

# Corporate Governance Report

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Company and its subsidiaries (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 of Directors (the “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 and inculcating a robust culture of compliance and ethical governance underlying the business operations and practices across the Group.

The Company has complied throughout the year ended 31 December 2025 with all applicable code provisions of the Corporate Governance Code (the “CG Code”) contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), as in force during the reporting period.

## THE BOARD

### Corporate Purpose, Values and Culture

The Group’s purpose is to create a better world through delivering the essential services that society needs, underpinned by the business values of innovation, collaboration, integrity and sustainability across all levels of the Group.

As a multinational conglomerate committed to the development, innovation and technology of core businesses of the Group, the Group lives up to this purpose by instilling a culture that is forward looking and agile to achieve competitiveness. It also respects and promotes creativity, opportunities for ideas exchange and cross-fertilisation of innovative advancements and solutions to enhance long-term sustainable growth and value as a principal objective of the Company. By upholding integrity, the Group strives to ensure fair and responsible practices in its operations and further solidifies its commitment to its purpose and values.

Guided by the Group’s core values, the Board plays a leading role in defining the purpose and strategic direction of the Group, sets the tone and shapes the corporate culture of the Company to ensure all businesses across the Group are aligned with the same purpose. Alongside the Group’s robust corporate governance framework and effective risk management and internal control systems, the desired culture is developed and reflected consistently in the operating practices of the Group, workplace policies and practices as well as relations with stakeholders, through active collaboration, effective engagement and regular training at all levels. Board oversight of culture encompasses a range of measures and tools over time, including:

- **Active Collaboration:** The Group encourages collaboration across different functions, teams and gradings to promote understanding, cooperation and diversity of thought. This collaborative approach fuels innovation and creativity, providing employees with an environment where they can truly thrive and flourish, thereby contributing to the sustainable growth of the Group.
- **Workforce Engagement:** This involves fostering a culture of open communication, transparency, and collaboration throughout the Group. Core businesses undertake employee engagement activities regularly to collect feedback and identify areas for improvement, including conducting employee surveys at least biannually and arranging town hall meetings to foster open dialogue between employees and senior management. These interactions help gauge overall employee sentiment and alignment with the core values of the Group.
- **Employee Retention and Training:** The Board oversees initiatives related to overall employee retention and training which include developing and implementing programmes that promote growth opportunities and career progression for employees at all gradings, fostering a positive work environment. The Group provides induction sessions for new joiners to ensure 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, accountability and ethical behaviour throughout the Group.
- **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, allowing employees and those who deal with the Group to report concerns confidentially and without fear of retaliation. This fosters a culture that encourages transparency, ethical behavior and accountability.
- **Legal and Regulatory Compliance:** The Board, supported by the Group Legal Department (“GLD”) and the Group Corporate Secretarial Department (“GCSD”), 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. Employees are expected to follow the Code of Conduct and group policies 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 maintaining a workplace culture that is healthy, comfortable and supportive. To achieve this, the Group establishes comprehensive governance policies and procedures, and provides employees with regular training to promote a zero harm working environment. It also actively fosters diversity and inclusivity across its workforce. 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, values and strategy of the Group are aligned.

## Corporate Strategy

The principal objective of the Company is to enhance long-term total return for all its stakeholders. To achieve this objective, the Group focuses on achieving recurring and sustainable earnings, cash flow and dividend growth without compromising the Group’s financial strength and stability. The Group executes disciplined management of revenue growth, margin and costs, capital and investments to return ratio targets, earnings and cash flow accretive merger and acquisition activities, as well as organic growth in sectors or geographic areas where the Group has management experience and resources. Technology transformation also remains a key initiative of the Group to capture new cost and revenue opportunities in all businesses. At the same time, the Group is committed to maintaining long-term investment grade ratings, preserving strong liquidity and flexibility, sustaining a long and balanced debt maturity profile and actively managing cash flow and working capital. The Group explores opportunities to enhance shareholders’ returns, which include potential in-market consolidation and solidifying strategic alliances with global technology partners. The Chairman’s Statement and the Operations Review contained in this annual report and the Operations Analysis posted on the Company’s website (<https://www.ckh.com.hk/en/ir/presentation.php>), include discussions and analyses of the Group’s performance, the basis on which the Group generates and preserves value in the longer term and delivers the Group’s objectives. The Group also focuses on sustainability and delivering business solutions that support social and environmental challenges, such as enabling the transition to a net-zero economy. Further information on the sustainability initiatives of the Group and its key relationships with stakeholders can also be found in the standalone Sustainability Report of the Group ([https://www.ckh.com.hk/en/esg/esg\\_sustainability-report.php](https://www.ckh.com.hk/en/esg/esg_sustainability-report.php)).

## Corporate Governance Report

### 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. It also ensures ongoing effective communication with shareholders and engagement with key stakeholders as it develops the purpose and values of the Company. Directors are charged 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, Mr Victor T K Li, and the Deputy Chairman, 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 Group Co-Managing Directors, and ensuring that the desired culture of the Company is understood and shared at all levels of the Group.

### Board Composition

As at the date of this report, the Board comprises 18 Directors, including the Chairman, Deputy Chairman, Group Co-Managing Director and Group Finance Director (“GCMD/GFD”), Group Co-Managing Director, two Deputy Managing Directors, two Executive Directors, three Non-executive Directors and seven Independent Non-executive Directors. Throughout 2025, the number of Independent Non-executive Directors on the Board exceeds the one-third requirement under the Listing Rules.

During the year and up to the date of this report, Mr George Colin Magnus retired as a Non-executive Director and serves as Special Advisor of the Company, both with effect from 21 March 2025.

On the date of this report, the Company has announced that Mr Chow Kun Chee, Roland will retire as a Non-executive Director of the Company with effect from the conclusion of the annual general meeting (“AGM”) of the Company to be held on 21 May 2026. In addition, Mr Lee Yeh Kwong, Charles, who will retire by rotation at the 2026 AGM, has informed the Company that he would not be seeking re-election at the 2026 AGM and would cease to be a Non-executive Director of the Company with effect from the conclusion of the 2026 AGM.

Biographical details of the Directors are set out in the section of “Information on Directors” on pages 66 to 70 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 Hong Kong Exchanges and Clearing Limited (“HKEX”) ([www.hkexnews.hk](http://www.hkexnews.hk)).

All Non-executive Directors (other than Ms Chow Ching Yee, Cynthia, Mr Graeme Allan Jack, Mr Philip Lawrence Kadoorie and Ms Tsim Sin Ling, Ruth) entered into service contracts for an initial term ending on 31 December of the year of appointment. Thereafter, the appointment is automatically renewed for successive 12-month periods. Although the appointment of Ms Chow Ching Yee, Cynthia, Mr Graeme Allan Jack, Mr Philip Lawrence Kadoorie and Ms Tsim Sin Ling, Ruth does 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 Chairman and Group Co-Managing Directors

The Chairman is responsible for providing leadership to the Board, overseeing its functioning and ensuring that it acts in the best interests of the Group. The Deputy Chairman supports the Chairman in effectively managing the Group, fostering its growth and ensuring its sustainable success. Through close collaboration with the Chairman, the Deputy Chairman actively contributes to the overall leadership and strategic direction of the Group. They are 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 other 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 Board's affairs so as to contribute to the Board's effective functioning. 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 Group Co-Managing Directors, assisted by other Executive Directors, are 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 principal managers of the Group's businesses, the Group Co-Managing Directors attend to developing strategic operating plans that reflect the long-term objectives and priorities established by the Board and are directly responsible for overseeing and delivering operational performance of the Group.

Working with the other Executive Directors and the executive management team of each core business division, the Group Co-Managing Directors present annual budgets to the Board for consideration and approval, and ensure that the Board is fully apprised of the funding requirements of the Group. The Group Co-Managing Directors ensure that the funding requirements of the businesses are met and monitor the operating and financial performance of the businesses against plans and budgets. The Group Co-Managing Directors maintain an ongoing dialogue with all Directors to keep them fully informed of all major business development and issues. In addition, they are also responsible for building and maintaining an effective executive team to support them in their roles.

## 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 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 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 GLD. 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 of the Company 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.

## Corporate Governance Report

### Directors' Attendance and Commitment

In 2025, the Company held four Board meetings with 100% attendance. All Directors also attended the AGM of the Company held on 22 May 2025. The attendance record is set out below:

Directors	Board Meetings Attended/ Eligible to Attend	Attendance at 2025 AGM
<b>Executive Directors</b>		
Victor T K Li <sup>(1)</sup> ( <i>Chairman</i> )	4/4	√
Fok Kin Ning, Canning ( <i>Deputy Chairman</i> )	4/4	√
Frank John Sixt ( <i>Group Co-Managing Director and Group Finance Director</i> )	4/4	√
Lai Kai Ming, Dominic ( <i>Group Co-Managing Director</i> )	4/4	√
Ip Tak Chuen, Edmond ( <i>Deputy Managing Director</i> )	4/4	√
Kam Hing Lam <sup>(1)</sup> ( <i>Deputy Managing Director</i> )	4/4	√
Edith Shih	4/4	√
Andrew John Hunter	4/4	√
<b>Non-executive Directors</b>		
Chow Kun Chee, Roland	4/4	√
Chow Woo Mo Fong, Susan	4/4	√
Lee Yeh Kwong, Charles	4/4	√
George Colin Magnus <sup>(2)</sup>	1/1	N/A
<b>Independent Non-executive Directors</b>		
Chow Ching Yee, Cynthia	4/4	√
Graeme Allan Jack	4/4	√
Philip Lawrence Kadoorie	4/4	√
Leung Lau Yau Fun, Sophie	4/4	√
Paul Joseph Tighe	4/4	√
Tsim Sin Ling, Ruth	4/4	√
Wong Kwai Lam	4/4	√

Notes:

- (1) Mr Victor T K Li is a nephew of Mr Kam Hing Lam.  
(2) Retired with effect from 21 March 2025.

In addition to Board meetings, in 2025 the Chairman held monthly meetings with the Executive Directors and also met with the 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 senior management of the Company.

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 2025. In addition, Directors disclose to the Company in a timely manner their other commitments, such as directorships in other public listed 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 four Hong Kong listed company directorships (including the Company).

