

# CORPORATE GOVERNANCE REPORT

Great Eagle Holdings Limited is committed to maintaining and developing a high standard of corporate governance practices that are designed to enhance company image, boost Shareholders' confidence, and reduce the risk of fraudulent practices and ultimately serve the long-term interests of our Shareholders. The Board of Directors of the Company will from time to time monitor and review the Company's corporate governance practices in light of the regulatory requirements and the needs of the Company to underpin our engrained value of integrity and accountability. The major activities since 1 January 2021 are set out below:

- **Change in Board Composition**

On 22 December 2021, Professor Poon Ka Yeung, Larry was redesignated as Executive Director of the Company to better reflect his new role and function in the Company. Professor Poon also ceased to be a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Board. The vacancies left by him were filled by Mr. Zhu Qi upon his appointment as an Independent Non-executive Director on 1 January 2022. Formal announcements and updated list of Directors of the Company and their respective roles and functions in relation thereto were published on 22 December 2021.

- **Establishment of Anti-Fraud, Bribery and Corruption Policy**

In view of upholding the high standard of corporate governance and in accordance with the Corporate Governance Code, an Anti-Fraud, Bribery and Corruption Policy was established which sets out, inter alia, the minimum standards of conduct to which all employees are required to adhere and guidance on accepting and offering business courtesies.

- **Grant of Share Options**

It is the normal practice of the Company to grant share options to the eligible employees (including Executive Directors) each year after the publication of annual results announcement of the Company in the first quarter subject to the requirements of the Listing Rules. During the year ended 31 December 2021, an aggregate of 4,990,000 share options were granted to the eligible employees (including Executive Directors and their associates). Formal announcement was made on 18 March 2021.

- **General Mandates to Buy-back and Issue Shares of the Company**

General mandates to buy-back no more than 10% of the issued shares and issue no more than 20% of the issued shares of the Company were granted by the Shareholders at the Annual General Meeting of the Company held on 6 May 2021 with 99.67% and 89.57% shares voted in favour of the respective resolutions. The Company did not buy back or issue any shares under the general mandates granted by the Shareholders in the 2021 Annual General Meeting. Although the general mandates granted may not be utilized during the valid period, this gives the Company the flexibility when needed without proposing second and subsequent refreshments of the general mandates in any one year. The Company will use the mandates sparingly and in the interest of the Shareholders.

## CORPORATE GOVERNANCE POLICIES AND PRACTICES

The Board of Directors is responsible for reviewing the overall corporate governance arrangements, approving governance policies and reviewing disclosures in Corporate Governance Report. It plays a central supportive and supervisory role in the Company's corporate governance duties. The governance framework of the Company is constituted by the Statement of Corporate Governance Practice of the Company. It serves as an ongoing guidance for the Directors to perform and fulfill their respective roles and obligations to the Company.

## Corporate Governance Practice

The Company has in place a set of governance policies and procedures which constituted the core elements of the governance framework of the Group. They include:

- **Schedule of Matters Reserved for the Board**

It sets out a list of major issues reserved for the decision of full Board, except when an appropriate board committee is set up for the matter pursuant to a resolution passed by the full Board.

- **Reporting and Monitoring Policy on Connected Transactions**

The purpose of this policy is to set out the internal control systems and monitoring procedures of the Company in respect of executing, recording and reporting of all connected transactions and continuing connected transactions no matter they are exempted transactions or otherwise.

- **Policy on the Preservation and Prevention of Misuse of Inside Information**

It sets out the Company's internal control systems and monitoring procedures to preserve and prevent the misuse of inside information and ensure all persons to whom the policy applies understand their obligations to preserve the confidentiality of unpublished inside information and assist them and the Company to comply with their obligations to disclose inside information.

- **Employee Code of Conduct**

It sets out the basic standards of behaviour expected of all employees (including Executive Directors) and the Group's policy on matters like acceptance of advantages and declaration of conflict of interest by employees in connection with their official duties.

- **Code of Conduct regarding Securities Transactions by Directors and Relevant Employees**

It sets out the required standards against which the Directors and relevant employees of the Company must measure their conduct regarding transactions in securities of the Company or any listed entities in which the Company has 20% or above interest in share capital and the Director or the relevant employee is in possession of unpublished inside information of such entities.

- **Whistleblowing Policy**

It sets out the guideline for the employees or any relevant person on reporting channels and protection for whistleblower, and provides details of how reports of improprieties will be handled.

- **Anti-Fraud, Bribery and Corruption Policy**

It sets out the minimum standards of conduct to which all employees are required to adhere and guidance on accepting and offering business courtesies.

- **Shareholder Communication Policy**

It reflects the current practice of the Company in communications with Shareholders with an aim to promote effective engagement with Shareholders, both individual and institutional investors, and other stakeholders.

- **Social Media Policy**

It sets out the basic standards of behaviour expected of all employees and the procedures they must follow regarding the use of social media, both personally as well as in their capacity as representatives of the Group.

The Board regularly reviews these policies and procedures, and further enhancement will be made from time to time in light of the latest statutory and regulatory regime and applicable international best practices. Copies of the principal governance policies can be obtained from the Company's website at [www.GreatEagle.com.hk](http://www.GreatEagle.com.hk).

## **Compliance with Corporate Governance Code**

During the year, the Company complied with most of the code provisions and where appropriate, adopted some of the recommended best practices as set out in the CG Code. Set out below are the details of the deviations from the code provisions:

### **CG Code Provision A.2.1 requires that the roles of Chairman and chief executive should be separate and should not be performed by the same individual**

Dr. Lo Ka Shui is the Chairman of the Board and is holding the office of Managing Director of the Company. While this is a deviation from CG Code Provision A.2.1, dual role leadership has been in practice by the Company for decades and has withstood the test of time. The Board considers this arrangement to be appropriate for the Company as it can preserve the consistent leadership culture of the Company and allow efficient discharge of the executive functions of the chief executive. The Board believes that a balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high caliber individuals including five Independent Non-executive Directors and three Non-executive Directors who offer advices and views from different perspectives. Meanwhile, the day-to-day management and operation of the Group are delegated to divisional management under the leadership and supervision of Dr. Lo in the role of Managing Director who is supported by the Executive Directors and Senior Management.

### **CG Code Provision A.4.1 requires that Non-executive Directors should be appointed for a specific term, subject to re-election**

While the Bye-laws require that one-third of the Directors (other than the Executive Chairman and Managing Director) should retire by rotation, the Non-executive Directors (including the Independent Non-executive Directors) have no fixed term of office. The Board considers that the provisions in the Bye-laws and its corporate governance measures are no less exacting than those prescribed by CG Code Provision A.4.1 and therefore does not intend to take any steps in this regard.

Following the amendments to the CG Code which took effect on 1 January 2022, Non-executive Directors are no longer required to be appointed for a specific term.

### **CG Code Provision A.4.2 requires that every Director should be subject to retirement by rotation at least once every three years**

Under the existing Bye-laws, the Executive Chairman and Managing Director of the Company are not subject to retirement by rotation. The same provision is contained in The Great Eagle Holdings Limited Company Act, 1990 of Bermuda. As such, Directors who hold the offices of either the Executive Chairman or the Managing Director of the Company are by statute not required to retire by rotation. After due consideration, in particular of the legal costs and procedures involved, the Board considers that it is not desirable to propose any amendment to The Great Eagle Holdings Limited Company Act, 1990 for the sole purpose of subjecting the Executive Chairman and Managing Director of the Company to retirement by rotation. Dr. Lo Ka Shui is the Executive Chairman and Managing Director of the Company. His interests in shares and underlying shares in the Company and associated corporations are set out in the Report of the Directors contained herein. There is no service contract between the Company and Dr. Lo Ka Shui, and he is not appointed for any specified length, or proposed length, of services with the Company. Notwithstanding that Dr. Lo is not subject to retirement by rotation, he has disclosed his biographical details in accordance with Rule 13.74 of the Listing Rules in the circular to the Shareholders in relation to, among other things, the re-election of retiring Directors, for Shareholders' information. A biography of Dr. Lo and details of his emoluments are also provided on page 97 of this Annual Report and in note 11 to the consolidated financial statements respectively.

