

CHIEF CORPORATE AND GOVERNANCE OFFICER'S INTRODUCTION

“Our governance framework strives to ensure responsible decision-making and sustainable growth through integrity, accountability, and transparency.”



Dear Shareholders,

I am pleased to present this Corporate Governance Report, which outlines our commitment to high levels of governance, acting with integrity, and practicing accountability in our business operations. We aim to inspire trust and confidence among shareholders and stakeholders.

Leadership transition

2024 has been an exceptional year of significant leadership transition for the first time in two decades. Of particular note, we appointed the new Chief Financial Officer and the new Chief Operating Officer. I myself took up the role of Interim Chief Executive Officer from 1 November 2024 until 2 March 2025. In the first quarter of 2025, the new Deputy Chairman and the new Chief Executive Officer assumed their positions. These and other changes have brought more diverse expertise with an aim to review our strategic direction and strengthen our operational effectiveness. The second half of 2024 up to now has been focused on on-boarding and allowing all new Executive Directors to settle into their roles. Further details regarding the changes made to our Board, senior management and committees can be found in the “2024 in a Nutshell” section. The focus of the year has been on settling in the transition and stabilising the business.

Connecting with our people, sharing our knowledge

In 2024, during a period of transition, we felt that internal communication and transparency were key. These included restructuring our monthly meetings attended by our global heads of functions and Managing Directors of operations from a reporting forum to a discussion forum where salient topics affecting the group and new initiatives and future strategies are shared. We have also held a series of townhall meetings to give all of our employees worldwide the opportunity to put questions directly to the Executive Directors and the newly appointed Deputy Chairman. We intend to continue those practices as they were well received by our people.

Sustainability

Climate change and other sustainability risks continue to shape market expectations and legislation, posing physical and financial risks to businesses. We reviewed our sustainability materiality list using a “double materiality” approach to address the impact our activities may have on the environment and our

communities, and the financial impact such activities may have on the company.

We conducted a board-level stakeholder engagement exercise, to facilitate discussion with Directors around the sustainability issues which have the greatest impact on the company, both from a financial and a non-financial perspective. The group’s decarbonisation roadmap and workplan was also discussed.

Given the role of the Board in determining long-term success and driving sustainable growth of the group, we continue to enhance their knowledge and further embed sustainability into our key business strategies.

Governance beyond compliance

Corporate governance is a core discipline for our success and crucial in navigating the uncertainty of today’s world with agility and resilience. We consistently strive to enhance our governance processes with best practice standards. We are also working towards ensuring compliance with the amended Listing Rules coming into effect on 1 July 2025.

A particular focus in 2024 was in relation to our speak up reporting channels, where we have made a key enhancement with the launch of a new online portal called “React, Report, Respect”, which is available in over 40 languages. Since the launch of this new portal, the number of reported cases has increased, and valid cases have been addressed appropriately.

Looking forward

In 2025, we will conduct an evaluation of Board structure, including a review of the functions and composition of our Board committees, to ensure our Board framework meets our present challenges. We will also organise a strategic leadership meeting to align our strategic objectives with the evolving landscape of our industry.

Christobelle Liao
31 March 2025

2024 IN A NUTSHELL

BOARD, SENIOR MANAGEMENT AND COMMITTEES CHANGES

Ms Ming Chen was appointed as Chief Property Development Officer and a member of the Group Management Board on 1 January 2024.

Mr Keith Robertson was appointed as an Executive Director and Chief Financial Officer, and a member of the Finance Committee on 29 January 2024.

Mr John Leigh retired as a Non-Executive Director on 8 May 2024.

Mr Peter Borer was re-designated as a Non-Executive Director and became a Senior Advisor to the Chairman for a term of two years from 1 August 2024, following his retirement as an Executive Director and Chief Operating Officer on 31 July 2024.

Mr Gareth Roberts succeeded Mr Borer as an Executive Director and Chief Operating Officer on 1 August 2024. He had previously assumed the role of the Deputy Chief Operating Officer from 1 January 2024.

Mr Michael Garcia was appointed as Chief Information Officer and a member of the Group Management Board on 30 August 2024.

Mr Till Lembke was appointed as Company Secretary succeeding Ms Christobelle Liao on 1 September 2024.

Mr Diego González Morales was appointed as a member of the Finance Committee on 26 September 2024.

Mr Clement Kwok retired from his role as Managing Director and Chief Executive Officer on 31 October 2024 and continues to serve as an Executive Director and an Advisor to the CEO until 7 May 2025.

Ms Christobelle Liao, Executive Director and Chief Corporate and Governance Officer, was appointed as Interim Chief Executive Officer with effect from 1 November 2024 until 2 March 2025. She also became a member of the Executive Committee and Finance Committee during this period.

Mr Philip Kadoorie was appointed as Deputy Chairman of the Board succeeding Mr Andrew Brandler with effect from 1 January 2025. Mr Kadoorie also became an Executive Committee member on the same date.

In October 2024, we announced the appointment of Mr Benjamin Vuchot as an Executive Director and Chief Executive Officer, and a member of the Executive Committee, Finance Committee and Group Management Board with effect from 3 March 2025.

INTERNAL CONTROL GOVERNANCE

We enhanced our reporting channels by launching a new online Speak Up portal called “React, Report, Respect”, empowering all HSH employees, suppliers, and stakeholders to voice concerns confidentially and effectively. The portal is accessible 24/7 and available in over 40 languages.

Cybersecurity and data privacy trainings continue to be mandatory and were a particular focus throughout 2024, with additional simulated phishing emails and testing conducted. The trainings target understanding of social engineering threats, relevant warning signs and appropriate actions. On the privacy side, the training focuses on employees’ responsibilities to protect personal information, identify privacy risks, and reinforce the group’s commitment to data privacy.

CULTURE AND COMMUNICATIONS

We conducted our global online employee experience survey, “Your Voice, Our Compass” to gather valuable insights, assess employee engagement, and enhance our workplace culture.

We restructured the format of the monthly meetings from reporting to a discussion forum where salient topics affecting the group and new initiatives and future strategies are shared.

A series of townhall meetings with our Executive Directors and the new Deputy Chairman updated our employees around the world on the current business environment and future goals, and provided opportunities to our employees to directly engage and ask questions to top management.

We launched our first chatbot with generative AI capability, “MyHSH Policy Bot”. This enables our colleagues to use natural language to ask questions about our global policies. The responses are instant and include references to the relevant policy along with the corresponding page number.

We rolled out “HSH Masterclass” videos to help employees develop new skillsets and gain insights on industry, governance, and financial issues.

We issued monthly technology updates to Heads of Operations and Function Heads, providing snapshots of technology project progress, IT compliance rankings, and IT tips.

We adopted balanced scorecards for 2025 as a performance metric to align and track each operation and Head Office KPIs, under the four key focuses of financial and strategy, operation and efficiency, customer and brand and people and *Vision 2030*. These focuses are fundamentally the integrity of how we wish to run our business.

OUR LEADERSHIP – BOARD MEMBERS

NON-EXECUTIVE CHAIRMAN



The Hon. Sir Michael Kadoorie N E

Age: 83 Appointed: 12 November 1964

Term of office: 11 May 2022 (re-elected) to 2025 AGM

Key strengths and experience

Sir Michael was appointed as Chairman in 1985. He holds board-level positions in one other listed company as well as directorships in private companies. With decades of international experience in different sectors including infrastructure, utilities, property and retail, Sir Michael has extensive knowledge of the hospitality and real estate sectors, a deep understanding of the environment in which the company operates, and a comprehensive appreciation of investor sentiment.

Titles, qualifications and education

GBS, Hon. LLD, Hon. DSc, Commandeur de la Légion d'Honneur, Commandeur de l'Ordre des Arts et des Lettres, Commandeur de l'Ordre de la Couronne, Commandeur de l'Ordre de Leopold II

Other major offices

CLP Holdings Limited[#] (Non-Executive Chairman and Member of Nomination Committee)
 CK Hutchison Holdings Limited[#] (Independent Non-Executive Director) (until December 2022)
 Sir Elly Kadoorie & Sons Limited* (Director)

Other information

Substantial shareholder of the company
 Director of two of the group's entities
 Father of Philip Lawrence Kadoorie
 Father-in-law of Diego Alejandro González Morales
 Brother-in-law of Ronald James McAulay

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

NON-EXECUTIVE DEPUTY CHAIRMAN



Philip Lawrence Kadoorie [Ⓔ]

Age: 33 Appointed: 1 December 2017

Term of office: 8 May 2024 (re-elected) to 2027 AGM

Key strengths and experience

Mr Kadoorie oversees a number of Kadoorie family interests in Hong Kong and overseas. Prior to his appointment to the Board, Mr Kadoorie completed various internships in commercial property companies in London and at the CLP Group in Hong Kong. He holds other Board positions and has developed strong expertise in the property sector. Mr Kadoorie was appointed as Deputy Chairman of the Board succeeding Mr Brandler with effect from 1 January 2025.

Titles, qualifications and education

BSc in Communication, Boston University
FAA Commercial Pilot's License

Other major offices

CLP Holdings Limited[#] (Non-Executive Director and Member of Finance & General Committee and Sustainability Committee)
CK Hutchison Holdings Limited[#] (Independent Non-Executive Director)
Sir Elly Kadoorie & Sons Limited* (Director)

Other information

Son of The Hon. Sir Michael Kadoorie
Brother-in-law of Diego Alejandro González Morales
Nephew of Ronald James McAulay

EXECUTIVE DIRECTORS



Benjamin Julien Arthur Vuchot [Ⓔ] [Ⓕ] Chief Executive Officer

Age: 52 Appointed: 3 March 2025

Term of office: 3 March 2025 to 2025 AGM

Key strengths and experience

Mr Vuchot has over 30 years' experience in the luxury retail business with two global leading groups, Richemont and LVMH. He brings extensive experience in driving business growth and expansion through innovative strategies and initiatives. Mr Vuchot began his career at Cartier in Sales and Marketing in Hong Kong and Singapore, later becoming Far East Communications Director. In 2002, he worked as Managing Director and President Asia Pacific at Van Cleef & Arpels. These brands are both owned by the Richemont Group. In 2011, he first joined DFS Group as Managing Director and Regional President, North Asia, Hong Kong and held this position until 2017. He was appointed as President of Asia Pacific for cosmetic and fragrance retailer Sephora before rejoining DFS Group in 2020 to become Chairman and CEO. Both DFS Group and Sephora are subsidiaries of LVMH Group.

Titles, qualifications and education

Bachelor of Business Administration in International Business and Marketing, ESSEC Business School, France

Other information

Director of certain entities of the group

Our Leadership – Board Members



Christobelle Yi Ching Liao Chief Corporate and Governance Officer

Age: 56 Appointed: 4 August 2023

Term of office: 8 May 2024 (re-elected) to 2027 AGM

Key strengths and experience

Ms Liao joined the group as Company Secretary and General Counsel in 2002. She was appointed to the Group Management Board in 2011 and was promoted to Group Director, Corporate and Legal in 2013 while retaining the position of Company Secretary. Over the years, she has expanded to a much broader role overseeing the group corporate functions including group insurances, risk management and corporate governance as well as the group's investment in Istanbul and organisational development strategies. In her role as Executive Director, she takes on additional responsibilities overseeing the Projects Group and the Group Corporate Responsibility and Sustainability function. As of 31 August 2024, she resigned as Company Secretary and was appointed as Interim Chief Executive Officer with effect from 1 November 2024 until 2 March 2025.

Titles, qualifications and education

Bachelor of Laws, London School of Economics and Political Science
Qualified Solicitor of Hong Kong and England & Wales

Other information

Director of certain entities of the group



Keith James Robertson Chief Financial Officer

Age: 57 Appointed: 29 January 2024

Term of office: 8 May 2024 (re-elected) to 2027 AGM

Key strengths and experience

Mr Robertson has over 30 years of all-round finance experience in auditing, financial controlling, corporate finance, project finance, international tax planning, statutory reporting, mergers and acquisitions and investor relations. He joined Destinations Development Company (a subsidiary company of The Public Investment Fund of Saudi Arabia) as Chief Financial Officer in 2021, and prior to that, he worked for Kingdom Hotel Investments, Dubai, United Arab Emirates where he held senior positions and most recently as Executive Vice President, Chief Financial Officer and Head of Mergers & Acquisitions. Prior to that, he was the Senior Vice President Global Finance of Kempinski Hotels SA, Geneva, Switzerland and he also worked for professional accounting and audit firms such as Deloitte, Ernst & Young and HLB Kidsons in different countries.

