

SWIRE PACIFIC LIMITED
太古股份有限公司

Corporate Governance Code
(Amended and restated with effect from 1st July 2025)

This Code sets out the corporate governance practices followed by the Company.

The Board and its responsibilities

1. The Board is accountable to the shareholders for leading the Group in a responsible and effective manner. Directors are collectively and individually responsible to the shareholders for the manner in which the affairs of the Company are managed and for promoting the success of the Company by directing and supervising its affairs.
2. The Board shall establish the Company's purpose, values and strategy, and shall satisfy itself that these and the Company's culture are aligned. All directors must act with integrity, lead by example, and promote the desired culture. Such culture should instil and continually reinforce across the organisation values of acting lawfully, ethically and responsibly.
3. The Board determines the overall strategies, monitors and controls operating and financial performance and sets appropriate policies to manage risks in pursuit of the Group's strategic objectives.
4. The Board is responsible for performing the corporate governance duties and may delegate the responsibility to a committee or committees.
5. The Board's responsibilities (some of which are discharged through delegation, with appropriate oversight, to relevant committees) include:
 - (a) development and review of the Company's policies and practices on corporate governance;
 - (b) review and monitoring of the training and continuous professional development of the directors and senior management;
 - (c) review and monitoring of the Company's policies and practices on compliance with legal and regulatory requirements;
 - (d) development, review and monitoring of the code of conduct and compliance manual applicable to employees; and
 - (e) review of the Company's compliance with Appendix C1 to the Rules Governing the Listing of Securities ("**Listing Rules**") on The Stock Exchange of Hong Kong Limited ("**Exchange**") and disclosure in the Corporate Governance Report.
6. The Board has established mechanism(s) to ensure independent views and input are available to the Board, which are disclosed in the Corporate Governance Report. The Board reviews the implementation and effectiveness of such mechanism(s) on an annual basis.

7. The Board shall be responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives. Such risks would include, amongst others, material risks relating to Environmental, Social and Governance ("ESG") matters. The Board shall oversee management in the design, implementation and monitoring of the risk management and internal control systems on an ongoing basis and ensure that the effectiveness of the Company's and its subsidiaries' risk management and internal control systems is reviewed at least annually, and management provides confirmations to the Board on the effectiveness of these systems.
8. The Board shall be responsible for maintaining an ongoing dialogue with shareholders and in particular, use formal meetings (including general meetings) to communicate with them and encourage their participation.
9. The Board is ultimately responsible for preparing the accounts and for presenting a balanced, clear and comprehensible assessment of the Company's performance, position and prospects. This responsibility extends to annual and interim reports, disclosures of inside information required by Part XIVA of the Securities and Futures Ordinance and other financial disclosures required by the Listing Rules on the Exchange, and reports to regulators and information disclosed under statutory requirements.
10. The Board shall include a discussion and analysis of the Group's performance in the annual report, an explanation of the basis on which the Company generates or preserves value over the longer term (the business model) and the strategy for delivering the Company's objectives. The Company has a corporate strategy and a long term business model. Long term financial performance as opposed to short term rewards is a corporate governance objective. The Board would not take undue risks to make short term gains at the expense of long term objectives.
11. The Board would acknowledge in the Corporate Governance Report its responsibility for preparing the accounts. A statement by the auditors about their reporting responsibilities would be set out in the auditors' report on the financial statements. Accounts would be prepared on a going concern basis, with supporting assumptions or qualifications as necessary. The directors will prominently disclose and discuss in the Corporate Governance Report any material uncertainties relating to the Company's ability to continue as a going concern. Any modified auditors' opinion on the Company's financial statements shall be disclosed in its annual report according to the requirements as stipulated under the Listing Rules from time to time.
12. Day-to-day management of the Company's businesses is delegated to the executive director/officer in charge of each business operation. Matters reserved for the Board are those affecting the Company's overall strategic policies, finances and shareholders. These include: financial statements, dividend policy, significant changes in accounting policy, the annual operating budgets, material contracts, major financing arrangements, major investments, risk management strategy and treasury policies.