## Board Performance

The Company regards board evaluation as a critical tool to assess Board effectiveness and efficiency, and conducts it annually. 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 2025. 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 the year 2025, the Board considers its existing practice as effective and is also satisfied that the Board committees are appropriately constituted and operate effectively. 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 2026, the Board conducted a review and considered that such mechanisms were properly implemented during 2025 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 page 114 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 pages 119 and 120 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" and "Directors' Attendance and Commitment" on pages 93 and 94 of this report). Board process and effectiveness are also assessed during the annual evaluation of the Board performance, see "Board Performance" above. 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 2025. Their commitment is also subject to self-confirmation each year.

## Corporate Governance Report

### Training and Development

Upon appointment to the Board, Directors receive a comprehensive set of 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 by senior executives through a structured induction programme, which provides Directors with an overview of the Group's businesses, culture, purpose, strategic direction and governance practices.

Training and Continuous Professional Development ("CPD") help Directors keep abreast of current trends and developments relevant to the Group, including commercial, industry-specific and innovative changes, as well as legal and regulatory matters and 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. Directors may undertake CPD on their own initiative or by participating in training arranged or facilitated by the Company. In 2025, CPD training of over 25 hours had been arranged by the Company to Directors.

All 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.

The CPD training covers the following topics:

<b>T1</b>	Roles, functions and responsibilities of the board, its committees and its directors, and board effectiveness.
<b>T2</b>	The Company's obligations and directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments (including Listing Rule updates) relevant to the discharge of such obligations.
<b>T3</b>	Corporate governance and Environmental, Social and Governance ("ESG") matters (including developments on sustainability or climate-related risks and opportunities relevant to the Company and its business).
<b>T4</b>	Risk management and internal controls.
<b>T5</b>	Updates on industry-specific developments, business trends and strategies relevant to the Company.

Directors undertake the CPD training through a combination of:

<b>External Training</b> includes structured programmes such as training courses, seminars, workshops, expert briefings, and webcasts organised or delivered by external parties, including advisory and professional service firms, professional associations, industry bodies (such as The Hong Kong Institute of Directors), academic or training institutions, regulatory or government bodies (such as Companies Registry, Securities and Futures Commission and HKEX) and professional institutes (such as The Hong Kong Chartered Governance Institute), as well as participation in industry forums, conferences, or networking events, and serving as a speaker, panelist, or presenter at such events.	<b>Internal Training</b> includes training sessions, workshops, briefings, and knowledge-sharing sessions delivered by internal teams, including legal, compliance, risk, and senior management, as well as serving as a speaker at internal training programmes, covering updates on policies, procedures, regulatory developments, and business or strategic initiatives.
	<b>Self-Study</b> includes independent learning through reading and research materials, internal guidance notes, regulatory and industry updates, and other relevant reference resources.

All Directors listed in the table below, except for Mr George Colin Magnus who retired during the year, fulfilled the mandatory continuous professional development requirements under the Listing Rules during 2025, covering all five mandated topics. Based on the details so provided, the CPD training undertaken by the Directors during the year is summarised as follows:

Directors	Mode	Topics Covered	Hours Completed	Total
<b>Executive Directors</b>				
Victor T K Li	Internal Training	T2, T3, T4, T5	3 hours	)
	Self-Study	T1, T2, T3, T4, T5	13 hours	) 16 hours <sup>(1)</sup>
Fok Kin Ning, Canning	Internal Training	T2, T3, T4, T5	3 hours	)
	Self-Study	T1, T2, T3, T4, T5	13 hours	) 16 hours <sup>(1)</sup>
Frank John Sixt	Self-Study	T1, T2, T3, T4, T5	32.5 hours	32.5 hours <sup>(1)(2)</sup>
Lai Kai Ming, Dominic	Internal Training	T2, T3, T4, T5	3 hours	)
	External Training	T2	1 hour	)
	Self-Study	T1, T2, T3, T4, T5	42.5 hours	) 46.5 hours <sup>(1)(2)</sup>
Ip Tak Chuen, Edmond	Internal Training	T2, T3, T4, T5	3 hours	)
	Self-Study	T1, T2, T3, T4, T5	11 hours	) 14 hours <sup>(1)</sup>
Kam Hing Lam	Internal Training	T2, T3, T4, T5	3 hours	)
	Self-Study	T1, T2, T3, T4, T5	10 hours	) 13 hours <sup>(1)</sup>
Edith Shih	Internal Training	T2, T3, T4, T5	6 hours	)
	External Training	T1, T2, T3, T4	15 hours <sup>(3)</sup>	)
	Self-Study	T1, T2, T3, T4, T5	8.5 hours	) 29.5 hours <sup>(1)</sup>
Andrew John Hunter	Self-Study	T1, T2, T3, T4, T5	14 hours	14 hours <sup>(1)</sup>
<b>Non-executive Directors</b>				
Chow Kun Chee, Roland	Internal Training	T2, T3, T4, T5	3 hours	)
	External Training	T2, T4	13.5 hours <sup>(4)</sup>	)
	Self-Study	T1, T2, T3, T4, T5	5.5 hours	) 22 hours <sup>(1)</sup>
Chow Woo Mo Fong, Susan	External Training	T1, T2, T3, T4, T5	32.5 hours	)
	Self-Study	T1, T2, T3, T4, T5	17.5 hours	) 50 hours <sup>(1)</sup>
Lee Yeh Kwong, Charles	External Training	T1, T2	15 hours <sup>(4)</sup>	)
	Self-Study	T1, T2, T3, T4, T5	8 hours	) 23 hours <sup>(1)</sup>
George Colin Magnus <sup>(5)</sup>	Self-Study	T2	1.5 hours	1.5 hours

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Directors	Mode	Topics Covered	Hours Completed	Total
<b>Independent Non-executive Directors</b>				
Chow Ching Yee, Cynthia	Internal Training	T5	1 hour	)
	Self-Study	T1, T2, T3, T4, T5	8 hours	) 9 hours
Graeme Allan Jack	Internal Training	T1, T2, T3, T4, T5	5 hours	)
	External Training	T1, T2, T3, T5	8.5 hours	)
	Self-Study	T1, T2, T3, T4, T5	13.5 hours <sup>(4)</sup>	) 27 hours <sup>(1)</sup>
Philip Lawrence Kadoorie	Internal Training	T2, T3, T4, T5	3 hours	)
	External Training	T5	16 hours <sup>(4)</sup>	)
	Self-Study	T1, T2, T3, T4, T5	34.5 hours <sup>(4)</sup>	) 53.5 hours <sup>(1)</sup>
Leung Lau Yau Fun, Sophie	Internal Training	T2, T3, T4, T5	3 hours	)
	External Training	T1, T2, T3, T4, T5	8.5 hours	)
	Self-Study	T2, T3, T4, T5	10 hours	) 21.5 hours <sup>(2)</sup>
Paul Joseph Tighe	Internal Training	T2, T3, T4, T5	2 hours	)
	External Training	T1, T2	1.5 hours	)
	Self-Study	T1, T2, T3, T4, T5	11 hours	) 14.5 hours <sup>(2)</sup>
Tsim Sin Ling, Ruth	Internal Training	T2, T3, T4, T5	3 hours	)
	External Training	T1, T2, T3, T4	8.5 hours <sup>(4)</sup>	)
	Self-Study	T1, T2, T3, T4, T5	25.5 hours	) 37 hours <sup>(1)</sup>
Wong Kwai Lam	Internal Training	T2, T3, T4, T5	3 hours	)
	Self-Study	T1, T2, T3, T4, T5	15 hours <sup>(4)</sup>	) 18 hours <sup>(1)</sup>

### Notes:

- (1) Included the CPD training provided by Directors.
- (2) Included the CPD training provided in 2024 and undertaken by the Directors in 2025.
- (3) Included the preparation time for being chairperson and speaker.
- (4) Included certain CPD training which do not fall within the five prescribed topics as required under the Listing Rules.
- (5) Retired with effect from 21 March 2025.

## Securities Transactions

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules as the code of conduct regulating Directors' dealings in securities of the Company (the "CKHH Securities Code"). 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

In response to specific enquiries made, all Directors have confirmed that they have complied with the required standards set out in the CKHH Securities Code regarding their securities transactions throughout their tenure during the year ended 31 December 2025, except as disclosed below.

Ms Chow Ching Yee, Cynthia, an Independent Non-executive Director of the Company, purchased 18,000 shares (representing approximately 0.0005% of the issued share capital) of the Company on 6 March 2025 and sold the same number of shares on 19 March 2025 (together, the “Dealings”) without first notifying in writing the Chairman (or a Director designated by the Board for the specific purpose) and receiving a dated acknowledgment. The Dealings took place during the blackout period for dealings in securities of the Company from 19 January 2025 to 20 March 2025 (both dates inclusive) prior to the publication of the 2024 annual results of the Company. The Director concerned confirmed that the Dealings were carried out by her sister acting as her sole attorney appointed with full authority to manage and control assets in her bank account (including any investment decision thereof) for family arrangements, that the Dealings were made inadvertently and without the Director’s prior knowledge and approval, and that The Stock Exchange of Hong Kong Limited eventually issued a warning letter to the Director without any further action.

The Director concerned confirmed to the Company that, to avoid future inadvertent dealings, the Director concerned took out remedial measures and had terminated all relevant arrangements under which authorisation was given to her sister to manage her account, and reconfirmed that she had not engaged in any other dealings in the Company’s securities.

With a view to preventing any recurrence, the Company Secretary reminded the Director concerned of her obligations under the CKHH Securities Code and relevant Listing Rules. The Company has also adopted the following remedial actions to strengthen its internal controls over Directors’ dealings:

- (i) in addition to the usual notification to Directors in advance of the commencement date of each blackout period, the Company will in the future remind Directors to inform their brokers and close associates of the dealing restrictions during the blackout period to reduce the risk of unintentional breaches arising from actions by third parties; and
- (ii) arranging refresher training to Directors (including the Director concerned) on the legal and regulatory requirements relating to securities dealings, including those under the CKHH Securities Code, to reinforce good corporate governance and ensure continued understanding of regulatory obligations.

### **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 systems 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. The Company Secretary also facilitates induction training and CPD training for directors, including seminars on specific topics of importance and interest and circulation of reference materials.