Titles, qualifications and education

BA (Hon) in Economics and Economic History, University of Leicester
Fellow of the Institute of Chartered Accountants in England and Wales

Other information

Director of certain entities of the group



Gareth Owen Roberts

Chief Operating Officer

Age: 43 Appointed: 1 August 2024

Term of office: 1 August 2024 to 2025 AGM

Key strengths and experience

Mr Roberts joined the group in 2002 at The Peninsula Beverly Hills. He relocated to China in 2013 as Hotel Manager of The Peninsula Shanghai. In 2015, he transferred to HSH Head Office where he was promoted to Group General Manager, Operations Planning and Support in November 2016 and Group Director, Brand and Operations Support in July 2020. On 1 January 2024, he took on additional responsibilities in the role of Deputy Chief Operating Officer, assuming various duties under the mentorship of then-Chief Operating Officer Peter Borer. Mr Roberts succeeded Mr Borer as Executive Director and Chief Operating Officer of the company on 1 August 2024.

Titles, qualifications and education

Bachelor of Science in Hotel Administration,
University of Nevada, Las Vegas

Other information

Director of certain entities of the group



Clement King Man Kwok

Age: 65 Appointed: 1 February 2002

Term of office: 10 May 2023 (re-elected) to 2025 AGM

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. On 31 October 2024, Mr Kwok stepped down as the Managing Director and Chief Executive Officer of the company while remaining on the Board as an Executive Director and Advisor to the CEO until the conclusion of the 2025 Annual General Meeting on 7 May 2025.

Titles, qualifications and education

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

Other major offices

Chen Hsong Holdings Limited[#] (Independent Non-Executive Director and Member of Audit Committee, Nomination Committee and Corporate Governance Committee)
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)
School of Hotel and Tourism Management of The Chinese University of Hong Kong (Chairperson of the Advisory Committee on Hotel and Tourism Management)

Our Leadership – Board Members

NON-EXECUTIVE DIRECTORS



Nicholas Timothy James Colfer

Age: 65 Appointed: 18 May 2006

Term of office: 8 May 2024 (re-elected) to 2027 AGM

Key strengths and experience

Mr Colfer has over 40 years of experience in corporate management in the Asia Pacific region, principally in real estate, manufacturing and distribution. His tenure on the Board has provided Mr Colfer with a deep understanding of the group's business and the wider industry environment in which it operates. This, combined with his board-level experience in several other Hong Kong organisations, enables him to provide constructive leadership and support to the Board and wider management team.

Titles, qualifications and education

BA and MA, University of Oxford

Other major offices

Tai Ping Carpets International Limited[#] (Non-Executive Chairman and Chairman of the Executive Committee and Nomination Committee)

Nanyang Holdings Limited[#] (Independent Non-Executive Chairman, Chairman of Nomination Committee and Member of Audit Committee and Remuneration Committee)

Sir Elly Kadoorie & Sons Limited* (Director)

Other information

Director of the group's entities



Andrew Clifford Winawer Brandler A R E F

Age: 68 Appointed: 12 May 2014

Term of office: 10 May 2023 (re-elected) to 2026 AGM

Key strengths and experience

Mr Brandler served as the Deputy Chairman from 2014 until December 2024. He 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 Human Resources & Remuneration Committee and Sustainability Committee)

Tai Ping Carpets International Limited[#] (Non-Executive Director) (until December 2023)

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 two of the group's entities



James Lindsay Lewis

Age: 50 Appointed: 1 December 2017

Term of office: 8 May 2024 (re-elected) to 2027 AGM

Key strengths and experience

Mr Lewis has extensive experience in private equity, hospitality, aviation, real estate and the philanthropy sector. He has served and serves on a number of boards as an executive and non-executive director in Hong Kong and has experience in managing transformation and business projects, leading operations optimisation and supporting people and cultural change initiatives.

Mr Lewis' entrepreneurial and operations insight enables him to support the Board by driving strategy through execution and from vision to value.

Titles, qualifications and education

Executive MBA program, Kellogg-HKUST
Master of Aviation Management, The University of Newcastle, Australia
Certification of Hospitality Management, Cornell University, U.S.A.
Member of The Society of Trust and Estate Practitioners
Fellow of the Institute of Directors in UK as a Chartered Director

Other major offices

Sir Elly Kadoorie & Sons Limited* (Director)



Diego Alejandro González Morales ^F

Age: 41 Appointed: 31 March 2023

Term of office: 10 May 2023 (re-elected) to 2026 AGM

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

CLP Holdings Limited# (Non-Executive Director and Member of Finance & General Committee)
Sir Elly Kadoorie & Sons Limited* (Director)

Other information

Director of one of the group's entities
Son-in-law of The Hon. Sir Michael Kadoorie
Brother-in-law of Philip Lawrence Kadoorie

Our Leadership – Board Members



Peter Camille Borer

Age: 71 Appointed: 15 April 2004

Term of office: 11 May 2022 (re-elected) to 2025 AGM

Key strengths and experience

Mr Borer joined the group in 1981 and has been responsible for developing the group's high standards of customer service and operational excellence. Following various operational roles, he was appointed General Manager of The Peninsula Hong Kong in 1994, taking on additional regional responsibility for the group's Asia hotel portfolio in 1999. Mr Borer was appointed as Chief Operating Officer in April 2004 until July 2024. On 1 August 2024, he was re-designated from Executive Director to Non-Executive Director of the company and became a Senior Advisor to the Chairman for a term of two years.

Titles, qualifications and education

Chevalier dans l'Ordre National de la Légion d'Honneur
Chevalier dans l'Ordre du Mérite Agricole
Graduated from Ecole hôtelière de Lausanne, Switzerland

Other major offices

School of Hotel and Tourism Management of The Chinese University of Hong Kong (Advisory Board Member)
Gleneagles Hospital Hong Kong (Advisory Council Member)

Other information

Alumni Network of Ecole hôtelière de Lausanne (Lifetime Achievement Award)

INDEPENDENT NON-EXECUTIVE DIRECTORS



Dr the Hon. Sir David Kwok Po Li ^(N)

Age: 86 Appointed: 19 October 1987

Term of office: 8 May 2024 (re-elected) to 2027 AGM

Key strengths and experience

Sir David is a prominent Hong Kong banker, and has held senior executive level or Board positions at various pre-eminent Hong Kong and overseas companies. Sir David's rich and varied experience enables him to bring a unique viewpoint to the Board. His expertise in multiple sectors provides a diverse skillset covering the entire spectrum of the group's business.

Titles, qualifications and education

GBM, GBS, OBE, JP, MA Cantab. (Economics & Law), Hon. LLD (Cantab), Hon. DSc. (Imperial), Hon. LLD (Warwick), Hon. DBA (Edinburgh Napier), Hon. D.Hum. Litt. (Trinity USA), Hon. LLD (Hong Kong), Hon. DSocSc (Lingnan), Hon. DLitt (Macquarie), Hon. DSocSc (CUHK), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, Officier de l'Ordre de la Couronne, Grand Officer of the Order of the Star of Italian Solidarity, The Order of the Rising Sun, Gold Rays with Neck Ribbon, Commandeur dans l'Ordre National de la Légion d'Honneur, Fellow of the Hong Kong Academy of Finance

Other major offices

The Bank of East Asia, Limited[#] (Executive Chairman and Member of Nomination Committee)
The Hong Kong and China Gas Company Limited[#] (Independent Non-Executive Director, Chairman of Board Audit and Risk Committee and Remuneration Committee and Member of Nomination Committee)
San Miguel Brewery Hong Kong Limited[#] (Independent Non-Executive Director, Chairman of Audit Committee and Member of Nomination Committee and Remuneration Committee)
Vitasoy International Holdings Limited[#] (Independent Non-Executive Director) (until August 2024)
The Friends of Cambridge University in Hong Kong Limited (Founding Chairman)
The Salvation Army, Hong Kong and Macau Territory (Advisory Board Chairman)
St. James' Settlement (Executive Committee Chairman)
Council of the Treasury Markets Association (Member)



Patrick Blackwell Paul, CBE ^A ^R

Age: 77 Appointed: 26 February 2004

Term of office: 11 May 2022 (re-elected) to 2025 AGM

Key strengths and experience

Mr Paul is an experienced independent non-executive director, and the Chairman of the Audit and Remuneration Committees. He brings many years of leadership experience, having been senior partner at PwC in Hong Kong. His finance, accounting and tax expertise enables him to provide key strategic guidance to the company in its financial reviews, risk management, compliance and internal control framework.

Titles, qualifications and education

CBE
Fellow of the Institute of Chartered Accountants in England and Wales

Other major offices

Johnson Electric Holdings Limited[#]
(Independent Non-Executive Director, Chairman of Audit Committee and Member of Nomination and Corporate Governance Committee)



Pierre Roger Boppe

Age: 77 Appointed: 1 May 1996

Term of office: 10 May 2023 (re-elected) to 2026 AGM

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



Dr William Kwok Lun Fung, SBS, OBE, JP ^N

Age: 76 Appointed: 3 January 2011

Term of office: 10 May 2023 (re-elected) to 2026 AGM

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)
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)

Our Leadership – Board Members



Dr Rosanna Yick Ming Wong, DBE, JP [®]

Age: 72 Appointed: 1 February 2013

Term of office: 11 May 2022 (re-elected) to 2025 AGM

Key strengths and experience

Dr Wong provides invaluable and independent advice to the Board, with over three decades of experience in the political and non-profit arenas, in addition to holding several Board positions in the private sector. She is particularly skilled in public sector, project management, change and risk management. Since her appointment in 2013, Dr Wong has provided significant contributions to the Board through her multi-faceted business background. Dr Wong was a Member of the National Committee of the Chinese People's Political Consultative Conference from 2003 to 2023.

Titles, qualifications and education

DBE, JP
 PhD in Sociology, University of California, Davis
 Honorary Doctorate from The Chinese University of Hong Kong
 Honorary Doctorate from The Hong Kong Polytechnic University

Honorary Doctorate from The University of Hong Kong
 Honorary Doctorate from The Hong Kong Institute of Education
 Honorary Doctorate from The University of Toronto
 Honorary Fellow of the London School of Economics and Political Science

Other major offices

CK Asset Holdings Limited[#] (Independent Non-Executive Director and Member of Audit Committee and Nomination Committee)
 CK Hutchison Holdings Limited[#] (Independent Non-Executive Director) (until May 2024)
 Hutchison Telecommunications Hong Kong Holdings Limited[#] (Independent Non-Executive Director) (until May 2024)
 The Hong Kong Jockey Club (Honorary Steward)
 World Vision Hong Kong (Honorary Chairman)
 The Hong Kong Federation of Youth Groups (Senior Advisor)
 Asia International School Limited (Chairman)



Dr Kim Lesley Winsor, OBE

Age: 66 Appointed: 1 January 2016

Term of office: 11 May 2022 (re-elected) to 2025 AGM

Key strengths and experience

Dr Winsor has a wide range of expertise and experience in e-commerce, luxury retail and international business. Her career has encompassed various executive roles in the consumer, digital and retail industries. She began her career with Marks & Spencer plc in the UK and became its youngest commercial divisional board director.

She went on to successfully deliver turnarounds for the iconic British heritage brands Pringle of Scotland and Aquascutum as President and Chief Executive Officer, additionally served as special board advisor to the global digital e-commerce business Net-a-Porter.

Dr Winsor holds an independent advisory role in Spora Biotech, a company in Chile developing mushroom mycelium into planet friendly fabrics, and is a director of FSU, an Australian based fitness company. She is also an advisor to Rosenthal & Rosenthal, a privately held factor and finance company in the U.S.A.

Titles, qualifications and education

OBE, Order of the British Empire
 Doctorate from Heriot-Watt University for her work on British business

Other information

Former name was Kim Lesley Haresign



Ada Koon Hang Tse ^A

Age: 58 Appointed: 1 December 2017

Term of office: 8 May 2024 (re-elected) to 2027 AGM

Key strengths and experience

Ms Tse has both a legal and a financial services background, enabling her to bring a unique combination of skills to the Board. She is a Senior Advisor to PineBridge Investments Asia (formerly, AIG Investments Asia). She joined AIG in 1996 and was President and Chief Executive Officer of AIG Investments Asia before assuming an advisory role. Ms Tse also worked in investment banking at Morgan Stanley in New York and Hong Kong, and was previously a lawyer at Sullivan and Cromwell in New York. Ms Tse has served as Non-Executive Director on a number of corporate boards across the Asian region, such as President Chain Store Corp. (7-Eleven operator) in Taiwan and Biocon Limited (biopharmaceuticals) in India.

She was previously appointed to various Hong Kong government advisory bodies, including the Securities and Futures Commission Advisory Committee, the Land Planning Appeal Board and the Travel Industry Compensation Fund Management Board. In addition, she is active in non-profit organisations focused on education and the arts.