**CG Code Provision A.6.5 requires that all Directors should participate in continuous professional development to develop and refresh their knowledge and skills**

Madam Lo To Lee Kwan, a Non-executive Director of the Company, is the co-founder of the Group. She was involved in the early stage of development of the Group. Since she is relatively inactive in the Group's business in recent years, she has not participated in the 2021 Director Development Program provided by the Company.

**CG Code Provision B.1.5 requires that details of any remuneration payable to members of Senior Management should be disclosed by band in annual reports**

Remuneration details of Senior Management are highly sensitive and confidential. Over-disclosure of such information may induce inflationary spiral and undesirable competition, which in turn would be detrimental to the interests of the Shareholders. The Board considers that our current approach in disclosing the emoluments of Directors on named basis and that of the five highest paid individuals of the Group in the forms of aggregate amount and by bands in our annual reports is appropriate to maintain the equilibrium between transparency and privacy.

## BOARD OF DIRECTORS

### Board Responsibilities

The Board of Directors assumes responsibility for leadership and control of the Group and is collectively responsible for promoting the success of the Company. The Board is responsible for overseeing the management and operation of the Group, and is ultimately accountable for the Group's activities, strategies and financial performance.

### MEMBERS OF THE BOARD OF DIRECTORS

- The Board currently has fifteen members, seven Executive Directors, three Non-executive Directors and five Independent Non-executive Directors.
- The Board comprises a relatively balanced number of Executive Directors and Non-executive Directors (including Independent Non-executive Directors representing one-third of the Board) that can ensure there is adequate independent judgment for the running of the Company's business.
- The members of the Board comprise experts from various professions with extensive experience and have appropriate professional qualifications or accounting or related financial management expertise.
- Female directors held 20% of the Board seats of the Company.

## Board Composition

The composition of the Board is set out as follows:

### Executive Directors

Dr. LO Ka Shui (*Chairman and Managing Director*)

Mr. LO Hong Sui, Antony

Madam LAW Wai Duen

Mr. LO Chun Him, Alexander

Mr. KAN Tak Kwong (*General Manager*)

Mr. CHU Shik Pui

Professor POON Ka Yeung, Larry (*redesignated on 22 December 2021*)

### Non-executive Directors

Madam LO TO Lee Kwan

Mr. LO Hong Sui, Vincent

Dr. LO Ying Sui

### Independent Non-executive Directors

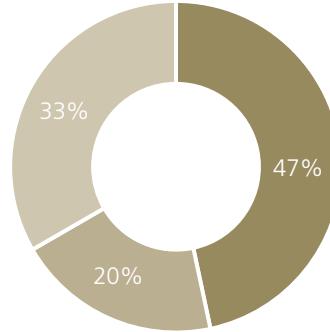
Mr. CHENG Hoi Chuen, Vincent

Professor WONG Yue Chim, Richard

Mrs. LEE Pui Ling, Angelina

Mr. LEE Siu Kwong, Ambrose

Mr. ZHU Qi (*appointed on 1 January 2022*)



■ Executive Director

■ Non-executive Director

■ Independent Non-executive Director

The changes to the composition of the Board and Board Committees since 1 January 2021 were as follows:

- Professor Poon Ka Yeung, Larry was redesignated as an Executive Director of the Company on 22 December 2021 and ceased to be a member of each of the Audit Committee, Remuneration Committee and Nomination Committee; and
- Mr. Zhu Qi was appointed as an Independent Non-executive Director of the Company and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Board on 1 January 2022.

Madam Lo To Lee Kwan is the mother of Dr. Lo Ka Shui, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, and the grandma of Mr. Lo Chun Him, Alexander. Saved as disclosed above, there are no family or other material relationships among members of the Board.

The Bye-laws requires that one-third of the Directors (other than the Executive Chairman and Managing Director) should retire by rotation. The re-election of each retiring Director is voted by poll on an individual basis.

In all corporate communications, the Company has disclosed the composition of the Board according to the categories and responsibilities of the Directors. Biographical details of the Directors and the Senior Management are set out on pages 97 to 104 of this Annual Report and maintained on the Company's website at [www.GreatEagle.com.hk](http://www.GreatEagle.com.hk).

### **Board Independence**

The participation of Independent Non-executive Directors in the Board brings independent judgment on issues relating to the Group's strategy, performance, conflicts of interest and management process to ensure that the interests of all Shareholders have been duly considered.

The Company has received from each Independent Non-executive Director an annual confirmation of his/her independence, and considers that all Independent Non-executive Directors of the Company are independent and fulfill the independence guidelines set out in Rule 3.13 of the Listing Rules. Re-election of all Directors will be subject to a separate resolution at the Annual General Meeting to be approved by Shareholders.

Three of the Independent Non-executive Directors, namely Mr. Cheng Hoi Chuen, Vincent, Professor Wong Yue Chim, Richard and Mrs. Lee Pui Ling, Angelina have served on the Board for more than nine years. The Nomination Committee is fully satisfied that they demonstrate complete independence in character and judgement both in their designated roles and as Board members and is of the opinion that they continue to bring independent judgement and fresh perspectives on the Company's affairs to the Board notwithstanding their length of service. The Board believes that their in-depth knowledge of the Group's business and their extensive experience and expertise continue to provide invaluable contribution to the Board.

### **Directors Orientation and Continuing Development**

The Company has established a Director Development Program that fosters the continuous education of Board members. The program has two components namely (1) New Director Orientation and (2) Ongoing Director Development.

Newly appointed Directors will receive a comprehensive induction package designed to provide a general understanding of the Group, its business, the operations of the Board and the main issues it faces. The induction package reviews the Board's policies and procedures; Bye-laws and current organisation structure; the most recent annual and interim reports and key business issues. In addition, a new Director will have a one-on-one meeting with the Company Secretary with the purpose of assisting the new Director in understanding the role of the Board and its committees, and the commitment expected of a Director.

To keep abreast of the responsibilities of the Directors and infuse them with new knowledge, information packages comprising the latest developments in the legal and regulatory, corporate governance, financial reporting, macroeconomy development, industry news and materials relevant to the roles, functions and duties as a director will be provided to each Director by the Company Secretary periodically. With regard to the Director Development Program in 2021, various reading materials were circulated to the Directors including researches and studies on future directions for portfolio and workplace strategy; the shape of AI governance, new reality for financial reporting, investing in distressed tech start-ups, current trends on travel and social media and economic forecast. All Directors, except Madam Lo To Lee Kwan, participated in the Program and/or other continuous professional development and had provided a record of at least 10 hours' training they received to the Company.