13. Management are given clear guidelines and directions as to their powers, in particular, where they should report back and obtain prior Board approval before making decisions or entering into any commitments on the Company's behalf.
14. The functions of the Board and the powers delegated to the executive directors/officers are reviewed periodically to ensure that they remain appropriate to the Company's needs.
15. The Board shall conduct a formal evaluation of the Board's performance at least every two years.

Board Composition

16. The Board shall maintain a balanced composition of executive and non-executive directors (including independent non-executive directors) with the independent non-executive directors representing at least one-third of the Board.
17. The Board shall maintain a board skills matrix.
18. The Board shall establish a formal, considered and transparent procedure for the appointment of new directors and plans in place for orderly succession for appointments. All directors are subject to re-election at regular intervals. The Company will disclose the reasons for the resignation or removal of any director.
19. The independent non-executive directors are identified in all corporate communications of the Company that disclose the names of directors. They are high calibre executives with diversified industry expertise and serve the important function of providing adequate checks and balances for safeguarding the interests of shareholders and the Company as a whole.
20. An updated list of all the directors identifying their roles and functions and whether they are independent non-executive directors is available on the Company's website and the Exchange's website.
21. Any director appointed by the Board to fill a casual vacancy is subject to election by shareholders at the first annual general meeting after appointment.
22. All directors have to retire at the third annual general meeting of the Company following their election by ordinary resolution, but are eligible for re-election.
23. Further appointment of a retiring director is subject to a separate resolution to be approved by shareholders.
24. Where the Board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it shall set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:
 - (a) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;

- (b) [To be repealed after 30th June 2028] if the proposed independent non-executive director will be holding his/her seventh (or more) Hong Kong listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;
- (c) the perspectives, skills and experience that the individual can bring to the Board; and
- (d) how the individual contributes to diversity of the Board.

Subject to the transitional arrangements stipulated by the Exchange, an independent non-executive director shall not concurrently hold more than six directorships of issuers listed in Hong Kong.

25. [To be repealed after 30th June 2031] If an independent non-executive director has served more than 9 years, such director's further appointment is subject to a separate resolution to be approved by shareholders. The circular to shareholders accompanying that resolution shall state why the Board (or the nomination committee) believes that the director is still independent and should be re-elected, including the factors considered, the process and the discussion of the Board (or the nomination committee) in arriving at such determination.

Subject to the transitional arrangements stipulated by the Exchange, the Board shall not include an independent non-executive director who has served on the Board as an independent non-executive director for a period of 9 years or more, as at the conclusion of the Company's annual general meeting that follows the end of the director's 9-year tenure. The length of tenure of each director shall be disclosed in the Company's annual report.

26. [To be repealed after 30th June 2028] Where all the independent non-executive directors of the Company have served more than 9 years on the Board, the Company should:
- (a) disclose the length of tenure of each existing independent non-executive director on a named basis in the circular to shareholders and/or explanatory statement accompanying the notice of the annual general meeting; and
 - (b) appoint a new independent non-executive director on the Board at the forthcoming annual general meeting.

27. The Company shall have policies concerning the diversity of its Board members and the diversity of its workforce, and disclose a summary of the policies in the Corporate Governance Report.

The nomination committee shall review the implementation of the Company's board diversity policy on an annual basis, the results of which shall be disclosed in the Corporate Governance Report (including progress towards the Company's objectives and how the conclusions have been arrived at). Gender ratios for the Company's senior management and the workforce (excluding senior management) shall be disclosed in the Corporate Governance Report.

28. The Company has formal letters of appointment for directors setting out the key terms and conditions of their appointment.

