

# Corporate Governance Report

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Group as it believes that an effective corporate governance framework is fundamental to promoting and safeguarding the interests of shareholders and other stakeholders and enhancing shareholder value. Accordingly, the Company has adopted and applied corporate governance principles and practices that emphasise a quality Board, effective risk management and internal control systems, stringent disclosure practices, transparency and accountability as well as effective communication and engagement with shareholders and other stakeholders. It is, in addition, committed to continuously enhancing these standards and practices in light of current and emerging corporate governance development of relevance to the Group to reflect market practice, expectations and regulatory changes as appropriate, inculcating a robust culture of compliance and accountability across the businesses of the Group.

The Company has complied throughout the year ended 31 December 2024 with all applicable code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Listing Rules.

## The Board

### Corporate purpose, values and culture

The Group's purpose is to deliver essential services that meet the needs of customers and other stakeholders, underpinned by the business values of innovation, collaboration, integrity and sustainability across all levels of the Group.

As a leading telecommunications operator, the Group is committed to conducting business responsibly and understanding its customers' needs by continuing to develop, innovate and enhance the Group's technology via various initiatives set out in the Operations Review of the Annual Report. The Group fulfills its purpose by cultivating a progressive and agile culture to improve customer experience, promote sustainable growth, enhance the reputation of the Group and continue investing in network and technology leadership. It also values and promotes creativity, provides opportunities for ideas exchange through employee engagement, and adopts innovative advancements and solutions to deliver long-term sustainable growth and value. The Board, guided by the Group's core values, sets the tone and shapes the corporate culture of the Company to promote fairness and responsibility through a Code of Ethics and Group policies, ensuring all businesses across the Group are aligned with the same purpose. This desired culture is consistently reflected in the operating practices of the Group and among its employees. Board oversight of culture encompasses a range of measures and tools to guide Directors, employees and contractors as well as suppliers and other third-party business partners to uphold the expectation of the Group to behave fairly, ethically and in accordance with applicable laws, which include:

- **Active Collaboration:** The Group encourages cross-functional collaboration among teams and gradings to promote understanding of customers' needs, cooperation and diverse perspectives. This collaborative approach drives innovation and creativity, providing an environment where employees can truly thrive and excel, thereby contributing to the long-term performance and sustainability of the Group.
- **Employees Engagement:** This involves fostering a culture of transparent, timely communication, and collaboration throughout the Group. The business prioritises employee engagement to foster innovation in products and services, support customers and deliver exceptional customer experience, including conducting employee surveys at least annually and arranging annual town hall meeting to foster open dialogue between employees and senior management. These interactions help gauge overall employee sentiment and alignment with the values of the Group.

- **Employee Retention and Training:** The Board oversees initiatives to build a team with the right talent, and a culture where employees share their values and expectations. The Group continues to focus on attracting, developing and retaining a workforce required to achieve its strategic objectives, as well as strengthening effective leadership that develops the culture of simplicity, change, accountability and collaboration that the Group instills throughout the organisation. This includes ongoing investment in programmes that promote growth opportunities and career progression for employees at all levels fostering a positive work environment. The Group provides induction sessions for new joiners to ensure that they understand and embrace the desired culture, values and expectation of the Group. Employee engagement is also supported by the Group's comprehensive performance management and reward programme to ensure equity, engagement and retention.
- **Stringent Financial Reporting:** The Group maintains a robust financial reporting system to provide accurate and transparent financial information to stakeholders. This commitment promotes a culture of integrity, ethical behaviour and accountability.
- **Effective and Accessible Whistleblowing Framework:** A strong whistleblowing framework is crucial for detecting and addressing impropriety, misconduct or malpractice within the Group. The Board ensures the effectiveness and accessibility of the whistleblowing framework, where employees are encouraged to speak up and raise issues with confidence. The Group seeks to ensure employees know how to raise concerns through a range of channels, including the Whistleblowing Policy of the Company. This policy is supported by a confidential process that provides appropriate protections for anyone to report their concerns, fostering a culture that encourages transparency, ethical behaviour and accountability.
- **Legal and Regulatory Compliance:** The Board, supported by the Company Secretary and the legal department, has overall responsibility to oversee legal and regulatory compliance within the Group. Regular reviews and assessments are conducted to ensure the Group's compliance with applicable laws and regulations. By setting a strong tone at the top and emphasising the importance of compliance, the Board fosters a culture that embodies legal and ethical standards, promoting trust, integrity and responsible decision-making. Across the operations, the Group promotes a fair and responsible culture through the Code of Ethics and Group policies as well as mandatory compliance trainings that reflect the values and corporate culture of the Group.
- **Staff Health, Safety, Wellbeing and Support:** The Group places a high priority on creating and keeping employees, contractors and the public safe by maintaining a culture that is healthy, comfortable and supportive. The Group establishes comprehensive governance, policies and procedures to reduce health, safety and wellbeing risk in the operations. It also actively promotes diversity and inclusion within its workforce so as to enable employees to reach their full potential. In addition, initiatives that promote and support work-life balance and provide resources for employee wellness are also implemented.

From the annual Board performance evaluation conducted, the Directors are satisfied with the performance of the Board and acknowledged that the Board plays an effective role in the development and determination of the Group's culture, strategy and overall commercial objective. Taking into account the corporate culture in a range of contexts, the Board considers that the culture and the purpose, value and strategy of the Group are aligned.

### Corporate strategy

The principal objective of the Group is to enhance long-term total return for all its stakeholders. To achieve this objective and continue to be a leading responsible business, the Group continues to focus on achieving recurring and sustainable earnings, cash flow, dividend growth without compromising the financial strength and stability of the Group. The Group executes disciplined management of revenue growth, margin and costs, capital and investments to return ratio targets, earnings and cash flow accretive activities, as well as organic growth in sectors where the Group has management experience and resources. The Group continues to focus on delivering business solutions that support social and environmental challenges and sustainability by taking action on key climate change issues, such as committing the transition to a net-zero economy, promoting diversity, inclusion and wellbeing initiatives, digital inclusion and continuous community investment. Further information on the sustainability initiatives of the Group and its key relationships with stakeholders can be found in the sustainability report of the Group contained in this Annual Report. The Chairman's Statement, Management Discussion and Analysis, and the Operations Review contained in this Annual Report include discussions and analyses of the performance of the Group and the basis on which the Group generates or preserves value in the longer term and delivers the objectives of the Group.

### Role of the Board

The Board is accountable to shareholders for the long-term sustainable success of the Company. It is responsible for shaping and overseeing the corporate culture, setting and guiding the long-term strategic objectives of the Company with appropriate focus on value creation and risk management, directing, supervising and monitoring the managerial performance and operating practices of the Group to ensure they align with the desired culture. The responsibilities of the Board include setting the strategy of the Group, approving and monitoring the implementation of the corporate plan, setting the Group's risk appetite and overseeing the management, performance and governance of the Group, with the task of promoting the long-term sustainable success of the Company and making decisions in the best interests of the Company with due regard to sustainability considerations.

The Board, led by the Chairman (Non-executive), Mr Fok Kin Ning, Canning, fosters and oversees the culture, determines and monitors group-wide strategies and policies, annual budgets and business plans, evaluates the performance of the Company, and supervises the management of the Company ("Management"). Management is responsible for the day-to-day operations of the Group under the leadership of the Executive Deputy Chairman and the Chief Executive Officer, and ensuring that the desired culture of the Company is understood and shared at all levels of the Group.

### Board composition

The Board currently comprises 10 Directors, including the Chairman (Non-executive), two Deputy Chairmen (one Executive and one Non-executive), Executive Director and Chief Executive Officer, two Non-executive Directors and four Independent Non-executive Directors. Throughout 2024, the number of Independent Non-executive Directors on the Board meets the one-third requirement under the Listing Rules. Information regarding the Board composition during 2024 are set out in the section of "Directors' Report" on pages 39 to 40.

Biographical details of the Directors are set out in the section of "Information on Directors" on pages 29 to 33 and on the website of the Company. A list setting out the names of the Directors and their roles and functions is posted on the websites of the Company and HKEx ([www.hkexnews.hk](http://www.hkexnews.hk)).

Mr Chan Tze Leung and Ms Im Man Ieng, who were appointed to the Board in May 2024, had prior to their appointment obtained legal advice from an external law firm as required under Rule 3.09D of the Listing Rules on 29 April 2024. Each of them had confirmed his/her understanding of the obligations as a director of the Company.

All Non-executive Directors (other than Mr Chan, Ms Chow Ching Yee, Cynthia, Ms Im and Mr Woo Chiu Man, Cliff) entered into service contracts for an initial term ending on 31 December of the year of their appointment. Thereafter, the appointment is automatically renewed for successive 12-month periods. Although the appointment of Mr Chan, Ms Chow, Ms Im and Mr Woo do not have a specific term, their appointment is subject to the same rotation requirement as the other Directors. All Directors are subject to retirement by rotation at least once every three years. A retiring Director is eligible for re-election, and the re-election of retiring Directors at general meetings is presented in separate resolutions.

Further, no Director has a service contract with the Company not terminable by the Company within one year without payment of compensation (other than statutory compensation).

### Chairman, Deputy Chairmen and Chief Executive Officer

The role of the Chairman is separate from that of the Chief Executive Officer. Such division of responsibilities reinforces the independence and accountability of these Directors.

The Chairman, assisted by the Deputy Chairmen (one Executive and one Non-executive), is responsible for providing leadership to, and overseeing the functioning of, the Board to ensure that it acts in the best interests of the Group. He is also responsible for ensuring that Board meetings are planned and conducted effectively, including setting the agenda for each Board meeting, taking into account, where appropriate, matters proposed by Directors and the Company Secretary. With the support of the Executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues to be deliberated at Board meetings and are provided with adequate and accurate information in a timely manner.

The Chairman promotes a culture of openness and actively encourages Directors to voice their opinion and be fully engaged in the affairs of the Board so as to contribute to the effective functioning of the Board. The Board, under the leadership of the Chairman, has adopted good corporate governance practices and procedures and taken appropriate steps to promote effective communication and ongoing engagement with shareholders and other stakeholders, as outlined later in this report.

The Chief Executive Officer is responsible for managing the businesses of the Group, attending to the formulation and successful implementation of Group policies and assuming full accountability to the Board for all group operations. Acting as the principal manager of the businesses of the Group, the Chief Executive Officer attends to developing strategic operating plans that reflect the long-term objectives and priorities established by the Board and is directly responsible for overseeing and delivering operational performance of the Group.

Working with the Chief Financial Officer and the executive management team of the Company, the Chief Executive Officer presents annual budgets to the Board for consideration and approval, and ensures that the Board is fully apprised of the funding requirements of the Group. With the assistance of the Chief Financial Officer, the Chief Executive Officer ensures that the funding requirements of the businesses are met and monitors the operating and financial performance of the businesses against plans and budgets. He maintains an ongoing dialogue with all Directors to keep them fully informed of all major business development and issues. In addition, he is also responsible for building and maintaining an effective executive management team to support him in his role.

### Board process

The Board meets regularly, and at least four times a year with meeting dates scheduled prior to the beginning of the year. Between scheduled meetings, senior management of the Group provides to Directors, on a regular basis, monthly updates and other information with respect to the performance and business activities of the Group. Throughout the year, in addition to Board meetings, Directors participate in the deliberation and approval of routine and operational matters of the Company by way of written resolutions with supporting explanatory materials, supplemented by additional verbal and/or written information from the Company Secretary or other executives as and when required. Details of material or notable transactions of subsidiaries and associated companies are provided to the Directors as appropriate. Whenever warranted, additional Board meetings are held. Further, Directors have full access to information on the Group and advice and services of the Company Secretary and the legal department. They also have full access to independent professional advice at all times whenever deemed necessary and they are at liberty to propose appropriate matters for inclusion in Board agendas.