The Company Secretary is also directly responsible for the Group's compliance with all obligations under 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, and 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' obligations for disclosure of interests and dealings in the Group's securities, to ensure that the standards and disclosure 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, the Deputy Chairman and the Group Co-Managing Directors, all members of the Board have access to her advice and service. The Company Secretary has day-to-day knowledge of the Group's affairs. 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 Company historically prepared its consolidated annual financial statements and consolidated interim financial statements under HKFRS Accounting Standards (“HKFRS” or Hong Kong Financial Reporting Standards) and Hong Kong Accounting Standard 34 “Interim Financial Reporting”, respectively, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Effective from 1 January 2025, the Company has adopted IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and prepares its consolidated annual financial statements and consolidated interim financial statements under IFRS and International Accounting Standard 34 “Interim Financial Reporting” issued by the IASB, respectively.

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

### Responsibilities of Directors for the Financial Statements

The Directors’ responsibilities in relation to the financial statements are set out below. This statement should be read in conjunction with, and is distinct from, the independent auditor’s report on pages 127 to 131 which addresses the reporting responsibilities of the Group’s external auditor.

### Annual Report and Financial Statements

The Directors acknowledge their responsibility for the preparation of the annual report and financial statements of the Group. They are responsible for the preparation of financial statements that give a true and fair view in accordance with the aforementioned applicable accounting standards and comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “Companies Ordinance”) and the Listing Rules. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Accounting Policies

In preparing the financial statements, the Directors are responsible for assessing that appropriate accounting policies have been adopted, and that judgements and estimates made are reasonable and in accordance with applicable accounting standards. Based on appropriate enquiries, the Directors confirm that appropriate accounting policies have been adopted, and that judgements and estimates made are reasonable and in accordance with applicable accounting standards.

### Accounting Records

The Directors are responsible for ensuring that the Group maintains accounting records which disclose, with reasonable accuracy, the financial position of the Group and reflect its transactions. Such records enable the preparation of financial statements in accordance with the Group’s accounting policies.

### Going Concern

In preparing the financial statements, the Directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern, and applying the going concern basis of accounting. Having made appropriate enquiries, the Directors are of the view that the Group has adequate resources to continue in operational existence for the foreseeable future, and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements.

### 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.

## Corporate Governance Report

### Audit Committee

As at the date of this report, the Audit Committee comprises five 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 exceeds the independence requirements under the Listing Rules. It is chaired by Mr Wong Kwai Lam with Ms Chow Ching Yee, Cynthia, Mr Graeme Allan Jack, Mr Paul Joseph Tighe and Ms Tsim Sin Ling, Ruth as members.

The Audit Committee held four meetings in 2025 with 100% attendance.

Members	Attended/Eligible to Attend
Wong Kwai Lam ( <i>Chairman</i> )	4/4
Chow Ching Yee, Cynthia	4/4
Graeme Allan Jack	4/4
Paul Joseph Tighe	4/4
Tsim Sin Ling, Ruth	4/4

The internal and external auditors attended all Audit Committee meetings. In addition, the Audit Committee held private sessions with them, separately and without the presence of Management, as well as with GCMD/GFD and the Group Chief Financial Officer ("GCFO").

### Terms of Reference and Authority

The Audit Committee assists the Board in fulfilling its oversight duties by reviewing and supervising the Company's financial reporting, risk management and internal control systems (including cyber risks), and by undertaking any other responsibilities delegated by the Board from time to time. The Audit Committee is responsible for monitoring the integrity of the Company's interim and annual results and financial statements, reviewing significant financial reporting judgements contained therein, and overseeing the relationship between the Company and its external auditor. It is also tasked with developing and reviewing the Company's corporate governance policies and practices, including compliance with statutory and Listing Rules requirements; and reviewing the scope, extent and effectiveness of the internal audit function. The Audit Committee is authorised to engage independent legal and other advisers, and to conduct investigations as it deems necessary.

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference and to obtain independent professional advice as reasonably required.

In March 2025, the Audit Committee reviewed and recommended to the Board updates to its terms of reference to align with the revised CG Code effective 1 July 2025. The updated terms of reference are available on the websites of the Company and HKEX.

Throughout 2025, the Audit Committee discharged its duties and responsibilities in accordance with its terms of reference and the CG Code. The following paragraphs summarise the work performed by the Audit Committee during 2025 and 2026 (up to the date of this report).

## Financial Reporting and Significant Judgements

During 2025 and up to the date of this report, the Audit Committee met with the GCMD/GFD and GCFO, other senior management, the General Manager of Group Management Services Department (“GMSD”, the Group’s internal audit function) (“Internal Audit GM”) and the external auditor, PricewaterhouseCoopers (“PwC”), to review the 2025 interim results and the 2024 and 2025 annual results, reports and financial statements, and other financial, corporate governance, risk management, internal control and cyber risk matters of the Group.

The Audit Committee received, considered and discussed reports and presentations from Management, the Internal Audit GM and PwC. Key areas of focus included:

- the Group’s transition from HKFRS to IFRS with effect from 1 January 2025, including the implementation approach, adjustments and related disclosures in the 2025 interim and annual financial statements;
- the application of critical accounting policies and areas involving significant accounting judgements; and
- key audit matters reported by PwC, particularly Management’s impairment assessment of goodwill, other indefinite-life intangible assets, and investments in associated companies and joint ventures.

The Audit Committee engaged in detailed discussions with Management and the external auditor to thoroughly review the IFRS transition, including the implementation approach, adjustments and related disclosures. The Audit Committee challenged Management to reassess all aspects of the impairment assessment approach to ensure its robustness in terms of accounting judgements and compliance with relevant requirements. Based on these reviews and discussions, the Audit Committee is satisfied with the Group’s transition to IFRS, including the implementation approach, adjustments and related disclosures in the 2025 interim and annual financial statements. It is also satisfied that the Group’s 2025 interim and 2024 and 2025 annual results, reports and financial statements have been prepared in accordance with the aforementioned requirements, and recommended them to the Board for approval.

## External Auditor – Independence, Objectivity and Effectiveness

The Audit Committee met four times during 2025 and twice during 2026 (up to the date of this report) with PwC to consider its reports on the scope, strategy, progress and outcome of the independent review of the 2025 interim financial statements and the audit of the 2024 and 2025 annual financial statements.

The Audit Committee reviewed:

- the composition of the audit engagement teams;
- PwC’s strategy and approach for the review and audit, including audit risk and materiality assessment, and the nature, timing and scope of audit procedures;
- PwC’s reporting obligations prior to commencement of the audit;
- observations on the control environment and material areas involving significant accounting judgements;
- the firm’s quality management and monitoring processes, including recent results from internal and external key quality reviews and inspections across the Group; and
- audit quality indicators, focusing on: delivery of audit deliverables against agreed timetable and milestones; hours of audit work delivered by senior PwC audit team members; involvement of specialists and experts; findings and results from internal and external reviews and inspections; and use of technology.

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 non-audit services fees payable to PwC. All non-audit services were carried out in accordance with PwC’s independence policy and did not give rise to any conflict of interest and complied with the Group’s policy regarding engagement of the external auditor.

## Corporate Governance Report

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 written confirmation of its independence and objectivity for 2025.

The Audit Committee is satisfied with PwC's competence, expertise, resources, independence, objectivity and the overall effectiveness of the audit process. The Committee has recommended to the Board the re-appointment of PwC as the external auditor, to be considered by shareholders at the forthcoming 2026 AGM.

### Risk Management and Internal Control Systems

The Audit Committee assists the Board in assessing the overall governance, financial reporting, risk management and internal control framework, and in maintaining effective risk management and internal control systems covering all material controls, including financial, operational and compliance controls. In 2025, the Audit Committee reviewed the process by which the Group evaluates its control environment and manages significant risks, including cyber risks. It received, considered and provided feedback on:

- the risk management report;
- the composite risk register and risk heat map; and
- presentations from the Internal Audit GM and Management on the review of the effectiveness of the Group's risk management and internal control systems, and the adequacy of resources, staff qualifications and experience of the Group's accounting, internal audit and financial reporting functions, and their training programmes and budgets.

The Audit Committee also reviewed the effectiveness of the Group's Whistleblowing Policy and the arrangements for employees to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters. The Committee confirmed that appropriate procedures are in place for independent investigation and follow-up actions.

Based on these reviews, the Audit Committee concurred with Management's confirmation that the risk management and internal control systems are appropriate and effective. The Audit Committee was also 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 budgets.

In addition, the Audit Committee reviewed, in conjunction with GMSD, the 2025 work plans and resource requirements, and deliberated on reports regarding the effectiveness of the Group's risk management and internal control systems (including cyber risks). Further, it considered reports from the GLD on material litigation proceedings and the Group's compliance status with key legal and regulatory requirements. These reviews and reports informed the Audit Committee's recommendation to the Board for approval of the consolidated financial statements.

### Corporate Governance and Compliance

During 2025, the Audit Committee received periodic presentations on, and reviewed, the Group's compliance with 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 complied throughout the year with all applicable code provisions of the CG Code, as in force during the reporting period.

The Audit Committee received regular updates on CPD training undertaken by Directors. A summary of their training records is set out on pages 96 to 98 of this report.

In March 2025, the Audit Committee reviewed and recommended to the Board updates to its terms of reference to reflect the latest amendments to the CG Code which took effect on 1 July 2025. In August 2025, the Audit Committee reviewed and recommended to the Board updates to the Anti-Fraud and Anti-Bribery Policy, Policy on Appointment of Third Party Representatives and Whistleblowing Policy in response to the introduction of a new strict liability criminal offence for failure to prevent fraud under the UK Economic Crime and Corporate Transparency Act 2023 which took effect on 1 September 2025.

## Shareholders Communication Policy

In January 2026, the Audit Committee, on behalf of the Board, conducted a review of the implementation and effectiveness of the Shareholders Communication Policy for the year ended 31 December 2025. Having considered the multiple channels of communication and engagement in place (see “Relationship with Shareholders and Other Stakeholders” on pages 120 and 121 of this report), the Audit Committee is satisfied that the Shareholders Communication Policy has been properly implemented and is effective.

## Overall Conclusion

Throughout 2025 and up to the date of this report, the Audit Committee has discharged its duties and responsibilities in accordance with its terms of reference and the requirements of the CG Code. All reviews and recommendations made by the Audit Committee were duly considered by the Board.