29. Shareholders may propose a person for election as a director of the Company in accordance with Article 95 of the Company's articles of association. As required under Rule 13.51D of the Listing Rules, the procedures for shareholders to propose a person for election as a director of the Company are set out in Schedule 1 and available on the Company's website.

Responsibilities of directors

30. Rule 3.08 of the Listing Rules provides that directors should fulfil fiduciary duties and duties of skill, care and diligence to a standard at least commensurate with the standard established by Hong Kong law. Every director must, in the performance of his/her duties as a director:
- (a) act honestly and in good faith in the interests of the company as a whole;
 - (b) act for proper purpose;
 - (c) be answerable to the Company for the application or misapplication of its assets;
 - (d) avoid actual and potential conflicts of interest and duty;
 - (e) disclose fully and fairly his/her interests in contracts with the Company; and
 - (f) apply such degree of skill, care and diligence as may reasonably be expected of a person of his/her knowledge and experience and holding his/her office within the Company.

Directors must satisfy the required levels of skill, care and diligence and they must take an active interest in the Company's affairs and obtain a general understanding of its business. They must follow up anything untoward that comes to their attention.

31. On his/her first appointment, every newly appointed director shall receive a "Brief Guide for Directors" on his/her duties and responsibilities and a comprehensive, formal and tailored induction arranged and funded by the Company. Subsequently, on each occasion that revisions to these legal and regulatory requirements are introduced which may have an impact for the Company, the Company Secretary shall provide all directors with the necessary briefing, where necessary with the assistance of external legal consultants.
32. Every director must understand, and, at all times, be aware of his/her responsibilities as a director of the Company and its conduct, business activities and development. Non-executive directors have the same duties of care and skill and fiduciary duties as executive directors.
33. All directors shall participate in continuous professional development ("CPD") to develop and refresh their knowledge and skills for a proper understanding of the Company's business, operations and governance policies and full awareness of their responsibilities under statute and common law, the Listing Rules, legal and other regulatory requirements.

In each financial year, all directors shall receive CPD covering topics as specified under the Listing Rules. Any first-time directors (as defined under the Listing Rules) shall complete the minimum hours of training on topics stipulated by the Exchange. Suitable CPD for all directors shall be arranged and funded by the Company. Directors shall provide a record of the training they received to the Company.

Information regarding the CPD received by the directors shall be disclosed in the Company's annual report according to the Listing Rules.

34. Directors should ensure that they can give sufficient time and attention to the Company's affairs.
35. The Company has adopted Codes for Securities Transactions no less exacting than the Model Code set out in Appendix C3 to the Listing Rules, containing rules for directors, officers and relevant employees of the Company in respect of their dealings in the securities of the Company, and all directors, officers and relevant employees are required to comply with their obligations under the relevant code.
36. All directors must disclose to the Board on their first appointment, and in a timely manner for any changes, their interests as director in other companies or organisations, the number and nature of offices held in public companies or organisations and other significant external time commitments. The identity of the companies or organisations and an indication of the time involved shall also be disclosed. Such declarations of interests and disclosure are also updated annually.

Responsibilities of the Chairman

37. The Company is a Hong Kong-based conglomerate with principal activities falling into core divisions of property, beverages and aviation, as well as new areas of growth, such as healthcare. Therefore, rather than employing a chief executive to oversee all the business divisions, an executive director or officer with expertise in the particular business is assigned the responsibility for each business operation. The roles of the Chairman and these executive directors/officers are separate with a clear division of responsibilities.
38. The primary role of the Chairman is to provide leadership for the Board. The Chairman ensures that the Board works effectively and performs its responsibilities and that all key and appropriate issues are discussed by it in a timely manner. The Chairman's responsibilities comprise the following:
 - (a) ensuring that all directors are properly briefed on issues arising at board meetings;
 - (b) ensuring that directors receive, in a timely manner, adequate information which is accurate, clear, complete and reliable;
 - (c) ensuring, through the Board, that good corporate governance practices and procedures are established and overseeing the implementation of those practices;
 - (d) encouraging all directors to make a full and active contribution to the Board's affairs and taking the lead to ensure that it acts in the best interests of the Company;
 - (e) encouraging directors with different views to voice their concerns, allowing sufficient time for discussion of issues and ensuring that Board decisions fairly reflect Board consensus;
 - (f) ensuring that appropriate steps are taken to provide effective communication with shareholders and that their views are communicated to the Board as a whole; and

- (g) promoting a culture of openness and debate by facilitating the effective contribution of non-executive directors in particular and ensuring constructive relations between executive and non-executive directors.

