



THE HONGKONG AND SHANGHAI HOTELS, LIMITED
香港上海大酒店有限公司

(Incorporated in Hong Kong with limited liability 於香港註冊成立的有限公司)

(Stock Code 股份代號: 00045)

Notice of Annual General Meeting, Re-election of Retiring Directors and General Mandates to Issue and Buy Back Shares

股東周年大會通告、 重選行將屆滿退任的董事及 發行及回購股份的一般性授權

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

此乃要件 請即處理

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If you have sold or transferred all your shares in The Hongkong and Shanghai Hotels, Limited (the "Company"), you should at once hand this circular and the attached proxy form to the purchaser or transferee or to the bank, stockbroker, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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The notice convening the Annual General Meeting of the Company to be held at The Peninsula Hong Kong, Salisbury Road, Kowloon, Hong Kong on Wednesday, 10 May 2023 at 12:00 noon (the "AGM") is set out on pages 2 to 4 of this circular. Shareholders are advised to read the notice and to complete and return the attached proxy form in accordance with the instructions printed thereon as soon as possible and in any event so that it arrives not less than 24 hours before the time of the AGM.

本公司將於2023年5月10日(星期三)正午12時假座香港九龍梳士巴利道香港半島酒店舉行股東周年大會(「股東周年大會」)，召開大會的通告載於本通函第2至4頁。務請各股東細閱通告並儘速按照所列印的指示填妥及交回隨附的代表委任表格，惟無論如何不得遲於股東周年大會舉行時間24小時前交回。

No distribution of gifts and no refreshments will be served.

將不會派發禮品及不設茶點招待。

13 April 2023

2023年4月13日



THE HONGKONG AND SHANGHAI HOTELS, LIMITED
香港上海大酒店有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00045)

Directors

Non-Executive Chairman

The Hon. Sir Michael Kadoorie

Non-Executive Deputy Chairman

Andrew Clifford Winawer Brandler

Executive Directors

Managing Director and Chief Executive Officer

Clement King Man Kwok

Chief Operating Officer

Peter Camille Borer

Registered Office

8th Floor, St. George's Building

2 Ice House Street

Central

Hong Kong

Non-Executive Directors

John Andrew Harry Leigh

Nicholas Timothy James Colfer

James Lindsay Lewis

Philip Lawrence Kadoorie

Diego Alejandro González Morales

Independent Non-Executive Directors

Dr the Hon. Sir David Kwok Po Li

Patrick Blackwell Paul

Pierre Roger Boppe

Dr William Kwok Lun Fung

Dr Rosanna Yick Ming Wong

Dr Kim Lesley Winser

Ada Koon Hang Tse

Dear Shareholders,

On behalf of the Board, it is my pleasure to inform you that our annual general meeting will be held at The Peninsula Hong Kong, Salisbury Road, Kowloon, Hong Kong on Wednesday, 10 May 2023 at 12:00 noon (the "AGM").

Notice and information regarding the business to be considered at the AGM are set out in this circular. A proxy form for use at the AGM is attached. Whether or not you intend to attend the AGM, you are advised to complete the proxy form and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited, as soon as possible, but in any case, to arrive no later than 24 hours before the time of the AGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM and at any adjournment thereof, should you so wish to do so.

The Board considers that the proposed resolutions as set out in the notice of AGM are in the best interests of the Company and its shareholders, and recommends you to vote in favour of the resolutions.

I will demand that each of the proposed resolutions be voted on by way of a poll. The results of the poll will be posted on the websites of the Company and the Stock Exchange after the market closes on the day of the AGM.

Yours faithfully,

The Hon. Sir Michael Kadoorie

Chairman

13 April 2023

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of The Hongkong and Shanghai Hotels, Limited (the “Company”) will be held at The Peninsula Hong Kong, Salisbury Road, Kowloon, Hong Kong on Wednesday, 10 May 2023 at 12:00 noon (the “AGM”) for the following purposes:

1. to receive and consider the audited financial statements and the reports of the Directors and independent auditor for the year ended 31 December 2022;
2. to re-elect retiring Directors; and
3. to re-appoint KPMG as independent auditor of the Company and authorise the Directors to fix its remuneration.

