 2023. 	Members of the Remuneration Committee	Attendance	CHEONG Ying Chew, Henry (<i>Chairman</i>)	1/1	Victor T K LI	1/1	Mrs. SNG Sow-mei alias POON Sow Mei	1/1
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Mrs. SNG Sow-mei alias POON Sow Mei	1/1										
E.1.3	The remuneration committee should make available its terms of reference, explaining its role and the authority delegated to it by the board by including them on HKEX's website and the company's website.	C	<ul style="list-style-type: none"> The terms of reference of the Remuneration Committee (both English and Chinese versions) are available on the websites of the Company and HKEX. 								

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
E.1.4	The remuneration committee should be provided with sufficient resources to perform its duties.	C	<ul style="list-style-type: none"> The Human Resources Department provides administrative support and implements the approved remuneration packages and other human resources related decisions approved by the Remuneration Committee.
E.1.5	The company should disclose the directors' remuneration policy, details of any remuneration payable to members of senior management by band and other remuneration related matters in the annual reports.	C	<ul style="list-style-type: none"> The Board has resolved that the senior management of the Company comprises only the Executive Directors of the Company. Please refer to note 33 in the Notes to the Consolidated Financial Statements for details of the remuneration payable to the Directors. The Remuneration Committee is primarily responsible for making recommendations to the Board on the Group's policy and structure in relation to remuneration of Directors and the management, making recommendations on the remuneration packages of Non-executive Directors and, with delegated responsibility, determining the remuneration packages of individual Executive Directors. The remuneration packages of Directors and key personnel is determined taking into account the duties and responsibilities of the role, the experience and performance of the individuals concerned as well as the prevailing market conditions. The remuneration of Executive Directors is structured to align with the long-term interests of the Company with significant proportion of remuneration linked to the performance of the Company and the individual. Non-executive Directors (including Independent Non-executive Directors) receive fixed fees for their appointments as members of the Board and additional fees for sitting on each Board committee and have not been granted with any equity-based remuneration with performance-related elements.
F. SHAREHOLDERS ENGAGEMENT			
F.1	Effective communication Corporate Governance Principle <i>The Board should be responsible for maintaining an on-going dialogue with shareholders and in particular, use annual general meetings or other general meetings to communicate with them and encourage their participation.</i>		
F.1.1	The company should have a policy on payment of dividends and should disclose it in the annual report.	C	<ul style="list-style-type: none"> The Board is committed to maintaining an optimal capital structure and investment grade credit ratings. This is pursued to deliver returns to shareholders and ensure that adequate capital resources are available for business growth and investment opportunities. Subject to business conditions, market opportunities and maintenance of the Company's strong investment grade credit ratings, the Board aims to deliver a sustainable dividend that is in line with the earnings improvements and long-term growth of the Company.
F.2	Shareholder meetings Corporate Governance Principle <i>The company should ensure that shareholders are given sufficient notice of shareholders meetings and are familiar with the detailed procedures for conducting a poll, and should arrange to address questions from shareholders in the shareholders meetings.</i>		
F.2.1	For each substantially separate issue at a general meeting, a separate resolution should be proposed by the chairman of that meeting. The company should avoid "bundling" resolutions unless they are interdependent and linked forming one significant proposal. Where the resolutions are "bundled", the company should explain the reasons and material implications in the notice of meeting.	C	<ul style="list-style-type: none"> Separate resolutions are proposed at the general meetings of the Company on each substantially separate issue, including the election of individual directors. The Company has a Shareholders Communication Policy, a copy of which is available on the Company's website. This policy is subject to regular review to ensure its implementation and effectiveness. The particulars of shareholders' rights relating to, inter alia, convening of special general meetings and making enquiries to the Company are as follows: <ol style="list-style-type: none"> The Company has only one class of shares. All shares have the same voting rights and are entitled to the dividends declared. The Company's Bye-laws set out the rights of shareholders. Shareholder(s) holding not less than one-tenth of the paid-up capital of the Company may, in accordance with the requirements and procedures set out in the Companies Act of Bermuda, request the Board to convene a special general meeting pursuant to Bye-law 58 of the Company's Bye-laws. The objects of the meeting must be stated in the related requisition which must be signed by the requisitionist(s) and deposited at the registered office of the Company. (a) Shareholder(s) holding not less than one-twentieth of the total voting rights or (b) not less than 100 shareholders, may at their expense, unless the Company otherwise resolves, propose any resolution at any general meeting under the Companies Act of Bermuda. A written notice to that effect signed by the requisitionists together with a sum reasonably sufficient to meet the expenses in giving effect thereto must be deposited at the registered office of the Company at Clarendon House, Church Street, Hamilton HM11, Bermuda (addressed to the Company Secretary) not less than six weeks before the meeting. The notice shall contain, inter alia, a description of the proposed resolution desired to be put forward at the meeting, the reasons for such proposal and any material interest of the proposing shareholder in such proposal.