## External Auditor

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

- Audit services – include 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 are not generally included in audit fees, such as audits of the Group’s pension plans, 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, or are otherwise best placed to be, performed by it 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 systems consultations. The external auditor is also permitted to assist Management and GMSD 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 and other external auditors is shown in note 8(d) to the financial statements. For the year ended 31 December 2025, PwC fees, amounting to HK\$332 million, were primarily for audit services. Non-audit services (which included tax compliance and other tax-related services, and financial due diligence services) amounted to HK\$14 million, representing approximately 4% of total PwC fees (audit and non-audit).

Mr Wong Hung Nam of PwC was appointed as the lead engagement partner for the Group’s financial statement audits with effect from the 2024 audit. Mr Wong replaced Ms Luk Lai Yin who had retired from the Group’s audit engagement by rotation after servicing in the lead audit engagement partner role for the audits of 2017 to 2023.

## Audit Report on the Annual Financial Statements

The consolidated financial statements of the Group for the year ended 31 December 2025 have been audited by PwC in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board. The unqualified auditor’s report is set out on pages 127 to 131. The consolidated financial statements of the Group for the year ended 31 December 2025 have also been reviewed by the Audit Committee.

### RISK MANAGEMENT AND INTERNAL CONTROL

Effective risk management and internal control systems are fundamental components of good corporate governance. They are pivotal to the sustainable growth of the Group, fostering resilience, and safeguarding the interests of stakeholders.

The Company recognises the dynamic nature of the risks (including sustainability and cyber risks) its businesses face. To ensure an effective management of the risks, a comprehensive governance structure is in place to systematically identify, assess, manage, and monitor risks that may have a material adverse impact on the achievement of the Group's strategic and business objectives.

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, in terms of "Governance and Oversight" by the Board through the Audit Committee and the Sustainability Committee, "Risk Review and Communication" by the Executive Directors, "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 GMSD.

#### Governance and Oversight

##### The Board

- Has overall responsibility for the systems of risk management and internal control of the Group.
- 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 its risk appetite.
- Inculcates appropriate risk culture across the business operations of the Group.
- Ensures that appropriate and effective risk management and internal control systems are established and maintained for the purposes of dealing with identified risks, safeguarding assets, preventing and detecting fraud, misconduct and loss.
- Oversees the management of sustainability risks and opportunities, through delegation to the Sustainability Committee.
- 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.

##### Audit Committee

- Reviews and assesses the risk management and internal control systems of the Group, with particular regard to their effectiveness.
- Performs corporate governance functions delegated by the Board.

(For details of roles and responsibilities, please refer to the Audit Committee Terms of Reference)

##### Sustainability Committee

- Reviews sustainability risks and opportunities, and assesses emerging sustainability issues and trends that could impact the business operations and performance of the Group.

(For details of roles and responsibilities, please refer to the Sustainability Committee Terms of Reference)

#### Risk Review and Communication

##### Executive Directors

- 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 the Executive Director and Company Secretary and comprising representatives from key functional departments of the Company, provides timely updates on emerging matters of compliance.
  - Competition and Regulatory Affairs Group, chaired by the Deputy Chairman of European Head Office and comprising legal and public affairs representatives across the Group, serves as a dedicated forum for the review, assessment and coordination of regulatory, public affairs and competition matters relevant to the Group's businesses.
  - Cyber Security Working Group, chaired by the GCMD/GFD and including technical specialists from core businesses, as well as representatives from GMSD and the Group Information Services Department, manages the cyber security defences of the Group, monitors cyber threat landscape and set strategic plan.
  - Sustainability Working Group, comprising two Executive Directors as Co-Chairs, as well as other senior executives from key functional departments of the Company, 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

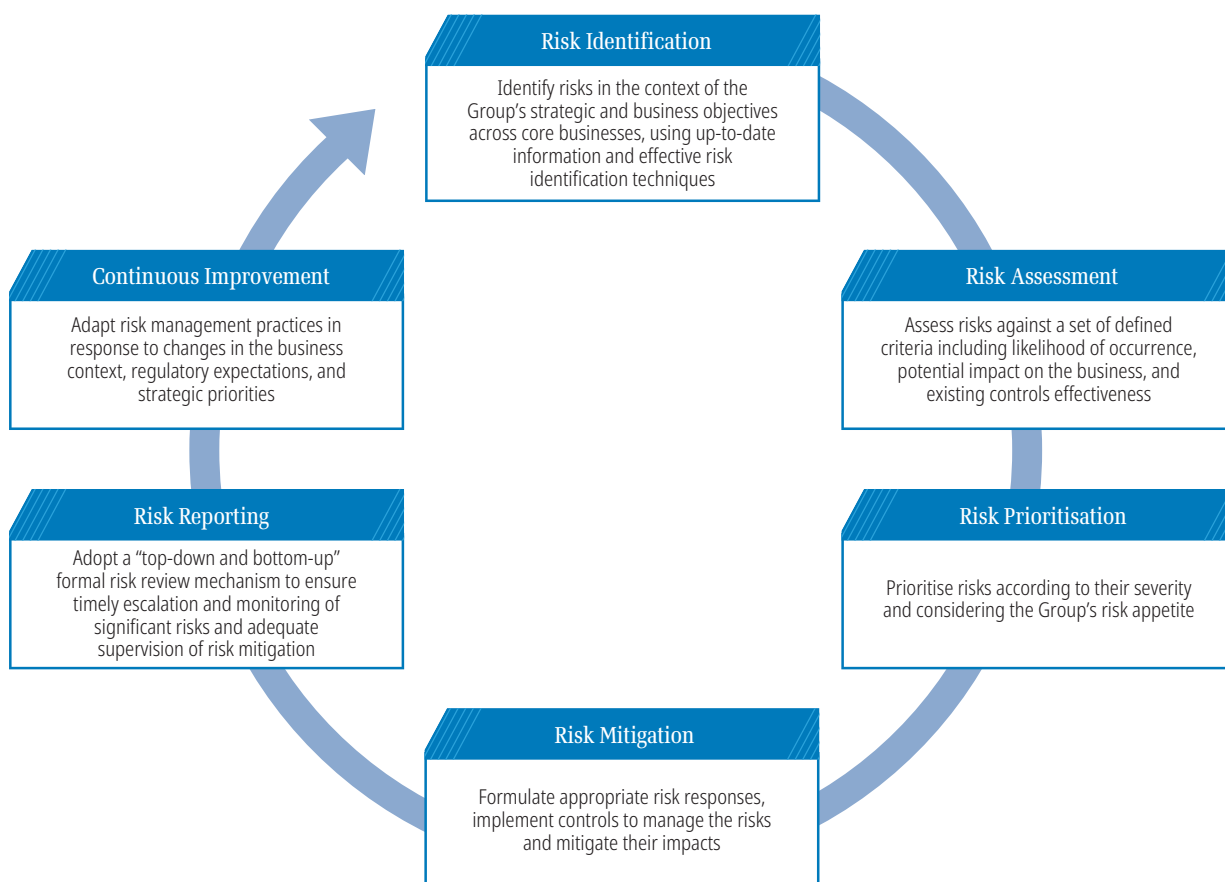
- Provides independent assurance as to the existence and effectiveness of the risk management activities and controls in the business operations of the Group (please refer to page 113 of this annual report for more details).

Whilst the risk management and internal control systems of the Group are designed to identify and manage risks that could adversely impact the achievement of the Group's strategic and business objectives, 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 Organizations of the Treadway Commission) framework. The framework facilitates a systematic approach in identifying, assessing, prioritising, mitigating and reporting risks (including sustainability and cyber risks) within the Group, be they of strategic, financial, operational or compliance nature.

The following diagram illustrates the key risk management processes of the Group, which are embedded across the Group's businesses:



Risk management is an integral part of the day-to-day operations and management of the Group and is a continuous process carried out at all levels of the Group. There are ongoing dialogues between the Executive Directors and the executive management teams of each core business about the current and emerging risks (including sustainability and cyber risks) that are relevant to their businesses, the plausible impacts of the risks and mitigation measures to ensure that the executive management teams of each core business have performed their duties to have effective systems. These measures, among others, include instituting additional controls and deploying appropriate insurance instruments to minimise or transfer the impact of risks that the Group's businesses face. The latter also includes Directors and Officers Liability Insurance to protect Directors and officers of the Group against potential personal legal liabilities.

In terms of formal risk review and reporting, the Group adopts a "top-down and bottom-up" approach, involving regular inputs from each core business as well as discussions and reviews by the Executive Directors and the Board, through the Audit Committee. More specifically, on a half-yearly basis, each core business is required to formally identify the significant risks (including sustainability and cyber risks) it faces and assess the risk severity based on potential impact and likelihood, whilst the Executive Directors provide 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 confirmed by the Executive Directors, form part of the risk management report for review and approval by the Audit Committee 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 Internal Audit GM and Executive Directors, and provides input as appropriate so as to ensure effective systems are in place. Pages 58 to 65 of this annual report provide a description of the Group's risk factors which could affect the Group's financial condition or results of operations 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 standalone Sustainability Report of the Group.

## Internal Control

Group structures covering all subsidiaries, associated companies and joint ventures are maintained and updated on a timely and regular basis. Executive Directors are appointed to the boards of all material operating subsidiaries and associated companies 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 of each core business division is accountable for the conduct and performance of each business in the division within the agreed strategies, and similarly, management of each business is accountable for its conduct and performance. The Group Co-Managing Directors monitor the performance and review the risk profiles of the Group companies on an ongoing basis.

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

Business plans and budgets are prepared annually by the management of individual businesses and subject to review and approval by both the executive management teams and Executive Directors as part of the Group's 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.

Executive Directors review monthly management reports on the financial results and key operating statistics of each business and hold monthly meetings with the executive management team and senior management of business operations to review these reports, business performance against budgets, forecasts, significant business risk sensitivities and strategies. In addition, finance directors and financial controllers of the executive management teams of each core business attend monthly meetings with the GCFO and members of his finance team 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 unlisted subsidiary operations. The Group's Treasury function oversees the Group's investment and lending activities and also evaluates and monitors financial and operational risks, and makes recommendations to Management to mitigate those risks. Treasury reports on the Group's cash and liquid investments, borrowings and movements thereof are distributed to the 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 specifically, material expenditures within the approved budget as well as unbudgeted expenditures are subject to approval by the GCFO prior to commitment. Quarterly reports of actual versus budgeted and approved expenditures are also reviewed.

The Group has also established treasury policies covering specific aspects, such as bank account control and procedures, monitoring and compliance control for loan covenants, approval and reporting process for derivatives and hedging transactions.