## SUMMARY OF KEY MATTERS RESERVED FOR THE BOARD

### Strategy

- Approval of the Group's long term objectives and corporate strategy
- Extension of the Group's activities into new business of material nature
- Any decision to cease to operate all or any material part of the Group's business
- Any change in the Company's domicile or listing status

### Structure and Capital

- Recommendations to the Shareholders of proposals relating to General Mandates to buy-back existing shares and issue new shares
- Changes relating to the Group's capital structure
- Major changes to the Group's corporate structure, management and control structure

### Financial and Corporate Governance

- Approval of the annual report, interim report and results announcements
- Declaration of interim dividend and recommendation of final dividend
- Approval of any significant changes in accounting policies or practice
- Approval of substantial acquisition or disposal
- Approval of material connected transactions
- Approval of major capital expenditures
- Approval of terms of reference of Board committees
- Review of the Group's overall corporate governance arrangements
- Approval of the Group's governance policies

### Board Membership and Other Appointments

- Appointment of membership of Board Committees
- Appointment or removal of the Company Secretary
- Appointment, re-appointment or removal of the external auditor to be put to Shareholders for approval, if required

### Supply and Access to Information

Directors are provided with monthly reports covering highlights of the Company's major businesses to keep abreast of the Group's business performance and enable them to bring informed decisions in the best interests of the Company and the Shareholders. More thorough and comprehensive management and financial updates were provided to all Board members on a quarterly basis to ensure each member is aware of the financial performance and position of the Company. The Directors are also kept updated of any material developments from time to time through notifications and circulars. Discussion sessions between the Board of Directors and the key members of management are held regularly twice a year. Directors also have access to Senior Management of the Company.

The Board Members may obtain independent professional advice for the purposes of discharging their duties and responsibilities. Such advice may be obtained at the Company's expense upon reasonable request. The Company Secretary is responsible to make all necessary arrangement. The Directors also have access to the advice and services of the Company Secretary, who is responsible to ensure Board procedures and all applicable rules and regulations are followed.

## CORPORATE GOVERNANCE REPORT

As an employee of the Company, the Company Secretary supports the Board, ensures good information flow within the Board, and Board policy and procedures are followed, advises the Board on governance matters, facilitates induction and monitors the training and continuous professional development of Directors. She is a fellow of The Hong Kong Chartered Governance Institute and attained not less than 15 hours of professional training each year to update her knowledge and skill. Her biography is set out in the Biographical Details of the Directors and Senior Management section of this Annual Report.

### Board Meetings

The Board meets regularly at least four times a year at approximately quarterly intervals, to discuss and formulate the Group's overall business strategies, monitor financial performance and discuss the annual results, interim results and other significant matters as set out in the Schedule of Matters Reserved for the Board.

### PROCEEDINGS OF THE BOARD

- In accordance with the Bye-laws, a resolution in writing signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held. If a substantial Shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will not be dealt with by way of resolution in writing or by a Committee (except an appropriate Board Committee set up for that purpose pursuant to a resolution passed in a Board meeting) but a full Board meeting will be held.
- At least 14 days' formal notice of a regular Board meeting will be given to all Directors and all Directors are given the opportunity to include any matters for discussion in the agenda for each regular Board Meeting. For special Board meeting, reasonable notice will be given.
- An agenda and accompanying Board papers will be sent to all Directors at least 3 days in advance of every regular Board meeting or Committee meeting. All Directors are entitled to have access to board papers and related materials. These papers and related materials should be in a form and quality sufficient to enable the Board to make informed decisions on matters placed before it.
- A Director may participate in a meeting of the Board by means of telephone conference or video conference. Unless otherwise determined, two Directors shall be a quorum.
- Draft and final version of minutes are circulated to all Directors for their comment and confirmation within a reasonable time after each Board and Board Committee meeting. All Board and Board Committee minutes or resolutions shall be kept by the Company Secretary or the Committee Secretary and are available for Directors' inspection.

## Directors' Attendance at Board Meetings

Four full physical Board meetings were held during the year ended 31 December 2021. In view of the ongoing COVID-19 pandemic, Board meetings were held either by means of telephone conference or video conference during the year. The attendance of individual Directors at these Board meetings during the year ended 31 December 2021 is set out below:

Name of Directors	Number of Board Meetings Attended/Eligible to Attend for the year ended 31 December 2021
<b>Executive Directors</b>	
LO Ka Shui <sup>(Note 1)</sup>	4/4
LO Hong Sui, Antony	4/4
LAW Wai Duen	4/4
LO Chun Him, Alexander	4/4
KAN Tak Kwong <sup>(Note 2)</sup>	4/4
CHU Shik Pui	4/4
POON Ka Yeung, Larry <sup>(Note 3)</sup>	4/4
<b>Non-executive Directors</b>	
LO TO Lee Kwan	Note <sup>(4)</sup>
LO Hong Sui, Vincent	4/4
LO Ying Sui	4/4
<b>Independent Non-executive Directors</b>	
CHENG Hoi Chuen, Vincent	4/4
WONG Yue Chim, Richard	4/4
LEE Pui Ling, Angelina	4/4
LEE Siu Kwong, Ambrose	4/4
ZHU Qi <sup>(Note 5)</sup>	N/A

Notes:

- (1) Chairman and Managing Director
- (2) General Manager
- (3) Redesignated as an Executive Director on 22 December 2021
- (4) Madam Lo To Lee Kwan did not attend the Board meetings in the year 2021. Madam Lo has been long in office and is relatively inactive in the Group's business in recent years. However, as a co-founder of the Company, Madam Lo has an irreplaceable status in the Company, and in view of her history and contributions in the Group, the Board considered that it is fit and proper for Madam Lo to remain in the Board of the Company.
- (5) As Mr. Zhu Qi was appointed as an Independent Non-executive Director on 1 January 2022, he had no attendance record during the year 2021.

## CORPORATE GOVERNANCE REPORT

### **Directors' and Officers' Insurance**

During the year ended 31 December 2021, the Company has arranged appropriate Directors' and Officers' liabilities insurance coverage in respect of legal action against its Directors and officers.

### **Directors' Securities Transactions**

The Company has adopted its own Code of Conduct regarding Securities Transactions by Directors and Relevant Employees of the Company on terms no less exacting than the required standard set out in the Model Code and the same is updated from time to time in accordance with the Listing Rules requirements. The Directors' interests in the securities of the Company and its associated corporations (within the meaning of the SFO) as at 31 December 2021, are set out on pages 112 to 116 of this Annual Report.

Having made specific enquiries, all Directors and relevant employees of the Company have confirmed that they have fully complied with the Code of Conduct for Securities Transactions throughout the year ended 31 December 2021.

## **DELEGATION BY THE BOARD**

### **Management Functions**

Under the leadership and supervision by the Board, day-to-day management and operation of the Group are delegated to divisional management. The Board gives clear directions to the management as to their powers of management, and circumstances in which the management should report back. Apart from the above, the divisional management is also accountable for the execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements, rules and regulations.

### **Board Committees**

The Board of Directors has established four standing Board Committees with clear terms of reference to review specific issues or items. They are the Audit Committee, Remuneration Committee, Nomination Committee and Finance Committee. These Board Committees also adopted the same principles, procedures and proceedings of the Board of Directors. The Board Committees meet regularly during the year to make fruitful contribution by sharing views, advices and experiences on matters material to the Group's affairs.

In view of the ongoing COVID-19 pandemic, Board Committees meetings were held either by means of telephone conference or video conference during the year.

### **Audit Committee**

The Audit Committee of the Company was established in 1999. The written terms of reference of the Audit Committee are posted on the Company's website and the HKEXnews website.

The Audit Committee currently comprises five Independent Non-executive Directors, namely, Mr. Cheng Hoi Chuen, Vincent (who is the chairman of the Audit Committee), Professor Wong Yue Chim, Richard, Mrs. Lee Pui Ling, Angelina, Mr. Lee Siu Kwong, Ambrose and Mr. Zhu Qi (appointed on 1 January 2022). Professor Poon Ka Yeung, Larry has ceased to be a member of the Audit Committee with effect from 22 December 2021.