With respect to regular meetings of the Board, Directors receive written notice of the meeting generally about a month in advance and a draft agenda for review and comment about three weeks prior thereto. The full set of Board papers is normally supplied no less than three days prior to the meeting. For other meetings, Directors are given as much notice as is reasonable and practicable in the circumstances. Except for those circumstances permitted by the Articles of Association and the Listing Rules, a Director would abstain from voting on resolutions approving any contract, transaction, arrangement or any other kind of proposal put forward to the Board in which he/she or any of his/her close associates is materially interested, and such Director is not counted for quorum determination purposes.

## Directors' Attendance and Commitment

The Company held four Board meetings in 2024 with 100% attendance. All Directors also attended the annual general meeting of the Company held on 9 May 2024 (the "2024 AGM"). The attendance record is set out below:

Directors	Board meetings attended/ Eligible to attend	Attendance at 2024 AGM
<b>Chairman and Non-executive Director</b>		
Fok Kin Ning, Canning	4/4	√
<b>Executive Directors</b>		
Lui Dennis Pok Man ( <i>Executive Deputy Chairman</i> )	4/4	√
Koo Sing Fai ( <i>Chief Executive Officer</i> )	4/4	√
<b>Non-executive Directors</b>		
Woo Chiu Man, Cliff ( <i>Non-executive Deputy Chairman</i> )	4/4	√
Lai Kai Ming, Dominic	4/4	√
Edith Shih	4/4	√
<b>Independent Non-executive Directors</b>		
Chan Tze Leung <sup>(1)</sup>	2/2	N/A
Chow Ching Yee, Cynthia	4/4	√
Im Man Ieng <sup>(1)</sup>	2/2	N/A
Ip Yuk Keung	4/4	√
Lan Hong Tsung, David <sup>(2)</sup>	2/2	√
Wong Yick Ming, Rosanna <sup>(2)</sup>	2/2	√

Notes:

(1) Appointed on 9 May 2024

(2) Retired on 9 May 2024

In addition to Board meetings, in 2024 the Chairman held monthly meetings with the Chief Executive Officer and senior management team and also met with Independent Non-executive Directors twice without the presence of other Directors. Such meetings provide an effective forum for the Chairman to listen to the views of the Independent Non-executive Directors on issues including corporate governance improvement, effectiveness of the Board, and such other issues they may wish to raise in the absence of other Directors and Management.

All Directors have confirmed that they have given sufficient time and attention to the affairs of the Group throughout their tenure during the year ended 31 December 2024. In addition, Directors disclose to the Company in a timely manner their other commitments, such as directorships in other public companies and major appointments as well as update the Company on any subsequent changes. As at the date of this report, none of the Independent Non-executive Directors concurrently holds more than three listed company directorships (including the Company).

### Board performance

The Company regards board evaluation as a critical tool to assess Board effectiveness and efficiency. Led by the Chairman with the support of the Company Secretary, an internal performance evaluation on the Board and its committees had been conducted for the year 2024. The Nomination Committee supports and draws reference from this annual evaluation. The evaluation involved each Director completing a questionnaire to provide individual ratings as well as comments covering a range of topics. The objective of the evaluation is to ensure that the Board and its committees continue to act effectively in fulfilling the duties and responsibilities expected of them, and to develop action plans for improvement. The scope of the evaluation covered various aspects, including Board composition and expertise, information flow to Board members, Board process and effectiveness, continuous development and training, Board accountability and leadership. In addition, the constituent, expertise and effectiveness of each of the Board committees were also evaluated. The findings of the evaluation were then analysed and presented to the Nomination Committee and the Board in aggregate form without attributing specific comments or ratings to individual Board members in order to preserve confidentiality, foster a culture of trust and facilitate candid discussions. Based on the performance review for year 2024, the Board considers its existing practice as effective. Positive feedback was received in recognition of the diversity efforts of the Board, which helps maintain a balanced mix of expertise and disciplines. The Group's initiatives to enhance overall performance in challenging and rapidly evolving times were also acknowledged. The Board is satisfied that it has met its performance objectives and each Director has contributed positively to the overall effectiveness of the Board and Board committees.

### Board independence

The Company recognises that Board independence is key to good corporate governance. As part of the established governance framework, the Group has in place effective mechanisms that underpin a strong independent Board, ensuring that independent views and input from Directors are conveyed to the Board. The governance framework and mechanisms are kept under regular review to align with international best practice, ensuring their effectiveness. In March 2025, the Board conducted a review and considered that such mechanisms were properly implemented during 2024 and were effective.

The current composition of the Board (comprising more than one-third Independent Non-executive Directors) and the Audit Committee (comprising all Independent Non-executive Directors) exceed the independence requirements under the Listing Rules. The Company has a vigorous selection, nomination and appointment/re-appointment process for Directors (including Independent Non-executive Directors), see "Nomination Process" on pages 73 to 78 of this report. None of the Independent Non-executive Directors has served on the Board for more than nine years. Fees to Independent Non-executive Directors are in the form of cash payment with additional fees payable to reflect membership of Board committees and none of them receives remuneration based on performance of the Group. Information about remuneration of the Directors is set out on page 80 of this report. The remuneration of Independent Non-executive Directors is also subject to a regular review mechanism to maintain competitiveness and commensurate with their responsibilities and workload.

To facilitate attendance and participation at Board and other Board committee meetings, the Company plans meeting schedules for the year well in advance, with electronic facilities for attendance as required. External independent professional advice is also available to all Directors (including Independent Non-executive Directors) whenever deemed necessary. A guide for obtaining independent and legal or other professional advice is provided to Directors. The Board process, ranging from agenda setting, provision of information and focus on constructive debates and discussions, facilitates effective and active participation by all Independent Non-executive Directors, see "Board Process" on page 52 of this report. Board process and effectiveness are also assessed during the annual evaluation of the Board performance, see "Board Performance" above. The roles of Chairman and Chief Executive Officer are separate ensuring that there is a balance of power and authority. Each year, the Chairman meets with the Independent Non-executive Directors twice without the presence of other Directors, which provides an open agenda enabling them to express their views outside the boardroom.

The Independent Non-executive Directors have historically and consistently demonstrated strong commitment to their roles, dedicating sufficient time to discharge their responsibilities at the Board and its relevant committees. Notably, they all achieved 100% attendance throughout 2024. Their commitment is subject to self-confirmation each year.

## Training

Upon appointment to the Board, Directors receive a package of comprehensive orientation materials on the Group comprising information on the Group, duties as a director and board committee member, as well as internal governance and sustainability policies of the Group. These orientation materials are presented to the Directors by senior executives in the form of a detailed induction to the businesses, strategic direction and governance practice of the Group. Induction session had been conducted and presented by the Chief Executive Officer and senior executives to the newly appointed Independent Non-executive Directors Mr Chan Tze Leung and Ms Im Man Ieng in 2024.

The Company arranges and provides Continuous Professional Development ("CPD") training in the forms of formal training programmes, seminars, workshops, expert briefings, webcasts and selected reading materials to Directors to help them keep abreast of current trends and issues facing the Group, including the latest changes in the commercial (including industry-specific and innovative changes), legal and regulatory environment in which the Group conducts its businesses and to refresh their knowledge and skills on the roles, functions and duties of a listed company director. From time to time, Directors also participate as speakers at events to share knowledge and insights on different topics. In addition, CPD may take the form of attendance at external forums or briefing sessions (including delivery of speeches) on relevant topics. CPD training of approximately 28 hours had been provided to Directors in 2024.

The Directors are required to provide the Company with details of CPD training undertaken by them from time to time. The training records are maintained by the Company Secretary and are made available for regular review by the Audit Committee.



During 2024, CPD training was provided to Directors on the following areas and topics:

Areas	Topics	Mode of Training
<b>Legal and Regulatory</b>	<ul style="list-style-type: none"> <li>• Regulatory and enforcement updates and disciplinary processes from HKEx and the Securities and Futures Commission <i>(by HKEx and Securities and Futures Commission ("SFC"))</i></li> <li>• Legislative updates <i>(by the Companies Registry)</i></li> <li>• Emerging international regulatory concerns <i>(by Accounting and Financial Reporting Council)</i></li> <li>• Overview of Competition Ordinance in Hong Kong <i>(by Competition Commission)</i></li> <li>• Review of the UK capital markets and regulations <i>(by Latham &amp; Watkins London)</i></li> <li>• Cross-boundary flow of personal information <i>(by Office of the Privacy Commissioner for Personal Data, Hong Kong ("PCPD"))</i></li> </ul>	Reading materials, seminars and webinars
<b>Corporate Governance/ Sustainability Practices</b>	<ul style="list-style-type: none"> <li>• Climate disclosure requirements <i>(by HKEX, The Hong Kong Chartered Governance Institute ("HKCGI"), PwC and Freshfields LLP)</i></li> <li>• Enhanced climate-related reporting <i>(by HKEX)</i></li> <li>• Global governance updates <i>(by The Corporate Secretaries International Association Limited)</i></li> <li>• Sustainability governance <i>(by Ernst &amp; Young and HKCGI)</i></li> <li>• Corporate social responsibility <i>(by The Chartered Governance Institute)</i></li> <li>• Guidance on ethics, bribery and corruption <i>(by HKCGI, Hong Kong Business Ethics Development Centre, Independent Commission Against Corruption)</i></li> <li>• Update on board diversity <i>(by HKEX)</i></li> <li>• Climate in context - Geopolitics, business, and the board <i>(by KPMG LLP)</i></li> </ul>	Reading materials, seminars and webinars

Areas	Topics	Mode of Training
<b>Financial Reporting/ Risk Management and Internal Control</b>	<ul style="list-style-type: none"> <li>Review of issuers' financial statement disclosures <i>(by HKEx)</i></li> <li>Whistleblowing in Asia Pacific <i>(by Deloitte Touche Tohmatsu)</i></li> <li>Guide on internal controls and planning for upcoming audit <i>(by HKEx)</i></li> <li>Continued evolution of the 3 lines of defence model <i>(by PwC)</i></li> </ul>	Reading materials and seminars
<b>Directors' Duties/ Industry Trends/ Group's Businesses</b>	<ul style="list-style-type: none"> <li>Directors' conduct, duties and governance skillset <i>(by SFC)</i></li> <li>Global challenges and opportunities <i>(by CKHH, Airport Authority Hong Kong and McDonald's Hong Kong)</i></li> <li>Empowering investors and companies to unlock regional and global opportunities <i>(by Vistra)</i></li> <li>Role of private equity and the future of the listed company <i>(by KKR)</i></li> <li>Evolution of investment decision-making <i>(by Cambridge Associates)</i></li> </ul>	Seminars
<b>Digital/Information Technology</b>	<ul style="list-style-type: none"> <li>Generative AI and cybersecurity <i>(by SFC and PwC)</i></li> <li>Data security management <i>(by PCPD)</i></li> <li>Guidance Note on PCPD's AI regulatory framework <i>(by HKCGI)</i></li> </ul>	Reading materials, seminars and podcast

Based on the details so provided, the CPD training undertaken by the Directors during the year is summarised as follows, representing an average of approximately 28 hours undertaken by each Director during the year.