As special business, to consider and, if thought fit, pass with or without modification the following resolutions as ordinary resolutions:

4. **“THAT:**

- (a) subject to paragraph (c), a general mandate be unconditionally granted to the Directors of the Company to exercise during the Relevant Period all the powers of the Company to allot, issue and deal with additional shares in the Company and to make or grant offers, agreements, options or warrants (including securities convertible into shares of the Company) which would or might require the exercise of such powers;
- (b) the mandate in paragraph (a) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements, options and rights which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the mandate in paragraph (a), otherwise than pursuant to (i) a Rights Issue, or

(ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, or (iii) any scrip dividend or similar arrangement pursuant to the Articles of Association of the Company from time to time, shall not exceed 20% of the total number of shares of the Company in issue at the date of passing this Resolution (subject to adjustment in the case of any subdivision and consolidation of shares after the passing of this Resolution) and the said mandate shall be limited accordingly; and

(d) for the purpose of this Resolution:

‘Relevant Period’ means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
- (iii) the date on which the authority given under this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

‘Rights Issue’ means an offer of shares or an issue of options, warrants or other securities giving the right to subscribe for shares, open for a period fixed by the Directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

5. **“THAT:**

(a) a general mandate be unconditionally granted to the Directors of the Company to exercise during the Relevant Period all the powers of the Company to buy back or otherwise acquire shares of the Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, provided that the total number of shares so bought back or otherwise acquired shall not exceed 10% of the total number of shares of the Company in issue at the date of passing this Resolution (subject to adjustment in the case of any subdivision and consolidation of shares after the passing of this Resolution); and

(b) for the purpose of this Resolution:

‘Relevant Period’ means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
- (iii) the date on which the authority given under this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

6. **“THAT,** subject to the passing of Resolutions 4 and 5 set out in the notice of this meeting, the total number of shares of the Company which are bought back or otherwise acquired by the Company pursuant to Resolution 5 shall be added to the total number of shares of the Company which may be issued pursuant to Resolution 4.”

By Order of the Board
Christobelle Liao
Company Secretary
13 April 2023

Notes:

- 1. A shareholder may appoint separate proxies to attend, speak and vote in his/her stead at the AGM provided that each proxy is appointed to represent the respective number of shares held by the shareholder as specified in the relevant proxy forms. The proxy does not need to be a shareholder of the Company.
- 2. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- 3. In order to be valid, the proxy form together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority must be deposited at the Company’s share registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong or via email to HSH2023.epoxy@computershare.com.hk, in each case, at least 24 hours before the time appointed for holding the AGM. The email address provided herein is merely for receiving proxy forms relating to this AGM. The email address shall not be used for any other purposes nor shall it be in use after the deadline stated above.
- 4. The register of members of the Company will be closed from Friday, 5 May 2023 to Wednesday, 10 May 2023, both days inclusive, during which period the registration of transfer of shares will be suspended. To be entitled to attend, speak and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 4 May 2023.
- 5. The retiring Directors are (i) Mr Andrew Brandler, Mr Clement Kwok, Mr Pierre Boppe and Dr William Fung; and (ii) Mr Diego González Morales who was appointed as a Director on 31 March 2023. They will retire at the AGM and, being eligible, have agreed to offer themselves for re-election. The re-election of these retiring Directors will be voted on individually by shareholders. Details of the Directors proposed to be re-elected at the AGM are set out in Appendix I of the circular to the shareholders dated 13 April 2023 (“AGM Circular”).

NOTICE OF ANNUAL GENERAL MEETING

6. Detailed information on other business to be transacted at the AGM is set out in the AGM Circular.
7. At the AGM, the Chairman will demand each of the above resolutions be voted on by way of a poll in accordance with Article 58A of the Articles of Association of the Company. The results of the poll will be posted on the websites of the Company and the Stock Exchange after the market closes on the day of the AGM.
8. In the event of a typhoon signal no. 8 or above, extreme conditions caused by super typhoons, or a black rainstorm warning signal is in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on the day of the AGM, the AGM may be postponed to a later date and/or time as determined by the Company.

If postponed, the Company will, as soon as practicable, post an announcement on the websites of the Company and the Stock Exchange to notify shareholders that the meeting has been postponed (however, a failure to post such a notice shall not affect the postponement of such meeting). Shareholders may also call the Company's telephone hotline at (852) 2840 7788 during business hours from 9:00 a.m. to 5:30 p.m. to enquire whether the meeting has been postponed.