The role of the Audit Committee is to review the reports and proposals from management and to make recommendations to the Board of Directors of the Company in respect of the financial reporting and other statutory obligations, risk management and internal control systems, audit process and corporate governance practices with a view to assist the Board to fulfill its duties in relation to internal control, risk management, financial management and corporate governance. The Audit Committee is advisory and not supervisory in nature and its principal duties are as follows:

- (a) to review the Company's half-year and annual report and financial statements of the Company and provide comments and advices thereon to the Board;
- (b) to discuss with the management the Company's statement on risk management and internal control systems, to review the internal audit programme and internal auditors' reports, to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor the effectiveness of the internal audit function;
- (c) to be primarily responsible for making recommendation to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the audit fee and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor;
- (d) to review the external auditor's management letter, any material queries from the auditor to management in respect of the accounting records, financial accounts or system of internal control and management's response to the points raised;
- (e) to review arrangements that employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, risk management, internal control or other matters and ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action; and
- (f) to review the implementation and compliance of the Deed of Right of First Refusal dated 10 May 2013 entered into between the Group and LHI regarding the grant of a right of first refusal by the Group to LHI in relation to certain investment and disposal of hotel properties by the Group as more particularly described in the prospectus of LHI in order to maintain a clear delineation of the respective businesses of LHI and that of the Group.

## AUDIT COMMITTEE MEETINGS HELD IN 2021

During the year ended 31 December 2021, two meetings of Audit Committee were held and the members then were all present at the meetings. The following is a summary of the major work done of the Audit Committee at these meetings:

- reviewed various internal audit activities and approved the annual audit plan;
- reviewed the effectiveness of the risk management and internal control systems;
- reviewed the significant findings and recommendations from the internal auditor and monitored subsequent implementations;
- reviewed the external auditor reports for the year ended 31 December 2020 and for the six months ended 30 June 2021 respectively which summarise the principal matters of governance interest that had arisen from their audit;
- reviewed the Group's accounting, finance and reporting functions, legal and regulatory, and governance and compliance issues including but not limited to the Company's compliance with legal and regulatory requirements and the CG Code for the year ended 31 December 2020 and the six months ended 30 June 2021, and the disclosure in the Corporate Governance Report;
- reviewed the audited financial statements for the year ended 31 December 2020 and the unaudited financial statements for the six months ended 30 June 2021, with particular regard to significant audit risks and other audit issues including:
  - (1) significant risk on the review on fair value of the Group's investment properties;
  - (2) significant risk on the impairment review of hotel buildings assessed with value in use;
  - (3) the review on the fair value of financial assets at fair value through profit or loss;
  - (4) the review on the fair value of derivative financial instruments – cross currency swaps and interest rate swaps of the Group;
  - (5) the review on the effectiveness of the cashflow hedge;
  - (6) the review on revenue recognition; and
  - (7) the potential oversight by management in the financial reporting process.
- reviewed and approved the draft 2020 Annual Report and final results announcement of the Company;
- reviewed and approved the draft 2021 Interim Report and interim results announcement of the Company; and
- reviewed and considered the re-appointment of Messrs. Deloitte Touche Tohmatsu as the external auditor and approved their remuneration.

## Remuneration Committee

The Company established the Remuneration Committee in 2004. The written terms of reference of the Remuneration Committee are posted on the Company's website and the HKEXnews website.

The Remuneration Committee currently comprises five Independent Non-executive Directors, namely, Mrs. Lee Pui Ling, Angelina (who is the chairwoman of the Remuneration Committee), Mr. Cheng Hoi Chuen, Vincent, Professor Wong Yue Chim, Richard, Mr. Lee Siu Kwong, Ambrose and Mr. Zhu Qi (appointed on 1 January 2022). Professor Poon Ka Yeung, Larry has ceased to be a Remuneration Committee member with effect from 22 December 2021.

The Remuneration Committee reviews and approves the remuneration packages for all Directors and Senior Management. It is also responsible for setting up formal and transparent procedures to formulate policy on Executive Directors' remuneration and to ensure remuneration levels are sufficient to attract and retain Directors to run the Company successfully without paying more than necessary. The principal duties of the Remuneration Committee are as follows:

- (a) to have the delegated responsibility to determine the remuneration packages of the Company's employees including Executive Directors and Senior Management; and
- (b) to decide on the grant of share options under such Share Option Scheme as may from time to time be adopted by the Company.

### REMUNERATION COMMITTEE MEETING HELD IN 2021

During the year ended 31 December 2021, one physical meeting of Remuneration Committee was held in January 2021 and the members then were all present at the meeting. The following is a summary of the major work done of the Remuneration Committee at the meeting:

- reviewed and approved the proposals for 2021 general salary revision of and discretionary bonus distribution to the employees of the Group;
- reviewed and approved the revisions of salary, discretionary bonus distribution and other remuneration packages of Executive Directors and Senior Management of the Group;
- reviewed and recommended the Directors' fee and remuneration for Non-executive Directors and Independent Non-executive Directors for the year 2021; and
- reviewed and approved the annual grant of share options of the Group.

All Executive Directors are under salaried employment in the Company. Review of the emoluments of Directors and Senior Management by the Remuneration Committee during the year was based on the skills and knowledge of the Directors and Senior Management, their job responsibilities and involvement in the Group's affairs, the Company's performance and profitability as well as remuneration benchmark in the industry and the prevailing market conditions.

No Director should be involved in deciding his/her own remuneration. The remunerations of individual Director and Senior Management are determined by the Remuneration Committee which comprises only Independent Non-executive Directors. The remuneration package offered to the Directors and Senior Management of the Company comprises core fixed elements (including base salary, retirement benefits scheme contributions and other benefits) as well as discretionary variable elements (including discretionary bonuses). Details of Directors' emoluments are provided in note 11 to the consolidated financial statements.

### Nomination Committee

The Company established the Nomination Committee in 2005. To conform to the amendments to the Listing Rules, the terms of reference of the Nomination Committee of the Company has been updated in December 2018. The updated written terms of reference are posted on the Company's website and the HKEXnews website.

The Nomination Committee currently comprises five Independent Non-executive Directors, namely, Professor Wong Yue Chim, Richard (who is the chairman of the Nomination Committee), Mr. Cheng Hoi Chuen, Vincent, Mrs. Lee Pui Ling, Angelina, Mr. Lee Siu Kwong, Ambrose and Mr. Zhu Qi (appointed on 1 January 2022). Professor Poon Ka Yeung, Larry has ceased to be a Nomination Committee member with effect from 22 December 2021.