In terms of formal review of the Group's risk management and internal control systems, a risk management and internal control self-assessment process that, on a half-yearly basis, requires the executive management team and senior management of each core business 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, is in place. 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 the Group's risk management and internal control systems.

## Corporate Governance Report

### 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 GLD has the responsibility of safeguarding the legal interests of the Group. The Group has established a Policy on Legal Documentation Review and Reporting Procedures and Litigation Proceedings which defines the common procedures on legal documentation and that handling of material legal matters across the Group worldwide, subject to variations that may be agreed between the GLD and an individual division from time to time. This policy is reviewed periodically and was updated in 2025 to reflect current regulatory and operational requirements.

In addition, the Group has adopted a Policy on Corporate Secretarial Practices which outlines the procedures for corporate secretarial compliance matters, including corporate authorisation for execution of documentation, and the preparation, approval and signing of minutes of Board and committee meetings and Board resolutions. In respect of any transaction which requires GLD clearance, GCSD will obtain confirmation of such clearance before arranging for the convening of Board meetings or the circulation or signing of Board resolutions. The GCSD is also responsible for regulatory filings and Listing Rules compliance. This policy is subject to periodic review and was updated in 2025 to ensure continued alignment with regulatory and governance standards.

The GLD team, led by the Head Group General Counsel, is responsible for overseeing the day-to-day legal affairs of the Group. This includes preparing, reviewing and approving legal documentation of Group companies in accordance with established policies and approval frameworks, working in conjunction with finance, tax, treasury, corporate secretarial and business unit personnel in the review and co-ordination process, and advising Management on legal and commercial issues of concern. In addition, the GLD oversees regulatory compliance matters across the Group. It analyses and monitors the regulatory frameworks within which the Group operates, including reviewing applicable laws and regulations and preparing and submitting responses or filings to relevant regulatory and/or government authorities on regulatory issues and consultations.

GLD also prepares and updates internal policies and where necessary, conducts tailor-made workshops to strengthen the internal controls and compliance procedures of the Group. It determines and approves the engagement of external legal advisers, ensuring that appropriate professional standards are maintained and that services are rendered in a cost-effective manner. Further, GLD organises and holds continuing education seminars and conferences on legal and regulatory matters relevant to the Group for Directors, business executives and the Group's legal and corporate secretarial teams.

On the listed companies 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 are incorporated or registered and where their securities are listed and traded. The GLD is vigilant in monitoring compliance with these statutes, rules and regulations which may have a material 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 Conduct is the central tool through which the Company sets the conduct expectations for employees underscoring the strong commitment of the Group to upholding high standards 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 Group's businesses, corporate strategy and stakeholder expectations. In addition, employees are required to make a self-declaration every year to confirm that he/she has read, understood and will continue to comply with, the various Group policies. See the governance policies on the Company's website.

Key governance policies and guidelines of the Group include:

### **Code of Conduct**

The Code of Conduct of the Group sets the standards for employees as are reasonably necessary to promote honest and ethical 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 violations and accountability for adherence to the Code of Conduct. Every employee is required to undertake to adhere to the Code of Conduct, which includes provisions dealing with conflict of interest, 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 Conduct in accordance with the established reporting and escalation procedures.

### **Whistleblowing Policy**

In line with the commitment to achieve and maintain the highest standards 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, 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 fraud and bribery, assists employees in recognising circumstance which may lead to or give the appearance of being involved in fraudulent behaviour, corruption or unethical business conduct, so as to avoid such conduct which is clearly prohibited, and to promptly seek guidance where necessary. Each Group company is required to report any actual or suspected incidents of bribery, theft, fraud or similar offences to the GCMD/GFD and the Internal Audit GM for independent analyses and necessary follow up (see page 113 of this 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 Group's Policy on Appointment of Third Party Representatives in this regard.

### **Corporate Communications Policy**

The Group highly values its reputation in the communities and countries 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 Group Corporate Affairs Department ("GCAD") and subsidiary corporate communications/public relations departments assist the 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.

## Corporate Governance Report

### 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 any listed entity within the Group 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 such securities). Further, certain staff members in the Group CFO Office are subject to a two-month blackout period prior to the release of the Company's annual results and a one-month blackout period prior to the release of interim results, while relevant staff in the GCSD and GCAD are subject to a two-week blackout period.

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, which 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 (comprising at least two Executive Directors) 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.

### Cyber Security Acceptable Use Policy

This policy outlines the guidelines and responsibilities governing the usage of information systems and resources as well as associated assets across the Group. The policy aims to protect the Group's assets, ensures compliance with laws and maintains a secure cyber environment. It also covers sections on cyber security incident reporting and handling, setting out the procedures to facilitate prompt assessment and support for affected business units to enhance overall cyber security governance and minimise the impact and prevent future occurrence.

### Policy on Reasonable and Ethical Procurement, Implementation and Use of Artificial Intelligence (AI)

This policy defines and helps communicate the common policies on usages and deployments of AI systems to be applied across the Group to ensure that AI system is used on a safe and ethical basis.

### 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 page 114 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

The Internal Audit GM, reporting directly to the Audit Committee and also to the GCMD/GFD, provides independent assurance as to the existence and effectiveness of the risk management activities and controls in the Group's business operations worldwide. 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 Group's activities, 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.

GMSD is responsible for assessing the effectiveness of the Group's risk management and internal control systems, including reviewing the continuing connected transactions of the Company (refer to pages 84 and 85 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 GCMD/GFD and the senior management concerned, as well as following up on the issues to ensure that they are satisfactorily resolved within the agreed timeline. In addition, GMSD 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 GMSD includes financial, IT, operations, sustainability, business ethics, governance policy and regulatory compliance reviews, recurring and surprise audits, as well as productivity efficiency reviews.

GMSD is also responsible for periodic fraud analyses and independent investigations. In accordance with the Group's Code of Conduct and Anti-Fraud and Anti-Bribery Policy, each core business derives its own set of escalation procedures to cater for its operational needs, and is required to report to the GCMD/GFD and the Internal Audit GM any actual or suspected fraudulent activities within a 24-hour timeframe should the amount involved exceeds the de minimis threshold as agreed between the GCMD/GFD and the executive management team of each core business. In addition, each core business submits a summary of fraud incidents statistics to the GCMD/GFD and the Internal Audit GM 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 custody of the Internal Audit GM, and are independently assessed and investigated as appropriate. The Internal Audit GM would promptly escalate any incidents of a 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 and the Group Co-Managing Directors.

Reports from the external auditor on internal controls and relevant financial reporting matters are presented to the Internal Audit GM and, as appropriate, to the GCMD/GFD and the finance director or financial controller of the relevant executive management team. These reports are reviewed and appropriate actions are taken.

The Board acknowledges its responsibility for the Group's risk management and internal control systems and, through the Audit Committee, has conducted a review of the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2025 covering all material controls, including financial, operational and compliance controls, and concurs with confirmation from Management that such systems are appropriate and effective. 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

The Nomination Committee is chaired by Mr Paul Joseph Tighe, an Independent Non-executive Director, and with the Chairman Mr Victor T K Li and Independent Non-executive Director Mrs Leung Lau Yau Fun, Sophie as members. While the majority of the members are Independent Non-executive Directors, the Nomination Committee has an Executive Director among its membership. This is to provide perspective and insight from executive management relating to the day-to-day business and operations of the Group, thereby enabling more befitting candidates to be nominated for consideration.

The responsibilities of the Nomination Committee are to review the structure, size, composition (including skills, knowledge, experience and diversity profile) of members of the Board against the Group's needs at least annually, assist the Board in maintaining a Board skills matrix (please refer to "Board Skills Matrix" below for more details) 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. It 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 the 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 candidate 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.

## Board Skills Matrix

As at the date of this report, the Board comprises 18 Directors. The following table and chart provide an overview of the structure, skills set, expertise, competencies and diversity profile of the Board:

Structure and Size						Committees				Qualification		Skills and Expertise								
Name	Age	Years on Board	Gender	Ethnicity	ED/NED/INED	Audit	Nomination	Remuneration	Sustainability	Professional	Educational	Strategic Planning	Leadership	Industry Knowledge and Experience	Financial Literacy/ Banking	Risk Management	Legal & Regulatory Compliance	Sustainability	Technology, Digital & Innovation	
Victor T K Li	61	11 <sup>(a)</sup>	M	C	ED		•	•			BSc, MSc	•	•	•	•	•			•	
Canning Fok	74	11 <sup>(b)</sup>	M	C	ED					N1	BA	•	•	•	•	•			•	
Frank Sixt	74	11 <sup>(c)</sup>	M	NC	ED				•	N2	MA, LLL	•	•	•	•	•	•	•	•	
Dominic Lai	72	10.5 <sup>(a)</sup>	M	C	ED						BSc, MBA	•	•	•	•	•			•	
Edmond Ip	73	11 <sup>(a)</sup>	M	C	ED						BA, MSc	•	•	•	•	•			•	
Kam Hing Lam	79	11 <sup>(c)</sup>	M	C	ED						BSc, MBA	•	•	•	•	•			•	
Edith Shih	74	9 <sup>(c)</sup>	F	C	ED				•	N3	BSE, MA, MA, EdM	•	•	•	•	•	•	•	•	
Andrew Hunter	67	1 <sup>(a)</sup>	M	NC	ED					N4	MA, MBA	•	•	•	•	•			•	
Roland Chow	88	11 <sup>(c)</sup>	M	C	NED					N5	LLM	•	•				•			
Susan Chow	72	9 <sup>(a)</sup>	F	C	NED					N6	BSc	•	•	•	•	•	•			
Charles Lee	89	11 <sup>(b)</sup>	M	C	NED					N7	LLM	•	•		•	•	•			
Cynthia Chow	62	2 <sup>(a)</sup>	F	C	INED	•		•			BA, MBA	•	•	•	•				•	
Graeme Jack	75	1 <sup>(c)</sup>	M	NC	INED	•				N8	BCom	•	•	•	•	•				
Philip Kadoorie	34	3 <sup>(c)</sup>	M	NC	INED						BSc	•	•	•	•	•			•	
Sophie Leung	80	4 <sup>(c)</sup>	F	C	INED		•				BS	•	•		•	•	•			
Paul Tighe	69	5 <sup>(b)</sup>	M	NC	INED	•	•				BSc	•	•	•	•	•	•	•	•	
Ruth Tsim	69	2 <sup>(a)</sup>	F	C	INED	•			•	N9	MBA	•	•	•	•	•			•	
Wong Kwai Lam	76	5.5 <sup>(b)</sup>	M	C	INED	•		•			BA, PhD	•	•		•	•				
												Coverage (% of entire Board)	100%	100%	78%	94%	89%	39%	44%	44%
												No. of Directors (Full Board of 18)	18	18	14	17	16	7	8	8