CORPORATE GOVERNANCE REPORT

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F.2.1 (Cont'd)			<p>4. Pursuant to Bye-law 88 of the Company's Bye-laws, if a shareholder wishes to propose a person other than a retiring Director for election as a Director at any general meeting (including annual general meeting), the shareholder should lodge a written notice at the registered office or the head office of the Company provided that the minimum length of the period, during which such written notice may be given, shall be at least seven days and that the period for lodgment of such written notice shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting. Such written notice must be accompanied by a notice signed by the person to be proposed of his/her willingness to be elected as a Director.</p> <p>5. In conducting a poll, subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Company's Bye-laws, every shareholder present in person or by proxy or, in the case of a shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid share of which he/she/it is the holder. A person entitled to more than one vote on a poll need not use all his/her votes or cast all the votes he/she uses in the same way.</p> <p>6. Shareholders have the right to receive corporate communications issued by the Company in hard copies or through electronic means in accordance with the manner as specified in Bye-law 160 of the Company's Bye-laws.</p> <p>7. Shareholders whose shares are held in the Central Clearing and Settlement System may notify the Company from time to time through Hong Kong Securities Clearing Company Limited if they wish to receive the Company's corporate communications.</p> <p>8. Shareholders and other stakeholders may send their enquiries and concerns, in written form, to the Board by addressing them to the Company Secretary at 12th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.</p>																																										
F.2.2	<p>– The chairman of the board should attend the annual general meeting. The chairman of the board should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, the chairman should invite another member of the committee to be available to answer questions at the annual general meeting.</p> <p>– The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders' approval.</p> <p>– The company's management should ensure the external auditor attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.</p>	<p>C</p> <p>C</p> <p>C</p>	<ul style="list-style-type: none"> In 2022, the Chairman, and the Chairman/Chairperson of each of the Audit Committee, the Remuneration Committee, the Nomination Committee, the Sustainability Committee and the Executive Committee attended the 2022 annual general meeting and were available to answer questions. Directors' attendance record¹ of the annual general meeting in 2022 is as follows: <table border="1"> <thead> <tr> <th>Members of the Board</th> <th>Attendance</th> </tr> </thead> <tbody> <tr> <td colspan="2">Executive Directors</td> </tr> <tr> <td>Victor T K LI <i>(Chairman of the Board and Chairman of the Executive Committee)</i></td> <td>1/1</td> </tr> <tr> <td>KAM Hing Lam</td> <td>1/1</td> </tr> <tr> <td>IP Tak Chuen, Edmond <i>(Chairman of the Sustainability Committee)</i></td> <td>1/1</td> </tr> <tr> <td>FOK Kin Ning, Canning</td> <td>1/1</td> </tr> <tr> <td>Frank John SIXT</td> <td>1/1</td> </tr> <tr> <td>Andrew John HUNTER</td> <td>1/1</td> </tr> <tr> <td>CHAN Loi Shun</td> <td>1/1</td> </tr> <tr> <td>CHEN Tsien Hua</td> <td>1/1</td> </tr> <tr> <td colspan="2">Independent Non-executive Directors</td> </tr> <tr> <td>CHEONG Ying Chew, Henry <i>(Chairman of the Remuneration Committee)</i></td> <td>1/1</td> </tr> <tr> <td>KWOK Eva Lee <i>(Chairperson of the Nomination Committee)</i></td> <td>1/1</td> </tr> <tr> <td>SNG Sow Mei alias POON Sow Mei ²</td> <td>1/1</td> </tr> <tr> <td>Colin Stevens RUSSEL³</td> <td>1/1</td> </tr> <tr> <td>LAN Hong Tsung, David</td> <td>1/1</td> </tr> <tr> <td>Barrie COOK</td> <td>1/1</td> </tr> <tr> <td>Paul Joseph TIGHE ² <i>(Chairman of the Audit Committee)</i></td> <td>1/1</td> </tr> <tr> <td colspan="2">Non-executive Directors</td> </tr> <tr> <td>LEE Pui Ling, Angelina</td> <td>1/1</td> </tr> <tr> <td>George Colin MAGNUS</td> <td>1/1</td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> All Directors attended via video conferencing. Mrs. SNG Sow-mei alias POON Sow Mei retired and Mr. Paul Joseph TIGHE appointed as the Chairperson of the Audit Committee with effect from 10th May, 2022. Retired as an Independent Non-executive Director with effect from 1st September, 2022. <ul style="list-style-type: none"> In 2022, the Company's external auditor attended the annual general meeting and was available to answer questions. 	Members of the Board	Attendance	Executive Directors		Victor T K LI <i>(Chairman of the Board and Chairman of the Executive Committee)</i>	1/1	KAM Hing Lam	1/1	IP Tak Chuen, Edmond <i>(Chairman of the Sustainability Committee)</i>	1/1	FOK Kin Ning, Canning	1/1	Frank John SIXT	1/1	Andrew John HUNTER	1/1	CHAN Loi Shun	1/1	CHEN Tsien Hua	1/1	Independent Non-executive Directors		CHEONG Ying Chew, Henry <i>(Chairman of the Remuneration Committee)</i>	1/1	KWOK Eva Lee <i>(Chairperson of the Nomination Committee)</i>	1/1	SNG Sow Mei alias POON Sow Mei ²	1/1	Colin Stevens RUSSEL ³	1/1	LAN Hong Tsung, David	1/1	Barrie COOK	1/1	Paul Joseph TIGHE ² <i>(Chairman of the Audit Committee)</i>	1/1	Non-executive Directors		LEE Pui Ling, Angelina	1/1	George Colin MAGNUS	1/1
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F.2.3	The chairman of a meeting should ensure that an explanation is provided of the detailed procedures for conducting a poll and answer any questions from shareholders on voting by poll.	C	<ul style="list-style-type: none"> At the 2022 annual general meeting, the Chairman of the meeting explained (through the Company Secretary) the detailed procedures for conducting a poll, and answered questions from shareholders. At the 2022 annual general meeting, the Chairman of the meeting exercised his power under the Company's Bye-laws to put each resolution set out in the notice of annual general meeting to be voted by way of a poll. Representatives of the Branch Share Registrar of the Company were appointed as scrutineer to monitor and count the poll votes cast at the 2022 annual general meeting. Since the Company's 2003 annual general meeting, all the resolutions (other than procedural or administrative resolutions) put to vote at the Company's general meetings were taken by poll. The percentage of votes cast in favour of such resolutions as disclosed in the announcement of the Company dated 17th May, 2022 are set out below: <table border="1"> <thead> <tr> <th colspan="2">Resolutions proposed at the 2022 Annual General Meeting</th> <th>Percentage of Votes</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>To receive the audited Financial Statements, the Report of the Directors and the Independent Auditor's Report for the year ended 31st December, 2021.</td> <td>99.9837%</td> </tr> <tr> <td>2.</td> <td>To declare a final dividend.</td> <td>100.0000%</td> </tr> <tr> <td>3(1).</td> <td>To elect Mr. Kam Hing Lam, as Director.</td> <td>99.0387%</td> </tr> <tr> <td>3(2).</td> <td>To elect Mr. Frank John Sixt, as Director.</td> <td>89.9818%</td> </tr> <tr> <td>3(3).</td> <td>To elect Mr. Chan Loi Shun as Director.</td> <td>98.5580%</td> </tr> <tr> <td>3(4).