Titles, qualifications and education

BA in Applied Mathematics, Harvard University
JD, Harvard Law School

Other major offices

Advisory Committee on Arts Development of HKSAR Government (Member)
Solicitors Disciplinary Tribunal Panel of HKSAR Government (Member)
Friends of Hong Kong Museum of Art (Chairman of the Board of Trustees)

HONORARY LIFE PRESIDENT



Ronald James McAulay

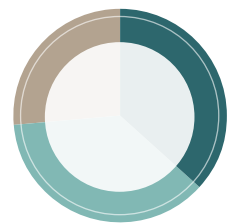
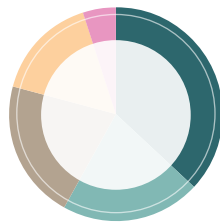
Age: 89 Appointed: 4 May 1972

Mr McAulay served on the Board as a Non-Executive Director of the company for over 45 years until his retirement in May 2017. In recognition of his extensive contribution to the company, the Board conferred on Mr McAulay the title of Honorary Life President. He does not have any official responsibilities within the company. Mr McAulay is the brother-in-law of The Hon. Sir Michael Kadoorie and an uncle of Mr Philip Lawrence Kadoorie.

Our Leadership – Board Members

Board Composition & Diversity

We have a strong and effective Board with 19 members encompassing a pertinent blend of skills, experience and diversity. This enables the Board to offer sound judgement on strategic matters and provide effective guidance for overseeing management. The Board has determined there will be a minimum of three female directors at all times. The individual profiles¹ of each Board member highlight their relevant skills and experience. The following charts provide an overview of the Board’s diversity, encompassing gender, age, nationality, length of service, independence, and expertise and skills.²



GENDER

- Male : 15
- Female : 4

AGE

- 31-40 : 1
- 41-50 : 3
- 51-60 : 4
- 61-70 : 4
- > 70 : 7

NATIONALITY

- British : 9
- Chinese : 4
- Swiss : 2
- American : 1
- Australian : 1
- French : 1
- Mexican : 1

LENGTH OF SERVICE

- < 5 years : 5
- 5-10 years : 5
- > 10 years : 9

INDEPENDENCE

- Independent Non-Executive Directors : 7
- Non-Executive Directors : 7
- Executive Directors : 5

BOARD EXPERTISE AND SKILLS

	Executive Leadership & Strategy	Hospitality Retail & Real Estate	Global Market Experience	Risk Management/ Compliance	Marketing/ Branding	Technology & Innovation	Professional (Legal, Finance & Accounting)	Environmental Social & Governance
Non-Executive Directors								
The Hon. Sir Michael Kadoorie <i>Non-Executive Chairman</i>	●	●	●	●				●
Mr Philip L. Kadoorie <i>Non-Executive Deputy Chairman</i>	●	●	●	●	●			●
Mr Nicholas T.J. Colfer	●	●	●	●	●			●
Mr Andrew C.W. Brandler	●	●	●	●			●	●
Mr James L. Lewis		●	●		●			●
Mr Diego A. González Morales	●	●	●	●		●	●	●
Mr Peter C. Borer	●	●	●	●	●			●

1 Details can be found on pages 156 to 165

2 The charts reflect the position up to 31 March 2025

Our Leadership – Board Members

Roles and responsibilities

The Chairman and the Chief Executive Officer have separate and distinct roles and responsibilities, as are set out in the HSH Corporate Governance Code. Our Chairman and Chief Executive Officer do not have any financial, business, family or other material or relevant relationships with each other.

There is also a clear division between Executive Directors' and NEDs' (including INEDs) responsibilities, which ensures accountability and oversight. The Board is supported by the Company Secretary. The respective responsibilities are set out in the table below.

Role	Responsibilities
Non-Executive Chairman <i>The Hon. Sir Michael Kadoorie</i>	<ul style="list-style-type: none"> Leading the Board and monitoring its effectiveness Fostering candid discussions from all Directors and ensuring constructive relationships among Directors Reviewing management performance with the INEDs Ensuring that good corporate practices and procedures are established and implemented throughout the group, with the assistance of the Company Secretary
Chief Executive Officer* <i>Benjamin Vuchot (from 3 March 2025)</i> <i>Christobelle Liao (as Interim CEO from 1 November 2024 to 2 March 2025)</i>	<ul style="list-style-type: none"> Leading the management and GMB in the day-to-day running of the group's business Developing strategies for the Board's approval Executing strategies, policies and objectives agreed by the Board Reporting to the Board on the performance of the business
*supported by GMB ³	
Executive Directors <i>Benjamin Vuchot (from 3 March 2025)</i> <i>Christobelle Liao</i> <i>Keith Robertson</i> <i>Gareth Roberts</i> <i>Clement Kwok (up to 31 October and thereafter as Advisor to CEO)</i>	<ul style="list-style-type: none"> Managing the day-to-day business of the entire group's operations Being accountable for their specific executive functions to the Board Communicating proactively with the NEDs and INEDs and being open and responsive to any executive proposals and challenges made by the NEDs and INEDs
7 Non-Executive Directors (NEDs) and 7 Independent Non-Executive Directors (INEDs) <i>Pages 156 to 165</i>	<ul style="list-style-type: none"> Evaluating the group's performance in achieving the corporate goals and objectives set by the Board Ensuring clarity and accuracy on the reporting of financial information and that risk management and internal control systems are effective Providing constructive feedback on management decisions Serving on the Board and Board Committees to give these committees the benefit of their skills, expertise, and varied backgrounds and qualifications The INEDs, being independent, have the additional roles of: <ul style="list-style-type: none"> Bringing know-how and business expertise that are supplementary to executive management, thereby providing independent insights and judgement Helping to maintain objectivity in the Board's decisions when potential conflicts of interest arise
Company Secretary <i>Till Lembke</i>	<ul style="list-style-type: none"> Reviewing, implementing, initiating and driving improvements on our corporate governance practices and processes Advising and keeping the Board and Board Committees up to date on legislative, regulatory and governance matters Facilitating induction and continuous professional development of the Directors

3 Details of the GMB members and its function can be found on pages 169 to 171

OUR LEADERSHIP – SENIOR MANAGEMENT AND KEY FUNCTIONS

Senior Management

Group Management Board (GMB)

Chaired by Mr Vuchot, GMB constitutes the group's core decision centre and the focal point of its day-to-day management. GMB operates under clear guidelines and delegated authorities granted by the Board, and provides the Board with high quality information and recommendations to enable informed decisions.

GMB is supported by the Heads of Operations and Corporate Departments, as well as three sub-committees, including the (i) Group Risk Committee, (ii) Group Corporate Responsibility Committee and (iii) Technology Steering Committee. Each GMB sub-committee has its own terms of reference or charter and regularly reports to GMB, covering risk management, environmental and social issues, and innovation and technology strategy matters, respectively. In addition to these three sub-committees, we also have the HSH Retirement Plan ORSO Committee which oversees the group's retirement plan.

GMB strives to meet weekly to discuss and manage the affairs of the company, as well as the group's business strategy. Financial and non-financial factors, including corporate responsibility and sustainability factors, are considered in the day-to-day decision-making. GMB also aims to set aside time every year for a strategic meeting to reflect on the current status and review the future direction of the business. Findings and recommendations are then communicated to the respective Board Committees or the Board. The strategic meeting in 2024 was delayed to allow the new Executive Directors to settle into their new roles and for CEO to participate, and is scheduled to be held later in 2025.

Members of the Group Management Board include the four Executive Directors⁴, and the following senior management members.

Other members:



Ming Chen

Chief Property Development Officer

Appointed to GMB: January 2024

Age: 48

Main responsibilities held with the group

Ms Chen joined the group in 2003 as Assistant Manager, Business Development serving for 2.5 years, and rejoined the group in 2006 as Assistant Manager, Projects after a short break. Over the years, she has been instrumental in the development of The Peninsula hotels in London, Istanbul, Shanghai and Paris, the acquisition of 21 avenue Kléber, and co-ordinating and assessing numerous hotel development and residential opportunities for the group, including

leading The Peninsula London Residences Project. As the Chief Property Development Officer, Ms Chen is responsible for the financial performance of the properties and leading the continued enhancement of our properties and residential portfolio, while exploring future property and hotel development opportunities and redevelopment of long-term assets. She is a Director of several of the group's entities.

⁴ Profiles of Benjamin Vuchot, Christobelle Liao, Keith Robertson and Gareth Roberts are disclosed on pages 157 to 159

Our Leadership – Senior Management and Key Functions



Joseph Chong

**Regional Executive Vice President, Asia, and
Managing Director, The Peninsula Hong Kong**

Appointed to GMB: June 2019

Age: 57

Main responsibilities held with the group

Mr Chong joined the group in 2000 at The Peninsula Beijing and has held a variety of positions at The Peninsula Bangkok and The Peninsula Shanghai, including General Manager and Managing Director of The Peninsula Shanghai. He was appointed as Area Vice President and Managing Director of The Peninsula Hong Kong and The Peninsula Shanghai in 2017. Since

2020, he has taken on additional responsibilities and as Regional Executive Vice President, Asia, and Managing Director of The Peninsula Hong Kong, he oversees The Peninsula Hotels' Asian properties, including Hong Kong, Shanghai, Beijing, Tokyo, Bangkok and Manila as well as the Hong Kong based Tai Pan Laundry. He is a Director of several of the group's entities.



Michael Garcia

Chief Information Officer

Appointed to GMB: August 2024

Age: 46

Main responsibilities held with the group

Mr Garcia joined the group as Group General Manager, Technology in 2022. He successfully led a transformation of the technology functions in Head Office to drive all key planning, business performance, innovation and enhancement of the guest experience. He was instrumental in the technology integration for the opening of The Peninsula Istanbul and The Peninsula London.

As Chief Information Officer, he is responsible for formulating and implementation of information technology strategy at both group and operational levels, as well as overseeing the strategy and development of innovation and technology transformation. He is also the Joint Chairman of the Technology Steering Committee.



Maria Razumich-Zec

**Regional Executive Vice President, USA and
Managing Director, The Peninsula Chicago**

Appointed to GMB: June 2007

Age: 67

Main responsibilities held with the group

Mrs Razumich-Zec joined the group as General Manager of The Peninsula Chicago in 2002. She was appointed as Regional Vice President – USA East Coast in 2007. As the Regional Executive Vice President, USA and Managing Director,

The Peninsula Chicago, she holds regional responsibilities covering The Peninsula Hotels in Chicago and New York, as well as overseeing The Quail in Carmel, California. She is a Director of several of the group's entities.



Sindy Tsui

Chief People and Culture Officer

Appointed to GMB: June 2011

Age: 56

Main responsibilities held with the group

Ms Tsui joined the group as General Manager, Human Resources (retitling to People and Culture) in 2007. She has many years of experience in human resources management in the hospitality industry. As Chief People and Culture Officer,

Ms Tsui holds overall responsibility for the group's strategy on employee experience, talent development and employment relations. She is one of the key leaders of the group's organisational development strategies, and employee wellness.

Key Functions

The following are leaders of key functions in the group at the date of this report. Names are listed in alphabetical order by last name.

Arnold Angeles, *Vice President, Research & Technology*
 Nilgun Arsankan, *Group General Manager, Projects*
 Rolf Buehlmann, *Managing Director, The Peninsula London*
 Lily Calkins, *Senior Vice President, Revenue Management*
 Cary Chan, *Senior Vice President, People and Culture*
 Jisoo Chon, *Managing Director, The Peninsula Shanghai*
 Mark Choon, *Managing Director, The Peninsula Tokyo*
 David Chow, *General Manager, The Peak Complex*
 Nick Cohen, *Senior Vice President, Digital and E-Commerce*
 Jonathan Crook, *Managing Director, The Peninsula Istanbul*
 Cameron Cundle, *Managing Director, The Peninsula Beijing*
 Ozben Ergul, *General Manager, Construction*
 Aiden Fung, *General Manager, Corporate Finance and Investor Relations*
 Carson Glover, *Senior Vice President, Brand Marketing and Communications*
 Alistair Gough, *General Manager, Projects – The Peninsula London*
 Caroline Goux, *Senior Vice President, Sales*
 Jason Hui, *Senior Vice President, Group Security and Operational Risk*
 Samir Ibrahim, *Managing Director, The Peninsula New York*
 Joseph Lee, *Senior Vice President, Operations and General Manager, Peninsula Clubs and Consultancy Services Limited*
 Till Lembke, *Company Secretary and Group General Counsel*
 Kai Lermen, *Senior Vice President, The Peninsula Signature Events*
 Cecilia Lui, *Director, PRC Affairs*
 Lynne Mulholland, *General Manager, Group Corporate Affairs*
 Louise Napier, *Senior Vice President, Global Commercial Leasing*
 Offer Nissenbaum, *Managing Director, The Peninsula Beverly Hills*
 Masahisa Oba, *Managing Director, The Peninsula Bangkok*
 James Overbaugh, *Managing Director, The Quail*
 Vincent Pimont, *Managing Director, The Peninsula Paris*
 Charlie Pojanartvichaikul, *General Manager, The Landmark Vietnam*
 Martin Rahn, *Assistant General Manager, The Repulse Bay Company, Limited*
 Guy Riddell, *Managing Director, Peninsula Merchandising Limited*
 Ernest Tang, *Group General Manager, Group Finance*
 Kevin Tsang, *Managing Director, The Peninsula Manila*
 Kitty Wan, *Group General Manager, Audit and Risk Management*
 Joshua Wong, *Director, Corporate Responsibility and Sustainability*
 Mei Yoke Yong, *General Manager, Operations Finance*

Our Leadership – Senior Management and Key Functions

Diversity Amongst Overall Workforce

The company strives to promote diversity at all levels of our workforce. We have a policy on providing equal opportunity to all employees regardless of gender, race, age, nationality, religion, sexual orientation, disability, and other aspects of diversity as well as opposing any forms of discrimination. Given the dynamic nature of our business, we have not specified any quotas or similar measurable objectives for achieving diversity; rather our focus is on (i) providing development opportunities and growing our own talent from within, through programmes such as the Global Cross-Exposure Employee Development Programme, and (ii) recruiting the right talent with the right mindset that is best suited for the role. Our hiring managers have taken extra steps to ensure candidates with diverse

backgrounds (including gender and ethnicity) are considered during the recruitment process.