Directors	Areas						Total number of hours of CPD training completed in 2024 <sup>(3)</sup>
	Legal and Regulatory	Corporate Governance/ Sustainability Practices	Financial Reporting/ Management and Internal Control	Risk	Directors' Duties/ Industry Trends/ Group's Businesses	Digital/ Information Technology	
<b>Chairman and Non-executive Director</b>							
Fok Kin Ning, Canning	√	√	√		√	√	13.5 hours
<b>Executive Directors</b>							
Lui Dennis Pok Man <i>(Executive Deputy Chairman)</i>	√	√	√		√	√	19 hours
Koo Sing Fai <i>(Chief Executive Officer)</i>	√	√	√		√	√	11 hours
<b>Non-executive Directors</b>							
Woo Chiu Man, Cliff <i>(Non-executive Deputy Chairman)</i>	√	√	√		√	√	7.5 hours
Lai Kai Ming, Dominic	√	√	√		√	√	>40 hours
Edith Shih	√	√	√		√	√	>40 hours
Ma Lai Chee, Gerald <i>(Alternate to Lai Kai Ming, Dominic)</i>	√	√	√		√	√	8 hours
<b>Independent Non-executive Directors</b>							
Chan Tze Leung <sup>(1)</sup>	√	√	√		√	√	31.5 hours
Chow Ching Yee, Cynthia	√	√	√		√	√	13 hours
Im Man Ieng <sup>(1)</sup>	√	√	√		√	√	29 hours
Ip Yuk Keung	√	√	√		√	√	6.5 hours
Lan Hong Tsung, David <sup>(2)</sup>							N/A
Wong Yick Ming, Rosanna <sup>(2)</sup>							N/A

Notes:

(1) Appointed on 9 May 2024

(2) Retired on 9 May 2024

(3) The total number of hours included both the training provided by the Company and other CPD trainings undertaken by the Directors.

## Securities transactions

The Board has adopted its own Model Code for Securities Transactions by Directors (the "HTHKH Securities Code") regulating Directors' dealings in securities (Group and otherwise), on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules. In summary, a Director who wishes to deal in the securities of the Company must notify the Chairman (or a Director designated by the Board for such specific purpose) in writing prior to any dealings and obtain a dated written acknowledgement before any dealing. Any clearance to deal granted in response to a Director's request would be valid for no longer than five business days of clearance being received. After dealings, the Director must submit a disclosure of interests filing with respect to the dealing, within the time frame required under Part XV of the SFO.

In response to specific enquiries made, all Directors have confirmed that they have complied with the HTHKH Securities Code in their securities transactions throughout their tenure during the year ended 31 December 2024.

## Board Committees

The Board is supported by four permanent Board Committees: Audit Committee, Nomination Committee, Remuneration Committee and Sustainability Committee, details of which are described later in this report. The terms of reference for these Committees, which have been adopted by the Board, are available on the websites of the Company and HKEX. Other Board Committees are established by the Board as and when warranted to take charge of specific tasks.

## Company Secretary

The Company Secretary is accountable to the Board for ensuring that Board procedures are followed and Board activities are efficiently and effectively conducted. These objectives are achieved through adherence to proper Board processes and timely preparation of and dissemination to Directors comprehensive Board meeting papers. Minutes of all meetings of the Board and Board Committees are prepared and maintained by the Company Secretary to record in sufficient detail the matters considered and decisions reached by the Board or Board Committees, including any concerns raised or dissenting views voiced by any Director. All draft and final minutes of Board meetings and meetings of Board Committees are sent to Directors or Board Committee members as appropriate for comments, approval and records. Board records are available for inspection by any Director upon request.

The Company Secretary who works closely with the Board to formulate the purpose, values and strategy of the Company, takes charge in developing a robust compliance and ethical culture to meet both mounting regulatory and investor expectations, and to ensure the culture and the purpose, values and strategy of the Group are aligned.

The Company Secretary plays a leading role in ensuring that the Company develops and maintains a sound and effective corporate governance framework, in particular, a set of risk management and internal control system so that regulatory compliance, good corporate governance practices and culture are upheld and practised by the Company.

The Company Secretary is responsible for apprising the Board with all legislative, regulatory, corporate governance and sustainability developments of relevance to the Group and that it takes these developments into consideration when making decisions for the Group. From time to time, the Company Secretary organises seminars on specific topics of importance and interest and disseminates reference materials to Directors for their information.

The Company Secretary is also directly responsible for the Group's compliance with all obligations of the Listing Rules and The Codes on Takeovers and Mergers and Share Buy-backs, including the preparation, publication and despatch of annual reports and interim reports within the time limits laid down in the Listing Rules, the timely dissemination to shareholders and the market of information relating to the Group.

Furthermore, the Company Secretary advises the Directors on connected transactions, notifiable transactions, price-sensitive/inside information and Directors' obligation for disclosure of interests and dealings in securities of the Company, to ensure that the standards and disclosures requirements under the Listing Rules and applicable laws, rules and regulations are complied with and, where required, reported in the annual reports of the Company.

The Company Secretary also serves as a crucial conduit of communications internally and externally. She facilitates information flow and communication among Directors and also conveys the Board's decisions to Management from time to time and ensures a good channel of communication with shareholders. She also works with the Board and Management to assist in responding to regulators in a timely manner.

The appointment and removal of the Company Secretary is subject to Board approval. Whilst the Company Secretary reports to the Chairman, all members of the Board have access to her advice and service. The Company Secretary has day-to-day knowledge of the affairs of the Group. She confirms that she has complied with all the required qualifications, experience and training requirements under the Listing Rules.

## Accountability and Audit

### Financial reporting

The annual and interim results of the Company are published in a timely manner, within three months and two months respectively of the year end and the half-year end.

The responsibility of Directors in relation to the financial statements is set out below. This should be read in conjunction with but distinguished from, the Independent Auditor's Report on pages 148 to 152 which acknowledges the reporting responsibility of the auditor of the Group.

### *Annual report and financial statements*

The Directors acknowledge their responsibility for the preparation of this Annual Report and financial statements of the Company. The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and comply with the applicable disclosure requirements of the Companies Ordinance (Chapter 622 of Laws of Hong Kong) (the "Companies Ordinance") and the Listing Rules. Directors should incorporate such internal control as the Directors determine as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Accounting policies

The Directors consider that in preparing the financial statements, the Group has adopted appropriate accounting policies and made judgements and estimates that are reasonable in accordance with the applicable accounting standards.

### Accounting records

The Directors are responsible for ensuring that the Group keeps accounting records which disclose the financial position and reflect the transactions of the Group, upon which financial statements of the Group could be prepared in accordance with the accounting policies of the Group.

### Safeguarding assets

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities within the Group.

### Going concern

The Directors, having made appropriate enquiries, are of the view that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate for the Group to adopt the going concern basis in preparing the financial statements.

### Audit Committee

During the year 2024 and up to the date of this report, the Audit Committee comprises three Independent Non-executive Directors who possess the relevant financial and business management experience and skills to understand financial statements and monitor the financial governance, risk management and internal controls of the Company. The composition of the Audit Committee complied with the independence requirements under the Listing Rules. It is chaired by Mr Ip with Mr Chan and Ms Im (both appointed on 9 May 2024) as members. Dr Lan and Dr Wong ceased to be members of the Audit Committee upon their retirement on 9 May 2024.

The Audit Committee held four meetings in 2024 with 100% attendance.

Members	Attended/Eligible to attend
Ip Yuk Keung ( <i>Chairman</i> )	4/4
Chan Tze Leung <sup>(1)</sup>	2/2
Im Man Ieng <sup>(1)</sup>	2/2
Lan Hong Tsung, David <sup>(2)</sup>	2/2
Wong Yick Ming, Rosanna <sup>(2)</sup>	2/2

Notes:

(1) Appointed on 9 May 2024

(2) Retired on 9 May 2024

The internal and external auditors attended all Audit Committee meetings. In addition, the Audit Committee held private sessions with them, as well as the Chief Financial Officer, separately without the presence of Management.

The function of the Audit Committee is to assist the Board in fulfilling its duties through the review and supervision of the Group's financial reporting, risk management and internal control systems (including cyber risks) and to take on any other responsibility as may be delegated by the Board from time to time. The Audit Committee is responsible for monitoring the integrity of the Group's interim and annual results and financial statements, and reviewing the significant financial reporting judgements contained therein as well as overseeing the relationship between the Company and its external auditor. The Audit Committee is also required to develop and review the Company's policies and practices on corporate governance including compliance with statutory and Listing Rules requirements; and review the scope, extent and effectiveness of the activities of the Group's internal audit function. In addition, it is authorised to engage independent legal and other advisers and conduct investigations as it determines to be necessary.

Throughout 2024, the Audit Committee discharged the duties and responsibilities under its terms of reference and the CG Code. The following paragraphs set out a summary of the work performed by the Audit Committee during 2024 and 2025 (up to the date of this report).

During 2024 and 2025 (up to the date of this report), the Audit Committee met with the Chief Financial Officer, other senior management, and the Group's internal auditor and external auditor, PwC, to review the interim and final results, the interim and annual reports, interim and annual consolidated financial statements, and other financial, corporate governance, risk management, internal control and cyber risks of the Group. It received, considered and discussed the reports and presentations of Management, the Group's internal auditor and PwC, to ensure that the consolidated financial statements of the Group were prepared in accordance with the accounting standards issued by the International Accounting Standards Board and comply with the applicable disclosure requirements of the Companies Ordinance and the Listing Rules, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Based on these reviews and discussions, the Audit Committee was satisfied that the Group's 2024 interim and the Group's 2023 and 2024 annual results, reports and consolidated financial statements have been prepared in accordance with the aforementioned requirements and recommended that these be approved by the Board.

The Audit Committee met four times during 2024 and one time during 2025 (up to the date of this report) with PwC to consider the reports on the scope, strategy, progress and outcome of its independent review of the 2024 interim consolidated financial statements and audit of the 2023 and 2024 annual consolidated financial statements. It reviewed the composition of the audit engagement teams and PwC's strategy and approach for the annual audit, including the materiality, risk assessment and scope of the audit, and PwC's reporting obligations before the audit commenced. The Audit Committee is satisfied with PwC's competence, expertise, resources, as well as the effectiveness of the audit process.

There were no breaches of the policy on hiring employees or former employees of the external auditor during the reported period. The Audit Committee reviewed the audit fees and the fees for non-audit services payable to PwC. The non-audit services were carried out in accordance with PwC's independence policy to ensure that they do not create a conflict of interest and comply with the Group's policy regarding the engagement of its external auditor for the various services.

During the reported period, the Audit Committee also reviewed the independence and objectivity of the external auditor. It had considered all relationships (including requirements for rotation of audit partners, provision of non-audit services and long-term audit relationship) between the Company and PwC when assessing the independence and objectivity of the external auditor. The Audit Committee considered PwC to be independent and PwC, in accordance with applicable professional ethical standards, provided the Audit Committee with written confirmation of its independence and objectivity for 2024.

To assist the Board in assessing the overall governance, financial reporting, risk management and internal control framework and maintaining effective risk management and internal control systems covering all material controls, including financial, operational and compliance controls, in 2024, the Audit Committee reviewed the process by which the Group evaluated its control environment and managed significant risks (including cyber risks). It received, considered and provided feedback on the risk management report, the composite risk register, the risk heat map and the presentation of the internal auditor, as well as the presentation and confirmation by Management on their review with respect to the effectiveness of the risk management and internal control systems of the Group. Based on these reviews, the Audit Committee concurred with confirmation from Management that such systems are effective and appropriate. It also reviewed and was satisfied with the adequacy of resources, staff qualifications and experience of the Group's accounting, internal audit and financial reporting functions, and their training programmes and budget.