The Company will post a further announcement on the websites of the Company and the Stock Exchange to notify the shareholders the date, time and location of the postponed meeting once it has been fixed.

Shareholders should in any event exercise due care and caution when deciding to attend the AGM in adverse weather conditions.

9. **No distribution of gifts and no refreshments will be served.**

BUSINESS OF ANNUAL GENERAL MEETING

Resolution 1 Receiving the Audited Financial Statements

The audited financial statements of the Company and the reports of the Directors and independent auditor for the year ended 31 December 2022 are set out in the 2022 Annual Report which is available in English and Chinese on the Company website at www.hshgroup.com and the website of the Stock Exchange at www.hkexnews.hk.

The financial statements have been reviewed by the Audit Committee and audited by KPMG.

Resolution 2 Re-Election of Retiring Directors

In accordance with the Articles of Association of the Company, the retiring Directors are (i) Mr Andrew Brandler, Mr Clement Kwok, Mr Pierre Boppe and Dr William Fung; and (ii) Mr Diego González Morales who was appointed as a Director on 31 March 2023. They will retire at the AGM and, being eligible, have agreed to offer themselves for re-election. Mr Boppe and Dr Fung will seek re-election as Independent Non-Executive Directors (“INEDs”).

In nominating the INEDs, the Nomination Committee (the “Committee”) has considered the perspectives, skills and experience of the two INEDs seeking re-election and their contribution to the diversity of knowledge and experience of the Board. Mr Boppe brings a deep understanding of the Group’s business as he has been with the Company since 1996 as the Managing Director and Chief Executive Officer. He was re-designated from being a Non-Executive Director to an INED in 2009. He continues to bring value to the Board through his wide spectrum of expertise and experience in the hotel and travel industries. Dr Fung has diversified industry experience, and provides valuable insight and advice to the Board which includes in areas of luxury retail and the Group’s investment in Türkiye, in addition to general management and risk management matter. The wide breadth of knowledge and diversity of their experiences make each of the retiring INEDs invaluable members of, and active contributors to, the Board.

In addition, the Committee has assessed and reviewed the independence of Mr Boppe and Dr Fung based on the independence guidelines set out in rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The Committee continues to believe that it is not appropriate to apply an arbitrary period of service beyond which a director is assumed to have lost his independence. The Committee has considered and remains of the view that although Mr Boppe and Dr Fung have been on the Board for over nine years, this does not and would not affect their independent judgement. Both of them have consistently brought value to the Board as they maintain independent mindset and bring the right experience and are prepared to challenge the Board in a constructive fashion. It is noted that Mr Boppe and Dr Fung do not hold any cross-directorships or have significant links with other Directors through involvements in other companies or bodies that could give rise to conflicts of interests in the role of INED of the Company and which could likely affect their independent judgement. Based on the above, the Committee has affirmed that the retiring INEDs remain independent.

The Committee considered that all of the Directors up for re-election continue to contribute to the Board based on their respective experience and their commitment roles. Furthermore, the Committee has reviewed the time spent for performing their duties and considered that they are able to devote sufficient time and attention to the Company’s affairs.

Based on the confirmations from INEDs and the review undertaken, the Committee recommended the re-election of the retiring Directors to the Board. The Board endorsed the nomination by the Committee and recommended them to stand for re-election at the AGM. All the retiring Directors abstained from voting at the Committee and Board meetings when considering their re-election. Re-election of Directors will be individually voted on by shareholders.

Details of the retiring Directors proposed for re-election at the AGM are set out in Appendix I of this circular.

BUSINESS OF ANNUAL GENERAL MEETING

Resolution 3 Re-Appointment of Auditor and Fixing of Auditor's Remuneration

The Audit Committee has assessed the performance and remuneration of the independent auditor, KPMG, and recommended to the Board (which endorsed the view) that, subject to shareholders' approval at the AGM, KPMG be re-appointed as the independent auditor of the Company for 2023 and Directors be authorised to fix its remuneration.

Resolutions 4 to 6 General Mandates to Issue and Buy Back Shares

At the annual general meeting of the Company held on 11 May 2022, ordinary resolutions were passed giving general mandates to Directors (i) to allot, issue and otherwise deal with shares equal to 20% of the total number of shares of the Company in issue at 11 May 2022, plus the aggregate number of shares bought back by the Company and (ii) to buy back shares of the Company on the Stock Exchange up to 10% of the total number of shares of the Company in issue as at 11 May 2022.