The company is in the process of reviewing its leadership pipeline to support succession planning for senior executive roles. This effort aims to facilitate smooth transitions and maintain continuity in our leadership team, and also takes into account the company’s approach to equal opportunity.

Further details of our inclusive workplace approach and a breakdown of gender distribution between total workforce and management positions across all HSH operations and corporate offices are disclosed on pages 44 to 52 of the Corporate Responsibility and Sustainability (CRS) Report.

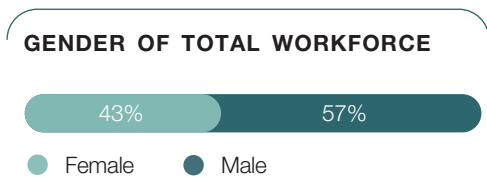
Gender diversity of the senior management and leaders of key functions as at the date of this report



* Inclusive of four Executive Directors

** Key Functions include Managing Directors and General Managers of Operations and Heads of Corporate Departments but do not include members of senior management

Gender diversity of the total workforce as at 31 December 2024



CORPORATE GOVERNANCE REPORT

Culture and Values

The Board believes that our corporate culture, which is aligned with our purpose, values and strategy, is crucial to the long-term economic success, strong reputation, and sustainable growth of the group. The Board sets and promotes company culture based on “doing the right thing”, and requires senior and middle level management to actively promote and live by this principle.

With that in mind, we have implemented a governance framework, led by the Board, that aims at embedding and reinforcing this paramount corporate culture across all levels of the business. We achieve this through various governance policies, practices and controls across the group, including the following:

Integrity and compliance

We put integrity at the forefront of our company culture. This is reflected in the HSH Core Principles Framework, which sets out nine principles central to the way we operate. These are behavioural and service guidelines expected of our employees, and range from mutual respect, to being a team player, being passionate about excellence and others. This set of core principles is embedded in our day-to-day people and culture practices, in addition to the way we recruit, select and assess in our performance reviews.

These principles are supplemented by a robust set of policies such as the Board-endorsed Code of

Conduct, Anti-Bribery and Corruption Policy, Anti-Fraud Policy and Fair Competition Guide. These policies are kept under constant review and are being updated to reflect the increasingly complex global regulatory environment in which we operate. In light of the diverse nature of our workforce, we look to provide compliance training in a suitable format, such as rolling out a short video summarising the key data privacy principles, in addition to our longer privacy e-training. Mandatory training for all HSH employees include our Code of Conduct, updated HSH Employee Handbook, Fair Competition Guide, Data Privacy Policy and cybersecurity.

Accountability

The group’s governance structure fosters a culture of accountability, which is led from the top by the Board (ultimately accountable to the company’s shareholders and stakeholders) and by senior

management, ensuring that each level of the business is subject to appropriate and effective supervision and oversight.

Communication and transparency

The Board recognises the importance of transparency, accessibility, and visibility for itself and senior management. The Board encourages regular and ad hoc dialogue and communication with its shareholders and stakeholders, including employees, conducted through both itself and management. The Directors make occasional visits to different business operations, taking the time to meet with each management team to gain a comprehensive understanding of the challenges faced, as well as the competitive dynamics of the environment in which they operate. The regular monthly meeting has been restructured to focus on sharing key lessons and industry insights, and provides an open forum for the global function heads to ask and discuss

questions. This is supplemented with an in-person “open house” meeting for Head Office employees, which provides an opportunity for the CEO to give an overview of our business performance as well as an update on projects and areas of focus. Operational Managing Directors also strive to hold regular townhall meetings. In 2024, such meetings have been held on a global level by the new Deputy Chairman and C-Suite executives.

We also continue to add to the collection of in-house produced “HSH Masterclass Videos”, to help our employees cultivate a commercial mindset and gain valuable insights on issues critical to our industries, such as risk management and modern slavery.

OUR ETHICS

Corporate Governance Report

OUR PEOPLE

People first

Our people continue to be at the forefront of our organisation. Spearheaded by the People and Culture team, we aim to create a culture of healthy, passionate and engaged employees to support the company in consistently delivering the highest standards of luxury and services.

Inclusivity and respect

We are committed to providing an inclusive and respectful workplace which provides equal opportunity to all employees, regardless of gender, race, age, nationality, religion, sexual orientation or disability. With that in mind, we have increased the diversity of our recruitment channels with the aim of reaching a broader array of candidates.

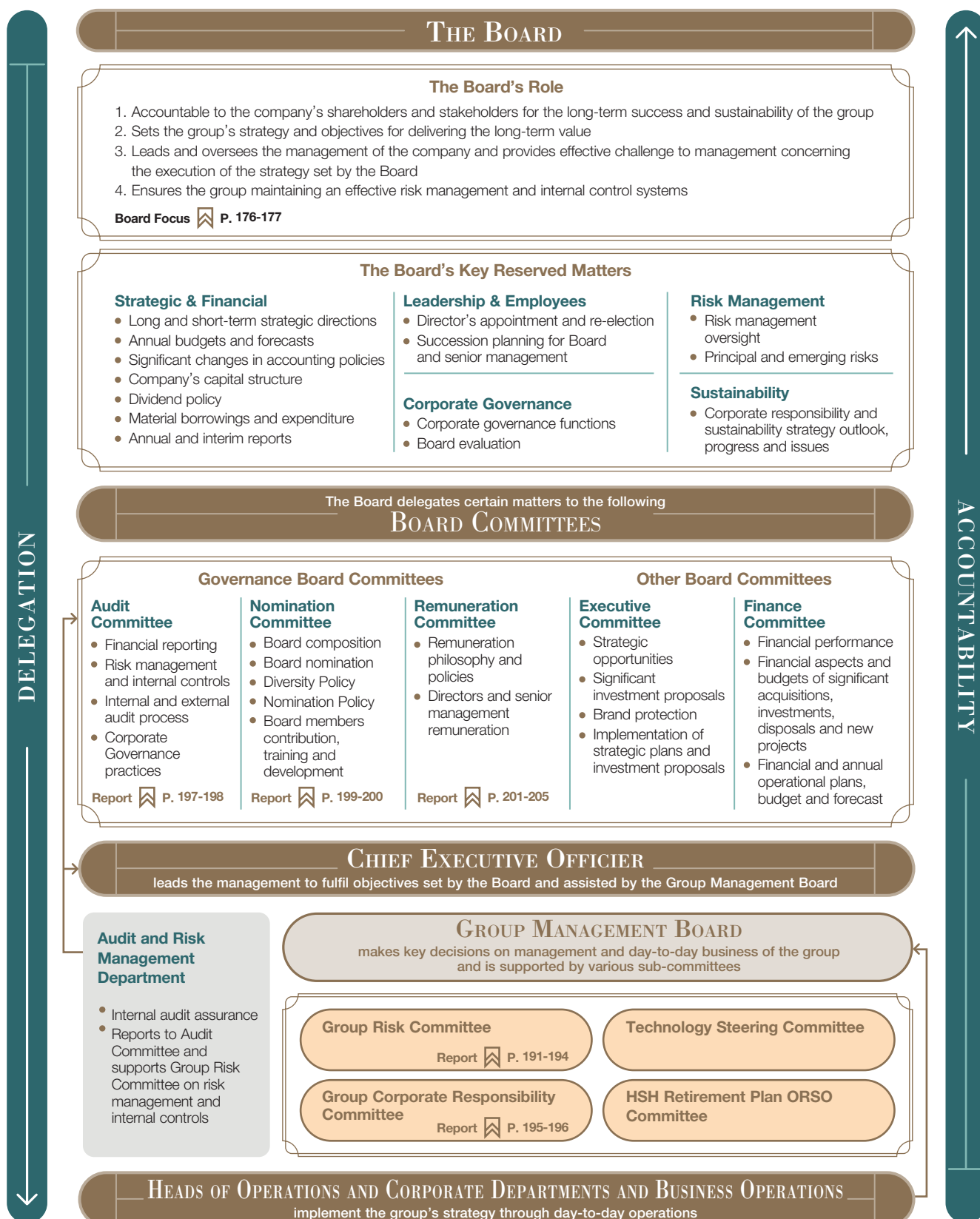
Listening

The Board acknowledges that the resilience of the company’s culture largely depends on employee experience. To make sure we stay on track, we have decided to conduct our employee experience survey on a yearly (rather than biennial) basis. The last survey was carried out in the last quarter of 2024. The overall results⁵ were shared with management, and addressing the outcomes of the survey forms a key part of each head of operation’s and department head’s responsibility. They are tasked with communicating with their respective teams to work out action plans where necessary to build on the messages emanating from the survey results.

5 Details can be found on page 49 of the CRS Report

Corporate Governance Framework

The Board has set a two-tiered structure where the Board and the management team are led by the Chairman and the Chief Executive Officer respectively. The Board and its committees oversee the corporate governance structure and give guidance to management on implementing good governance in our daily business. The diagram below illustrates our corporate governance framework.



Corporate Governance Report

2024 Board Focus

The focus of our 2024 Board meetings was on addressing the outstanding issues emanating from The Peninsula London project, stabilising the company's financial performance and enhancing our existing properties. The Board devoted considerable time to an extensive discussion on detailed business analysis during the 2025 budget presentation from management, which aimed at steadying the business by driving operational efficiency across all units, reducing debt, and establishing a solid financial foundation for the future. No dedicated strategic meeting to determine the company's long-term direction was held in 2024 in light of the C-suite transition and our new CEO joining only on 3 March 2025. This is planned for the latter part of 2025 following the new CEO's onboarding.

We continued the practice of holding Board lunches after each Board meeting. This provided an opportunity for our directors to interact with each other in a more informal setting and to discuss a wider range of issues concerning the group. In 2024, we also organised a discussion with the Board on stakeholder views on emerging ESG trends and on the company's *Sustainable Luxury Vision 2030*.

In addition, the Board continued to cover all customary matters. We highlight below the Board's priority matters during 2024.