</td> <td>To elect Mrs. Kwok Eva Lee as Director.</td> <td>95.4199%</td> </tr> <tr> <td>3(5).</td> <td>To elect Mr. Lan Hong Tsung, David as Director.</td> <td>95.2920%</td> </tr> <tr> <td>3(6).</td> <td>To elect Mr. George Colin Magnus as Director.</td> <td>94.7431%</td> </tr> <tr> <td>4.</td> <td>To appoint Messrs. Deloitte Touche Tohmatsu as Auditor and authorise the Directors to fix their remuneration.</td> <td>99.2770%</td> </tr> <tr> <td>5(1).</td> <td>To give a general mandate to the Directors to issue additional shares of the Company.</td> <td>99.8093%</td> </tr> <tr> <td>5(2).</td> <td>To give a general mandate to the Directors to buy back shares of the Company.</td> <td>99.9933%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Accordingly, all resolutions put to shareholders at the 2022 annual general meeting were duly passed as ordinary resolutions. Poll results were posted on the websites of the Company and HKEX. 	Resolutions proposed at the 2022 Annual General Meeting		Percentage of Votes	1.	To receive the audited Financial Statements, the Report of the Directors and the Independent Auditor's Report for the year ended 31st December, 2021.	99.9837%	2.	To declare a final dividend.	100.0000%	3(1).	To elect Mr. Kam Hing Lam, as Director.	99.0387%	3(2).	To elect Mr. Frank John Sixt, as Director.	89.9818%	3(3).	To elect Mr. Chan Loi Shun as Director.	98.5580%	3(4).	To elect Mrs. Kwok Eva Lee as Director.	95.4199%	3(5).	To elect Mr. Lan Hong Tsung, David as Director.	95.2920%	3(6).	To elect Mr. George Colin Magnus as Director.	94.7431%	4.	To appoint Messrs. Deloitte Touche Tohmatsu as Auditor and authorise the Directors to fix their remuneration.	99.2770%	5(1).	To give a general mandate to the Directors to issue additional shares of the Company.	99.8093%	5(2).	To give a general mandate to the Directors to buy back shares of the Company.	99.9933%
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CORPORATE GOVERNANCE REPORT

II. RECOMMENDED BEST PRACTICES

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A. CORPORATE PURPOSE, STRATEGY AND GOVERNANCE			
A.1	<p>Corporate strategy, business model and culture</p> <p>Corporate Governance Principle <i>The Company should be headed by an effective Board which should assume responsibility for leadership and control and be collectively responsible for promoting its success by directing and supervising its affairs. Directors should take decisions objectively in the best interests of the Company.</i></p>		
There is no recommended best practice under Section A.1 in the CG Code.			
A.2	<p>Corporate Governance Functions</p> <p>Corporate Governance Principle <i>The Board is responsible for performing the corporate governance duties. It may delegate the responsibility to a committee or committees.</i></p>		
There is no recommended best practice under Section A.2 in the CG Code.			
B. BOARD COMPOSITION AND NOMINATION			
B.1	<p>Board composition, succession and evaluation</p> <p>Corporate Governance Principle <i>The Board should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and should ensure that the directors devote sufficient time and make contributions to the Company that are commensurate with their role and board responsibilities. It should include a balanced composition of Executive and Non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgement. Non-executive directors should be of sufficient caliber and number for their views to carry weight.</i></p>		
B.1.5	The board should conduct a regular evaluation of its performance.	C	<ul style="list-style-type: none"> The Board has conducted an evaluation of its performance for the year 2022, including the aspects contributing to the effective implementation of the mechanism discussed in B.1.4.