In addition, the Audit Committee reviewed, in conjunction with the internal auditor of the Group, the 2024 work plan and resource requirements, and deliberated on the reports regarding the effectiveness of risk management and internal control systems (including cyber risks) of the Group. Further, it also considered the reports from the Company Secretary on the material litigation proceedings and compliance status of the Group on key legal and regulatory requirements. These reviews and reports were taken into consideration by the Audit Committee when it made its recommendation to the Board for approval of the consolidated financial statements. During 2024, the Audit Committee also received periodic presentations on, and reviewed, the compliance status of the Group with respect to the CG Code as well as other corporate governance topics including the Group's policies and practices on compliance with legal and regulatory requirements. The Audit Committee noted that the Company has complied throughout the year with all applicable code provisions of the CG Code. It has also received regular update reports on CPD training of the Directors.

In February 2024, the Audit Committee reviewed and recommended to the Board updates to its terms of reference and the Shareholders Communication Policy to reflect the amendments to the Listing Rules which took effect on 31 December 2023. In March 2025, the Audit Committee once again reviewed and recommended to the Board updates to its terms of reference to reflect the latest amendments to the CG Code which will take effect on 1 July 2025.

The Audit Committee, on behalf of the Board, also conducted a review of the implementation and effectiveness of the Shareholders Communication Policy in March 2025. Having considered the multiple channels of communication and engagement in place (see "Relationship with Shareholders and Other Stakeholders" on pages 81 to 83 of this report), the Audit Committee is satisfied that the Shareholders Communication Policy has been properly implemented during 2024 and is effective.



### External auditor

The policy of the Group regarding the engagement of its external auditor for the various services listed below is as follows:

- Audit services – include audit services provided in connection with the audit of the consolidated financial statements. All such services are to be provided by the external auditor.
- Audit related services – include services that would normally be provided by an external auditor but not generally included in audit fees, such as audits of the pension plans of the Group, accounting advice related to mergers and acquisitions, internal control reviews of systems and/or processes, and issuance of special audit reports for tax or other purposes. The external auditor is to be invited to undertake those services that must be undertaken, or is otherwise best placed, to undertake in its capacity as auditor.
- Taxation related services – include all tax compliance and tax planning services, except for those services which are provided in connection with the audit. The Group engages the services of the external auditor where it is best suited. All other significant taxation related work is undertaken by other parties as appropriate.
- Other services – include, amongst others, financial due diligence, review of actuarial reports and calculations, risk management diagnostics and assessments, and non-financial system consultations. The external auditor is also permitted to assist Management and the internal auditor with internal investigations and fact-finding into alleged improprieties. These services are subject to specific approval by the Audit Committee.
- General consulting services – the external auditor is not eligible to provide services involving general consulting work.

An analysis of the fees of PwC is shown in note 8 to the consolidated financial statements. For the year ended 31 December 2024, PwC fees, amounting to approximately HK\$7.1 million were primarily for audit services and those for non-audit services amounted to approximately HK\$1.6 million (including regulatory reporting requirements, tax compliance and tax planning services, and non-financial system consultations), representing approximately 18% of the total PwC fees (audit and non-audit).

Ms Chan Nga Sze, who served as the lead audit engagement partner from PwC has retired from the Group's audit engagements after completing her role with the issuance of the independent auditor's report on the 2023 financial statements included in the 2023 Annual Report. A new audit engagement partner from PwC, Ms Tong Wing Yin has been appointed to lead the audits of the Group's financial statements with effect from the 2024 audit.

The Audit Committee was satisfied with PwC's competence, expertise, resources, independence and objectivity, as well as the effectiveness of the audit process, and recommended to the Board on the re-appointment of PwC as the external auditor which will be considered by the shareholders at the forthcoming annual general meeting.

### Audit report on the annual financial statements

The consolidated financial statements of the Group for the year ended 31 December 2024 have been audited by PwC in accordance with International Standards on Auditing issued by the International Accounting Standards Board. The unqualified auditor's report is set out on pages 148 to 152. The consolidated financial statements of the Group for the year ended 31 December 2024 have also been reviewed by the Audit Committee.

## Risk Management and Internal Control

Effective risk management and internal control systems are fundamental for the long-term performance and sustainable growth of the Group and to protect and enhance the interests of shareholders and other stakeholders.

The Group's comprehensive governance structure plays an integral role in supporting its operations and achieving strategic and business objectives. It provides a framework for setting strategic and business goals, monitoring performance, and systematically managing and monitoring risks that the Group faces.

To illustrate the structure and process of the risk management and internal control systems of the Group, the following table depicts detailed roles and responsibilities for decision making and accountability across the businesses and provides guidance on the standards of behaviour, in terms of "Governance and Oversight" by the Board through the Audit Committee and the Sustainability Committee, "Risk Review and Communication" by the Chief Executive Officer and Chief Financial Officer, "Risk and Control Monitoring" by the Group functions, "Risk and Control Ownership" by the executive management teams of each core business, and "Independent Assurance" by the internal audit function.

Governance and Oversight	
<b>The Board</b>	
<ul style="list-style-type: none"> <li>• Has overall responsibility for managing the Group's businesses, the systems of risk management and internal control of the Group.</li> <li>• Evaluates and determines the nature and extent of the risks that the Group is willing to accept in pursuit of its strategic and business objectives, with due regard to the Group's risk appetite.</li> <li>• Inculcates appropriate risk culture across the business operations of the Group.</li> <li>• Ensures that appropriate and effective risk management and internal control systems are established and maintained.</li> <li>• Oversees the management of sustainability risks and opportunities, through delegation to the Sustainability Committee.</li> <li>• Reviews the effectiveness of the risk management and internal control systems of the Group, through delegation to the Audit Committee, and through review of Group-wide strategies, budgets, business plans and performances.</li> </ul>	
<b>Audit Committee</b>	<b>Sustainability Committee</b>
<ul style="list-style-type: none"> <li>• Reviews and assesses the risk management and internal control systems of the Group, with particular regard to their effectiveness.</li> <li>• Performs corporate governance functions delegated by the Board.</li> </ul> <p>(Please refer to the terms of reference for the Audit Committee for details.)</p>	<ul style="list-style-type: none"> <li>• Reviews sustainability risks and opportunities, and assesses emerging sustainability issues and trends that could impact the business operations and performance of the Group (please refer to the terms of reference for the Sustainability Committee for details).</li> </ul>

### Risk Review and Communication

#### Chief Executive Officer and Chief Financial Officer

- Provides leadership on risk and return balance.
- Monitors the risk profile of the Group and assesses if significant risks are appropriately mitigated.
- Ensures that a review of the effectiveness of the risk management and internal control systems of the Group has been conducted, and makes recommendation to the Board, through the Audit Committee, regarding the effectiveness of the systems.

### Risk and Control Monitoring

#### Group Functions

- Establishes relevant policies and procedures for Group-wide adoption.
- Monitors the implementation and effectiveness of the risk management practices in core businesses and provides guidance where appropriate. In particular, the following dedicated working groups are formed:
  - Governance Working Group, chaired by a Non-executive Director and comprising representatives from key business functions of the Group, provides timely updates on emerging matters of compliance.
  - Security Committee, chaired by the Vice President - Digital Innovations & IT Development and including technical specialists from the Information Technology department and the Corporate Security & Fraud Management function, manages the cyber security defences of the Group, monitors cyber threat landscape and sets strategic plan.
  - Sustainability Working Group, comprising the Chief Executive Officer and the Chief Financial Officer as Co-Chairs, as well as other senior executives from key business functions of the Group, supports the Sustainability Committee in discharging its responsibilities.

### Risk and Control Ownership

#### Core Businesses

- Carries out risk management activities and escalates promptly on material issues.
- Ensures that a risk-aware culture is maintained at all levels of the operations through ongoing policy reinforcement and training.
- Conducts a review of the effectiveness of the risk management and internal control systems and provides management declaration on the review results half-yearly.

### Independent Assurance

#### Internal Audit

- Provides independent assurance as to the existence and effectiveness of the risk management activities and controls in the business operations of the Group (refer to pages 72 to 73 of this Annual Report for more details).

Whilst the risk management and internal control systems of the Company are designed to identify and manage risks that could adversely impact the achievement of the strategic and business objectives of the Group, they do not provide absolute assurance against material misstatement, errors, losses, fraud or non-compliance.

## Risk management

The Company adopts an Enterprise Risk Management framework which is consistent with the COSO (the Committee of Sponsoring Organisations of the Treadway Commission) framework, to support the businesses and strategic objectives of the Group. The framework facilitates a systematic approach in identifying, assessing, managing and monitoring risks (including sustainability and cyber risks) within the Group, be they of strategic, financial, operational or compliance nature.

Risk management is a continuous process seamlessly integrated into the day-to-day operations and management across all levels of the Group. There is ongoing communication between the executive management of the Group and the business units on the emerging and current risks (including sustainability and cyber risks) that are relevant to its businesses, the plausible impacts of the risks and mitigation measures to ensure that each business unit has performed its duty to have effective systems. These measures include instituting additional controls and deploying appropriate insurance instruments to minimise or transfer the impact of risks to the businesses of the Group. Executive management regularly reviews the risk management framework and confirms its effectiveness to the Board through Audit Committee. In addition, the Group's Directors and officers are protected against potential personal legal liabilities through the Directors and Officers Liability Insurance.

In terms of formal risk review and reporting, the Company adopts a "top-down and bottom-up" approach, involving regular input from each major business unit as well as discussions and reviews by the Chief Executive Officer and the Board, through the Audit Committee. More specifically, on a half-yearly basis, each major business unit is required to formally identify the significant risks (including sustainability and cyber risks) its business faces, measuring them against a defined set of criteria, and considering likelihood of occurrence and potential impact on the business, whilst the Chief Executive Officer provides input after taking a holistic assessment of all the significant risks that the Group faces. Relevant risk information including key mitigation measures and plans are recorded in a risk register to facilitate the ongoing review and tracking of progress.

The composite risk register together with the risk heat map, as part of the risk management report, are submitted to the Audit Committee for review on a half-yearly basis. The Audit Committee, on behalf of the Board, reviews the report, discusses the risk management and internal control systems, including matters related to cyber risks, with the Chief Financial Officer, and provides input as appropriate so as to ensure effective and appropriate systems in place.

Pages 24 to 28 of this Annual Report provide a description of the risk factors of the Group which could affect the financial condition or results of operations of the Group that differ materially from expected or historical results. More information about the Group's strategies and approaches to managing the sustainability and cyber risks that are material and relevant to the Group's businesses is set out in the "Sustainability Report" on pages 86 to 147.

## Internal control

Group structures covering all subsidiaries and a joint venture are maintained and updated on a timely and regular basis. Directors are appointed to the boards of all material operating subsidiaries for overseeing and monitoring those companies, including attendance at board meetings, review and approval of budgets and plans, and determination of business strategies with associated risks identified and key business performance targets set. The executive management team is accountable for the conduct and performance of the businesses of the Group within the agreed strategies. The Executive Directors monitor the performance and review the risk profiles of the companies within the Group on an on-going basis.

The internal control procedures of the Group include a comprehensive system for reporting information to the executive management team of each business unit and the Executive Directors.

Business plans and budgets are prepared annually by management of individual businesses and subject to review and approval by both the executive management team and the Executive Directors as part of the five-year corporate planning cycle. Reforecasts for the current year are prepared on a quarterly basis, reviewed for variances to the budget and for approval. When setting budgets and reforecasts, Management identifies, evaluates and reports on the likelihood and potential financial impact of significant business risks.

The Chief Executive Officer reviews monthly management reports on the financial results and key operating statistics of each business and holds monthly meetings with the senior management of business operations to review these reports, business performance against budgets, forecasts, significant business risk sensitivities and strategies. In addition, the Chief Financial Officer and finance managers of the business operations hold monthly meetings to review monthly performance against budget and forecast, and to address accounting and finance related matters.

The Group maintains a centralised cash management system for its subsidiary operations. The finance department of the Group oversees the investment and lending activities of the Group and also evaluates and monitors financial and operational risks, and makes recommendations to Management to mitigate those risks. Treasury reports on cash and liquid investments, borrowings and movements thereof are distributed to Management weekly.