Under the terms of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance") and Listing Rules, these general mandates will lapse at the conclusion of the AGM, unless renewed at that meeting. Resolutions will be proposed at the AGM to give the Directors the mandates to allot or issue new shares or to grant rights to subscribe for or convert to new shares and buy back shares in accordance with the terms of those resolutions.

Based on the 1,649,434,206 shares in issue as at 4 April 2023, being the latest practicable date prior to the printing of this circular (the "Latest Practicable Date") (and assuming that there is no change in respect of the total number of shares of the Company in issue after the Latest Practicable Date and up to the passing of the relevant resolution), the Directors will be authorised under the general mandate to issue a maximum of 329,886,841 shares, subject to adjustment in the case of any subdivision and consolidation of shares after the AGM.

The Explanatory Statement required by the Listing Rules to be sent to shareholders in connection with the proposed general mandate for the share buy-back is set out in Appendix II of this circular.

APPENDIX I

Details of Retiring Directors Proposed for Re-election

The following are the particulars of the Directors proposed to be re-elected at the AGM:

Non-Executive Deputy Chairman

Andrew Clifford Winawer Brandler (A) (R) (E) (F) Age: 66 Appointed: May 2014

Key strengths and experience

Mr Brandler has diverse board and committee senior leadership experience. He has served as Group Managing Director and Chief Executive Officer of CLP Holdings Limited, in addition to serving on listed company boards in the infrastructure, manufacturing, and real estate sectors. Mr Brandler has a background in banking, finance and investment with corporate finance expertise spanning the UK, Singapore and Hong Kong during his tenure at UK investment bank Schroders.

Titles, qualifications and education

Member of the Institute of Chartered Accountants in England and Wales

BA and MA, University of Cambridge

MBA, Harvard Business School

Other major offices

CLP Holdings Limited[#] (Non-Executive Vice Chairman, Chairman of Finance & General Committee and Member of Sustainability Committee)

Tai Ping Carpets International Limited[#] (Non-Executive Director)

MTR Corporation[#] (Independent Non-Executive Director, Chairman of Finance & Investment Committee and Member of Audit & Risk Committee)

Sir Elly Kadoorie & Sons Limited* (Chairman)

Other information

Director of several of the group's entities

Governance Board Committees

(A) Audit Committee

(N) Nomination Committee

(R) Remuneration Committee

● Chairman of the Committee

Other Board Committees

(E) Executive Committee

(F) Finance Committee

● Chairman of the Committee

[#] The securities of these companies are currently listed on the Hong Kong Stock Exchange

^{*} Sir Elly Kadoorie & Sons Limited oversees a number of Kadoorie family interests in Hong Kong and overseas and, as such, is associated with the substantial shareholders of the company

APPENDIX I

Executive Director

Chief Executive Officer

Clement King Man Kwok (E) (F)

Age: 63 Appointed: February 2002

Key strengths and experience

Mr Kwok has over two decades of hospitality and real estate experience as the Managing Director and Chief Executive Officer of the company, as well as board and committee experience for other listed entities. Mr Kwok's prior experience was in accounting, investment banking, and corporate and financial management. After qualifying as a Chartered Accountant with Price Waterhouse London in 1983, he had over 10 years of investment banking experience with Barclays de Zoete Wedd in London and Schroders Asia in Hong Kong, where he was appointed as Head of Corporate Finance in 1991. Mr Kwok then served as Finance Director of the MTR Corporation from 1996 to 2002.

Mr Kwok's knowledge of international markets, accounting, corporate risk management and compliance is enhanced by his experience serving on prominent regulatory bodies such as the Hong Kong Stock Exchange Listing Committee, the Hong Kong Takeovers and Mergers Panel and the Interpretations Committee of the International Accounting Standards Board. He was previously an Independent Non-Executive Director of Swire Pacific Limited and Orient Overseas (International) Limited.