Strategy

- Reviewed and endorsed the balanced scorecard approach of the group covering four key focus, namely financial and strategy, operation and efficiency, customer and brand, and people and *Vision 2030*. Each operations balanced scorecard was also reviewed with their specific respective targets to support the group's scorecard
- Analysed the financial and operational update of each operation and discussed strategies for enhancing business performance
- Considered the possibility of extension of the land lease expiring in January 2026 for The Landmark, Vietnam, and the necessary steps if no extension was feasible
- Conducted an in-depth review of the retail business plan and marketing strategy for The Peninsula Merchandising
- Reviewed the content, social media and digital marketing strategies of The Peninsula Hotels and explored various options for driving business growth
- Evaluated the current structure of the technology team, as well as the technology strategies and initiatives of the group

Financial and Operational

- Monitored and evaluated the progress of the sale of The Peninsula London Residences
- Assessed the progress of preparing and agreeing final accounts with trade contractors and consultants for The Peninsula London and The Peninsula Istanbul
- Reviewed the progress and results of The Peninsula New York renovation
- Analysed the company's financial position and approved the issuance of a profit warning announcement⁶
- Evaluated detailed business analyses, key assumptions and factors affecting the 2025 budget and ultimately approved the 2025 budget

Leadership

- Approved the respective changes announced in 2024 including retirement of a Non-Executive Director, appointment of the Interim Chief Executive Officer, Chief Executive Officer, Change of Deputy Chairman, Company Secretary, and Executive and Finance Committees' Members⁷

Risk Management

- Reviewed and discussed the key risks to the business
- Monitored and reviewed the effectiveness of risk management and internal control systems through the Audit Committee

Corporate Governance

- Reviewed the regular updates from the Chairmen of the Governance Board Committees. These include key issues and topics raised at those meetings, as well as recommendations for Board approval
- Approved the amendments to the HSH Code, Terms of Reference of the Board and Nomination Committee to ensure alignment with the amended Listing Rules
- Approved the connected transaction for the tenancy agreement of the company's Head Office and issued the relevant announcement⁸
- Approved the Nomination Committee's decision to maintain no less than three female Board members as the measurable objective for implementing the policy of gender diversity
- Reviewed the mechanisms in place for ensuring INEDs are able to express their views and input to the Board and confirmed these mechanisms remain effective⁹
- Approved the Group Tax Strategy¹⁰ for publication on the company website to comply with UK tax disclosure requirements

Sustainability

- Reviewed the progress of the key performance indicators of the *Sustainable Luxury Vision 2030 (Vision 2030)*, and progress of corporate responsibility and sustainability initiatives of the group
- Reviewed the company's decarbonisation roadmap and work plan for coming years
- Discussed results from this year's Board and senior management stakeholder engagement exercise in alignment with "double materiality" approach
- Approved the updated Modern Slavery Statement,¹¹ which explains the activities we have undertaken during the year to mitigate the risks of unethical labour practices, human trafficking and modern slavery in any part of our business or supply chain

Sound Board decisions based on clear, complete and reliable information

- Comprehensive Board papers for discussion
- A monthly update of HSH's businesses
- Board Minutes and Board Committee Minutes (except Finance Committee) to allow our Board members have visibility of the discussions at various committees. Finance Committee discussion on financial aspects matters are included in the monthly and Board updates to Directors

⁷ Posted on the company website: www.hshgroup.com/en/investors/corporate-announcements

⁸ Posted on the company website: www.hshgroup.com/en/investors/corporate-announcements

⁹ Details of the channels can be found on page 189

¹⁰ Posted on the company website: www.hshgroup.com/en/corporate-governance

¹¹ Posted on the company website: www.hshgroup.com/en/sustainable-luxury/sustainability-reports

Corporate Governance Report

Board Evaluation

Our Board assesses its own performance and effectiveness typically every two years through a formal performance evaluation process. The purpose of this review is to identify areas for enhancement and improving the Board’s effectiveness. The last such review took place in 2022 with an independent facilitator to lead the process. It included completion of a questionnaire by the Directors, followed by individual meetings with the facilitator. The overall results were discussed with the Board, and action points for management to implement were formulated. The Board evaluation scheduled for 2024 was not conducted because of the significant leadership changes of 2024. It was agreed that an evaluation post 2025 would be more suitable, in anticipation of and following the appointment of the new Deputy Chairman and arrival of the new CEO.

Progress on areas of focus

The 2022 Board evaluation concluded that our Board was operating well with a healthy balance of discussion, debate and expertise. The evaluation resulted in a number of priority items which continued to be addressed during 2024.

○ Priorities	● Progress made in 2024
○ Succession and development	● We have welcomed two new Board members, and identified a new Deputy Chairman and new CEO, to introduce fresh perspectives and ideas
○ Business performance	● The Board closely monitored the business performance of our properties. Board members continue to provide advice and suggestions on improving business performance at all Board Meetings
○ Overall strategic direction	● The Board will schedule a strategy meeting to discuss the long-term direction of the group in the latter part of 2025
○ Financial management including debt management	● The Board conducted a deep dive review of company’s net debt position by 2025 together with a stress test analysis and to help Board members understand its impact on the company’s liquidity
○ Risk management	● The Board reviewed the semi-annual risk management reports produced by Audit and Risk Management Department and discussed the principal risks to the business and their residual risks movement
○ Environmental, social and governance	● The Board reviewed the company’s decarbonisation roadmap and work plan, discussed stakeholder feedback and key ESG trends

○ Chairman’s annual meeting with INEDs

While INEDs have direct access to the Chairman and can voice their thoughts during the Board meetings as well as any other time, a dedicated annual meeting is organised between the Chairman and the INEDs without management present, to seek independent views on matters relating to the company’s business and direction. Comments and suggestions by INEDs are then brought to discussion with the full Board in an open and constructive manner. The upcoming focuses are on enhancing the company’s financial position, embracing changes while safeguarding the company’s strength and ensuring stability, ascertaining the company’s long-term direction and maintaining our strong company values and culture.

Directors' Attendance

The Board held five scheduled meetings and four Board resolutions were approved by circulation in 2024. Physical meetings have been held and certain directors also participated remotely. The attendance of Directors and the Company Secretary at the Annual General Meeting, Board and Governance Board Committee meetings for the year 2024 are as follows:

	Board ⁽¹⁾	Audit Committee ⁽²⁾	Nomination Committee	Remuneration Committee	Annual General Meeting ⁽²⁾
Attendance Rate	98%	94%	91%	100%	100%
Non-Executive Directors					
The Hon. Sir Michael Kadoorie <i>Non-Executive Chairman</i>	6(6)		3(3)		1(1)
Mr Philip L. Kadoorie <i>Non-Executive Deputy Chairman</i>	5(5)				
Mr John A.H. Leigh ⁽³⁾	2(2)				1(1)
Mr Nicholas T.J. Colfer	5(5)				1(1)
Mr Andrew C.W. Brandler ⁽⁴⁾	5(5)	3(4)		3(3)	1(1)
Mr James L. Lewis	5(5)				1(1)
Mr Diego A. González Morales	5(5)				1(1)
Mr Peter C. Borer	5(5)				1(1)
Independent Non-Executive Directors					
Dr the Hon. Sir David K.P. Li	6(6)		3(3)		1(1)
Mr Patrick B. Paul	6(6)	4(4)		3(3)	1(1)
Mr Pierre R. Boppe	6(6)				1(1)
Dr William K.L. Fung ⁽⁵⁾	4(6)		2(3)		1(1)
Dr Rosanna Y.M. Wong	6(6)			3(3)	1(1)
Dr Kim L. Winser	6(6)				1(1)
Ms Ada K.H. Tse	6(6)	4(4)			1(1)
Executive Directors					
Ms Christobelle Y.C. Liao <i>Interim CEO (November and December) and Chief Corporate and Governance Officer</i>	5(5)				–
Mr Keith J. Robertson <i>Chief Financial Officer</i>	5(5)				1(1)
Mr Gareth O. Roberts ⁽⁶⁾ <i>Chief Operating Officer</i>	3(3)				
Mr Clement K.M. Kwok	5(5)				1(1)
Company Secretary					
Ms Christobelle Y.C. Liao ⁽⁷⁾	3(3)	3(3)	1(1)	1(1)	1(1)
Mr Till A. Lembke ⁽⁷⁾	2(2)	1(1)	1(1)	1(1)	

Notes:

- (1) Included an annual meeting where the Chairman met with INEDs only
- (2) Representatives of the independent auditor participated in every Audit Committee meeting and the Annual General Meeting
- (3) Mr John A.H. Leigh retired as a Non-Executive Director on 8 May 2024
- (4) Mr Andrew C.W. Brandler was unable to attend the Audit Committee due to a pre-existing commitment
- (5) Dr William K.L. Fung was unable to attend the two Board meetings and a Nomination Committee Meeting due to pre-existing commitments
- (6) Mr Gareth O. Roberts succeeded Mr Peter C. Borer as an Executive Director and the Chief Operating Officer from 1 August 2024
- (7) Mr Till A. Lembke was appointed the Company Secretary on 1 September 2024 replacing Ms Christobelle Y.C. Liao

Corporate Governance Report

Board Induction and Training

Onboarding for new Directors

All new Directors receive a comprehensive onboarding programme which is tailored to their individual roles and needs, and designed to facilitate their understanding of our group's overall business, our corporate governance and our culture. This structured programme includes meetings with the Chairman, Executive Directors, Company Secretary and senior management, and visiting a number of the group's properties. The Company Secretary will provide a tailored onboarding pack and a library of reference materials covering key areas such as Board and Committee papers, governance and directors' duties, risk management and internal controls matters. An external legal adviser explains the roles, responsibilities and obligations of a director. Mr Keith Robertson joined the Board in January 2024 and completed his onboarding programme. Mr Gareth Roberts joined the Board in August 2024 and was given a limited onboarding programme on governance and responsibility matters given his prior tenure in the company and the fact that he was shadowing the previous Chief Operating Officer for seven months. Mr Benjamin Vuchot who joined the Board in March 2025 has just commenced his onboarding programme. Mr Keith Robertson, Mr Gareth Roberts and

Mr Benjamin Vuchot have each been provided with a letter of advice from our external legal advisers on their obligations as listed company directors on 19 January 2024, 17 July 2024 and 21 February 2025, respectively. Each has explicitly acknowledged his respective understanding of such obligations under the Listing Rules.

Directors training and continuous professional development

Our Directors participate in training and continuous professional development activities that keep them up to date on developments in areas pertaining to the business of the company and the performance of their duties as Directors. In addition to quarterly governance updates, anti-bribery and corruption reading materials and relevant publications are provided to our Directors and keep them abreast of the relevant rules and regulations affecting our businesses. We continue to seek to enhance our training to include more content on climate and ESG-related topics. Directors who individually attend seminars or conferences associated with their expertise and responsibility update the company annually. The training and continuous professional development records of Directors and the Company Secretary for the year 2024 are as follows:

DIRECTORS' TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT⁽¹⁾

	Board roles, functions, responsibilities and effectiveness	Legal and regulatory updates	Corporate governance and ESG	Risk management and internal controls	Hotel and retail developments, business trends and strategies
Non-Executive Directors					
The Hon. Sir Michael Kadoorie <i>Non-Executive Chairman</i>	●	●	●	●	●
Mr Philip L. Kadoorie <i>Non-Executive Deputy Chairman</i>	●	●	●	●	●
Mr John A.H. Leigh ⁽²⁾	●	●	●	●	●
Mr Nicholas T.J. Colfer	●	●	●	●	●
Mr Andrew C.W. Brandler	●	●	●	●	●
Mr James L. Lewis	●	●	●	●	●
Mr Diego A. González Morales	●	●	●	●	●
Mr Peter C. Borer	●	●	●	●	●

DIRECTORS' TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT⁽¹⁾

	Board roles, functions, responsibilities and effectiveness	Legal and regulatory updates	Corporate governance and ESG	Risk management and internal controls	Hotel and retail developments, business trends and strategies
Independent Non-Executive Directors					
Dr the Hon. Sir David K.P. Li	●	●	●	●	●
Mr Patrick B. Paul	●	●	●	●	●
Mr Pierre R. Boppe	●	●	●	●	●
Dr William K.L. Fung	●	●	●	●	●
Dr Rosanna Y.M. Wong	●	●	●	●	●
Dr Kim L. Winser	●	●	●	●	●
Ms Ada K.H. Tse	●	●	●	●	●
Executive Directors					
Ms Christobelle Y.C. Liao ⁽²⁾ <i>Interim CEO (November and December) and Chief Corporate and Governance Officer</i>	●	●	●	●	●
Mr Keith J. Robertson <i>Chief Financial Officer</i>	●	●	●	●	●
Mr Gareth O. Roberts <i>Chief Operating Officer</i>	●	●	●	●	●
Mr Clement K.M. Kwok	●	●	●	●	●
Company Secretary					
Mr Till A. Lembke ⁽³⁾	●	●	●	●	●

Notes:

- (1) Directors undertook training and continuous professional development through attending seminars/conferences and webinars arranged by the company or external organisations, and reading regulatory/corporate governance and industry related updates
- (2) Mr John A.H. Leigh retired as a Non-Executive Director on 8 May 2024
- (3) Mr Till A. Lembke was appointed the Company Secretary on 1 September 2024 replacing Ms Christobelle Y.C. Liao. Both Ms Liao and Mr Lembke undertook over 15 hours of professional training, meeting the requirement of the Listing Rules