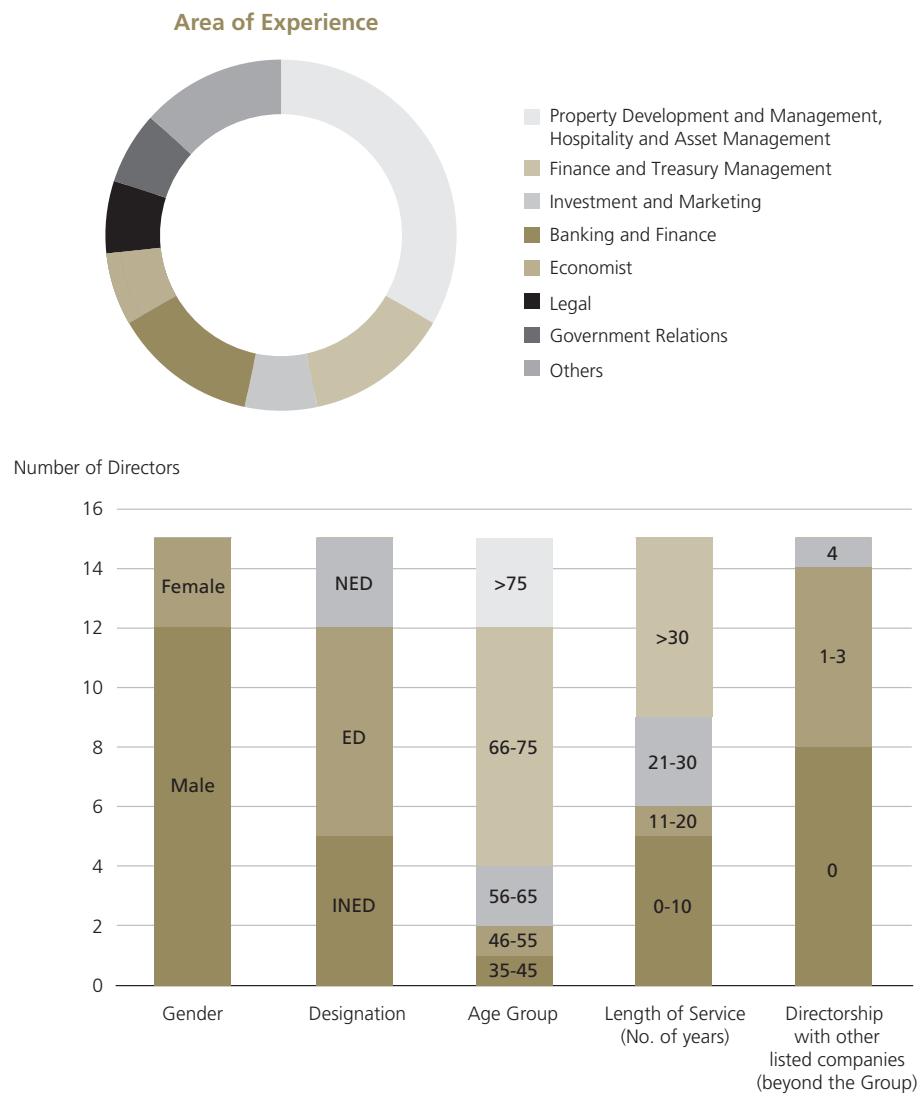
The Nomination Committee is responsible for formulating policy and making recommendations to the Board on nominations, appointment or re-appointment of Directors and Board succession. The principal duties of the Nomination Committee are as follows:

- (a) to establish a policy concerning diversity of the Board taking into account the Group's business model and specific needs;
- (b) to establish a policy for the nomination of directors of the Group;
- (c) to review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (d) to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorships;
- (e) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors; and
- (f) to assess the independence of Independent Non-executive Directors.

- **Board Diversity Policy**

According to the board diversity policy (the "Board Diversity Policy") adopted by Nomination Committee, the Company recognises and embraces that increasing diversity at the Board level is an important part of achieving its strategic objectives and to attract and retain the best people. Appointments to the Board shall be on merit, in the context of the skills and experience the Board as a whole requires to be effective, and against objective criteria and with due regard for the benefits of diversity. There are many considerations that factor into the Nomination Committee's nomination process including legal requirements, best practices, and skills required to complement the Board's skill set and the number of Directors needed to discharge the duties of the Board and its Committees. But it will not set any restrictions like gender, age, cultural or educational background when short-listing candidates. The Company believes that a truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background and other qualities of Directors. The Nomination Committee shall review the diversity of the Board at least annually taking into account the Group's business model and specific needs and shall monitor the implementation of the Board Diversity Policy and, if appropriate, make recommendations on proposed changes to the Board to complement the Company's corporate strategy.

Currently, the Board has a diversity of perspectives appropriate to the requirements of the business of the Company. The Board comprises a range of expertise including property development and management, hospitality and asset management, finance and treasury management, investment and marketing, banking and finance, economist, legal, government relations and others. The mix of the skills and background of the Directors are appropriate taking into account the business nature, corporate strategy and structure of the Company. Besides, the Board is made up of different age group and both genders. The Board considers that its current board composition is diversified with appropriate balanced professional background, skill, experience, gender and age. The following charts show the diversity profile of the Board as at 31 December 2021:



**Remarks:**

ED – Executive Director

NED – Non-executive Director

INED – Independent Non-executive Director

Further information on the biography of the Directors is set out in the section "Biographical Details of Directors and Senior Management" of this Annual Report and the website of the Company.

- **Nomination Policy**

The Nomination Committee recommends candidates for nomination to the Board, which approves the final choice of candidates. The Nomination Committee was responsible to maintain the nomination policy of the Company (the "Nomination Policy") and review the same regularly. The objective of the Nomination Policy is to assist the Company in fulfilling its duties and responsibilities as provided in its terms of reference. This Nomination Policy sets out, inter alia, the selection criteria and the evaluation procedures in nominating candidates to be appointed or re-appointed as Directors of the Company.

The Nomination Committee shall consider any and all candidates recommended as nominees for Directors to the Committee by any Directors or Shareholders of the Company in accordance with the Bye-laws. The Nomination Committee may also undertake its own search process for candidates and may retain the services of professional search firms or other third parties to assist in identifying and evaluating potential nominees. The Nomination Committee shall endeavour to find individuals of high integrity who possess the qualifications, qualities, skills, experience and independence (in case of Independent Non-executive Directors) to effectively represent the best interests of all Shareholders. Candidates will be selected for their ability to exercise good judgment, and to provide practical insights and diverse perspectives. The Nomination Committee may use any process it deems appropriate for the purpose of evaluating candidates including personal interviews, background checks, written submission by the candidates and third party references. As far as practicable, nominees for each election or appointment of Directors shall be evaluated using a substantially similar process. The Nomination Committee shall review the Nomination Policy from time to time.

The Nomination Committee believes that independence is an important part of fulfilling the Directors' duty to supervise the management of the business and affairs of the Company. Non-executive Directors and Executive Directors are required to disclose his/her competing businesses to the Company. Cross-directorships in Hong Kong or overseas between Directors are also reviewed annually. The Nomination Committee is accountable for assessing whether any competing businesses or interlocking directorships could materially interfere with the exercise of objective and unfettered judgement by relevant Directors or their ability to act in the best interests of the Group.

## NOMINATION COMMITTEE MEETING HELD IN 2021

During the year ended 31 December 2021, two meetings of Nomination Committee were held either in the form of physical meeting via telephone conference or by way of written resolutions signed by all Committee members except those who have conflict of interest. The following is a summary of the major work done of the Nomination Committee during the year:

- reviewed the structure, size and composition of the Board, and the contribution required from the Board members;
- reviewed the time commitment of Non-executive Directors to the affairs of the Company through, inter alia, their meeting attendance and other listed Company's directorships;
- reviewed the independence of Independent Non-executive Directors;
- approved the nomination of retiring Directors to seek for re-election at the 2021 Annual General Meeting; and
- approved the redesignation of Professor Poon Ka Yeung, Larry as an Executive Director and the appointment of Mr. Zhu Qi as an Independent Non-executive Director.

## Finance Committee

The Company established the Finance Committee in 2003 which currently comprises four Executive Directors, namely Dr. Lo Ka Shui (who is the chairman of the Finance Committee), Mr. Kan Tak Kwong, Mr. Lo Chun Him, Alexander and Mr. Chu Shik Pui. Members of the Finance Committee meet regularly on a weekly basis. Matters considered by the Finance Committee and the decisions reached are reported to the Board at regular Board meetings.