The Group has established guidelines and procedures for the approval and control of expenditures. Operating expenditures are subject to overall budget control and are controlled within each business with approval levels set by reference to the level of responsibility of each executive and officer. Capital expenditures are subject to overall control within the annual budget review and approval process, and more specific control and approval by the Chief Financial Officer or an Executive Director are required prior to commitment for unbudgeted expenditures as well as material expenditures within the approved budget. Monthly reports of actual versus budgeted and approved expenditures are also reviewed.

The Group has also followed group-wide treasury policies covering specific aspects, such as bank account control and procedures, monitoring and compliance control for loan covenants.

In terms of formal review of the risk management and internal control systems of the Group, a risk management and internal control self-assessment process that, on a half-yearly basis, requires the senior management of each business unit to review, evaluate and declare the effectiveness of such systems covering all material controls, including financial, operational and compliance controls over the operations of the business and devise action plans to address the issues, if any. These assessment results, together with the risk management report as mentioned earlier and the independent assessments by the internal and external auditors, form part of the bases on which the Audit Committee formulates its opinion on the effectiveness of risk management and internal control systems of the Group.

## Legal and regulatory compliance

The Group is committed to ensuring its businesses are operated in compliance with local and international laws, rules and regulations. The legal department has the responsibility of safeguarding the legal interests of the Group. It monitors the day-to-day legal affairs of the Group, including preparing, reviewing and approving all legal documentation and corporate secretarial documentation of Group companies, working in conjunction with finance, tax, treasury, corporate secretarial and business unit personnel on the review and co-ordination process, and advising Management on legal and commercial issues of concern. In addition, the legal department is responsible for overseeing regulatory compliance matters of all Group companies. It analyses and monitors the regulatory frameworks within which the Group operates, including reviewing applicable laws and regulations, and preparing and submitting response or filings with relevant regulatory and/or government authorities on regulatory issues and consultations. The legal department also prepares and updates internal policies and conducts tailor-made workshops where necessary so as to strengthen the internal controls and compliance procedures of the Group.

The legal department reports to the group legal department of the holding company of the Group on all material legal, regulatory and corporate secretarial matters. It determines and approves in conjunction with the group legal department of the holding company of the Group the engagement of external legal advisors, ensuring the requisite professional standards are adhered to as well as the most cost effective services are rendered. Further, the legal department organises and holds continuing education seminars/conferences on legal and regulatory matters of relevance to the Group for Directors, business executives and the legal and corporate secretarial teams.

On the listed company level, the Group is subject to the Listing Rules, the Codes on Takeovers and Mergers and Share Buy-backs, the Cayman Islands Companies Act, the Companies Ordinance, the SFO and/or the laws, rules and regulations of the jurisdictions where the Group companies incorporated. The legal department is vigilant with the legal requirements under these statutes, rules and regulations which would have a material implication or impact on the Group. The Company is not aware of any incidents of non-compliance with such laws and regulations that may have a significant impact on the Group.

## Governance policies

The Group places utmost importance on the ethical, personal and professional standards of Directors and employees of the Group. All employees adhere to various Group policies that reflect the core values and corporate culture of the Group. The Code of Ethics is the central tool through which the Company sets the conduct expectations for employees underscoring the strong commitment of the Group to upholding high standard of business integrity, honesty and transparency in all its business dealings. The Company has also established anti-corruption and whistleblowing policies and systems, which are conducive to setting a healthy corporate culture and good corporate governance practices. In addition, the Group has adopted and implemented a number of other governance policies to incorporate the core values of the Group into its operations and practices. These policies are reviewed from time to time to ensure their relevance and appropriateness to the business, corporate strategy and stakeholder expectations of the Group. In addition, employees are required to make a self-declaration every year to confirm that they have read, understood and would continue to comply with, the various Group policies. See the governance policies on the website of the Company.

Key governance policies and guidelines of the Group include:

### *Code of Ethics*

The Code of Ethics of the Group sets the standards for employees as are reasonably necessary to promote honest and moral conduct, accurate and timely disclosure in the reports and documents that the Group files or submits to regulators, compliance with applicable laws and regulations, prompt internal reporting of any violations and accountability for adherence to the Code of Ethics. Every employee is required to undertake to adhere to the Code of Ethics, which includes provisions dealing with conflict of interest, equal opportunities, diversity and a respectful workplace, health and safety, protection and proper use of company assets, record keeping, bribery and corruption, personal data protection and privacy as well as reporting procedures for illegal and unethical behaviour. Employees are required to report any non-compliance with the Code of Ethics in accordance with the established reporting and escalation procedures.

### *Whistleblowing Policy*

In line with the commitment to achieve and maintain the highest standard of openness, probity and accountability, the Company expects and encourages employees of the Group and those who deal with the Group (e.g. customers, suppliers, creditors and debtors) to report to the Company, in confidence, any suspected impropriety, misconduct or malpractice within the Group. In this regard, the Company has adopted the Whistleblowing Policy. The policy aims to provide reporting channels and guidance on reporting possible improprieties and reassurance to whistleblowers of the protection that the Group will extend to them in the formal system, including anonymity and legal protection against unfair dismissal or victimisation for any genuine reports made. The Board delegated the authority to the Audit Committee which is responsible for ensuring that proper arrangements are in place for fair and independent investigation of any matters raised and appropriate follow-up actions are taken.

### *Anti-Fraud and Anti-Bribery Policy*

In its business dealings, the Group does not tolerate any form of fraud or bribery, whether direct or indirect, by, or of, its Directors, officers, employees, agents or consultants or any persons or companies acting for it or on its behalf. The Anti-Fraud and Anti-Bribery Policy, which outlines the Group's zero-tolerance stance against bribery and corruption, assists employees in recognising circumstance which may lead to or give the appearance of being involved in corruption or unethical business conduct, so as to avoid such conduct which is clearly prohibited, and to promptly seek guidance where necessary. Each business unit is required to report any actual or suspected incident of bribery, theft, fraud or similar offences to the Chief Financial Officer and the internal audit for independent analyses and necessary follow up (see page 106 of this Annual Report for more details).

### *Policy on Appointment of Third Party Representatives*

The Group is also committed to exercising proper controls in engaging third party representatives (such as advisers, agents, consultants, introducers and finders). All Group companies are required to exercise due care and diligence in selecting third party representatives and in monitoring their activities, and should adhere to the Policy on Appointment of Third Party Representatives of the Group in this regard.

### *Corporate Communications Policy*

The Group highly values its reputation in the communities where it operates. Employees are required to observe the Corporate Communications Policy to ensure that the market receives timely and accurate information about the Group. The corporate affairs department is designated to assist Management to provide clear, consistent and congruent messages for the Group's businesses through the media in a speedy, professional and well-coordinated manner.

### *Shareholders Communication Policy*

The Group is committed to enhancing long-term shareholder value through regular communication with its shareholders, both individual and institutional. To this end, the Group strives to ensure that all shareholders have ready, equal and timely access to all publicly available information of the Group. The Shareholders Communication Policy sets out the framework the Company has put in place to promote effective two-way communication with shareholders so as to enable them to engage actively with the Company and exercise their rights as shareholders in an informed manner.

### *Policy on Securities Dealings and Handling of Confidential and Price-sensitive Inside Information*

With a view to ensuring that inside information is identified, handled and disseminated in compliance with the SFO, and proper internal control procedures are in place to guard against mishandling of inside information which may constitute insider dealing or breach of any other statutory obligations, the Group has implemented the Policy on Securities Dealings and Handling of Confidential and Price-sensitive Inside Information. The policy also adopts additional precautions which should be taken by employees who are in possession of inside information, including identification of project by code name and dissemination of information for stated purpose and on a need-to-know basis only. Whilst all employees are absolutely prohibited at all times from dealing in the securities of the Company when they are in possession of unpublished and price-sensitive information or confidential information, certain members of senior management or staff are subject to specific additional compliance requirements as are communicated to them individually from time to time (including but not limited to obtaining written pre-clearance from designated members of Management prior to any dealing in any securities of the Company). Further, certain staff members of the finance department are subject to a 60-day blackout period prior to the release of the Company's annual results and a 30-day blackout period prior to the release of interim results.

The Company has established effective systems and procedures to ensure a timely and structured flow of information, enabling Management to promptly identify, assess, and escalate any material information. Control procedures are in place to monitor the Group's financial performance, business developments and corporate events across various business divisions and function units, who are required to report to Management through regular reporting or as and when internal escalation triggers occur. Management will promptly evaluate the impact of reported matters and where appropriate, escalate the matter to a designated committee for further consideration. If the committee considers that the reported matter constitutes inside information, such matter will be submitted to the Board for consideration and determination, and, if appropriate, disclosed by the Company in a timely manner.

### *Policy on Personal Data Governance*

The Group is also committed to the safeguard and protection of the personal data of its customers and employees. Employees must only collect and use personal data in accordance with applicable data protection laws, as well as the Policy on Personal Data Governance and the applicable local policies and procedures.

### *Information Security Policy*

Employees must not disclose any confidential information of the Group, its customers, suppliers, business partners or shareholders, except when disclosure is authorised by the Group in accordance with the Information Security Policy which defines the common policies for information confidentiality, integrity and availability to be applied across the entire Group.



### *Cyber Security Policy*

The policy provides a framework for defining the baseline for cyber security practices, and managing cyber risks to ensure that the Group's efforts in this area are effective, coherent and well-coordinated.

### *Board Diversity Policy and Director Nomination Policy*

The two Board policies, Board Diversity Policy and Director Nomination Policy, set out the approach to achieving diversity as well as the approach and procedures the Board adopts for the nomination and selection of Directors. Further details of the policies are provided on pages 73 to 78 of this report.

### *Workforce Diversity Policy*

This policy promotes a diversified and inclusive working environment where individual differences are respected and all employees are treated with dignity. It enhances recruitment, supports retention, and fosters innovation and growth by leveraging diverse perspectives. Key components include adhering to non-discriminatory employment practices and procedures, encouraging collaboration among the workforce, providing training and development opportunities to address specific needs and career aspirations of diverse employees and regularly assessing the policy's effectiveness.

### *Internal audit*

Internal audit, reporting directly to the Audit Committee, provides independent assurance as to the existence and effectiveness of the risk management activities and controls in the business operations of the Group. It has wide authority to access to documents, records, properties and personnel of the Group. By applying risk assessment methodology and considering the dynamics of the activities of the Group, internal audit devises its three-year risk-based audit plan for review by the Audit Committee. The audit plan is subject to continuous reassessment taking into account external and internal factors such as macro economic and regulatory changes, business and operational changes, emerging risks and opportunities (including sustainability and cyber-related ones), as well as audit and fraud findings which may affect the risk profile of the Group during the year.

Internal audit is responsible for assessing the effectiveness of the risk management and internal control systems of the Group, including reviewing the continuing connected transactions of the Company (refer to pages 41 to 43 of this Annual Report for more details), formulating an impartial opinion on the systems, and reporting its findings and recommendations to the Audit Committee, the Chief Executive Officer and the executive management team concerned, as well as following up on the issues to ensure that they are satisfactorily resolved within the agreed timeline. In addition, internal audit maintains a regular dialogue with the external auditor so that the parties are aware of the significant factors which may affect their respective scope of work.

Depending on the nature of business and risk exposure of individual business units, the scope of work performed by internal audit includes financial, IT, operations, sustainability, business ethics, governance policy and regulatory compliance reviews, recurring and surprise audits, as well as productivity efficiency reviews.