F: Female  
M: Male

C: Chinese  
NC: Non-Chinese

ED: Executive Director  
NED: Non-executive Director  
INED: Independent Non-executive Director

Notes:

(a): Last re-elected at AGM held on 23 May 2024 ^

(b): Last re-elected at AGM held on 18 May 2023 ^

(c): Last re-elected at AGM held on 22 May 2025 ^

N1: Fellow of Chartered Accountants Australia and New Zealand ("CA ANZ")

N2: Member of the Bar and of the Law Society of the Provinces of Québec and Ontario, Canada

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 Institute of Chartered Accountants of Scotland and of the HKICPA

N5: Solicitor of the High Court of the Hong Kong Special Administrative Region

N6: Qualified solicitor

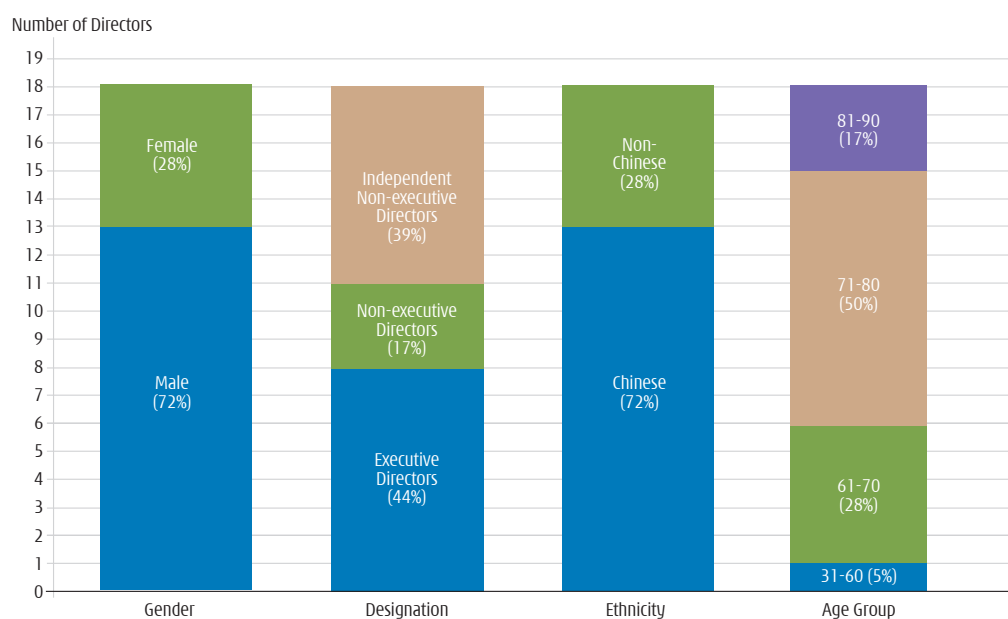
N7: Qualified solicitor in both Hong Kong and the United Kingdom; Chartered Secretary and Chartered Governance Professional

N8: Fellow of the HKICPA; Associate of CA ANZ

N9: Fellow of the Association of Chartered Certified Accountants, the HKICPA and the Institute of Chartered Accountants in England and Wales; member of the Chartered Professional Accountants of British Columbia in Canada

^ In accordance with the Articles of Association regarding the retirement and rotation of Directors, a Director typically serves a three-year term following their last re-election. However, some may serve a shorter term depending on the Board size and in accordance with the retirement provisions.

## Corporate Governance Report



The Board demonstrates strong capabilities across essential areas including strategic planning, leadership, industry knowledge, financial literacy, risk management and legal/regulatory compliance. Its combination of diverse experience and perspectives enables the Board to effectively drive strategy, uphold the Company's values and foster a culture that integrates agile decision-making, forward-looking thinking, compliance and ethical governance, ensuring Board decisions consistently support the Company's purpose and desired culture. Recognising emerging priorities, such as sustainability and technology/innovation, the Board continues to develop further expertise through targeted CPD training and ongoing development initiatives. These efforts build skills and ensure the Board remains equipped to respond effectively to evolving business, regulatory and strategic challenges.

Overall, the Board's existing skills, expertise and qualifications are considered adequate and aligned with the Company's long-term objectives, with ongoing development reinforcing the effectiveness and adaptability of the Board in a dynamic business and regulatory environment.

Following the retirement of Mr George Colin Magnus from the Board with effect from 21 March 2025, the female representation on the Board increased from 26% to 28% (five out of 18 Directors), which remains at a relatively high level amongst companies listed on The Stock Exchange of Hong Kong Limited. Upon the retirement of Mr Chow Kun Chee, Roland and Mr Lee Yeh Kwong, Charles from the Board with effect from the conclusion of the 2026 AGM, the female representation on the Board will increase to 31% (five out of 16 Directors). The Company cements its commitment to gender diversity within its business so it continues to review and assess the appropriate level of gender diversity and composition that aligns with the strategy of the Company. The Company targets to have about 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 within 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. The senior management of the Company comprising the chairmen, president, managing directors and chief executive officers of the core businesses and the executives in charge of major head office functions of the Company, includes two women, representing 25% of the team (two out of eight). A Workforce Diversity Policy was introduced in March 2025 to promote a diversified and inclusive workplace where all employees feel valued, regardless of background (see page 113 of this report). The total gender diversity of the Group is balanced, 48% male and 52% female, with a slightly higher female employee base driven by the Retail division. 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 2025 Sustainability Report of the Group, which will be published together with this annual report.

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, advisers 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 of the Company 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 2025 with 100% attendance.

Members	Attended/Eligible to Attend
Paul Joseph Tighe ( <i>Chairman</i> )	1/1
Victor T K Li	1/1
Leung Lau Yau Fun, Sophie	1/1

In 2025, the Nomination Committee reviewed the structure, size and composition of the Board, ensuring that it has a 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.

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.

At its meeting in February 2026, the Nomination Committee, alongside its review of the structure, size, composition (including 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 decades of experiences and deep understanding of commercial trends, especially during the turbulent times in Hong Kong. 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 and selected Directors for retirement and re-election at the forthcoming 2026 AGM and recommended to the Board for consideration. The Board Diversity Policy and Director Nomination Policy were also reviewed and their implementation and effectiveness during 2025 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 2025 AGM of the Company.

The terms of reference of the Nomination Committee was updated in April 2025 to reflect the amendments to the CG Code.

### REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

#### Remuneration Committee

The Remuneration Committee comprises three members with expertise in human resources and personnel emoluments. The Remuneration Committee is chaired by Mr Wong Kwai Lam, an Independent Non-executive Director, with the Chairman Mr Victor T K Li and Independent Non-executive Director Ms Chow Ching Yee, Cynthia as members. The composition of the Remuneration Committee meets the requirements of chairmanship and independence under the Listing Rules. While the majority of the members are Independent Non-executive Directors, the Remuneration Committee has an Executive Director among its membership. This is to provide perspective and insight from executive management on the capabilities, effectiveness and performance of Directors and senior management. The Remuneration Committee meets towards the end of each year. But 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 2025 with 100% attendance.

Members	Attended/Eligible to Attend
Wong Kwai Lam ( <i>Chairman</i> )	1/1
Victor T K Li	1/1
Chow Ching Yee, Cynthia	1/1

The responsibilities of the Remuneration Committee are to assist the Board in achieving its objectives 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 across the Group's substantial, diverse and international business operations. 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 individual Executive Directors and senior management of the Group is delegated to the Remuneration Committee. It 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. In December 2025, the Remuneration Committee reviewed and approved the proposed 2026 directors' fees for Executive Directors, which will be subject to approval by shareholders at the forthcoming 2026 AGM, and made recommendation to the Board on the proposed 2026 directors' fees for Non-executive Directors and Independent Non-executive Directors. Prior to the end of the year, the Remuneration Committee also reviewed and approved the 2025 year-end bonus and 2026 remuneration packages of Executive Directors, subsidiaries' managing directors and senior executives of the Group. No Director or any of his/her associates was involved in deciding his/her own remuneration.

#### Remuneration Policy

The remuneration of Directors and senior executives 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. Executive Directors and employees also participate in bonus arrangements which are determined in accordance with the performance of the Group and the individual's performance.

## 2025 Remuneration

Directors' emoluments comprise payments to Directors by the Company and its subsidiaries in connection with the management of the affairs of the Company and its subsidiaries. The emoluments exclude amounts received from the Company's listed subsidiaries and paid to the Company. Details of emoluments paid to each Director in 2025 are set out below:

Name of Directors	Director's fees HK\$ million	Basic salaries, allowances and benefits-in-kind HK\$ million	Discretionary bonuses HK\$ million	Provident fund contributions HK\$ million	Inducement or compensation fees HK\$ million	Total emoluments HK\$ million
Victor T K LI <sup>(1)(2)</sup>						
<i>Paid by the Company</i>	0.31	5.45	47.42	–	–	53.18
<i>Paid by CK Infrastructure     Holdings Limited ("CKI")</i>	0.13	–	30.02	–	–	30.15
	0.44	5.45	77.44	–	–	83.33
FOK Kin Ning, Canning <sup>(3)</sup>	0.22	7.14	62.26	0.59	–	70.21
Frank John SIXT <sup>(3)(4)</sup>	0.28	12.96	77.92	–	–	91.16
LAI Kai Ming, Dominic <sup>(3)</sup>	0.22	7.96	75.10	0.68	–	83.96
IP Tak Chuen, Edmond						
<i>Paid by the Company</i>	0.22	–	1.84	–	–	2.06
<i>Paid by CKI</i>	0.10	1.80	2.36	–	–	4.26
	0.32	1.80	4.20	–	–	6.32
KAM Hing Lam						
<i>Paid by the Company</i>	0.22	2.65	8.82	–	–	11.69
<i>Paid by CKI</i>	0.08	4.20	9.63	–	–	13.91
	0.30	6.85	18.45	–	–	25.60
Edith SHIH <sup>(3)(4)</sup>	0.28	5.12	18.74	0.38	–	24.52
Andrew John HUNTER						
<i>Paid by the Company</i>	0.22	–	1.09	–	–	1.31
<i>Paid by CKI</i>	0.08	14.80	18.58	1.48	–	34.94
	0.30	14.80	19.67	1.48	–	36.25
CHOW Kun Chee, Roland <sup>(5)</sup>	0.22	–	–	–	–	0.22
CHOW WOO Mo Fong, Susan <sup>(5)</sup>	0.22	–	–	–	–	0.22
LEE Yeh Kwong, Charles <sup>(5)</sup>	0.22	–	–	–	–	0.22
George Colin MAGNUS <sup>(6)</sup>						
<i>Paid by the Company</i>	0.04	–	–	–	–	0.04
<i>Paid by CKI</i>	0.08	–	–	–	–	0.08
	0.12	–	–	–	–	0.12
CHOW Ching Yee, Cynthia <sup>(2)(7)(8)</sup>	0.41	–	–	–	–	0.41
Graeme Allan JACK <sup>(7)(8)</sup>	0.35	–	–	–	–	0.35
Philip Lawrence KADOORIE <sup>(7)</sup>	0.22	–	–	–	–	0.22
LEUNG LAU Yau Fun, Sophie <sup>(1)(7)</sup>	0.25	–	–	–	–	0.25
Paul Joseph TIGHE <sup>(1)(7)(8)</sup>						
<i>Paid by the Company</i>	0.38	–	–	–	–	0.38
<i>Paid by CKI</i>	0.20	–	–	–	–	0.20
	0.58	–	–	–	–	0.58
TSIM Sin Ling, Ruth <sup>(4)(7)(8)</sup>	0.41	–	–	–	–	0.41
WONG Kwai Lam <sup>(2)(7)(8)</sup>	0.41	–	–	–	–	0.41
<b>Total:</b>	<b>5.77</b>	<b>62.08</b>	<b>353.78</b>	<b>3.13</b>	<b>–</b>	<b>424.76</b>

## Corporate Governance Report

Notes:

- (1) Member of the Nomination Committee.
- (2) Member of the Remuneration Committee.
- (3) Directors' fees to these Directors from the Company's listed subsidiaries during the period they served as directors have been paid to the Company and are not included in the amounts above.
- (4) Member of the Sustainability Committee.
- (5) Non-executive Director.
- (6) Former Non-executive Director. Retired on 21 March 2025.
- (7) Independent Non-executive Director. The total emoluments of the Independent Non-executive Directors of the Company are HK\$2.63 million (2024: HK\$2.40 million).
- (8) Member of the Audit Committee.

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

Remuneration Bands*	Number of Individuals
HK\$11 million to HK\$20 million	1
HK\$21 million to HK\$25 million	3
HK\$26 million to HK\$30 million	1
HK\$31 million to HK\$35 million	1
HK\$36 million to HK\$40 million	1
HK\$41 million to HK\$85 million	1

\* Rounding to the nearest million.

## RELATIONSHIP WITH SHAREHOLDERS AND OTHER STAKEHOLDERS

The Board is committed to maintaining effective communication channels with shareholders for constructive engagement and clear understanding of shareholder views on matters affecting the Company, including governance and performance against the corporate strategy of the Group.

In order to stay attuned to changing expectations of stakeholders, the Group places high priority to, and actively promotes, investor relations and constructive dialogues with the investment community throughout the year. In 2025, the Company continued to maintain and enhance multiple channels of communication and engagement, consistent with its Shareholders Communication Policy (please refer to page 111 of this report for more details).

## Shareholder Engagement and Corporate Communications

Channels	2025 Highlights
<b>Investor Engagements</b> <i>(Led by Group Co-Managing Directors, certain members of senior management, executive management teams of core business divisions, representatives from Group CFO office, the Group's sustainability team, GCAD and GIRD)</i>	<p>Through its Executive Directors, the GCAD, Group Investor Relations Department (“GIRD”) and the GCSD, the Group engaged with and responded to requests for information and queries from the investment community including shareholders, potential investors, analysts and the media through regular briefing meetings, webcasts, conference calls and presentations.</p> <p>In 2025, over 140 meetings were conducted with institutional investors and analysts through diverse channels such as video calls, conference calls, group and one-on-one meetings, roadshows and site visit, with an increasing emphasis on sustainability strategy and priorities.</p>
<b>General Meetings</b>	<p>On 22 May 2025, the Company conducted its AGM in hybrid format enabling broader shareholder participation. Shareholders were able to attend physically or by electronic facilities, vote through the online platform, and submit questions prior to or during the AGM, providing meaningful engagement with the Directors and senior management.</p> <p>All Directors attended the 2025 AGM, including the chairpersons of the Board, Audit Committee, Nomination Committee, Remuneration Committee and Sustainability Committee.</p> <p>For more details, please refer to “Shareholders’ Rights and Meetings” below.</p>
<b>Webcasts and Presentations</b> <i>(Led by Executive Directors and senior management)</i>	<p>On 14 August 2025, a webcast was arranged for the interim results of the Company.</p> <p>Recording of the webcast and presentation slides were available on the corporate website, ensuring transparency and accessibility.</p>
<b>Corporate Communication (Announcements/Reports)</b>	<p>During 2025, the 2024 annual report, 2024 sustainability report, 2025 interim report and approximately 20 notices, announcements, circulars and media releases were issued and published.</p>
<b>Corporate Website</b>	<p>Extensive information is available on the Company's website, which serves as a key reference point for stakeholders. This includes the Memorandum and Articles of Association of the Company, relevant policies and codes, together with a wide range of investor resources including financial highlights, share price information, financial calendar, press releases and webcast materials.</p> <p>The Investor Relations page provides details of arrangements on dissemination of corporate communications of the Company and printed corporate communications request. Corporate governance policies and practices, as well as sustainability information and policies are regularly updated and accessible through the dedicated Corporate Governance and Sustainability sections.</p>
<b>Dedicated Contacts</b>	<p>Channels are available for enquiries, feedback, comments, and suggestions from shareholders and other stakeholders. All correspondence are logged and categorised for review and follow-up.</p> <p>Comments and suggestions to the Board or the Company are welcome and can be addressed to Company Secretary by mail to 48th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong or by email at cosec@ckh.com.hk.</p> <p>Institutional investors and analysts can contact the Group Investor Relations of the Company by mail to 47th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong or by email at ir@ckh.com.hk.</p> <p>Stakeholders who wish to provide feedback and suggestions on the sustainability report and sustainability issues can send email to sustainability@ckh.com.hk.</p>

## Corporate Governance Report

### Shareholder Feedback and Follow-up

The Group values feedback from shareholders and other stakeholders on its efforts to promote transparency and foster investor relationship. It has established timely and comprehensive procedures to monitor the outcomes of shareholder engagements. Questions raised during live interactions with shareholders are typically addressed onsite. A structured tracking system is in place to manage shareholder feedback; all comments and suggestions received through various channels are systematically logged and categorised for review and follow up actions. Where relevant, such feedback is taken into account in the Company's strategy formulation, business operations and risk evaluation processes. During 2025, key areas of interest from investors included pipeline progress, governance practices, strategic direction, ESG performance, and capital allocation.

### Shareholders' Rights and Meetings

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 of the Company, any two or more shareholders (or one shareholder which is a recognised clearing house, or its nominee(s)) holding not less than one-tenth of the paid up share capital of the Company, carrying the right of voting at general meetings of the Company, have rights to call for general meetings and to put forward agenda items for consideration by shareholders, by depositing at the principal office of the Company in Hong Kong a written requisition for such general meetings, signed by the shareholders concerned together with the objects of the meeting. The Board would within 21 days from the date of deposit of requisition convene the meeting to be held within a further 21 days.

All substantive resolutions at general meetings are decided on a poll which is conducted by the Company Secretary and scrutinised by the Company's Hong Kong Share Registrar. 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 other stakeholders on the Company's website.

The Company held one shareholders' meeting in 2025, being the 2025 AGM held on 22 May 2025 at Harbour Grand Kowloon as hybrid meeting at which shareholders could join physically or by electronic facilities and could also vote through the online platform. The 2025 AGM was attended by all Directors and PwC. The respective chairpersons of the Board, Audit Committee, Nomination Committee, Remuneration Committee and Sustainability Committee all attended the 2025 AGM. Directors are requested and encouraged to attend shareholders' meetings.

Separate resolutions were proposed at the 2025 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 22 May 2025 are set out below:

Ordinary Resolutions Proposed at the 2025 AGM	Percentage of Votes
1 Adoption of the audited Financial Statements, the Directors' Report and the Independent Auditor's Report for the year ended 31 December 2024	99.6252%
2 Declaration of a final dividend	99.9984%
3(a) Re-election of Mr Frank John Sixt as Director	94.7852%
3(b) Re-election of Mr Kam Hing Lam as Director	93.8825%
3(c) Re-election of Ms Edith Shih as Director	95.1128%
3(d) Re-election of Mr Chow Kun Chee, Roland as Director	93.4825%
3(e) Re-election of Mr Graeme Allan Jack as Director	99.5230%
3(f) Re-election of Mr Philip Lawrence Kadoorie as Director	99.5284%
3(g) Re-election of Mrs Leung Lau Yau Fun, Sophie as Director	98.5817%
4 Re-appointment of PricewaterhouseCoopers as Independent Auditor and authorisation of Directors to fix the Auditor's remuneration	99.3092%
5 Granting of a general mandate to Directors to issue additional shares of the Company	96.5686%
6 Granting of a general mandate to Directors to repurchase shares of the Company	99.9665%

Accordingly, all resolutions put to shareholders at the 2025 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 annual report. This includes, among others, dates for key corporate events for 2026.

### **Shareholders Communication Policy**

The Audit Committee is responsible for regular review of the effectiveness and compliance with prevailing regulatory and other requirements of the Shareholders Communication Policy. In January 2026, the Audit Committee reviewed the policy and considered that the implementation of the policy was effective during 2025 (see page 105 of this report).