Corporate Governance Report

Risk Governance

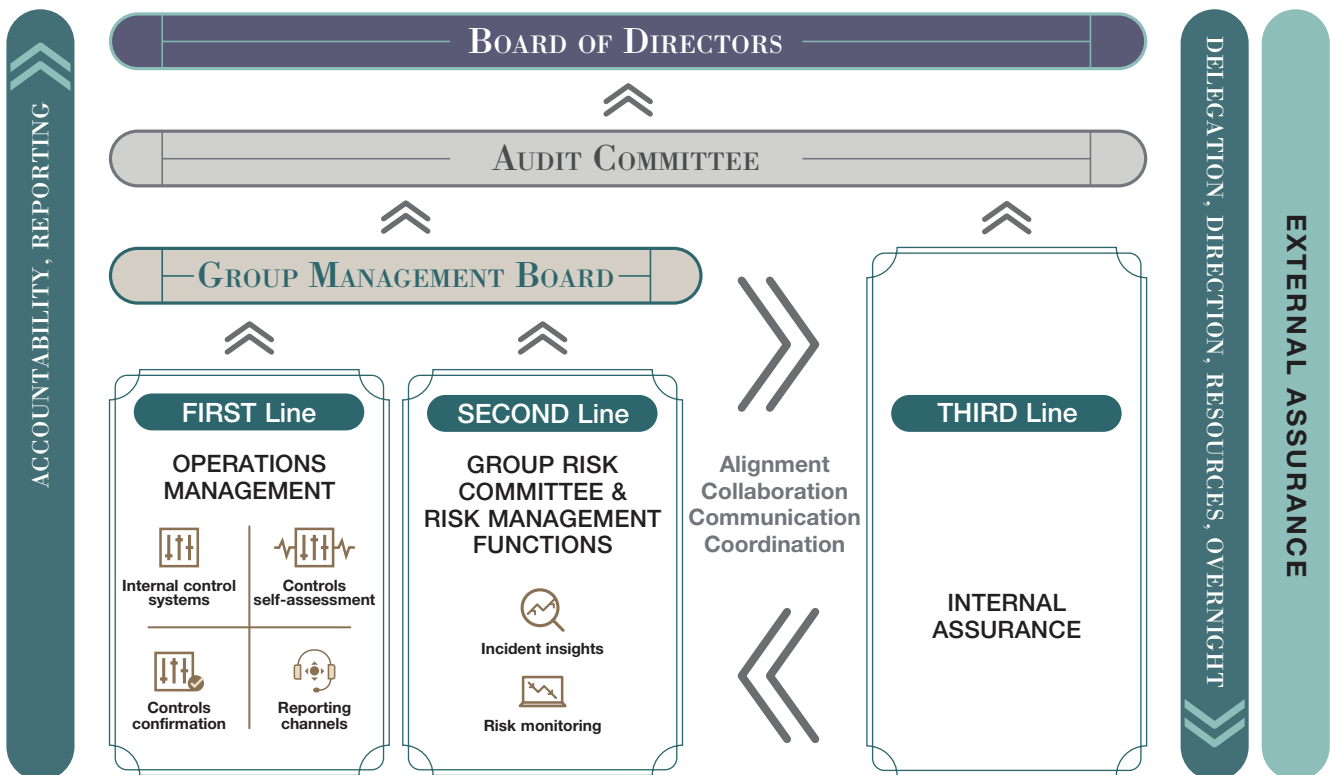
Effective risk management plays an integral role in the overall achievement of the group’s strategic objectives, namely, to ensure the resilience of our business for the long term, enhance the quality of our asset portfolio, deliver the highest standards of luxury, and to preserve the tradition of integrity and respect for our heritage.

The Board is ultimately responsible for establishing, maintaining and overseeing appropriate and effective risk management and internal control systems for the group. It has given the Audit Committee the responsibility to oversee these systems on an ongoing basis and to assess their adequacy and effectiveness semi-annually. This is done with the support of the Group Risk

Committee (GRC) and Audit and Risk Management Department (ARM). A risk management report summarising the latest risk landscape and the key internal controls in place for each principal risk is submitted to the Board every six months.

Approach to risk governance

Our risk management framework is guided by the “Three Lines Model”, as set out in the graphic below. This framework and its process aim to efficiently identify, manage, and mitigate risks. Whilst each of the three lines has its distinct responsibilities, their activities are aligned with the objectives of the organisation. Such coherence is achieved through regular and effective collaboration, communication and coordinations.



FIRST Line: Operations management

The group is dedicated to building a strong culture of governance and compliance throughout all levels of the organisation, from the Board to operations. To uphold its high standards, the group has established a system of internal controls which is executed by operations management.

Internal control systems

Controls adopted by the group can be divided into entity level and process level controls. Entity level controls operate pervasively across and throughout the group to mitigate risks threatening the company as a whole and to provide assurance that organisational objectives are achieved. Examples include groupwide policies such as the Code of Conduct, Speak Up Policy, Group Purchasing & Tendering Policy, Fair Competition Guide, HSH Finance Policies and Procedures, Company Management Authority Manual and others.

Process level controls include operational standards such as the Casual Labour Standard Operation Procedure for hiring casual labour, policies and procedures governing approval authority, due diligence requirements, safeguarding of assets and financial reporting and many others.

The group has implemented a number of controls to cope with the ever-changing regulatory and operational environment. Please refer to the GRC report on pages 191 to 194 for the key controls undertaken in 2024 to mitigate our principal risks.

We provide guidance on the handling of inside information within the group, to ensure potential inside information is being captured and confidentiality is being maintained until disclosures are made.

Handling Inside Information Guide

- A user-friendly guide is shared on our intranet to promote staff awareness
- Non-compliance of the Guide is a breach of the Code of Conduct
- A system is in place to monitor what the market says about HSH and there is an inside information escalation process

Controls self-assessment

Our business and functional units are at the forefront of risk management and they form part of the group's risk management process by undertaking a "controls self-assessment" (CSA). Formally conducted twice a year, the CSA process allows the group and each operation to identify new risks affecting their businesses, reassess the magnitude of existing risks, and evaluate the effectiveness of controls in

managing the risks by using the risk management handbook. Enhancement plans with specified risk owners and time-bound action points are implemented for controls that are assessed as less effective.

During 2024, we have revamped the review process of our operations risk management: while GRC continued to review strategic risks and controls, the representatives of the second line, namely the responsible employees within the risk management functions, were tasked with reviewing the specific operational and compliance risks and controls. In addition, we have reactivated face-to-face risk workshops with operations with a view to enhancing the quality and efficiency of the risk management process.

Controls confirmation

Managing Directors, General Managers and Directors of Finance of all operations confirm the effectiveness and adequacy of material internal controls (which include financial, operational and compliance controls) via General Representation Letters. In addition, operations are required to perform annual compliance and privacy checks and provide confirmations to Group Legal on statutory or best practices compliance.

Collectively, these internal control systems and processes form the basis by which management reviews and confirms the effectiveness of the risk management and internal control systems to the Audit Committee.

Reporting channels

The group has multiple channels to handle and communicate incidents. The groupwide Incident Reporting Policy sets out the methodology for group companies to determine the severity level of an incident and the corresponding reporting requirements. This has enhanced the quality of information for the oversight of the group's internal control and risk management practices.

The Speak Up Policy.¹² provides employees and other stakeholders a confidential reporting channel on suspected misconduct or malpractice within the group without fear of reprisal or victimisation. Reported allegations are logged, reviewed, independently validated and investigated as appropriate. Investigation results are communicated to the Audit Committee with approved recommendations implemented by responsible parties. In 2024, we have launched a new Speak Up Portal.¹³

28 reports of potential integrity issues were received via the Speak Up channel in 2024. All of these reports were investigated. Of the 28 reports, 26 were closed and two were still ongoing at the beginning of 2025.

¹² Posted on the company website: www.hshgroup.com/en/corporate-governance/speak-up

¹³ Please refer to page 155 of 2024 in a Nutshell

Corporate Governance Report

SECOND Line: GRC and Risk management functions

Second line roles comprise relevant Head Office functions including the ARM in its risk management capacity, and the GRC which (i) oversees the risk landscape and risk management activities of the operations and development projects which are reported to the Audit Committee and the Board of Directors semi-annually, (ii) monitors the group's principal risks and emerging risks, and (iii) regularly evaluates the effectiveness of controls in response to such risks. A 5-step risk management methodology¹⁴ is applied to ensure the risk assessment process and internal controls remain current, and are adapted and modified as business conditions and the organisation change.



Incident insights

The GRC reviews common incidents across all operations and identifies any trend of root causes for further discussion with the Group Management Board as needed. Opportunities to improve key controls and share best practices are discussed and communicated across the group.



Risk monitoring

The GRC continued to strengthen its monitoring of risks to respond to changes and developments in both the external and internal environment. For actions taken in 2024, please refer to the GRC Report on pages 191 to 194.

In 2025, the group entered a new three-year cycle of its risk engineering programme. As part of this, risk engineers conduct onsite risk surveys to collect risk profiles of operations to underwrite insurance and to assist the group's risk management systems. Additionally, the surveys serve to update operations' risk profiles, assess the existing risk management and mitigation, and provide additional recommendations to reduce principal risks.

THIRD Line: Internal assurance

ARM provides independent and objective assurance on the adequacy and effectiveness of internal controls through continuous audit engagements. These audits facilitate ongoing improvement of the overall internal control framework including key group policies and procedures, operational processes, and compliance with relevant laws and regulations.

ARM utilises an end-to-end approach to audit key processes resulting in the immediate identification and implementation of control improvement opportunities. Considering the company operates in a decentralised control environment, common control weaknesses identified across the group are also aggregated, assessed, and addressed at the group level as needed.

The 2024 internal audit plan included evaluations on the efficiency of key business processes with a focus on optimising operational efficiency and performance of the group and individual operations including the two new hotels. Furthermore, ARM continued to apply a systematic process to timely track the status and implementation of recommendations across all operations.

External assurance

The external auditor of the group further complements the third line by independently auditing material internal controls over financial reporting of the group. Any significant deficiencies in internal control are reported to the Audit Committee every six months.

Board confirmation

The Board has considered and confirmed the Audit Committee's assessment of the effectiveness of the risk management and control systems in the group. These efficiently identify, manage and mitigate risks and safeguard the group's assets, preventing fraud, misconduct and losses, ensuring financial accuracy and achieving regulatory compliance. Throughout 2024 no areas of concern which might materially affect the effectiveness of the group's operational, financial reporting and compliance controls were identified, and the existing risk management and internal control systems remained effective and adequate.

¹⁴ Details of 5-step risk management methodology can be found on page 192 of the GRC Report

Shareholders Engagement

The company values continuous engagement with the investor community, including individuals, institutional shareholders and research analysts. We believe that this is key to building increased understanding between the company and the shareholders and sharing views, opinions and concerns with each other. Comments received from the different platforms and channels are noted and discussed at management level and by the Board as necessary. For more information on how we engage our stakeholders, please refer to pages 128 to 133.

The company engages investors through multiple platforms, as set out in more detail in our Shareholder Communication Policy.¹⁵ The Audit Committee has reviewed these platforms and confirmed that the company has maintained sufficient channels to engage with our shareholders and our Shareholder Communication Policy remains effective.

Annual General Meeting

- The Annual General Meeting (AGM) is the focal point in the company's annual corporate governance calendar. We encourage our shareholders to participate in our AGM and directly communicate with our Directors. We held our 2024 AGM at The Peninsula Hong Kong.¹⁶ Our Directors, including the Chairman of the Audit and Remuneration Committees, were all present. KPMG, the company's external auditor, was also present to answer questions relating to its audit of the company's financial statements.

Investor Relations Activities

- Our Executive Directors and Investor Relations team engaged with shareholders and potential investors via one-on-one meetings and post-earnings conference calls, as well as regular briefings with research analysts.

Company Website

- Our company website¹⁷ gives the public a window as to who we are, what we do and how we are doing. There is a wealth of current and historical information such as webcasts of the announcements of the latest financial results along with presentation materials from such announcements, our financial reports, financial statistics, and corporate governance practices.

Analysts Briefings and Press Conference

- The company held analysts briefings and a press conference following its 2023 annual and 2024 interim results announcements and held a further press conference after the 2024 AGM. The company hosts regular media lunches and briefings with senior management.

Social Media

- The company's social media sites provide investors and other stakeholders with regular updates on our initiatives relating to our businesses and the HSH community.

SHAREHOLDERS ENGAGEMENT CHANNEL

¹⁵ Available on our website at www.hshgroup.com/en/corporate-governance

¹⁶ The poll results are posted on the company website: www.hshgroup.com/en/investors/general-meetings

¹⁷ www.hshgroup.com/en/investors

Corporate Governance Report

Our Shareholders

HSH had 1,660 registered shareholders as at 31 December 2024. The actual number of investors interested in HSH shares is likely to be much greater, as shares are being held through nominees, investment funds and the Central Clearing and Settlement System (CCASS) of Hong Kong.