Internal audit is also responsible for periodic fraud analyses and independent investigations. In accordance with the Code of Ethics and Anti-Fraud and Anti-Bribery Policy of the Group, each business unit is required to report to the Chief Financial Officer and the internal audit any actual or suspected fraudulent activities within a 24-hour timeframe should the amount involved exceeds the de minimis threshold as agreed between internal audit and the Chief Financial Officer or the Chief Executive Officer. In addition, each business unit submits a summary of fraud incidents statistics to the Chief Financial Officer and the internal audit on a quarterly basis. These cases, together with those escalated through the Company's established whistleblowing channels, are recorded in the Company's centralised fraud incidents register under the internal audit's custody, and are independently assessed and investigated as appropriate. Internal audit would promptly escalate any incidents of material nature to the Chairman of the Audit Committee for his direction. Also, a summary of the quarterly fraud incidents and relevant statistics (including results of independent investigations and actions taken) is presented to the Audit Committee.

Reports from the external auditor on internal controls and relevant financial reporting matters are presented to internal audit and, as appropriate, to the Chief Financial Officer. These reports are reviewed and appropriate actions are taken.

The Board, through the Audit Committee, has conducted a review of the effectiveness of the risk management and internal control systems of the Group for the year ended 31 December 2024 covering all material controls, including financial, operational and compliance controls, and concurs with Management confirmation that such systems are effective and appropriate. Neither significant changes in the risk profile of the Group nor significant areas of concern which might affect shareholders were identified. In addition, the Board, through the Audit Committee and the Sustainability Committee, has reviewed and is satisfied with the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, financial reporting, and sustainability performance and reporting functions.

## Nomination of Directors

### Nomination Committee

During the year 2024 and up to the date of this report, the Nomination Committee chaired by Mr Chan, Independent Non-executive Director (appointed as chairman of the Nomination Committee following the retirement of Dr Wong, a former Independent Non-executive Director, on 9 May 2024), with Non-executive Director Ms Shih and Independent Non-executive Director Mr Ip as members, is in full compliance with the code provisions of the CG Code. The majority of the members are Independent Non-executive Directors, with one Non-executive Director, who would be able to provide different perspective and direct insight, thereby enabling more befitting candidates to be nominated for consideration.

The responsibilities of the Nomination Committee are to review the structure, size, composition (including the skills, knowledge, experience and diversity profile) of the Board at least annually, assist the Board in maintaining a Board skills matrix, and make recommendation on the composition of the Board to achieve the Group's corporate strategy as well as promote shareholder value. It identifies suitable director candidates and selects or makes recommendation to the Board on the appointment or re-appointment of Directors and succession planning of Directors. Furthermore, it also assesses the independence of Independent Non-executive Directors having regard to the criteria under the Listing Rules and reviews the Director Nomination Policy and the Board Diversity Policy periodically and makes recommendation on any proposed revisions to the Board. The Nomination Committee also reviews and assesses regularly the time commitment of and contribution to the Board by each Director as well as the Director's ability to discharge his/her responsibilities, and supports the regular evaluation of the performance of the Board. The Nomination Committee is authorised by the Board to obtain independent professional advice where necessary on matters within its terms of reference.

### Nomination process

The nomination process has been, and will continue to be, conducted in accordance with the Director Nomination Policy and Board Diversity Policy, which are available on the website of the Company. The Board will from time to time review these policies and monitor their implementation to ensure continued effectiveness and compliance with regulatory requirements and good corporate governance practices.

Pursuant to the Director Nomination Policy, the Nomination Committee, in determining the suitability of a candidate, will consider the potential contributions a candidate can bring to the Board including the attributes complementary to the Board, the commitment, motivation and integrity of the candidate, having due consideration of the benefits of a diversified Board.

Under the Board Diversity Policy, Board candidates are selected based on merit and the contribution such candidates can 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 Group and the benefits of various aspects of diversity, including gender, age, culture, ethnicity, educational background, professional experience and other factors that the Nomination Committee may consider relevant from time to time towards achieving a diversified Board.

As at the date of this report, the Board comprises 10 Directors. The table below shows the Board structure, and skills set, expertise and competencies of the Directors.

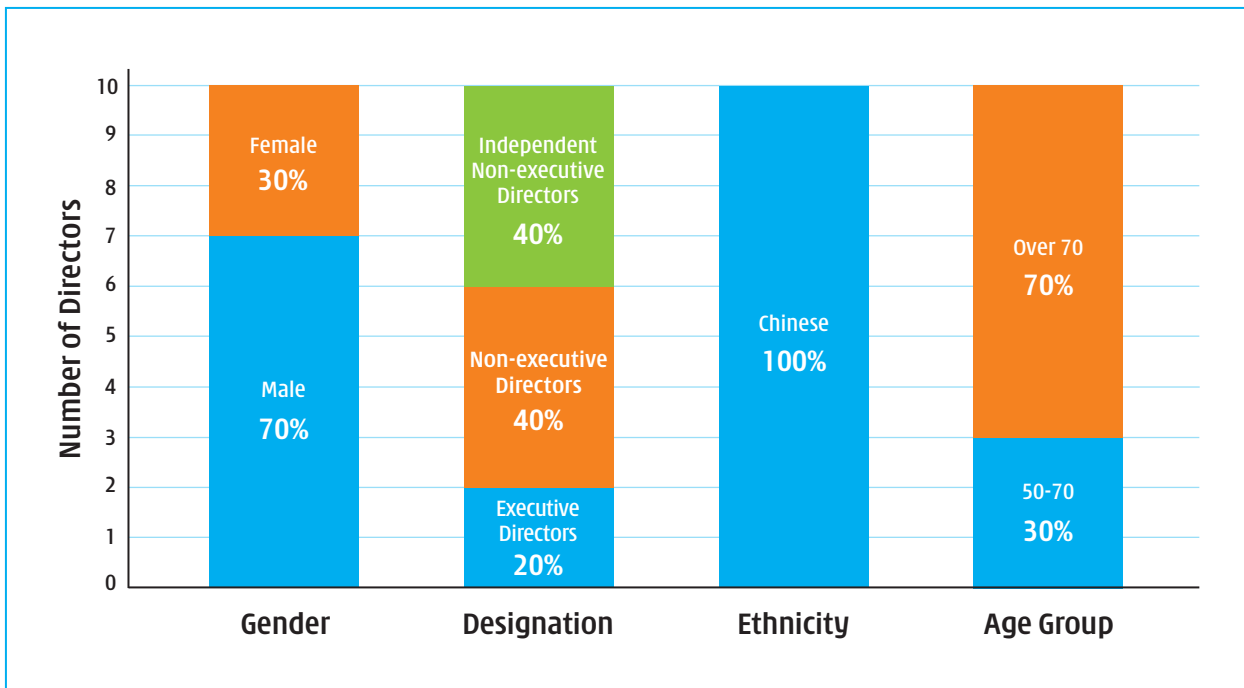
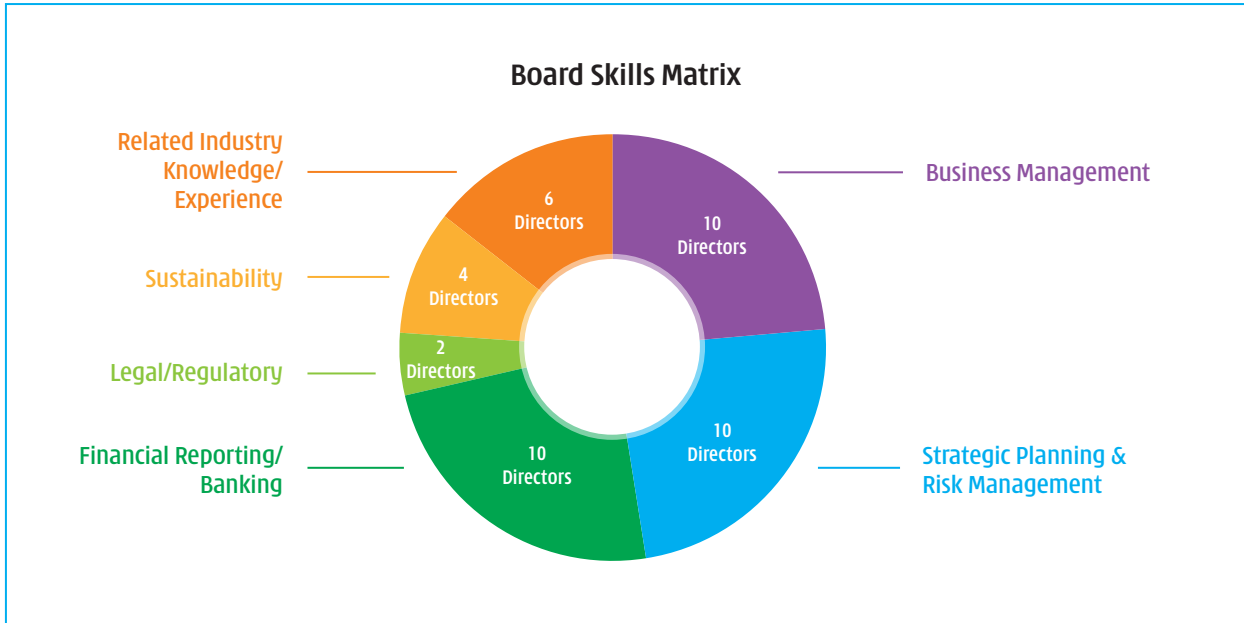
Structure and Size						Committees				Qualification		Skills and Expertise					
Directors	Age	Years on Board	Gender	Ethnicity (Chinese)	Designation	Audit	Nomination	Remuneration	Sustainability	Professional	Educational	Business Management	Strategic Planning & Risk Management	Financial Reporting/Banking	Legal/Regulatory	Sustainability	Related Industry Knowledge/Experience
Fok Kin Ning, Canning	73	16	M	•	NED			•		N1	BA	•	•	•			•
Lui Dennis Pok Man	74	16	M	•	ED						BSc	•	•	•			•
Woo Chiu Man, Cliff	71	8	M	•	NED					N2	BSc	•	•	•			•
Koo Sing Fai	52	6.5	M	•	ED				•		BSc	•	•	•		•	•
Lai Kai Ming, Dominic	71	16	M	•	NED						BSc, MBA	•	•	•			•
Edith Shih	73	8	F	•	NED		•		•	N3	BSE, MA, MA, EdM	•	•	•	•	•	•
Chan Tze Leung	78	<1	M	•	INED	•	•				BSc, MBA	•	•	•			
Chow Ching Yee, Cynthia	61	2	F	•	INED			•	•		BA, MBA	•	•	•		•	
Im Man Ieng	56	<1	F	•	INED	•				N4	BCom, MBus(Acc)	•	•	•			
Ip Yuk Keung	72	5	M	•	INED	•	•	•			BSc, MSc, MSc	•	•	•	•	•	

ED: Executive Director  
 NED: Non-executive Director  
 INED: Independent Non-executive Director  
 F: Female  
 M: Male

Notes:

- N1 Fellow of Chartered Accountants Australia and New Zealand
- N2 member of the Institution of Engineering and Technology (UK) and the Hong Kong Institution of Engineers
- N3 solicitor qualified in England and Wales, Hong Kong and Victoria, Australia, Fellow of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute, holding Chartered Secretary and Chartered Governance Professional dual designations
- N4 member of the Hong Kong Institute of Certified Public Accountants

The charts below show the diverse skills set of the Directors and the diversity profile of the Board as at the date of this report:



Following the Board changes in 2024, the female representation on the Board stands at a relatively high level (30%, three out of ten) amongst companies listed on the Stock Exchange. The Company cements its commitment to gender diversity within its business so it continuous to review and assess the appropriate level of gender diversity and composition that aligns with the strategy of the Company. The Company targets to maintain at least 30% female directors on its Board. This target will be reviewed on an annual basis and from time to time by the Nomination Committee, as warranted. The Company will continue to seek to ensure it has an appropriate mix of diversity and has a number of initiatives in place to meet its strategic imperative of ensuring it has a diverse Board. Structured recruitment, selection and training programmes at various levels with the Group will also continue to be conducted to develop a broader pool of skilled and experienced potential Board members.