Responsibilities of the executive directors/officers

39. The executive directors/officers shall be responsible for the day-to-day management of the relevant business, including:
- (a) providing leadership for management;
 - (b) implementing the policies and strategies set by the Board;
 - (c) providing such information to the Board as is necessary to enable the Board to monitor the performance of management;
 - (d) putting in place programmes for management development and succession;
 - (e) establishing and maintaining appropriate and effective risk management and internal control systems for the purpose of dealing with identified risks, safeguarding the Company's assets, preventing and detecting fraud, misconduct and loss, ensuring the accuracy of the Company's financial reports and achieving compliance with applicable laws and regulations; and
 - (f) performing such duties as may be delegated by the Board.
40. In respect of any matter put before the Board or any of its committees for approval, the executive directors/officers should provide sufficient explanation and information in a timely manner to the Board/committee to enable the Board/committee to make an informed assessment of the financial and other aspects of the proposal.

Responsibilities of non-executive directors

41. The functions of non-executive directors include:
- (a) participating in board meetings to bring an independent judgment to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct;
 - (b) taking the lead where potential conflicts of interests arise;
 - (c) serving on the audit, remuneration, nomination and other governance committees, if invited;
 - (d) scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring performance reporting;
 - (e) giving the Board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation;
 - (f) attending general meetings to gain and develop a balanced understanding of the views of shareholders; and
 - (g) making positive contribution to the development of the Company's strategy and policies through independent, constructive and informed comments.
42. An independent non-executive director, being a member of the Board which collectively bears the ultimate responsibility for corporate governance, is as equally responsible as any other member on the Board for the overall interests of the Company and not the particular interests of any specific shareholder, director, or other party.

Conduct of Board proceedings and supply of and access to information

43. The Company shall ensure directors can participate in board proceedings in a meaningful and effective manner.
44. Each director shall be provided with, and is entitled to request for, monthly updates on the Company, including monthly management reports distributed for discussion at board meetings and for information in the months when no meetings are held, and are provided in a timely manner with appropriate information to enable them to make informed decisions and to perform their duties and responsibilities.
45. The Board holds five regular meetings a year on dates advised to directors well in advance, normally with more than 14 days' notice. Reasonable notice is, where possible, given for any additional board meetings.
46. The regular meetings are attended by a majority of directors entitled to be present. When necessary, written resolutions are circulated to directors for approval in between regular meetings.
47. In addition, the Chairman holds meetings at least annually with the independent non-executive directors without the presence of other directors.
48. The Chairman is primarily responsible for drawing up and approving the agenda for each board meeting. He/She should take into account, where appropriate, any matters proposed by the other directors for inclusion in the agenda. All directors may ask for matters to be included in the agenda for regular board meetings by request to the Chairman at least 10 days before the intended date of a meeting.
49. If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter shall be dealt with by a physical board meeting (rather than a written resolution) attended by independent non-executive directors who, and whose associates, have no material interest in the transaction; the director who has a material interest must abstain from voting on the relevant resolution and shall not be counted in the quorum present at the board meeting. Under the Company's articles of association, this general voting prohibition does not apply in certain circumstances.
50. Attendance by a director at a board meeting by electronic means such as telephonic or videoconferencing may be counted as physical attendance.
51. For regular board meetings, and as far as practicable in all other cases, an agenda and accompanying board papers are sent, in full, to all directors at least 48 hours before the intended time of a board or committee meeting.
52. All directors are entitled to have access to board papers and related materials in a form and quality sufficient to enable the Board to make informed decisions on matters placed before it.