The role of the Finance Committee is to assist the Board in overseeing its policies and fulfilling its responsibilities with respect to financial matters. Apart from the day-to-day interactions, the principal duties of the Finance Committee are as follows:

- (a) to review the financial position of the Company including the present or future borrowings and/or other financial obligations and/or liabilities, actual, contingent or otherwise of the Group;
- (b) to review, consider and approve the submission of bids for "Qualified Property Acquisition" (as defined under the Listing Rules);
- (c) to approve the use of seal of the Company onto any instruments in relation to the provision of guarantee or indemnity by the Company to support any tender submissions to be made by any members of the Group for any government or public sector contracts of whatsoever nature on normal commercial terms; and
- (d) to approve and authorise the opening and closing of and update the list of authorised signatories or signing arrangement in relation to any accounts maintained with any financial intermediates including banks and financial institutions in the name of the Company.

## CORPORATE GOVERNANCE REPORT

### DIRECTOR'S FEE AND BOARD COMMITTEE REMUNERATION

A Director is entitled to receive a Director's fee of HK\$220,000 for the year ended 31 December 2021. The Director's fee had been proposed by the Board on the recommendation of the Remuneration Committee based on the general duties and responsibilities as a Director of the Company and approved by Shareholders at the 2021 Annual General Meeting, and payable to each Director as ordinary remuneration.

The annual remunerations received by the chairman and the members of the Audit Committee, Remuneration Committee and Nomination Committee are set out below. These remunerations were determined by the Board with reference to the time and effort involved in his/her specific duties and services and the prevailing market conditions. No extra remuneration was paid to the chairman and members of the Finance Committee.

	2021 HK\$	2020 HK\$
<b>Audit Committee</b> • Chairman • Committee Member	220,000 170,000	220,000 170,000
<b>Remuneration Committee</b> • Chairman • Committee Member	70,000 60,000	70,000 60,000
<b>Nomination Committee</b> • Chairman • Committee Member	60,000 50,000	60,000 50,000

### CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

During the year ended 31 December 2021, certain transactions between the Group and parties regarded as "related parties" under the applicable accounting standards subsisted. Certain of these related party transactions also constituted connected transactions as defined under the Listing Rules. Details of related party transactions are disclosed in note 39 to the consolidated financial statements.

## AUDITOR'S REMUNERATION

During the year ended 31 December 2021, the total fees in respect of audit and non-audit services provided to the Group by the Company's auditor, Messrs. Deloitte Touche Tohmatsu, are set out as follows:

Services rendered	2021 HK\$'000	2020 HK\$'000
Audit services	15,779	14,961
Non-audit services		
Taxation services	4,367	4,200
Interim review fee	1,586	1,586
Other review fees	633	2,289
	22,365	23,036

Note: The total amount of Auditor's Remuneration as disclosed in note 10 to the consolidated financial statements is HK\$16,225,000 which comprises audit services provided by other auditors in the total amount of HK\$446,000, but does not include the fees in respect of non-audit services.

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board is entrusted with the overall responsibility on an ongoing basis for ensuring that adequate and effective risk management and internal control systems are established and maintained for the Group. The systems are designed to provide reasonable but not absolute assurance against material misstatement or loss, and to manage rather than eliminate risk of failure to meet the business objectives. The following have been established and executed to ensure that there are adequate and effective risk management and internal control systems within the Group:

- (a) a good control environment including well defined organisational structure, limit of authority, reporting lines and responsibilities;
- (b) Risk Management Self-Assessment and Internal Control Self-Assessment conducted at least annually by major business entities of the Group;
- (c) appropriate risk mitigating activities including clear and written company policies and procedures that can manage risks to an acceptable level for the achievement of the business objectives;
- (d) effective information platforms to facilitate internal and external information flow; and
- (e) structural Internal Audit function to perform independent appraisal of major operations on an ongoing basis.

Through the Audit Committee and the Group's Internal Audit Department, the Board has conducted an annual review on the effectiveness of the risk management and internal control systems for the year ended 31 December 2021.

## CORPORATE GOVERNANCE REPORT

A risk management framework is implemented that provides a structured basis where all key risks (including but not limited to governance and strategy, regulatory compliance, people and talent, technology and operations, financial, economic, legal and ESG) are identified, analysed, evaluated, treated, monitored and reported in a consistent manner at all levels across the Group to support development and achievement of overall strategy and business objectives. Risk Register is maintained to summarize the significant risks faced by the Group and the relevant risk mitigating activities.

With adoption of a risk-based approach, the Internal Audit Department takes the lead to evaluate the risk management and internal control systems of the Group by reviewing all its major operations on a cyclical basis. The audit reviews cover all material controls including financial, operational and compliance controls. The annual audit plan and the long-term strategy plan of the Internal Audit Department are approved by the Audit Committee. The Head of Internal Audit Department reports directly to the Managing Director and the Audit Committee. Results of the audit reviews in the form of internal audit reports are submitted to the members of the Audit Committee for discussion at the Audit Committee meetings. The internal audit reports are also followed up by the Internal Audit Department to ensure that findings previously identified have been properly resolved.

Based on the results of the internal audit reviews for the year ended 31 December 2021 and the assessment of the Audit Committee thereon, no significant irregularity or deficiency in the risk management and internal control systems has drawn the attention of the Audit Committee.

The Board therefore is satisfied that the Group has maintained adequate and effective risk management and internal control systems for the year ended 31 December 2021.

## DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board, supported by the Accounts and Finance Department, is responsible for the preparation of the accounts of the Group for the year ended 31 December 2021.

The statement by the Auditor of the Company about their reporting responsibilities is set out in the Independent Auditor's Report on pages 126 and 131 of this Annual Report.

## INVESTOR RELATIONS

### Constitutional Documents

During the financial year 2021, there was no change in the Company's constitutional documents. A consolidated version of the Company's constitutional documents is available on the Company's website and the HKEXnews website.

### Shareholder Communication Policy

The Company recognises the importance of maintaining an on-going dialogue with the Shareholders. A Shareholder Communication Policy has been reviewed during the year to promote effective engagement with Shareholders, both individual and institutional investors, and other stakeholders, giving them ready access to balanced and understandable information about the Company and corporate proposals, and making it easy for Shareholders to participate in general meetings. Below is a summary of the Shareholder Communication Policy.

Our company website ([www.GreatEagle.com.hk](http://www.GreatEagle.com.hk)) is one of the principal channels of communication with our Shareholders and potential investors where a wealth of information about the Company can be found. All corporate communications of the Company, including but not limited to annual and interim reports, announcements, circulars, key corporate governance policies, terms of reference of the Board Committees and other corporate information are available on this website. For Shareholders who have supported the use of environmentally-friendly means in receiving corporate communications, our website provides the most convenient way for locating the desired information. We also address the needs of those Shareholders who are more accustomed to reading offline by sending corporate communications to them in printed form free of charge upon receipt of their election in writing as such.

To facilitate a two-way dialogue with Shareholders and other stakeholders, investor presentation materials from analyst briefings on annual and interim results are also posted on our website so as to deliver a more in-depth understanding on the Company's financial performance and position. Shareholders, other stakeholders and public member may at any time direct their enquiries about the Company by writing to the Company's principal place of business in Hong Kong and by email to [info@greateagle.com.hk](mailto:info@greateagle.com.hk).