The Board also places tremendous emphasis on diversity (including gender diversity) across all levels of the Group. A Workforce Diversity Policy was introduced in March 2025 to promote a diversified and inclusive workplace where all employees feel valued, regardless of their background, see "Governance Policies" on page 72 of this report. The Group has a relatively balanced workforce overall, with 40% female full-time employees (including senior management). To support diversity across all facets, beyond gender, including race and ethnicity, disability, social mobility and age, the Group is enhancing diversity and inclusion efforts through employee networks, mentoring programmes, hiring practices, policies and awareness raising events and training for all employees to support inclusive behaviours. Further details on the gender ratio of the Group and initiatives taken to improve gender diversity across senior management and the wider workforce, together with relevant data, can be found in the Sustainability Report, which sets out on pages 86 to 147.

If the Board determines that an additional or replacement Director is required, the Nomination Committee will deploy multiple channels for identifying suitable director candidates, including referral from Directors, shareholders, Management, advisors of the Company and external executive search firms. Where a retiring Director, being eligible, offers himself/herself for re-election, the Nomination Committee will consider and, if appropriate, recommend such retiring Director to stand for re-election. A circular containing the requisite information on retiring Directors will be sent to shareholders prior to the general meeting at which such Directors are to be proposed for re-election, in accordance with the Listing Rules.

Shareholders of the Company may also nominate a person to stand for election as a Director at a general meeting in accordance with the Articles of Association and applicable laws and regulations. The procedures for such proposal are posted on the website of the Company.

The Nomination Committee held one meeting in 2024 with 100% attendance.

Members	Attended/Eligible to attend
Chan Tze Leung <sup>(1)</sup> ( <i>Chairman</i> )	N/A
Wong Yick Ming, Rosanna <sup>(2)</sup> ( <i>Chairman</i> )	1/1
Edith Shih	1/1
Ip Yuk Keung	1/1

Notes:

(1) Appointed on 9 May 2024

(2) Retired on 9 May 2024

During 2024, the Nomination Committee reviewed the structure, size and composition of the Board, ensuring that it has sound diversity and a balanced composition of skills and experience appropriate for the requirements of the businesses of the Group and that appropriate individuals with relevant expertise and leadership qualities are appointed to the Board to complement the capabilities of existing Directors. In connection with the retirement of Dr Lan and Dr Wong as Independent Non-executive Directors, the Nomination Committee in February 2024 recommended to the Board the appointments of Mr Chan and Ms Im as Independent Non-executive Directors. Their appointment was subject to a stringent assessment process in accordance with the Director Nomination Policy and Board Diversity Policy to ensure that the Board possesses the necessary skills, experience and knowledge in alignment with the strategy of the Company. The Nomination Committee also reviewed and recommended to the Board updates to its terms of reference to reflect the amendments to the Listing Rules which took effect on 31 December 2023.

The Nomination Committee also assessed the independence of all Independent Non-executive Directors and considered all of them to be independent having regard to their annual independence confirmation and the assessment of their independence with reference to the independence criteria set out in Rule 3.13 of the Listing Rules. In particular, the Nomination Committee considered that all Independent Non-executive Directors continue to provide a balanced and independent view to the Board and play a leading role in the Board Committees and bring independent and external dimension as well as constructive and informed comments on issues of the Group's strategy, policy, performance, accountability, resources, key appointments and standards of conduct. None of the Independent Non-executive Directors have any involvement in the daily management of the Company, or any financial or other interests or relationships in the business of the Company. In addition, there are no circumstances which would materially interfere with their exercise of independent judgement.

Following the retirement of Dr Lan and Dr Wong on 9 May 2024, none of the Independent Non-executive Director has served more than nine years on the Board.

At its meeting in February 2025, the Nomination Committee, alongside its review of the structure, size, composition (including the skills, knowledge, experience and diversity profile) of the Board, reviewed and assessed the time commitment and contribution to the Board by each Director. The assessment considered each Director's ability to discharge their responsibilities, referencing factors such as participation in Board and Board committee meetings, existing listed company directorships, other significant external time commitments, CPD training undertaken and the results of the performance evaluation for the Board and its committees. The Nomination Committee recognised the invaluable advice provided by senior Board members, drawing from their experiences and understanding of commercial trends. The Nomination Committee is satisfied that each Director can discharge their responsibilities effectively.

At the same meeting, the Nomination Committee reviewed the results of the Board performance evaluation, confirming that the overall performance aligns with the business and strategic goals of the Group. The Nomination Committee affirmed the independence of the Independent Non-executive Directors, deliberated the retirement and re-election of Directors at the 2025 annual general meeting and recommended to the Board for consideration. The Board Diversity Policy and Director Nomination Policy were also reviewed and their implementation and effectiveness during 2024 were endorsed by the Nomination Committee. The Nomination Committee concluded that both policies remain robust and effective for the Group, taking into account the processes leading to the re-election of Directors at the 2024 AGM and the appointment of two new Directors in 2024. The Nomination Committee also reviewed and recommended to the Board updates to its terms of reference to reflect the latest amendments to the CG Code which will take effect on 1 July 2025.

## Remuneration of Directors and Senior Management

### Remuneration Committee

The Remuneration Committee comprises three members with expertise in human resources and personnel emoluments.

During the year 2024 and up to the date of this report, the Remuneration Committee is chaired by Mr Ip, Independent Non-executive Director (appointed as chairman of the Remuneration Committee following the retirement of Dr Lan, a former Independent Non-executive Director, on 9 May 2024), with Chairman, Mr Fok and Independent Non-executive Director, Ms Chow (appointed on 9 May 2024), as members. The composition of the Remuneration Committee meets the requirements of chairmanship and independence under the Listing Rules. The majority of the members are Independent Non-executive Directors, with one Non-executive Director, who would be able to provide different perspective and direct insight on the capabilities and performance of directors and senior management. The Remuneration Committee meets towards the end of each year to determine the remuneration package of Directors and senior management of the Group. Remuneration matters are also considered and approved by way of written resolutions and where warranted, at additional meetings.

The Remuneration Committee held one meeting in 2024 with 100% attendance.

Members	Attended/Eligible to attend
Ip Yuk Keung <sup>(1)</sup> ( <i>Chairman</i> )	1/1
Lan Hong Tsung, David <sup>(2)</sup> ( <i>Chairman</i> )	N/A
Fok Kin Ning, Canning	1/1
Chow Ching Yee, Cynthia <sup>(3)</sup>	1/1

Notes:

- (1) Appointed as chairman on 9 May 2024
- (2) Retired on 9 May 2024
- (3) Appointed as member on 9 May 2024

The responsibilities of the Remuneration Committee are to assist the Board in achieving its objective of attracting, retaining and motivating a broader and more diverse pool of employees of the highest calibre and experience needed to shape and execute the strategy of the Group. It assists the Group in the administration of a fair and transparent procedure for setting remuneration policies for all Directors and senior executives of the Group. Whilst the Board retains its power to determine the remuneration of Non-executive Directors, the responsibility for reviewing and determining the remuneration package of the Executive Directors and senior management of the Group is delegated to the Remuneration Committee. The Remuneration Committee is authorised by the Board to obtain independent professional advice where necessary on matters within its terms of reference.

During the year, the Remuneration Committee reviewed background information on market data (including economic indicators, statistics and the Remuneration Bulletin), the Group's business activities and human resources issues, and headcount and staff costs. It also reviewed and approved the proposed 2025 director's fees for the Executive Directors and made recommendation to the Board on the proposed 2025 directors' fees for Non-executive Directors. Prior to the end of the year, the Remuneration Committee reviewed and approved the year end bonus and 2025 remuneration package of the Chief Executive Officer and senior executives of the Group. No Director or any of his/her associates was involved in deciding his/her own remuneration. In February 2024, the Remuneration Committee also reviewed and recommended to the Board updates to its terms of reference to reflect the amendments to the Listing Rules which took effect on 31 December 2023.

### Remuneration policy

The remuneration of Directors and senior executives of the Group is determined with reference to their expertise and experience in the industry, the performance and profitability of the Group as well as remuneration benchmarks from other local and international companies and prevailing market conditions. The Chief Executive Officer and employees also participate in bonus arrangements which are determined in accordance with the performance of the Group and the individual's performance.



## 2024 remuneration

Directors' emoluments comprise payments to Directors by the Group in connection with the management of the affairs of the Group. Details of emoluments paid to each Director in 2024 are set out below:

Directors	Director's fees HK\$ million	Basic salaries, allowances and benefits-in-kind <sup>(12)</sup> HK\$ million	Bonuses HK\$ million	Provident fund contributions HK\$ million	Inducement or compensation fees HK\$ million	Total emoluments HK\$ million
Fok Kin Ning, Canning <sup>(1)(2)(5)</sup>	0.104	-	-	-	-	0.104
Lui Dennis Pok Man <sup>(5)(8)</sup>	0.084	-	-	-	-	0.084
Woo Chiu Man, Cliff <sup>(1)</sup>	0.084	-	-	-	-	0.084
Koo Sing Fai <sup>(4)</sup>	0.104	3.064	1.630	0.237	-	5.035
Lai Kai Ming, Dominic <sup>(1)(5)</sup>	0.084	-	-	-	-	0.084
Edith Shih <sup>(1)(3)(4)(5)</sup>	0.124	-	-	-	-	0.124
Chan Tze Leung <sup>(3)(6)(7)(9)</sup>	0.113	-	-	-	-	0.113
Chow Ching Yee, Cynthia <sup>(2)(4)(6)</sup>	0.110	-	-	-	-	0.110
Im Man Ieng <sup>(6)(7)(9)</sup>	0.100	-	-	-	-	0.100
Ip Yuk Keung <sup>(2)(3)(6)(7)</sup>	0.194	-	-	-	-	0.194
Lan Hong Tsung, David <sup>(10)</sup>	0.062	-	-	-	-	0.062
Wong Yick Ming, Rosanna <sup>(11)</sup>	0.069	-	-	-	-	0.069
<b>Total</b>	<b>1.232</b>	<b>3.064</b>	<b>1.630</b>	<b>0.237</b>	<b>-</b>	<b>6.163</b>

Notes:

- (1) Non-executive Director
- (2) Member of the Remuneration Committee
- (3) Member of the Nomination Committee
- (4) Member of the Sustainability Committee
- (5) Such Directors' fees were paid to a subsidiary of CKHH
- (6) Independent Non-executive Director
- (7) Member of the Audit Committee
- (8) Re-designated as Executive Director on 11 December 2024
- (9) Appointed on 9 May 2024
- (10) Former Independent Non-executive Director and member of each of the Audit Committee and Remuneration Committee. Retired on 9 May 2024.
- (11) Former Independent Non-executive Director and member of each of the Audit Committee, Nomination Committee and Sustainability Committee. Retired on 9 May 2024.
- (12) Benefits-in-kind included insurance and transportation

The remuneration paid to the members of senior management by bands in 2024 is set out below:

Remuneration bands	Number of individuals
HK\$1,500,001 to HK\$2,000,000	1
HK\$2,000,001 to HK\$2,500,000	1
HK\$3,000,001 to HK\$3,500,000	1

## Relationship with Shareholders and Other Stakeholders

In order to stay attuned to changing expectations of stakeholders, the Group gives high priority to, and actively promotes, investor relations and constructive dialogue with the investment community throughout the year. Multiple channels of communication and engagement are available.