53. In circumstances where a director requires further information to fulfil his/her duties properly, that director shall make further enquiries where necessary. The Board and individual directors have open, separate and independent access to the Chairman, the executive director/officer responsible for the relevant transaction or other members of the senior management who will give a prompt and full response, if possible.

Insurance

54. The Company has arranged for Directors' and Officers' (D&O) Liability cover for all directors and officers of the Company and its employees in a managerial or supervisory capacity.
55. The Risk Management Committee reviews the D&O insurance cover on an annual basis and reports to the Audit Committee on its work.

Company Secretary

56. The Company Secretary's role is to support the Board and ensure good information flow within the Board and that Board policy and procedures are followed. The Company Secretary is responsible for advising the Board through the Chairman on governance matters and facilitates induction and professional development of directors.
57. The Company Secretary is an employee of the Company and has day-to-day knowledge of the Company's affairs. The Board approves the selection, appointment or dismissal of the Company Secretary. A Board meeting would be held to discuss the appointment and dismissal of the Company Secretary and the matter would be dealt with by a physical board meeting rather than a written resolution.
58. The Company Secretary reports to the Chairman of the Board.
59. All directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that board procedures, and all applicable rules and regulations, are followed.
60. The Company Secretary or his/her deputy or assistant keeps minutes of board meetings and meetings of board committees to record in sufficient detail the matters considered by the board/committee and decisions reached, including any concerns raised by directors/members or dissenting views. Draft and final versions of such minutes are sent to directors/committee members for their comment and records within a reasonable time after the relevant meeting, except that such minutes are not sent to any director/committee member who has previously indicated that he/she does not wish to receive them.
61. The Company Secretary satisfies the academic and qualification requirements prescribed in the Listing Rules and takes no less than 15 hours of relevant professional training in each financial year of the Company.

Independent professional advice

62. Directors may, upon reasonable request to the Chairman, seek independent professional advice in appropriate circumstances at the Company's expense to assist them to perform their duties to the Company.

Board Committees

63. As far as practicable, all committees established by the Board adopt the principles, procedures and arrangements set out in this Code.
64. Where board committees are established to deal with matters, the Board gives them sufficiently clear written terms of reference to enable them to perform their functions properly.
65. The terms of reference of board committees require them to report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

Nomination Committee

66. The Board has established a nomination committee with specific written terms of reference as required under the Listing Rules. These terms of reference are available on the Company's website and the Exchange's website. The nomination committee shall be chaired by the Chairman or an independent non-executive director and a majority of the members shall be independent non-executive directors. At least one member shall be of a different gender.
67. The nomination committee is provided with sufficient resources, including independent professional advice, to perform its responsibilities.

Remuneration Committee

68. The Company has adopted a formal and transparent policy on directors' remuneration and other remuneration related matters.
69. No director would be involved in deciding his/her own remuneration.
70. The Board has established a remuneration committee with specific written terms of reference as required under the Listing Rules. These terms of reference are available on the Company's website and the Exchange's website. The remuneration committee is chaired by an independent non-executive director and a majority of the members are independent non-executive directors. The remuneration committee determines with delegated responsibility the remuneration packages of individual executive directors and senior management.
71. A representative of the Chairman attends each meeting of the remuneration committee to provide information on the Company's remuneration policy and on the proposals relating to the remuneration of executive directors and officers.

72. The directors' remuneration policy, details of the remuneration paid to the Company's directors and senior management on an individual and named basis and other remuneration related matters are disclosed in the Company's annual reports.
73. A significant proportion of executive directors' remuneration is linked to corporate and individual performance.
74. The remuneration committee is provided with sufficient resources, including the services of independent professional consultants, to perform its duties.