B.1.6	The board should state its reasons if it determines that a proposed director is independent notwithstanding that the individual holds cross-directorships or has significant links with other directors through involvements in other companies or bodies.	C	<ul style="list-style-type: none"> The Board considered that cross-directorships should not be regarded as having significant links with other directors and cross-directorships would not compromise the independence of the Company's Independent Non-executive Directors since they are professionals with high esteem and integrity, experts in their specific field with a wide spectrum of skills and experience, and financially independent.
B.2	<p>Appointments, re-election and removal</p> <p>Corporate Governance Principle <i>There should be a formal, considered and transparent procedure for the appointment of new Directors and plans in place for orderly succession for appointments. All Directors should be subject to re-election at regular intervals.</i></p>		
There is no recommended best practice under Section B.2 in the CG Code.			
B.3	<p>Nomination Committee</p> <p>Corporate Governance Principle <i>In carrying out its responsibilities, the Nomination Committee should give adequate consideration to the principles under Sections B.1 and B.2 in the CG Code.</i></p>		
There is no recommended best practice under Section B.3 in the CG Code.			

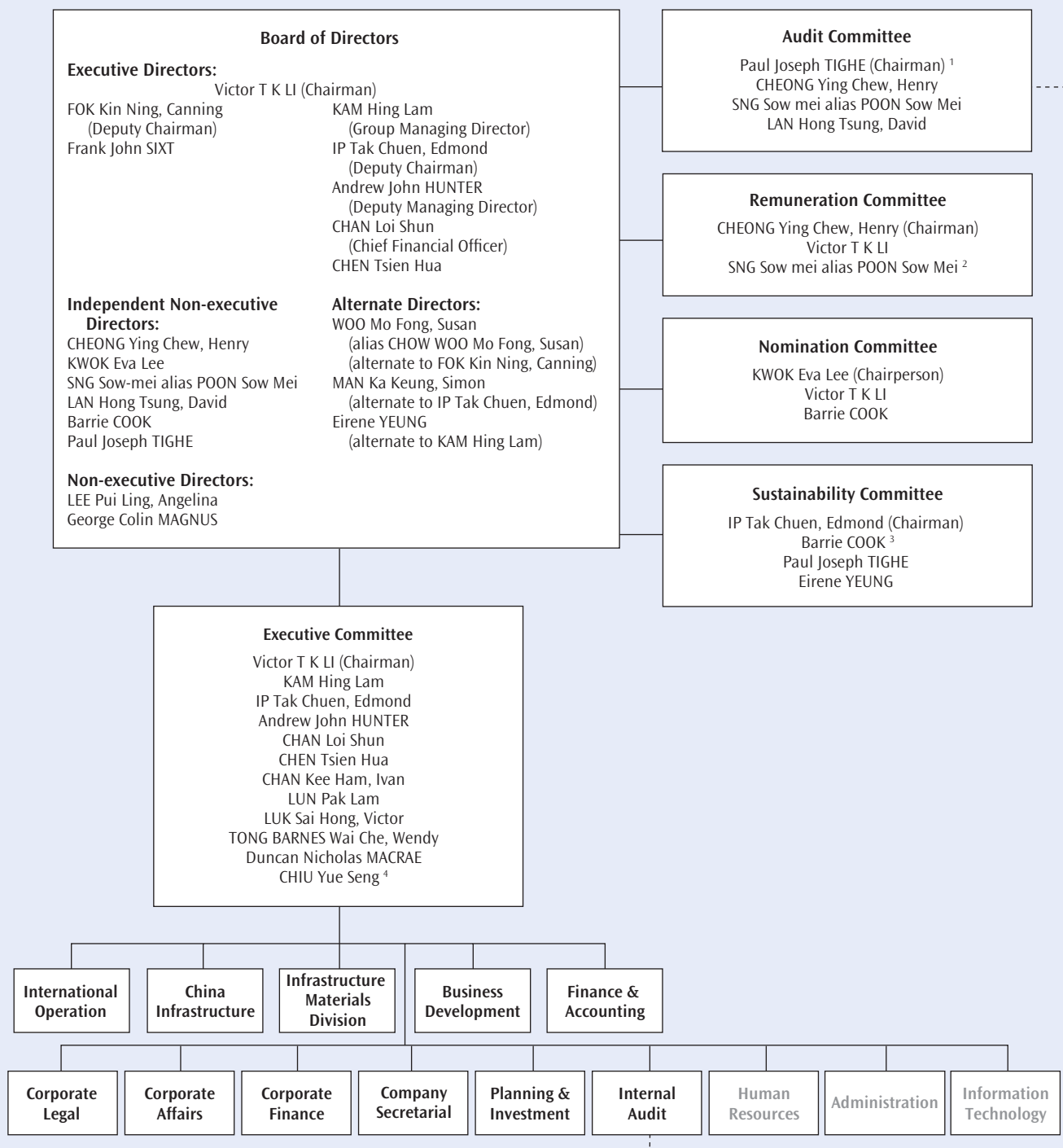
Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C. DIRECTORS' RESPONSIBILITIES, DELEGATION AND BOARD PROCEEDINGS			
C.1	Responsibilities of Directors <i>Corporate Governance Principle</i> Every Director must always know their responsibilities as a Director of the Company and its conduct, business activities and development.		
There is no recommended best practice under Section C.1 in the CG Code.			
C.2	Chairman and Chief Executive <i>Corporate Governance Principle</i> There should be a clear division of responsibilities between the Chairman and the Group Managing Director of the Company to ensure a balance of power and authority.		
There is no recommended best practice under Section C.2 in the CG Code.			
C.3	Management functions <i>Corporate Governance Principle</i> The Company should have a formal schedule of matters specifically reserved for Board approval and those delegated to management.		
There is no recommended best practice under Section C.3 in the CG Code.			
C.4	Board Committees <i>Corporate Governance Principle</i> Board Committees should be formed with specific written terms of reference which deal clearly with their authority and duties.		