### **Dividend Policy**

The Board adopted a Dividend Policy for the Company and is committed to maintaining an optimal capital structure and investment grade credit ratings. The policy is pursued to deliver returns to shareholders whilst ensuring that adequate capital resources are available for business growth and investment opportunities. Subject to business conditions, market opportunities and maintenance of the Company's strong investment grade credit ratings, the Board aims to deliver a sustainable dividend that is in line with earnings improvement and long-term growth of the Company. 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 Group's sustainability governance structure provides a solid foundation for developing and delivering its commitment to sustainability, which is embedded at all levels of the Group, including the Board, the Sustainability Committee, the Audit Committee, the Sustainability Working Group, the European Working Group, the Governance Working Group and the Cyber Security Working Group as well as the sustainability functions embedded across all core businesses.

The Board level Sustainability Committee is chaired by Mr Frank John Sixt, GCMD/GFD, with Executive Director and Company Secretary Ms Edith Shih and Independent Non-executive Director Ms Tsim Sin Ling, Ruth as members.

The responsibilities of the Sustainability Committee are to propose and recommend to the Board on the Group's sustainability objectives, strategies, priorities, initiatives and goals. It oversees, reviews and evaluates 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. The Sustainability Committee also 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, including employees, shareholders, investors, customers, business partners, suppliers, governments and regulators, local communities, non-government organisations, and the environment, and appraises and advises the Board on the Company's public communication, disclosure and publications as regards to its sustainability performance. It is authorised by the Board to obtain independent professional advice where necessary on matters within its terms of reference.

## Corporate Governance Report

The Sustainability Committee held two meetings in 2025 with 100% attendance.

Members	Attended/Eligible to Attend
Frank John Sixt ( <i>Chairman</i> )	2/2
Edith Shih	2/2
Tsim Sin Ling, Ruth	2/2

During 2025, the Sustainability Committee reviewed and approved the 2024 Sustainability Report published in April 2025. The Sustainability Committee also reviewed the progress and highlights on sustainability goals, and received updates from the Group's sustainability lead on the European sustainability progress, as well as presentations on (i) proposed changes/enhancement on the forthcoming 2025 Sustainability Report; (ii) preparation for the upcoming disclosure requirements; (iii) ESG rating agencies and sustainability surveys; (iv) CKHH Group sustainability portal; and (v) review of adequacy of resources, staff qualifications and experience, training programmes and budget. In March 2025, the Sustainability Committee adopted a new Workforce Diversity Policy which was subsequently approved by the Board.

At its meeting in March 2026, the Sustainability Committee received a presentation on (i) debrief on 2025 Sustainability Report; (ii) updates on rating agencies' methodology changes and follow-up actions; (iii) 2026 Sustainability Conference conducted by the Group in February 2026; (iv) European sustainability updates; and (v) review of the adequacy of resources, staff qualifications and experience, training programmes and budget. The Sustainability Committee also reviewed and recommended to the Board for approval the 2025 Sustainability Report, which will be published together with this annual report.

The adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's sustainability performance and reporting function was examined and considered satisfactory by the Sustainability Committee in March 2025 for the 2024 annual review, in August 2025 for the 2025 interim review and in March 2026 for the 2025 annual review.

Supporting the Sustainability Committee is the Sustainability Working Group, comprising two Executive Directors as Co-Chairs, as well as other senior executives from key departments that impact the material sustainability issues of the Group.

Sustainability is embedded in the risk management approach of the Group, through the biannual formal examination of all business divisions as to its respective material sustainability risks and presentations to senior management with plans on how these risks are managed as part of the biannual review of risk management and internal control systems. As an integral part of the sustainability governance, these self-assessment results are subject to internal audits and then submitted to the GCMD/GFD biannually as well as the Audit Committee and Sustainability Committee respectively for review and approval.

### Sustainability Framework

The Group's overall sustainability approach and priorities are built on four pillars: Environmental, Social, Governance and Sustainable Business Model & Innovation, with the latter pillar underscoring the importance of sustainability integration into the business strategies of the Group and the commercial opportunities that sustainability presents. The Group-level framework includes eight goals which extend to all core businesses which complement, rather than replace, the business division level strategies which should always serve to address individual material sustainability issues based on the sectors and geographical locations in which they operate.

Each pillar is supported by Group-wide policies, leadership at Group level and collective efforts of each core business division. On an ongoing basis, the Group continues to assess, update and refine its sustainability policies with a view of ensuring that its systems, processes, standards and practices are enabling the achievement of the sustainability objectives of the Group which also evolve to reflect emerging sustainability trends. These policies can be found in the "Sustainability Policies" section of the Company's website ([https://www.ckh.com.hk/en/esg/esg\\_policies.php](https://www.ckh.com.hk/en/esg/esg_policies.php)). These policies and the governance policies mentioned earlier in this report form the foundation of the sustainability governance framework of the Group.

## Progress

Beyond the following sustainability summary of progress, the standalone Sustainability Report of the Group, which will be published together with this annual report, will provide more details of the Group's initiatives, efforts and achievement in sustainability.

During 2025, the Group dedicated significant efforts to implement its decarbonisation strategy focusing on achieving its science-based targets, net-zero pathways and Scope 3 footprints, as more granular details can be found in the Sustainability Report.

With the Group's core businesses having set emissions reduction targets, underpinned by expansive action plans, the Group has decided to set its own Group-wide commitment of reducing Scope 1 and 2 emissions by 50% by 2035 versus a 2020 baseline, as well as committing to the long-term pursuit of net-zero carbon emissions across its value chain by 2050. This target is based on the significant efforts by each of its core businesses in recent years to develop ambitious targets that are supported by expansive plans.

As part of the ongoing efforts to align the Group's climate action strategy development and reporting to leading practice frameworks, the Company has leveraged the Task Force on Climate-related Financial Disclosures (TCFD) recommendations to provide more detailed insight to the Group's climate-related governance, strategy, risk management, and metrics and targets. While CK Hutchison Group Telecom also published its first TCFD report in 2023, both CKI and 3 UK also completed their own climate scenario analysis assessments and worked diligently to align with the TCFD recommendation. This process enabled respective division to identify the climate-related risks and opportunities, aiding in the evaluation of potential financial implications for its operations.

Sustainability is prioritised by the Group not only because of the risks it poses but also as it acts as a growth opportunity for the Group. Throughout 2025, the Group's core businesses continued to invest in innovation and technology to create competitive advantage and future-ready its business:

- The Ports division implemented a number of decarbonising initiatives, such as the application of mandatory "Equipment Electrification Directive" and on-site renewable energy generation, ensuring the Greenhouse Gas (GHG) emission reduction roadmap and net zero targets shall be reached according to the proposed timeline.
- The Retail division continues to expand its low carbon vehicle fleet across the division, significant achievement can be found with Watsons China, where electric vehicles account for over 80% of all warehouse-to-store deliveries in the cities of Beijing, Shanghai, Guangzhou, Shenzhen, Tianjin, Chongqing and Xiamen. Furthermore, the division has been purchasing renewable energy through Energy Attributes Certificates in selected markets, acquired over 580 GWh of renewable energy through Energy Attributes Certificates across Chinese Mainland, Hong Kong, Philippines, Malaysia, Thailand, Türkiye, Indonesia, bringing positive contribution to the Group's emission reduction targets.
- The Infrastructure division acquired a number of renewable energy assets in 2024, such as UK Renewables Energy, a portfolio of operating onshore wind farms in the United Kingdom, and Powerlink Renewable Assets, a renewable energy portfolio in the United Kingdom.
- The Telecommunications division has leveraged on technology solution and the purchase of renewable energy to achieve encouraging outcome, as CK Hutchison Group Telecom increased its supply of purchased renewable electricity and continued to invest in energy efficiency for its operations. All operations continue to invest in energy efficiency measures with the implementation of network optimisation equipment features, virtualisation of core network and network services, and optimisation of data centres, including through the use of Artificial Intelligence.

## Corporate Governance Report

### Stakeholder Engagement

Throughout 2025, the Group continued its ongoing efforts to engage with a variety of stakeholders. As the Group has a diverse range of businesses and operates in about 50 countries/markets, maintaining a close dialogue with key stakeholders in each industry and geographical jurisdiction is critical when making business decisions and considering the associated potential sustainability impact. Recognising that sustainability performance is becoming an important investment decision factor for investors, the Company is dedicating significant efforts to investor outreach on sustainability topics as well as engaging with the ESG ratings agencies, which are highlighted as the most important to the Group's top investors. In 2025, the Company sustained its participation in CDP disclosure and received "B" score in both climate change and water security sections, received a one-notch improvement to "AA+" in the Hang Seng Corporate Sustainability Indexes as well as the "Prime" status in the ISS ESG rating, and continued its disclosure to MSCI and Sustainalytics.

The Group aspires to be an employer of choice through competitive remuneration packages, continuous professional training, and a safe and inclusive working environment. As part of the talent pipeline development, monthly in-house and external training courses and programmes covering a wide range of topics including technical skills development training, soft skills training and wellness programmes are provided to employees at all levels. Further, Group companies work with educational and professional institutions to inspire, train and mentor the younger generation for future careers with the Group. The Group is committed to providing a work environment that is free from all forms of discrimination on the basis of race, ethnicity, gender, creed, religion, age, disability, sexual preference or position.

Service excellence and human capital continue to be core values guiding operations across all business units, and these principles delivered strong results during the year. Wind Tre and 3 Sweden were recognised as Top Employer Italy and Great Place to Work, respectively. AS Watson Group received the "Caring Company" designation for over 20 consecutive years and was honoured with HR Asia's Best Companies to Work for in Asia, receiving the Platinum Harmonia Award. UK Power Networks was named "Utility of the Year" at the Utility Week Awards 2025 for its exceptional customer service, investment in employees, and leadership in the energy transition. HIT and COSCO HIT from the Ports division also received the Partner Employer Award in 2025. In addition, ensuring a safe working environment remains a core principle across the Group, with facilities in the Ports division continuing to maintain ISO 45001 certification. Safety training also remains a priority, benefiting not only employees but also contractors.

### Compliance with Laws and Regulations

Many of the Group's businesses operate in highly regulated environments. Regulatory frameworks are closely analysed and monitored and internal policies are prepared and updated accordingly. Tailor-made workshops 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. Where appropriate, best practices are shared amongst Group companies to increase cross-fertilisation of ideas and know-how. Further, GMSD is responsible for the assessment of the Group's sustainability practices and relevant regulatory compliance.

The Company 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 (see also page 110 of this report on the Group's compliance with the relevant laws and regulations which have a significant impact on the Group).

By order of the Board

**Edith Shih**

*Executive Director and Company Secretary*

Hong Kong, 19 March 2026