Audit Committee

75. The Board has established an audit committee with specific written terms of reference as required under the Listing Rules, which include certain corporate governance duties as delegated by the Board. These terms of reference are available on the Company's website and the Exchange's website.
76. Full minutes of audit committee meetings are kept by the Company Secretary or his/her deputy. Draft and final versions of these minutes are sent to all committee members for their comment and records within a reasonable time after the meeting. Copies are also distributed to all directors.
77. A former partner of the Company's existing auditing firm shall not serve as a member of its audit committee for a period of two years from the date of the person ceasing:
 - (a) to be a partner of the firm; or
 - (b) to have any financial interest in the firm,whichever is later.
78. Where the Board disagrees with the audit committee's view on the selection, appointment, resignation or dismissal of the external auditors, the Company will include in the Corporate Governance Report a statement from the audit committee explaining its recommendation and also the reason(s) why the Board has taken a different view.
79. The audit committee is provided with sufficient resources, including the services of external legal consultants, to perform its duties.

Risk management and internal control

80. The Board shall ensure the review of the effectiveness of the Company's and its subsidiaries' risk management and internal control systems, which shall be conducted at least annually, is adequately resourced. The scope of the review shall cover all material controls, including financial, operational and compliance controls, and shall, in particular, consider:
 - (a) the changes, since the last review, in the nature and extent of significant risks (including ESG risks), and the Company's ability to respond to changes in its business and the external environment;

- (b) the scope and quality of management's ongoing monitoring of risks (including ESG risks) and of the internal control system, the work of its internal audit function and the assurance provided by the Group Finance Director;
 - (c) the extent and frequency of communication of monitoring results to the Board (or board committee(s)) for the purposes of assessing the adequacy and the effectiveness of the Company's risk management and internal control systems;
 - (d) significant control failings or weaknesses identified during the review of the risk management and internal control systems, and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or condition, and any remedial measures taken to address such control failings or weaknesses;
 - (e) the effectiveness of the Company's processes for financial reporting and statutory and regulatory compliance; and
 - (f) the adequacy of resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, and financial reporting functions, as well as those relating to the Company's ESG performance and reporting.
81. The Company shall disclose in the Corporate Governance Report details of the review referred to in paragraph 80 above according to the requirements of the Listing Rules. In particular, the report would include:
- (a) a statement from the Board (i) acknowledging it is responsible for the risk management and internal control systems and (ii) confirming that the Company's risk management and internal control systems are appropriate and effective for the purposes set out in the Listing Rules, together with information supporting such conclusion from the Board;
 - (b) the main features of the risk management and internal control systems;
 - (c) any significant changes in the Company's assessment of risks and the risk management and internal control systems;
 - (d) the responsibilities of internal departments and external providers in reviewing the effectiveness of the Company's risk management and internal control systems; and
 - (e) scope of the review and details of review findings.
82. The Company has established a whistleblowing policy and system for employees and those who deal with the Company to raise concerns, in confidence and anonymity, with the audit committee about possible improprieties in any matter related to the Company.
83. The Company has established policy and system that promote and support anti-corruption laws and regulations.
84. The Company Secretary submits to the audit committee half-yearly a checklist on the Company's compliance with statutory and regulatory requirements, including the Listing Rules, the Companies Ordinance and the Securities and Futures Ordinance.