There is no recommended best practice under Section C.4 in the CG Code.			
C.5	Conduct of board proceedings and supply of and access to information <i>Corporate Governance Principle</i> The company should ensure directors can participate in Board proceedings in a meaningful and effective manner. Directors should be provided in a timely manner with appropriate information in the form and quality to enable them to make an informed decision and perform their duties and responsibilities.		
There is no recommended best practice under Section C.5 in the CG Code.			
C.6	Company Secretary <i>Corporate Governance Principle</i> The Company Secretary plays an important role in supporting the Board by ensuring good information flow within the Board and that Board policy and procedures are followed. The Company Secretary is responsible for advising the Board through the Chairman and/or the Group Managing Director on governance matters and should also facilitate induction and professional development of Directors.		
There is no recommended best practice under Section C.6 in the CG Code.			
D. AUDIT, INTERNAL CONTROL AND RISK MANAGEMENT			
D.1	Financial reporting <i>Corporate Governance Principle</i> The Board should present a balanced, clear and comprehensible assessment of the Company's performance, position and prospects.		
D.1.5 – D.1.6	– The company should announce and publish quarterly financial results within 45 days after the end of the relevant quarter. These should disclose sufficient information to enable shareholders to assess the company's performance, financial position and prospects. The company's quarterly financial results should be prepared using the accounting policies of its half-year and annual accounts.	E	<ul style="list-style-type: none"> The Company issued half-yearly financial results within 2 months after the end of the relevant period, and annual financial results within 3 months after the end of the relevant year. In addition, all significant transactions and inside information have been announced and disclosed in accordance with the Listing Rules during the year. The shareholders of the Company are therefore able to assess the performance, financial position and prospects of the Company. Given regular Board meetings are held quarterly to review major business and financial information, the Company does not consider it necessary, nor is it in the interests of the Company and its shareholders, to issue quarterly financial results. This would incur costs disproportionate to any additional benefits to the shareholders.