Size of registered shareholdings	Number of shareholders	% of shareholders	Number of shares held	% of total number of shares in issue
500 or below	531	31.988	66,201	0.004
501-1,000	182	10.964	143,405	0.009
1,001-10,000	547	32.952	2,219,179	0.133
10,001-100,000	321	19.337	10,221,087	0.613
100,001-500,000	50	3.012	9,691,048	0.581
Above 500,000	29	1.747	1,644,598,930	98.660
Total	1,660	100.000	1,666,939,850	100.000

Note: As at 31 December 2024, 36.72 % of all HSH total number of shares in issue were held through CCASS

The Kadoorie family (including interests associated with the family but excluding interests held by charities associated with the family) has a combined shareholding of 72.58% as disclosed in “Interests of Directors” and “Interests of Substantial Shareholders” in Directors’ Report on pages 208 and 209. The remaining HSH shares are mainly held by institutional and private investors. According to the register of members as at 31 December 2024, a considerable number of shareholders are Hong Kong residents.

From publicly available information and within the knowledge of the Directors, HSH has maintained the required 25% public float throughout 2024 and up to the date of this report.

Shareholders’ rights to general meetings

Shareholders holding not less than 5% of total voting rights of the company may convene an extraordinary general meeting by stating the objectives of the meeting through a requisition and sending the signed requisition to the company.

Our company website¹⁸ sets out the procedures for shareholders to convene and present proposals at general meetings, including proposing a person for election as a Director, and to vote by poll at general meetings.

Dividend Policy

The company’s dividend policy is to seek to provide its shareholders with a stable and sustainable dividend stream. The annual dividend payout ratio is based on the company’s underlying profit, as well as additional commercial factors set out below. The company’s practice is to offer dividends on a half-yearly basis either in cash or in scrip.

Additional commercial factors to be considered in setting the level of dividends include:

- current and future cash flows
- the level of borrowings, gearing and the cost of financing
- requirements for planned investments, acquisitions, and divestments
- the macro environment and the business outlook.

Whilst the company was unable to pay dividend for the year ended 31 December 2024 due to the loss situation, enhancing shareholder value remains a key objective and the company strives to achieve this by continually improving its existing assets for long-term appreciation in the capital value. The company is also looking for ways to improve operation efficiency to enhance profitability in the coming year.

Other Information

Other information for our shareholders including our financial calendar and contact details are set out on page 286.

The company's share price information as well as share and dividends per share information for the last ten years are disclosed on pages 105 and 23 respectively.

Corporate Governance Code Compliance

The Stock Exchange's Corporate Governance Code in Appendix C1 of the Listing Rules (CG Code) forms the basis of the HSH Corporate Governance Code (HSH Code). Our Board recognises the principles underlying the CG Code and has applied these principles to our corporate governance structure and practices, as disclosed in this Governance section.

Throughout 2024 we have complied with all of the code provisions and recommended best practices in the CG Code with the exception of the following:

Publication of quarterly financial results

The Board believes that the businesses of the group are characterised by their long-term and cyclical nature, while quarterly financial results reporting encourages a short-term view on performance. To keep our shareholders informed, we instead issue quarterly operating statistics setting out key operating information; and

Disclosure of individual senior management remuneration

We do not disclose the remuneration of individual senior management. However, we have complied with CG Code provisions and disclosed the remuneration payable to senior management by band in our Remuneration Committee Report.

Environmental, Social and Governance Reporting Code

Our Corporate Responsibility and Sustainability Report¹⁹ has been prepared in accordance with the provisions as set out in Environmental, Social and Governance Reporting Code (ESG Code) in Appendix C2 of the Listing Rules. In line with international best practice and to have more in depth discussion on industry-specific and other sustainability topics, the CRS Report also references the Global Reporting Initiative Sustainability Reporting (GRI) Standards, the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, the Sustainability Accounting Standard Board (SASB), and the

International Sustainability Standards Board (ISSB)'s IFRS S2 Climate-related Disclosures (ISSB Climate Standard). KPMG was commissioned to conduct limited assurance and to provide an independent conclusion on selected information of the CRS Report.

Privacy and Technology Compliance

We continue to monitor relevant regulatory changes which relate to our business and to ensure we operate consistently with applicable regulatory requirements such as undertaking the necessary filings under the People's Republic of China's Personal Information Protection Law (PIPL), facilitating compliant cross border data transfers within our group. We remain committed to safeguarding the privacy rights of our guests and employees in accordance with all applicable laws and regulations. Our ongoing efforts include regular updates on our internal knowledge hub, as well as in-person and online trainings on privacy legislation, compliance requirements, and the evolving challenges and risks in this highly regulated area. In addition, we updated our group-wide Data Privacy and Security Policy, our Data Privacy Manual and introduced a new data privacy video to ensure our people understand the key privacy principles.

Other Compliance Matters

Appointment and re-election of Directors

The appointment and re-election of Directors are governed by the Nomination Policy which is set out below. In 2024, the nomination and appointment of Mr Benjamin Vuchot, followed the selection criteria as well as the nomination process and procedures of the Policy as disclosed in the next section. The company confirms that all Directors' re-elections were conducted in compliance with the CG Code in 2024. NEDs are appointed for a term of three years. All Directors are subject to a term of re-election every three years. Details of the Directors who will retire and offer themselves for re-election in the 2025 AGM are set out in the Directors' Report on page 207.

Nomination Policy²⁰

Our Board recognises the benefits of diversity and ensures that the selection criteria including contribution and time commitment, nomination process and procedures set out in the Nomination Policy, and summarised on the next page, are followed when proposing a candidate for nomination or a Director for election or re-election.

¹⁹ Posted on the company website: www.hshgroup.com/en/sustainable-luxury/sustainability-reports

²⁰ Posted on the company website: www.hshgroup.com/en/corporate-governance

Corporate Governance Report

Nomination Committee	Board	Shareholders
<ul style="list-style-type: none"> Proposes a candidate for nomination or a Director for election or re-election based on merit with reference to the Board Diversity Policy and Listing Rules requirements Considers the contribution and time commitment of the candidate or Director put forward for election or re-election Makes recommendations to the Board as appropriate 	<ul style="list-style-type: none"> Newly appointed Directors are subject to election by shareholders at the annual general meeting following the appointment Existing Directors are subject to re-election by shareholders every three years 	<ul style="list-style-type: none"> Approves the appointment or re-election of Directors at the company's general meeting Separate resolution will be put to vote for individual appointment or re-election

Time commitment of Directors

The Board knows that it is important that all Directors should be able to dedicate sufficient time to the company to discharge their responsibilities. The letters of appointment for NEDs and INEDs, and service contracts for Executive Directors, contain guidelines on expected time commitments required for the company's affairs. Each individual confirmed his or her understanding of such time commitment when the appointment was accepted. In addition, the Board has tasked the Nomination Committee with the responsibility for reviewing, on an annual basis, the expected contributions from the Directors and whether they are spending sufficient time performing their responsibilities.

All Directors have confirmed to the company that they have given sufficient time and attention to the company's affairs throughout 2024. The Nomination Committee is satisfied that the Directors had positively contributed to the company's affairs, discussions and decisions, as reflected in their participation in the Board and Governance Board Committee meetings during the year. The Board concurred with this conclusion.

Independence of INEDs

The independence of the INEDs is relevant to the Board's balance and assessed on a regular basis to ensure they remain capable of providing unbiased and objective contributions. The company has received written confirmations of independence from each of its seven INEDs who served in 2024. Beyond the formal confirmation of independence, it is of overriding importance that each INED has an independent mindset, brings the right experience, and is prepared to challenge the Board in a constructive fashion. The Nomination Committee and the Board continue to believe that it is not appropriate to apply an arbitrary period of service beyond which a director is assumed to have lost his or her independence, but will carefully consider the recently published new Listing Rules in relation to this issue. In the meantime, the Board will continue to review the independence of its INEDs by assessing whether they remain independent in character and judgement and continue to offer an objective and constructive challenge to the assumptions and viewpoints presented by the management and the Board.

The Nomination Committee and the Board considered that (i) all seven INEDs who served in 2024 were and continued to be independent in accordance with the independence guidelines set out in rule 3.13 of the Listing Rules, (ii) there were no business, other relationships, or circumstances which are likely to affect the judgement of any of the INEDs, and (iii) they continued to bring an independent view to our Board discussions and strategy oversight.

Mechanisms for ensuring independent views and input

The company has established channels for our INEDs to express their views and input to the Board and its Committees. These include INEDs having access to management at all times on any queries they may have. All INEDs are given regular updates, from monthly CEO summaries to minutes of all Governance Board Committees and the Executive Committee to allow them to make informed decisions. The Chairman meets INEDs annually on his own to seek their views, and these views are then discussed at the Board. Board strategic meetings or strategic discussion and Board evaluations are usually arranged every two years with the full participation of INEDs. There are also multiple informal settings, such as Board lunches and operations visits, where INEDs have the opportunity to express their views outside of the boardroom.

The Board has reviewed these channels and confirmed that the company has sufficient mechanisms to ensure independent views and input are available to the Board and these mechanisms remain effective.

Dealings in company securities

All Directors conduct their dealings in accordance with the company's Code for Dealing in the Company's Securities by Directors (Securities Code), which contains terms no less exacting than the standards set out in the Stock Exchange's Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 of the Listing Rules (Model Code). Directors must seek approval before engaging in any dealing.

All Directors have confirmed their full compliance with the required standards set out in the Model Code and the Securities Code in 2024. Details of the shareholding interests held by the Directors of the company as at 31 December 2024 are set out on pages 208 and 209.

Our Securities Code is extended to specified employees including senior management and leaders of key functions who may from time to time come across inside information. All specified employees have also confirmed their full compliance with the required standards set out in the adopted Code for Dealing in the Company's Securities by Specified Employees. Brief particulars and shareholding interests of the senior management are set out on pages 169 to 171, and 209 respectively.

Directors' disclosure on conflict of interest

We have established procedures to ensure we comply with disclosure requirements on potential conflicts of interests. All Directors are required to disclose the following sets of information in relation to their interests upon appointment and on an annual basis:

- The number and nature of offices they hold in listed companies or organisations and other significant commitments (if any) and their time involvements
- Their interests as a Director or shareholder in other companies or organisations significant to the businesses of the company
- Whether he or she (other than an INED) or any of his or her close associates has an interest in any business which competes with the group, and none of them has any competing interests which need to be disclosed pursuant to rule 8.10 of the Listing Rules

In 2024, all Directors have fulfilled these disclosure requirements.

We have also extended the annual disclosure requirements on potential conflict of interests to senior management (other than the Executive Directors) and leaders of key functions, which have also been fulfilled.

In addition, all Directors are required to declare the nature and extent of their interests, if any, in any transaction, arrangement or other proposal to be considered by the Board. In 2024, no potential conflict of interest was determined by the Board to be material other than the details disclosed in note 31(d) to the financial statements.

Codes and terms of reference

We reviewed our governance and securities codes and the relevant terms of reference of the Board and each Board Committee.²¹ We made relevant changes to the HSH Code, Terms of Reference of the Board and of the Nomination Committee to align with some of the upcoming changes to the Listing Rules. In light of the revised CG Code and Listing Rules which will take effect on 1 July 2025, the company will undertake a further review to ensure appropriate alignment.

The full terms of reference of the Board and each Board Committee can be viewed on the company website.²² and those of the Governance Board Committees²³ are also published on the Stock Exchange website. The Governance Board Committees' reports are set out on pages 197 to 205.

²¹ Audit, Nomination, Remuneration, Executive, and Finance Committees

²² www.hshgroup.com/en/corporate-governance/board-committees

²³ Audit, Nomination, and Remuneration Committees

Corporate Governance Report

Internal control procedures on connected transactions

We have implemented a series of measures to ensure our connected transactions are conducted in compliance with the connected transaction rules. These measures include: (i) tracking all current and potential connected transactions semi-annually, (ii) requiring Group Legal review before any potential connected transactions are entered into, (iii) monthly connected transactions reports for monitoring purposes, and (iv) an annual review of the connected transactions by the Audit Committee.

With respect to the connected transactions for the financial year of 2024, the Audit and Risk Management Department and the Audit Committee have reviewed all relevant connected transactions and the adequacy and effectiveness of the internal control procedures of connected transactions.

Annual Report and Corporate Responsibility and Sustainability Report

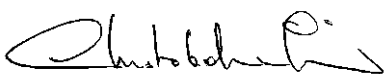
The annual report and CRS Report are both important channels for the company to provide shareholders and stakeholders with a balanced assessment of our financial and non-financial performance as well as our commitment to the high standards of corporate governance and the evolving nature of our environmental, social and governance practices. We are constantly striving to improve the clarity and transparency of our reporting. This is recognised in the awards we received for last year Annual Report and CRS Report. Details can be found in the "Awards in 2024" section on page 134.

In March 2025, the Board reviewed and approved the 2024 Annual Report and CRS Report.²⁴ With respect to the Directors' responsibility for preparing the financial statements for the year ended 31 December 2024, please refer to the Directors' Report set out on pages 210 and 211.

High Standards of Corporate Governance

Over the years, we have established a strong commitment to upholding high standards of corporate governance and business integrity. As we strive for continued success, we remain dedicated to continuously improving our corporate governance practices.