The Board reviewed the implementation and effectiveness of the Shareholder Communication Policy in February 2022. During the year under review, the company website was updated on a regular basis to maintain an effective ongoing communication with Shareholders and Shareholders could access the latest information of the Company through the company website. Information released by the Company to the Stock Exchange was also posted on the company website as soon as reasonably practicable thereafter. Shareholders were provided with the opportunities to communicate with the Directors and senior management directly at general meeting. Enquiries from Shareholders were responded within a specific timeframe. Based on the above, the Board was of the view that the Shareholder Communication Policy was effective.

Another principal channel of communication with the Shareholders is the Annual General Meeting. The Company ensures that Shareholders' views are communicated to the Board. Total voting rights of Shareholders present at the Annual General Meeting in person or by proxy in the past three years are as follows:

<b>Total Voting Rights Present at the Annual General Meeting</b>	<b>Year of Annual General Meeting</b>		
	<b>2019</b>	<b>2020</b>	<b>2021</b>
No. of shares represented	555,601,197	572,026,286	569,586,096
% of shares represented	79.32%	80.75%	79.02%
No. of issued shares as at the date of the Annual General Meeting	700,473,038	708,382,048	720,793,112

The Chairman of the Board and the chairmen/chairwoman of the Audit, Remuneration, Nomination and Finance Committees would attend Annual General Meeting and be available to answer questions. The Auditor is also invited to attend Annual General Meeting to answer questions about the conduct of audit, the preparation and content of the auditor's report, the accounting policies and auditor's independence.

Proceedings of General Meetings are reviewed from time to time to ensure that the Company follows the best appropriate corporate governance practices.

## PROCEEDINGS OF GENERAL MEETINGS

- At each general meeting, each substantially separate issue will be considered by a separate resolution.
- Printed copies of the corporate communications including annual reports, circulars, explanatory statements and related documents or their respective notification letters of publication (as the case may be) will be despatched to Shareholders no less than 20 clear business days prior to the Annual General Meeting and general meeting where a special resolution is proposed for consideration or no less than 10 clear business days for other general meetings. Detailed information on each resolution to be proposed will also be provided.
- The Chairman of the Board and the respective Board Committees or their duly appointed delegates and other Board members will attend the Annual General Meeting to answer questions from Shareholders.
- The external auditor will attend Annual General Meeting to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence and any other related questions as may be raised by the Shareholders.
- All votes of Shareholders at general meeting will be taken by poll. The procedures for conducting a poll will be explained at the meeting.
- Independent scrutineer will be engaged to ensure all votes at general meeting are properly counted.
- Poll vote results will be posted on the Company's website and the HKEnews website on the same day after the general meeting.

The Company is committed to protecting the privacy right on all personal data collected from Shareholders. When collecting personal data from the Shareholders, the Company will specify in the relevant documents the purpose of collection and the use of personal data etc. Contact details are also provided to the Shareholders for accessing and correcting their personal data.

The Board is committed to promote consistent disclosure practices aimed at accurate, timely and broadly disseminated disclosure of material information about the Company to the market. Corporate communications of the Company, including but not limited to annual reports, interim reports, and notices of meetings, announcements, circulars and other relevant Company's information are available on the website of the Company at [www.GreatEagle.com.hk](http://www.GreatEagle.com.hk). The Company Secretary is responsible for overseeing and coordinating disclosure of information to the regulators and Shareholders, and providing guidance to Directors and employees on disclosure requirements and procedures.

In order to reduce paper consumption for environmental reasons and to save printing and mailing costs for the benefit of Shareholders, the Company has provided registered Shareholders with a choice of receiving corporate communications (including documents issued or to be issued by or on behalf of the Company for the information or action of Shareholders as defined in Rule 1.01 of the Listing Rules) by electronic means through the Company's website or in printed form.

To ensure mutual and efficient communications, the Company meets institutional investors, financial analysts and media regularly at analyst briefings, investor meetings, one-on-one group meetings, local and overseas conference and roadshows. Investors and Shareholders may visit the Company's website for details of the Company's recent press release and results announcement presentation and may also send enquiries to the Board through the Company's website or by email at [enquiry@greateagle.com.hk](mailto:enquiry@greateagle.com.hk). A financial calendar setting out the important dates is contained in this Annual Report on page 5.

## General Meeting held in 2021

One General Meeting of the Company was held in 2021. Set out below are the details of the General Meeting held in 2021:

### 2021 Annual General Meeting

In light of the outbreak of COVID-19, the Company implemented a number of precautionary measures for the 2021 Annual General Meeting, including distant seat arrangement and restricting the number of attendees in the 2021 Annual General Meeting venue.

The 2021 Annual General Meeting was held on 6 May 2021 at 32nd Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong. Dr. Lo Ka Shui, Mr. Cheng Hoi Chuen, Vincent, Mrs. Lee Pui Ling, Angelina, Mr. Lee Siu Kwong, Ambrose, Professor Wong Yue Chim, Richard, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent, Dr. Lo Ying Sui, Mr. Lo Chun Him, Alexander, Mr. Kan Tak Kwong, Mr. Chu Shik Pui and Professor Poon Ka Yeung, Larry had attended the Annual General Meeting in 2021. The matters resolved thereat are listed below:

Ordinary Resolutions	Percentage* of Votes in favour of the Resolution
1. Received the audited consolidated Financial Statements of the Group for the year ended 31 December 2020 together with the Reports of the Directors and Independent Auditor thereon.	99.99%
2. Approved the payment of a Final Dividend of HK50 cents per share.	99.99%
3. Approved the payment of a Special Final Dividend of HK50 cents per share.	99.99%
4. Re-elected Madam Law Wai Duen as an Executive Director.	99.77%
5. Re-elected Mr. Lo Chun Him, Alexander as an Executive Director.	99.78%
6. Re-elected Professor Wong Yue Chim, Richard as an Independent Non-executive Director.	99.25%
7. Re-elected Mr. Lee Siu Kwong, Ambrose as an Independent Non-executive Director.	99.99%
8. Re-elected Mr. Chu Shik Pui as an Executive Director.	99.78%
9. Fixed the ordinary remuneration of HK\$220,000 payable to each Director for the year 2021.	99.93%

Ordinary Resolutions	Percentage* of Votes in favour of the Resolution
10. Re-appointed Messrs. Deloitte Touche Tohmatsu as Auditor and authorised the Board of Directors to fix their remuneration.	99.87%
11. Approved the grant of a general mandate to the Directors to buy-back shares not exceeding 10% of the total number of issued shares.	99.67%
12. Approved the grant of a general mandate to the Directors to allot, issue and deal with additional shares not exceeding 20% of the total number of issued shares.	89.57%

\* truncated to two decimal places.

Each of the general mandates to buy-back and to issue shares of the Company shall remain in effect until the conclusion of the next annual general meeting, or the expiration of the period within which such annual general meeting is required by laws or Bye-laws to be held or until revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first. Although the general mandates granted may not be utilized during the valid period as mentioned above, this gives the Company the flexibility when needed without proposing second and subsequent refreshments of the general mandates in any one year. The Company will use the mandates sparingly and in the interest of the Shareholders. The Company did not buy back or issue any shares under the general mandates granted by the Shareholders in the 2021 Annual General Meeting.

## DIVIDEND POLICY

The Company has put in place a divided policy. Any declaration and payment of dividends shall be determined at the sole discretion of the Board with the long term objective of maximizing Shareholder value of the Company. The Company aims to provide its Shareholders with a target annual dividend payout of not less than 25% of the core profit after tax attributable to equity holders in any financial year subject to the following factors:

1. the Company's actual and expected cash flow positions and financial performance;
2. projected capital expenditure, future expansion plans and growth opportunities;
3. the Group's debts to equity ratio, return on equity and the relevant financial covenants;
4. general economic conditions, business cycle of the Group's core business;
5. general expectation of Shareholders and investors of the Company; and
6. any other factors that the Board deems appropriate.