Shareholders engagement

85. The Board, in particular the independent non-executive directors, shall be accessible to shareholders to facilitate constructive engagement and to understand their views on matters affecting the Company, including governance and performance against the Company's corporate strategy. The Board shall include in the Corporate Governance Report the nature and number/frequency of such engagements and other relevant information as required under the Listing Rules.
86. For each substantially separate issue at a general meeting, a separate resolution is proposed by the chairman of that meeting. "Bundling" of resolutions is avoided unless the resolutions are interdependent and linked forming one significant proposal, in which case the reasons and material implications will be set out in the notice of meeting.
87. The chairman of the Board, of the audit committee, nomination committee, remuneration committee or other committees (as appropriate), or in the absence of any committee chairman, their appointed delegate, shall attend the annual general meeting to answer relevant questions from shareholders. The chairman of any independent board committee appointed to advise on any transaction requiring independent shareholders' approval shall also attend the general meeting called for this purpose. The external auditors shall also attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence.
88. The Company shall disclose in the Corporate Governance Report a summary of its policy on the payment of dividends, the key factors that the Board will take into account on dividend decisions and other information relating to dividend payments required under the Listing Rules.
89. An up-to-date consolidated version of the Company's articles of association is available on the Company's website and the Exchange's website.
90. All resolutions proposed at general meetings of the Company shall be voted on by poll except where the chairman of such meetings, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Votes cast shall be properly counted under the scrutiny of the scrutineer, and recorded. The Company shall ensure that shareholders are given sufficient advance notice of shareholders' meetings and provide sufficient information to enable shareholders to familiarise themselves with the detailed procedures for conducting a poll, and shall address questions from shareholders in the shareholders' meetings.
91. The chairman of a general meeting ensures that an explanation is provided of the detailed procedures for conducting a poll and answers any questions from shareholders on voting by poll.

Appointment and removal of auditor

92. The Company appoints at each annual general meeting an auditor to hold office from the conclusion of that meeting until the next annual general meeting. The Company would not remove its auditor before the end of the auditor's term of office without first obtaining shareholders' approval at a general meeting. The Company would send a circular proposing the removal of the auditor to shareholders with any written representations from the auditor, not less than 10 business days before the general meeting. The Company would allow the auditor to attend the general meeting and make written and/or verbal representations to shareholders at the general meeting.

Corporate Governance Report

93. The Company prepares a Corporate Governance Report each year for inclusion in the annual report which as a minimum contains the information required under Part 1 – Mandatory Disclosure Requirements of Appendix C1 to the Listing Rules regarding the accounting period covered by the report.

**Procedures for shareholders to convene general meetings,
to circulate written resolutions and statements
and to propose persons for election as directors**

The following is based on and subject to provisions in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the articles of association of the Company. Attention is specifically drawn to division 1 of part 12 of the Companies Ordinance.

General Meetings

In accordance with sections 566 and 567 of the Companies Ordinance, members representing at least 5% of the total voting rights of all the members having the right to vote at general meetings may request the directors to convene a general meeting. They may do this by delivering a written request to the Company at its registered office at 31st Floor, One Pacific Place, 88 Queensway, Hong Kong for the attention of the Company Secretary.

The request must state the general nature of the business to be dealt with at the meeting and may include the text of a proposed resolution. The request must be authenticated by stating the names of and by being signed by the members concerned. It may consist of several documents in like form.

The request will be forwarded to the Company's share registrars. Upon their confirmation that the request is in order, the Company Secretary will request the Board of Directors to convene a general meeting. The Company will send out notice of such meeting within 21 days after receipt of the request. If the request is not in order, the members concerned will be so advised and a general meeting will not be convened.

Where the request does not include the text of a proposed resolution, at least 14 days' notice in writing of the general meeting will be given to all members. Where the request does include the text of a proposed resolution:

- (a) at least 14 days' notice in writing of the general meeting will be given to all members if the resolution is an ordinary resolution; and
- (b) at least 21 days' notice in writing of the general meeting will be given to all members if the resolution is a special resolution.

Circulation of Written Resolutions

In accordance with sections 551 to 553 of the Companies Ordinance, members representing at least 5% of the total voting rights of all the members having the right to vote at general meetings may request the Company to circulate to the members of the Company a proposed written resolution and a statement of not more than 1,000 words on the subject matter of the resolution. They may do this by delivering a written request to the Company at its registered office at 31st Floor, One Pacific Place, 88 Queensway, Hong Kong for the attention of the Company Secretary.