CORPORATE GOVERNANCE REPORT

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
D.1.5 – D.1.6 (Cont'd)	– Once the company announces quarterly financial results, it should continue to do so for each of the first 3 and 9 months periods of subsequent financial years. Where it decides not to continuously announce and publish its financial results for a particular quarter, it should announce the reason(s) for this decision.		<ul style="list-style-type: none"> Please refer to D.1.5 above for details.
D.2	Risk management and internal control Corporate Governance Principle <i>The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. Such risks would include, amongst others, material risks relating to ESG. The Board should oversee management in the design, implementation and monitoring of the risk management and internal control systems, and management should provide a confirmation to the Board on the effectiveness of these systems.</i>		
D.2.8	The board may disclose in the Corporate Governance Report that it has received a confirmation from management on the effectiveness of the company's risk management and internal control systems.	C	<ul style="list-style-type: none"> The Board confirmed that, through the Audit Committee, it has received a confirmation from the management of the Company and its business units on the effectiveness of the risk management and internal control systems. Please also refer to D.2.3 above.
D.2.9	The board may disclose in the Corporate Governance Report details of any significant areas of concern.	C	<ul style="list-style-type: none"> The Board confirmed that, through the Audit Committee, no significant areas of concern were identified during the year of 2022.
D.3	Audit Committee Corporate Governance Principle <i>The Board should establish formal and transparent arrangements to consider how it will apply financial reporting, risk management and internal control principles and maintain an appropriate relationship with the Company's auditors.</i>		
There is no recommended best practice under Section D.3 in the CG Code.			
E.	REMUNERATION		
E.1	The level and make-up of remuneration and disclosure Corporate Governance Principle <i>The Company should have a formal and transparent policy on Director's remuneration and other remuneration related matters. The procedure for setting policy on Executive Directors' remuneration and all Directors' remuneration packages should be formal and transparent.</i>		
E.1.6	Where the board resolves to approve any remuneration or compensation arrangements with which the remuneration committee disagrees, the board should disclose the reasons for its resolution in its next Corporate Governance Report.	N/A	<ul style="list-style-type: none"> The Board has never approved any remuneration or compensation arrangements which have previously been rejected by the Remuneration Committee.
E.1.7	A significant proportion of executive directors' remuneration should link rewards to corporate and individual performance.	C	<ul style="list-style-type: none"> In 2022, a significant proportion of Executive Directors' remuneration has been structured to link rewards to corporate and individual performance. Please refer to note 33 in the Notes to the Consolidated Financial Statements for details of discretionary bonus.
E.1.8	The company should disclose details of any remuneration payable to members of senior management, on an individual and named basis, in the annual reports.	C	<ul style="list-style-type: none"> The Board has resolved that the senior management of the Company comprises only the Executive Directors of the Company. Please refer to note 33 in the Notes to the Consolidated Financial Statements for details of the remuneration payable to the Directors.