The Board will declare dividends semi-annually. The payment of final dividend is subject to the approval of Shareholders and scrip dividend distribution option will be provided for the election of the Shareholders in relation to the payment of final dividend in any financial year. The Board may at its sole discretion declares the payment of special dividends to Shareholders as it deems appropriate.

The dividend policy and the declaration and/or payment of dividends under this policy are subject to the Board's continuing determination that this dividend policy and the declaration and/or payment of dividends would be in the best interests of the Group and the Shareholders, and are in compliance with all applicable laws and regulations.

The Board will continually review the dividend policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the dividend policy at any time, and the dividend policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or the obligation of the Company to declare a dividend at any time or from time to time.

## SHAREHOLDERS' RIGHTS

The Board and Senior Management shall ensure Shareholders' rights and all Shareholders are treated equitably and fairly. The following rights of the Shareholders are set out in the Bye-laws and the Bermuda Companies Act 1981:

### **Convening a Special General Meeting by Shareholders**

Shareholder(s) holding not less than one-tenth of the paid-up capital of the Company shall have the right, by written requisitions to the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisitions.

The written requisition must state the purposes of the meeting, and must be signed by the Shareholder(s) concerned and deposited at the principal office of the Company, for the attention of the Company Secretary. It may consist of several documents in like form each signed by one or more Shareholder(s) concerned.

The written requisition will be verified with the Company's branch share registrar and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to include the relevant resolution in the agenda for such general meeting provided that the Shareholder(s) concerned have deposited a sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement submitted by the Shareholder(s) concerned in accordance with the statutory requirements to all registered Shareholders. Such general meeting shall be held within 6 weeks after deposit of such requisition.

If, within 21 days from such deposit of the requisition, the Board do not proceed to convene such special general meeting, the Shareholder(s) concerned, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of 3 months from the date of the deposit of the requisition.

A meeting so convened by the requisitionist(s) shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors.

Any reasonable expenses incurred by the requisitionist(s) by reason of the failure of the Directors duly to convene a meeting shall be reimbursed to the requisitionist(s) by the Company.

### **Putting Forward Proposals at General Meetings**

Shareholder(s) holding not less than one-twentieth of the total voting rights of all the Shareholders or not less than 100 Shareholders, may:

- (i) put forward proposals at general meetings; or
- (ii) circulate to other Shareholders' written statement of not more than 1,000 words with respect to the matter to be dealt with at general meeting.

For further details on the Shareholders' qualifications, and the procedure and timeline in connection with the above, Shareholders are kindly requested to refer to Section 79 of the Bermuda Companies Act 1981.

Furthermore, a Shareholder may propose a person other than a retiring Director of the Company for election as a Director of the Company at the general meeting, by lodging a written notice of nomination with the consent of nominated person at the principal office of the Company at least 7 days before the date of the general meeting.

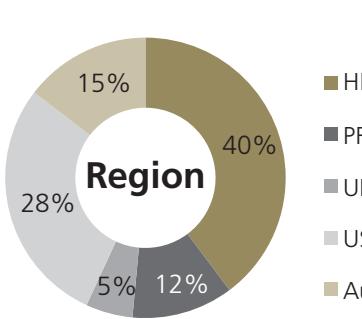
### **Putting Enquiries to the Board**

Shareholders may send their enquiries requiring the attention of the Board to the principal office of the Company, for the attention of the Company Secretary. Questions about the procedures for convening or putting forward proposals at an annual general meeting or special general meeting may also be put to the Company Secretary by the same means.

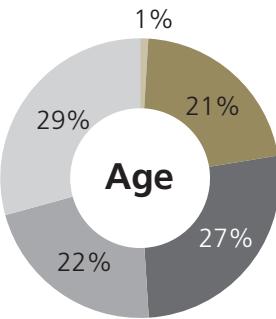
## **EMPLOYMENT AND LABOUR PRACTICES**

Our human capital is the backbone to our sustainable success. The Group is committed to providing lawful and proper employment that signifies human development. We recognise the importance of workforce sustainability which is about retaining and attracting the right people to meet current and future business requirements. We offer competitive salaries to employees and discretionary bonuses are granted based on the performance of the Group as well as the performance of individual employees. Other employee benefits include educational allowance, insurance, medical scheme and provident fund schemes. Senior employees (including Executive Directors) are entitled to participate in the Great Eagle Holdings Limited Share Option Scheme. In line with our commitment to sustainability, staff wellness program (e.g. wellness festival, green workshop and mindfulness class), staff recreational activities as well as community involvement through volunteering projects are provided to employees.

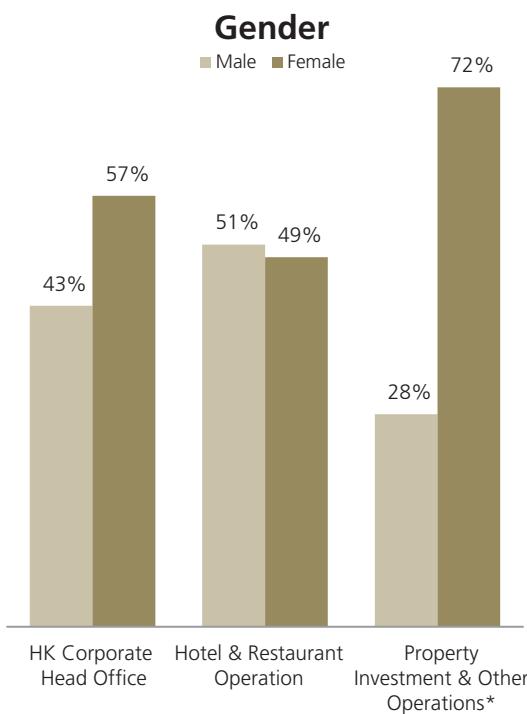
As at 31 December 2021, the number of employees of the Group, including our head office management team, and frontline hotel and property management and operation colleagues, increased approximately 8.36% to 5,200 (2020: 4,799). The increase was mainly attributable to the increase in business demand from the returning of hotel business in countries affected by COVID-19 in 2020. The following charts show the composition and functional grouping of employees, including senior management, of the Group as at 31 December 2021:



- HK
- PRC
- UK
- USA & Canada
- Australia & New Zealand



- Below 20 (above minimum statutory requirements)
- 20-29
- 30-39
- 40-49
- Above 50



\* Other operations primarily include property development, operation of flexible workspace, asset management, project management, trading of building materials, securities investment, provision of property management, maintenance and property agency services and property leasing.

## CORPORATE GOVERNANCE REPORT

As a Group, we value communication and team spirit, and make continuous effort to promote dialogue, teamwork and a healthy work-life balance. Social events have been organised regularly to promote communication and cohesion across departments, business units and levels of seniority throughout the Group. These activities include:

- (a) Senior staff meetings hosted by the Chairman, on recent business development of the Group;
- (b) Departmental meetings with light refreshments, which enable every employee to enjoy a casual conversation with the Chairman; and
- (c) Executives luncheons hosted by the Chairman and/or Executive Directors which facilitate ideas exchange among top management members of the Group in Hong Kong.

In addition, there is an iForum where employees could freely express themselves and share their ideas with others.

For development and training programmes conducted during the year, please refer to the section "Development and Training" in the Environmental, Social and Governance Report of this Annual Report.