The request must include the text of the proposed written resolution (and the accompanying written statement, if there is one). The request must be authenticated by stating the names of and by being signed by the members concerned. It may consist of several documents in like form.

The request will be forwarded to the Company's share registrars. Upon their confirmation that the request is in order, the Company will send copies of the proposed written resolution (and of the accompanying written statement, if there is one) to the members of the Company within 21 days after receipt of the request. If the request is not in order, the members concerned will be so advised and copies of the proposed written resolution (and of the accompanying statement, if there is one) will not be sent to the members of the Company.

Circulation of Statements

In accordance with sections 580 to 583 of the Companies Ordinance, members representing at least 2.5% of the total voting rights of all the members having a relevant right to vote at a general meeting or at least 50 members having a relevant right to vote at a general meeting may request the Company to circulate to the members of the Company a statement of not more than 1,000 words with respect to a matter mentioned in a proposed resolution to be dealt with at the meeting or other business to be dealt with at the meeting. They may do this by delivering a written request to the Company at its registered office at 31st Floor, One Pacific Place, 88 Queensway, Hong Kong for the attention of the Company Secretary. For this purpose, a relevant right to vote is, in relation to a statement with respect to a matter mentioned in a proposed resolution, a right to vote on that resolution at the meeting to which the requests relate and, in relation to any other statement, a right to vote at the meeting to which the requests relate.

The request must identify the statement to be circulated and must be authenticated by stating the names of and by being signed by the members concerned. It may consist of several documents in like form. It must be received by the Company and (unless it relates to an annual general meeting and the statement is received in time to enable the Company to send a copy of the statement when the notice of annual general meeting is dispatched) a sum reasonably sufficient to meet the Company's expenses in circulating the statement must be deposited with the Company, in each case at least seven days before the meeting to which it relates.

The request will be forwarded to the Company's share registrars. Upon their confirmation that the request is in order, the Company will send a copy of the statement to each member of the Company entitled to receive notice of the meeting, at the same time as or as soon as reasonably practicable after it gives notice of the meeting. If the request is not in order or (unless it relates to an annual general meeting and the statement is received in time to enable the Company to send a copy of the statement when the notice of annual general meeting is dispatched) a sum reasonably sufficient to meet the Company's expenses in circulating the statement is not deposited with the Company at least seven days before the meeting, the members concerned will be so advised and copies of the statement will not be sent to the members of the Company.

Proposing Persons for Election as Directors

Article 90 of the Company's articles of association provides that subject to the provisions of the Company's articles of association and the Companies Ordinance, the Company may by ordinary resolution elect any person to be a director either to fill a casual vacancy or as an addition to the Board.

Article 95 of the Company's articles of association provides that no person, other than a retiring director, shall, unless recommended by the directors for election, be eligible for election to the office of director at any general meeting, unless during a period of seven days commencing on and including the day after the despatch of the notice of the meeting there shall have been left at the registered office of the Company:

- (a) notice in writing signed by some member (not being the person to be proposed) duly entitled to attend and vote at the meeting for which such notice is given of his intention to propose such person for election; and
- (b) notice in writing signed by that person of his willingness to be elected.

In addition, the notice in (a) above should be accompanied by the biographical details to be disclosed under Rule 13.51(2) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") of the person being proposed for election as director. The person being proposed for election should also provide his written consent to the publication by the Company of his personal data together with the notice in (b) above and his written confirmation of the accuracy and completeness of his biographical details to be disclosed under Rule 13.51(2) of the Listing Rules.

Upon receipt of the above notices, the Company shall publish an announcement in accordance with the Listing Rules, or issue a supplemental circular to members of the Company, in each case containing the particulars of the proposed director.

Provided that the formalities of the meeting have been complied with, a member proposing that person for election may, during the relevant meeting, put an ordinary resolution to the meeting to such effect.