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E.1.9	The company generally should not grant equity-based remuneration (e.g. share options or grants) with performance-related elements to independent non-executive directors as this may lead to bias in their decision-making and compromise their objectivity and independence.	C	<ul style="list-style-type: none"> The Company does not have any share option scheme. Independent Non-executive Directors receive fixed fees for acting as Directors and members of Board Committees which are not dependent on the performance of the Group but are determined based on the number of Board Committees on which a Director sits and the type of offices held. 																																								
F. SHAREHOLDERS ENGAGEMENT																																											
F.1	<p>Effective communication</p> <p><i>Corporate Governance Principle</i></p> <p>The Board should be responsible for maintaining an on-going dialogue with shareholders and in particular, use annual general meetings or other general meetings to communicate with them and encourage their participation.</p>																																										
F.1.2	<p>The company are encouraged to include the following information in their Corporate Governance Report:</p> <ul style="list-style-type: none"> – details of shareholders by type and aggregate shareholding; – indication of important shareholders' dates in the coming financial year; – the percentage of public float, based on information that is publicly available to the issuer and within the knowledge of its directors as at the latest practicable date prior to the issue of the annual report; and – the number of shares held by each of the senior management. 	<p>C</p> <p>C</p> <p>C</p> <p>C</p>	<ul style="list-style-type: none"> As at 31st December, 2022, the Company had 2,381 registered shareholders whose shareholdings are categorised as follows: <table border="1"> <thead> <tr> <th>Size of Registered Shareholding</th> <th>No. of Shareholders</th> <th>Approximate percentage of Shareholders</th> <th>No. of Shares</th> <th>Approximate percentage of Issued Share Capital</th> </tr> </thead> <tbody> <tr> <td>1,000 or below</td> <td>1,111</td> <td>46.66%</td> <td>948,481</td> <td>0.04%</td> </tr> <tr> <td>1,001 – 5,000</td> <td>779</td> <td>32.72%</td> <td>2,301,248</td> <td>0.09%</td> </tr> <tr> <td>5,001 – 10,000</td> <td>251</td> <td>10.54%</td> <td>2,127,989</td> <td>0.08%</td> </tr> <tr> <td>10,001 – 100,000</td> <td>221</td> <td>9.28%</td> <td>6,650,764</td> <td>0.26%</td> </tr> <tr> <td>Above 100,000</td> <td>19</td> <td>0.80%</td> <td>2,507,582,463</td> <td>99.52%</td> </tr> <tr> <td>Rounding</td> <td></td> <td></td> <td></td> <td>0.01%</td> </tr> <tr> <td>Total</td> <td>2,381</td> <td>100%</td> <td>2,519,610,945^{Note}</td> <td>100%</td> </tr> </tbody> </table> <p>Note: As at 31st December, 2022, 593,015,518 shares are registered in the name of HKSCC Nominees Limited.</p> Please refer to Corporate Information and Key Dates on page 203 of the Annual Report 2022. Based on publicly available information and the knowledge of the Directors, the public float of the Company as at the latest practicable date prior to the publication date of the Annual Report 2022 was approximately 24.09%*. <ul style="list-style-type: none"> * Waiver from strict compliance with Rule 8.08 of the Listing Rules was granted to the Company subject to maintenance a public float of not less than approximately 15.2% and this requirement was complied with. Please refer to the information of Directors interests and short positions in shares, underlying shares and debentures on pages 76 to 79 of the Annual Report 2022. 	Size of Registered Shareholding	No. of Shareholders	Approximate percentage of Shareholders	No. of Shares	Approximate percentage of Issued Share Capital	1,000 or below	1,111	46.66%	948,481	0.04%	1,001 – 5,000	779	32.72%	2,301,248	0.09%	5,001 – 10,000	251	10.54%	2,127,989	0.08%	10,001 – 100,000	221	9.28%	6,650,764	0.26%	Above 100,000	19	0.80%	2,507,582,463	99.52%	Rounding				0.01%	Total	2,381	100%	2,519,610,945^{Note}	100%
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F.2	<p>Shareholder meetings</p> <p><i>Corporate Governance Principle</i></p> <p>The company should ensure that shareholders are given sufficient notice of shareholders meetings and are familiar with the detailed procedures for conducting a poll, and should arrange to address questions from shareholders in the shareholders meetings.</p>																																										
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MANAGEMENT STRUCTURE CHART



Notes:

1. Appointed as Chairman of the Audit Committee on 10th May, 2022
2. Appointed as a member of the Remuneration Committee on 1st September, 2022
3. Appointed as a member of the Sustainability Committee on 31st December, 2022
4. Appointed as a member of the Executive Committee on 1st January, 2023