Through the Chief Executive Officer, the Chief Financial Officer, the Investor Relations Department and the Corporate Secretarial team, the Group engages with and responds to requests for information and queries from the investment community including shareholders, analysts and the media through regular briefing meetings, webcasts, conference calls and presentations. In 2024, meetings were conducted with analysts by means of phone calls, video calls, conference calls, group and one-on-one meetings, with an increasing emphasis on sustainability strategies and priorities.

The Board also provides clear and full information on the Group to shareholders through the publication of notices, announcements, circulars, interim and annual reports. The Memorandum and Articles of Association of the Company is published on the websites of the Company and HKEx. Moreover, a wide range of information on the Group is available to shareholders and stakeholders through the Investor Relations page on the website of the Company, including details of the arrangements on dissemination of corporate communications of the Company and for requesting printed copies of corporate communications. A dedicated Corporate Governance section is also available on the website of the Company. This report and the corporate governance policies and practices are available and updated on a regular basis. There is also an expanded Sustainability section on the website containing further information on sustainability as well as the sustainability policies.

Annual general meetings and other general meetings of the Company provide one of the primary forums for communication with shareholders and for shareholder participation. Such meetings provide shareholders with the opportunity to share their views and to meet the Board and certain members of senior management. Question and answer sessions at general meetings foster constructive dialogues between shareholders of the Company, Board members and Management.

Shareholders are encouraged to participate at general meetings of the Company physically, through electronic means, or by proxy if they are unable to attend in person. Pursuant to the Articles of Association, any shareholder holding not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company has rights to call for extraordinary general meetings and put forward agenda items for consideration by shareholders, by sending the Board or the Company Secretary at the principal place of business of the Company in Hong Kong a written requisition for such general meetings, signed by the shareholders concerned together with the proposed agenda items and such meeting shall be held within two months of the deposit of such requisition.

All substantive resolutions at general meetings are decided on a poll which is conducted by the Company Secretary and scrutinised by the Hong Kong Share Registrar of the Company. The results of the poll are published on the websites of the Company and HKEx. In addition, regular updated financial, business and other information on the Group are made available to the shareholders and stakeholders on the website of the Company.

The Company held one shareholders' meeting in 2024, being the 2024 AGM held on 9 May 2024 at Harbour Grand Kowloon as a hybrid meeting at which shareholders could join physically or by electronic facilities and could also vote through the online platform. The 2024 AGM was attended by all Directors and PwC. The respective chairmen of the Board, the Audit Committee, the Nomination Committee, the Remuneration Committee and the Sustainability Committee all attended the 2024 AGM. Directors are requested and encouraged to attend shareholders' meetings.

Separate resolutions were proposed at the 2024 AGM on each substantive issue and the percentage of votes cast in favour of such resolutions as disclosed in the announcement of the Company dated 9 May 2024 are set out below:

Resolutions proposed at the 2024 AGM	Percentage of votes
<b>Ordinary Resolutions</b>	
1 Adoption of the audited financial statements together with the directors' report and the report of the independent auditor for the year ended 31 December 2023	99.90%
2 Declaration of a final dividend	99.98%
3(a) Re-election of Mr LUI Dennis Pok Man as director	98.37%
3(b) Re-election of Mr KOO Sing Fai as director	99.83%
4 Re-appointment of PricewaterhouseCoopers as independent auditor and authorisation of the directors to fix the auditor's remuneration	100%
5 Approval of the remuneration of the directors	99.99%
6 Granting of a general mandate to the directors to issue new shares of the Company	98.10%
7 Granting of a general mandate to the directors to repurchase shares of the Company	99.99%

Accordingly, all resolutions put to shareholders at the 2024 AGM were passed. The results of the voting by poll were published on the websites of the Company and HKEX.

Other corporate information relating to the Company is set out in the "Information for Shareholders" section of this report. This includes, among others, dates for key corporate events for 2024 and public float capitalisation as at 31 December 2024.

The Group values feedback from shareholders and other stakeholders on its efforts to promote transparency and foster investor relationship. Comments and suggestions to the Board or the Company are welcome and can be addressed to the Investor Relations Department or the Company Secretary by mail to 48th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong or by email at [ir@hthkh.com](mailto:ir@hthkh.com). Institutional investors and analysts can contact the Investor Relations Department or the Company Secretary of the Company by mail to 15/F, Hutchison Telecom Tower, 99 Cheung Fai Road, Tsing Yi, Hong Kong or by email at [ir@hthkh.com](mailto:ir@hthkh.com). Stakeholders who wish to provide feedback and suggestions on the sustainability report and sustainability issues can send email to [ir@hthkh.com](mailto:ir@hthkh.com). The Board receives updates from the Company Secretary and the Investor Relations Department from time to time on key issues raised by shareholders and investors. In developing and formulating Group strategy, the Board considers such key issues raised and takes shareholder and stakeholder feedback into account.

## Shareholders communication policy

The Audit Committee is responsible for regular review of the effectiveness and compliance with prevailing regulatory and other requirements of the policy. In February 2024, the policy was updated with respect to the arrangements for electronic dissemination of corporate communications of the Company to shareholders. In March 2025, the Audit Committee reviewed the policy and considered that the implementation of the policy was effective during 2024 (refer to "Audit Committee" on pages 61 to 63 of this report).

## Dividend policy

The Board adopted a dividend policy for the Company and recognises the benefits of providing shareholders with dividends linked to the underlying earnings performance of the business. The policy is pursued to deliver value to the shareholders while maintaining a sustainable financial position and healthy operating cash flow. Subject to business conditions, market opportunities and maintenance of the Company's strong financial position, the Company has adopted a policy of paying regular dividends with a normal target payout ratio of 75% of recurring profit attributable to shareholders for the year. It is confirmed that all dividend decisions made by the Board were made in accordance with the dividend policy of the Company.

## Sustainability

### Sustainability governance

The key sustainability mission of the Group is to create long-term value for all stakeholders by aligning its sustainability goals with the strategic development of its businesses. Through a collaborative approach and leveraging its supreme network and advanced technology, the Group delivers secure, seamless and cutting-edge solutions. This commitment supports the United Nations Sustainable Development Goals ("UNSDGs") by promoting sustainable, inclusive and digitally-enabled societies while maintaining responsible and ethical business practices with all stakeholders. The Group actively fosters open and transparent dialogues with a diverse array of stakeholders, including employees, customers, suppliers and business partners, shareholders and investors, banks and creditors, governments and regulators, as well as local communities and non-governmental organisations. Further information is provided in the "Sustainability Report" on pages 86 to 147.

The sustainability governance framework of the Group has established a solid foundation for upholding its sustainability commitment. This structure is deeply integrated throughout the Group, including the Board, the Sustainability Committee, the Audit Committee, the Security Committee, working groups and business units. It provides the Group with comprehensive guidance on executing sustainability strategies, establishing goals, setting targets and implementing reporting processes. Moreover, it fosters robust stakeholder relationships and ensures accountability across all business operations. Further information is provided in the "Sustainability Report" on pages 86 to 147.

The Sustainability Committee was formed in 2020, and is chaired by Ms Shih, Non-executive Director, with Mr Koo, Executive Director and Chief Executive Officer, and Ms Chow, Independent Non-executive Director (appointed following the retirement of Dr Wong, a former Independent Non-executive Director, on 9 May 2024), as members.

The Sustainability Committee holds key responsibilities in making proposal and recommendations to the Board on the Group's corporate social responsibility and sustainability objectives, strategies, priorities, initiatives and goals. It plays a vital role in overseeing, reviewing and evaluating actions taken by the Group in furtherance of sustainability priorities and goals, including coordinating with business divisions of the Group and ensuring that operations and practices adhere to the relevant priorities and goals. In addition, the Sustainability Committee reviews and reports to the Board on sustainability risks and opportunities, monitors and assesses emerging sustainability issues and trends that could impact the business operations and performance of the Group. Moreover, it considers the impact of the Company's sustainability programmes on its stakeholders and the environment, and appraises and advises the Board on the Company's public communication, disclosure and publications as regards to its sustainability performance. The Sustainability Committee is authorised by the Board to obtain independent professional advice where necessary on matters within its terms of reference. Further information is provided in the "Sustainability Report" on pages 86 to 147.

The Sustainability Committee held two meetings in 2024 with 100% attendance.

Members	Attended/Eligible to attend
Edith Shih ( <i>Chairman</i> )	2/2
Koo Sing Fai	2/2
Chow Ching Yee, Cynthia <sup>(1)</sup>	1/1
Wong Yick Ming, Rosanna <sup>(2)</sup>	1/1

Notes:

(1) Appointed on 9 May 2024

(2) Retired on 9 May 2024

During 2024, the Sustainability Committee reviewed the framework of the sustainability governance of the Company; the sustainability key performance indicators ("KPIs") for the year and initiatives of the Company, including those with respect to employees, customers, community and environment. The Sustainability Committee also reviewed and approved the 2023 Sustainability Report which contained in the 2023 Annual Report. In March 2025, the Sustainability Committee reviewed the 2024 sustainability KPIs and related activities as well as the 2025 sustainability initiatives of the Company. It also reviewed the 2024 Sustainability Report which contained in this Annual Report and recommended to the Board for approval. It also adopted a new Workforce Diversity Policy and recommended to the Board for approval.

The adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's sustainability performance and reporting function was also examined and considered satisfactory by the Sustainability Committee in March 2024 for the 2023 annual review, in September 2024 for the interim review and in March 2025 for the 2024 annual review.

Supporting the Sustainability Committee is the Sustainability Working Group, comprising the Chief Executive Officer and the Chief Financial Officer as Co-Chairs, as well as other senior executives from key business functions that impact the material sustainability issues of the Group.

Sustainability is embedded in the risk management approach of the Group, through the bi-annual formal examination of all business units as to its respective material sustainability risks and presentations to senior management with plans on how these risks are managed as part of the bi-annual review of risk management and internal control systems. As an integral part of sustainability governance, these self-assessment results are subject to internal audits, then submission to the Chief Executive Officer and Chief Financial Officer bi-annually as well as the Audit Committee and Sustainability Committee respectively for review and approval.

## Sustainability framework

The sustainability framework, approach and priorities of the Group are built upon four sustainability pillars: Governance, Sustainable Business Model & Innovation, Environment and Social. Each pillar is supported by the corresponding Group policies, leadership and collective efforts across the entire business. These four fundamental pillars serve as guiding principles for the Group to shape the overall direction of its sustainability strategies and the approach for an effective implementation across its businesses. The Group has identified eight Group-wide sustainability goals, being arranged into four sustainability pillars and mapped to the UNSDGs, ensuring a comprehensive approach to sustainability. Further information is provided in the “Sustainability Report” on pages 86 to 147.

The Sustainability Report further discusses the sustainability mission and strategies, management approach, progress, material quantitative data, as well as policies and key initiatives of the Group. It is set out on pages 86 to 147 of this Annual Report.

## Compliance with laws and regulations

Regulatory frameworks are closely analysed and monitored and internal policies are prepared and updated accordingly. Trainings are conducted to strengthen awareness and understanding of the Group's internal controls and compliance procedures. In addition, refresher courses on ethical business practices are provided on a regular basis. Further, the internal audit function of the Group is responsible for the assessment of the Group's sustainability practices and relevant regulatory compliance. Further information is provided in the “Sustainability Report” on pages 86 to 147.

The Group is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning employment, occupational health and safety or labour standards, product responsibility, anti-corruption, air and water discharges, and generation of waste during the year. Further information is provided in the “Sustainability Report” on pages 86 to 147.

By Order of the Board

**CHOW Yan Hing, Agnes**

*Company Secretary*

Hong Kong, 14 March 2025