Titles, qualifications and education

Chevalier dans l'Ordre National de la Légion d'Honneur
Member of Institute of Chartered Accountants in England and Wales
Member of Hong Kong Institute of Certified Public Accountants
Fellow of Hong Kong Management Association
BSc in Economics, London School of Economics

Other major offices

Hang Seng Bank Limited# (Independent Non-Executive Director and Chairman of Audit Committee)
World Travel & Tourism Council (Council Member)
Faculty of Business and Economics of The University of Hong Kong (Member of International Advisory Council)

Other information

Director of the majority of the group's entities

Independent Non-Executive Director

Pierre Roger Boppe

Age: 75 Appointed: May 1996

Key strengths and experience

Mr Boppe has a deep understanding of the group's business as he served as the Managing Director and Chief Executive Officer of the company from 1996 until 2002. He was re-designated from being a Non-Executive Director to an Independent Non-Executive Director in 2009. Mr Boppe continues to bring value to the Board through his wide spectrum of expertise and experience in the hotel and travel industries.

Titles, qualifications and education

Chevalier dans l'Ordre National de la Légion d'Honneur
MSc, Swiss Federal Institute of Technology
MSc, Stanford University

Independent Non-Executive Director

Dr William Kwok Lun Fung, SBS, OBE, JP 

Age: 74 Appointed: January 2011

Key strengths and experience

Dr Fung has diversified industry experience, and has provided valuable insight and advice to the Board since his appointment in 2011. In particular, Dr Fung's strong retail background, including his previous role as the Group Chairman at Li & Fung Limited, has enabled him to offer insight on luxury retail and the group's investment in Türkiye, in addition to general management and risk management matters. Dr Fung was a Hong Kong SAR delegate to the Chinese People's Political Consultative Conference from 1998 to 2003.

Titles, qualifications and education

SBS, OBE, JP

BSc in Engineering, Princeton University

MBA, Harvard Graduate School of Business

Honorary Doctorate of Business Administration, The Hong Kong University of Science and Technology

Honorary Doctorate of Business Administration, The Hong Kong Polytechnic University

Honorary Doctorate of Business Administration, Hong Kong Baptist University

Honorary Doctorate of Letters, Wawasan Open University of Malaysia

Other major offices

Fung Group (Group Deputy Chairman)

Convenience Retail Asia Limited# (Non-Executive Chairman, Chairman of Nomination Committee and Member of Remuneration Committee)

Global Brands Group Holding Limited (In Liquidation)## (Executive Chairman) (until June 2022)

VTech Holdings Limited# (Independent Non-Executive Director, Chairman of Nomination Committee and Member of Audit Committee and Remuneration Committee)

Sun Hung Kai Properties Limited# (Independent Non-Executive Director)

Details were disclosed in the announcement dated 10 November 2021

Non-Executive Director

Diego Alejandro González Morales

Age: 39 Appointed: March 2023

Key strengths and experience

Mr González Morales has broad, cross-functional corporate expertise spanning the financial services, healthcare, energy and entertainment industries. He was previously VP, Private Equity at CLSA Capital Partners in Hong Kong. He started his career with General Electric as a graduate of GE's Financial Management Program. He then took on various corporate roles including internal audit and controls, investigations, compliance and M&A across GE's industrial businesses, GE Capital and NBC Universal.

Titles, qualifications and education

Bachelor of Engineering and MSc, EPF Ecole d'ingénieurs, France

Certification of International Business, Universidad Pontificia Comillas de Madrid, Spain

MBA, IESE Business School in Barcelona, Spain

Other major offices

Sir Elly Kadoorie & Sons Limited* (Director)

Other information

Son-in-law of The Hon. Sir Michael Kadoorie

Brother-in-law of Philip Lawrence Kadoorie

APPENDIX I

Other information on the retiring Directors proposed for re-election is set out below:

1. Unless otherwise disclosed in the individual retiring Directors' information, they (i) do not hold any other position with the Company or its subsidiaries; (ii) have not held any directorships in any listed companies in Hong Kong or overseas in the last three years; and (iii) do not have any relationships with any Directors, members of senior management or substantial or controlling shareholders of the Company.
2. Among the five retiring Directors, Messrs Clement Kwok and Pierre Boppe have interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance as at 31 December 2022. Their interests are disclosed in "Interests of Directors" in the Directors' Report of the Company's 2022 Annual Report and have remained unchanged as at the Latest Practicable Date.
3. The Company has entered into a service contract with Mr Clement Kwok and letters of appointments with the remaining retiring Directors. The terms of appointment are detailed in their respective service contract and letters of appointment. After they have been re-elected at the AGM, they are subject to retirement at the conclusion of the third annual general meeting following their appointments and to re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company.
4. The Directors' remuneration paid for the year ended 31 December 2022 to the retiring Directors other than Mr González Morales are set out in the Remuneration Committee Report of the Company's 2022 Annual Report. The remuneration of Mr González Morales is set out in the Company's announcement dated 14 December 2022. Their remuneration was reviewed by the Remuneration Committee with reference to market benchmarks and taking into account relevant responsibilities and workload.
5. Save for the information set out above, there are no other matters relating to the retiring Directors that need to be brought to the attention of the shareholders of the Company and there is no other information which is required to be disclosed pursuant to rule 13.51(2) of the Listing Rules.

APPENDIX II

Explanatory Statement on Share Buy-Back Mandate

The following is the Explanatory Statement required to be sent to shareholders under rule 10.06(1)(b) of the Listing Rules in connection with the proposed general mandate for the share buy-back and also constitutes the memorandum required under Section 239(2) of the Companies Ordinance. References in this Appendix to “Shares” mean ordinary share(s) in the capital of the Company:

- (a) It is proposed that up to 10% of the total number of Shares in issue at the date of passing of the resolution to approve the general mandate may be bought back (subject to adjustment in the case of any subdivision and consolidation of Shares after the passing of the relevant resolution). As at the Latest Practicable Date for determining such figures, the total number of Shares of the Company in issue was 1,649,434,206. On the basis of such figures (and assuming no further Shares are bought back or issued after the Latest Practicable Date and up to the date of passing such resolution) the Directors would be authorised to buy back Shares up to a limit of 164,943,420 Shares, subject to adjustment in the case of any subdivision and consolidation of Shares after the passing of the relevant resolution.
- (b) The Directors believe that the ability to buy back Shares is in the interests of the Company and its shareholders. Buy-backs may, depending on the circumstances, result in an increase in net assets and/or earnings per share. The Directors are seeking the grant of a general mandate to buy back Shares to give the Company the flexibility to do so if and when appropriate. The timing and the number(s), the price and other terms upon which the same are bought back will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.
- (c) It is envisaged that the funds required for any buy-back would be derived from the distributable profits of the Company being funds legally available for such buy-back in accordance with the Company’s Articles of Association and the laws of Hong Kong.
- (d) There could be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited financial statements) in the event that the proposed Share buy-backs were to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the general mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.
- (e) There are no Directors or (to the best of the knowledge of the Directors, having made all reasonable enquiries) any close associates (as defined in the Listing Rules) of Directors of the Company who have a present intention, in the event that the general mandate is granted by shareholders, to sell Shares to the Company.
- (f) The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the general mandate in accordance with the Listing Rules and the laws of Hong Kong.
- (g) The Directors are not aware of any consequences which would arise under the Code on Takeovers and Mergers as a result of any buy-backs pursuant to the general mandate. As at the Latest Practicable Date, approximately 72.43% of the total number of Shares in issue was held by controlling shareholders and, assuming full exercise of the buy-back mandate given to the Directors, approximately 80.48% will be held by such shareholders. The Directors have no intention to exercise the buy-back mandate to such extent as to result in the number of shares which are in the hands of the public falling below 25% of the total number of Shares.
- (h) No core connected persons (as defined in the Listing Rules) of the Company have notified the Company of a present intention to sell Shares of the Company to the Company and no such persons have undertaken not to sell any such Shares to the Company in the event that the general mandate is granted by shareholders.

APPENDIX II

- (i) The highest and lowest prices at which Shares of the Company have traded on the Stock Exchange in each of the previous 12 months up to and including the Latest Practicable Date were as follows:

	Highest (HK\$)	Lowest (HK\$)
2022		
April	8.66	7.60
May	8.23	6.53
June	8.00	6.91
July	7.22	6.85
August	7.55	6.78
September	7.43	6.71
October	7.18	5.95
November	7.13	6.13
December	8.22	6.79
2023		
January	8.82	8.05
February	8.95	8.08
March	8.36	7.69
1 to 4 April (Latest Practicable Date)	8.08	7.78

- (j) The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the six months prior to the Latest Practicable Date.