By order of the Board



Christobelle Liao
Chief Corporate and Governance Officer
31 March 2025

²⁴ Posted on the company website: www.hshgroup.com/en/sustainable-luxury/sustainability-reports

GROUP RISK COMMITTEE REPORT



“Emerging from one of our most challenging periods, we focus on effective risk management to enhance resilience, foster innovation and drive efficiency. These efforts steer decisions towards sustainable growth, adaptability and success.”

Christobelle Liao
 Chair of the Group Risk Committee
 31 March 2025

 <p>Composition</p>	<p>Chair Ms Christobelle Liao, Chief Corporate and Governance Officer</p> <p>Members Chief Financial Officer Chief Operating Officer Chief Property Development Officer Chief Information Officer Group General Manager of Audit and Risk Management</p>
 <p>Meeting Frequency</p>	<ul style="list-style-type: none"> • Quarterly • Four meetings in 2024
 <p>Responsibilities</p>	<ul style="list-style-type: none"> • To identify and assess the principal risks at group level and their corresponding mitigating treatments, as well as monitor the actions for critical and major incidents within the group • To facilitate the process whereby each operation and project defines its business objectives, addresses the risks identified, conducts self-assessment of internal control activities and tracks progress of mitigating plans • To regularly review, assess and update key risks and related contingency plans to Group Management Board (GMB) for endorsement by the Audit Committee and the Board

With our risk governance structure and the Three Lines Model described on pages 182 to 184 in place, we have adopted across the group a practical, easy to understand 5-step risk management methodology.

Group Risk Committee Report

5-Step Risk Management Methodology

Whilst risk management is an ongoing and continuous process embedded into day-to-day business activities, the formal evaluation of risk is a semi-annual process starting with the evaluation of the external and internal context and the identification of risk factors which have impacted the strategic, operational, financial or compliance objectives of each business unit. This is followed by the analysis of the likelihood and magnitude or change of impact (both financial and non-financial – such as operational and reputational) of each risk. Controls in place or new actions to be implemented to mitigate the risks are then identified with their effectiveness assessed. Thereafter, each business unit is required to assess the level of residual risks. Further actions must be taken if controls are inadequate to address the risks, or existing controls are not effective to reduce the risk to a tolerable level.

Assessments from all business units are ultimately aggregated to compile a portfolio view of risks. Such a process allows swift action to be taken by assessing similar risks across the other businesses, and allows the sharing of best practices, forming of group strategy on specific risks and responding to significant changes in the business environment.



Key Focus in 2024

The Peninsula London project recovery

The Peninsula London project final accounts process is ongoing. The outcome is still somewhat uncertain and significant effort is being made to keep any potential negative impact on the previously disclosed budget to an acceptable amount.

The Peninsula London Residences

The current political and economic environment also presents a certain element of risk to the sale of the remaining residences. Potential buyers of The Peninsula London Residences may adopt a ‘wait-and-see’ approach. These sales are important in reducing our net debt and consequence interest expense cost.

Operating performance

In 2024, operating performance was identified as a new principal risk with a risk assessment being high. Operating performance remains challenging across key markets including Hong Kong, London and Istanbul. The Peninsula Hong Kong has faced continued difficult market conditions since 2019, and both the operations of The Peninsula London and The Peninsula Istanbul remain as expected in the ramp up phases since opening in 2023. The latter contends with a number of head winds such as geopolitical tensions, currency volatility and inflationary pressures. The slow-down in Chinese spend has also impacted our Peninsula Merchandising business.

In response, we have enhanced our management and financial discipline by prioritising active asset management, as well as deploying new balanced scorecards and refined KPIs.

Environmental, social and governance (ESG) risks

Climate change continues to be the most challenging ESG issue that could pose physical and financial risks to the company. Potential consequences include increased insurance costs, negative impact on asset valuation, disruption of business operations and supply chains, affecting accessibility or attractiveness of a location resulting in reduced demand for our products and services, additional operating costs and capital expenditure, as well as a more stringent regulatory environment.

In 2024, we focused on conducting in-depth assessments on the physical climate risk exposure of our assets, and identifying carbon reduction opportunities for each asset as part of our climate risk mitigation efforts. We are planning to incorporate physical climate risk results in our operation risk register exercise starting in 2025 to assess the effectiveness of the adaptation measures that are in place.

More details about our approach to managing climate change and other ESG risks can be found in our online CRS Report and Climate-related Disclosures.²⁵

²⁵ www.hshgroup.com/en/sustainable-luxury/sustainability-reports

Other Principal Risks

The principal risks of the group are monitored and reviewed on an ongoing basis, by focusing on the environment, business conditions and organisational changes. In 2024, specific focus was on the following areas of principal risks:

Macroeconomic and political environment

As a multinational corporation, our business is impacted by geopolitical dynamics. Issues such as global trade restrictions, impositions of tariffs, and instability caused by conflicts in Ukraine and the Middle East, all impact the global economy and may affect our supply chain as well as travel patterns. Consumer spending slowdown and stagflation expectations could also negatively impact the revenue and operations of our properties. Regular risk and performance reviews of operations, properties and projects are carried out during the year.

Business dependency on Hong Kong

A significant portion of our group earnings has historically been contributed by our operations in Hong Kong. Such business dependency implies that the economic and political trajectory of the city has a significant impact on our business, earnings and asset values. To manage this risk, we have been improving revenue management and revisiting pricing strategies for our properties. In addition, our strategy has always been on diversification of earnings and exploring alternative revenue streams outside Hong Kong resulting in investments such as The Peninsula London and The Peninsula Istanbul.

Competition in all markets

It has been challenging to realise the desired gains in revenue due to increased competition from new hotels entering the markets we operate in and from recently renovated competitors targeting the same clientele.

We are constantly striving to better understand our customers and their needs, as well as looking at upgrading products to differentiate our services from other competitors.

Labour shortage and wage inflation

In 2024, we have addressed the issue of labour shortages by strengthening our employer branding, reviewing pay and benefit programmes, upskilling our Talent Acquisition teams, and introducing Emerging Managers Programme to support their desire to reach their potential. In the coming year, our priority is to develop a robust succession roadmap and build both internal and external talent pipelines for the group.

Nonetheless, labour shortage in the hospitality industry and wage inflation remain a long-term principal risk worldwide, as it continues to be challenging to find suitable talent who are committed to working irregular hours and the overall demands of the industry.

Foreign exchange and interest rates

Foreign exchange and interest rate fluctuations may lead to volatility in our financial statements and ratios. Unfavourable movements may increase our cost of securing financing. While there is an overall market expectation of decreasing interest rates in the coming year for USD, HKD and GBP, we have nonetheless been regularly reviewing major foreign exchange transactional and capital expenditure exposures and relevant financial ratios. To mitigate these risks, we have adopted a proactive management, such as balancing of fixed and floating rate loan exposures, and conducting regular stress testing.

Our leasing business

Although our residential leasing business has been improving, the recovery has been slow. In addition, retail tenants have been affected by significant outbound travel to Shenzhen and other Greater Bay Area cities impacting consumption spend in Hong Kong. A softer outlook for mid, high end and luxury retail may impact the stability of retail tenants. We have focused our efforts on enhancing our marketing initiatives to attract potential tenants, and on creating a welcoming and more sustainable business environment.















Cybersecurity

Failure of information technology services due to internal or external circumstances, either malicious or unintentional, may result in financial loss, business disruption, and damage to reputation. Further enhancements have been conducted by Group Information Technology to strengthen system and email security by reviewing security configuration, updating malware protection to align with latest market standards and integrating new malware protection to extend the coverage of the Security Information and Event Management (SIEM).

With cyber-attacks on the rise, we ensure our management and employees understand how to identify, respond to and prevent potential cybersecurity threats. We have increased the number of simulated phishing emails being sent out to test our employees' awareness, and we continue to provide mandatory refresher e-training on cybersecurity on top of specific e-mail phishing training to all relevant employees.

Group Risk Committee Report

PRINCIPAL RISK IN 2024

Principal Risk	Risk Category
 DISASTER EVENTS	External
 MACROECONOMIC AND POLITICAL ENVIRONMENT	External
 COMPETITION	External
 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	External
 BRAND AND REPUTATION	Strategic
 BUSINESS DEPENDENCY	Strategic
 THE PENINSULA LONDON PROJECT RECOVERY	Strategic
 THE PENINSULA LONDON RESIDENCES	Strategic
 RETAIL, COMMERCIAL AND RESIDENTIAL LEASING	Strategic
 FOREIGN EXCHANGE AND INTEREST RATES	Financial
 OPERATING PERFORMANCE	Financial
 CYBERSECURITY	Operational
 LABOUR SHORTAGE AND WAGE INFLATION	Operational
 DATA PRIVACY	Compliance

2025 Major Initiatives

In 2025, the GRC's main focus will continue to be on (i) overseeing risks pertinent to the new hotels' operations, (ii) enhancement of internal controls to manage the strategic, financial, operational and compliance risks of the group, and (iii) a focus on communication, awareness and ownership of risks and controls, especially on ESG risks across the group.

GROUP CORPORATE RESPONSIBILITY COMMITTEE REPORT



“Tackling the issue of climate change remains our focus for the coming decades and will require coordinated efforts from all areas of our business. The Committee will continue to work on reviewing our decarbonisation goals alongside our broader business strategy, identifying key opportunities and how this will impact our long-term capital spending and investment planning.”

Christobelle Liao
Co-Chair of Group Corporate Responsibility Committee
31 March 2025



Composition

- Chair Mr Benjamin Vuchot, Chief Executive Officer (Committee Co-Chair)
Ms Christobelle Liao,
Chief Corporate and Governance Officer (Committee Co-Chair)
- Members Chief Financial Officer
Chief Operating Officer
Chief People and Culture Officer
Director, Corporate Responsibility and Sustainability
Select Heads of corporate departments and representatives from operations



Meeting Frequency

- At least three meetings each year
- Four meetings in 2024



Responsibilities

- To propose, recommend, monitor and report to the Group Management Board and support the Board of Directors on corporate responsibility and sustainability (CRS) strategy, including the implementation of the company’s *Sustainable Luxury Vision 2030*
- To review practices, standards, trends, regulations, plans related to CRS topics that may have an impact on the operations of the group

Our Sustainability Approach

Our sustainability approach is encapsulated within our *Sustainable Luxury Vision 2030 (Vision 2030)*, our company strategy to address key sustainability issues, manage related risks, and minimise negative impact on our business and communities. We focus on the following the key issues:

- diminishing natural resources such as energy, water and food;
- the climate change crisis; and
- growing social instabilities and inequalities.

Additional Information on how we seek to address these issues, as well as on our overall Corporate Responsibility and Sustainability (CRS) approach, can be found in our online CRS Report.²⁶

Group Corporate Responsibility Committee Report

Governance on CRS

Integration of sustainability into our business strategies benefits the group in both the short and long term. The Board considers this to be of substantial importance, warranting yearly review of the group's strategy and performance. Our Group Corporate Responsibility Committee (GCRC) manages all aspects of the implementation of *Vision 2030*. GCRC reports to the Group Management Board on key updates, and to the Group Risks Committee on related risk mitigation actions and adaptation strategies. On a yearly basis, the Director of CRS reviews the progress of *Vision 2030* with the Audit Committee and the Board.

Key Work in 2024

Corporate strategy

- Reviewed sustainability performance against industry peers on main ESG ratings and benchmarking platforms, and identified improvement actions
- Conducted stakeholder engagement exercise with members of the Board and senior management to obtain internal feedback on *Vision 2030* using "double materiality" approach. Results of this exercise were discussed with the Board
- Discussed the decarbonisation roadmap for Scope 1 and 2 greenhouse gases (GHG) emissions, and the key risks and opportunities for each asset including forecasting the required capital spend and investment
- Reviewed actions required to conduct Scope 3 emissions inventory as part of the decarbonisation roadmap, and approved workplan to commence in 2025
- Annual review of the company's green and sustainability-linked loans

Disclosure and compliance

- Conducted gap analysis on updated ESG disclosure requirements and new reporting standards, for example, those set by the International Sustainability Standards Board, Hong Kong Stock Exchange, and more
- Reviewed annual Modern Slavery Statement, key work completed in 2024 and actions planned for coming year
- Monitored regulatory developments in the jurisdictions we operate in

Vision 2030

- Discussed ways to strengthen external communication of our efforts, targeting stakeholders through various channels
- Reviewed the proposed actions to close gaps on single-use plastics and cage-free eggs transition commitments that are due in 2025
- Reviewed latest textile innovations and the current approach in upcycling linen in our operations
- Reviewed effectiveness of *Vision 2030* internal engagement initiatives, using insights to inform the 2025 group-wide campaigns developed to further enhance colleague's awareness
- Reviewed outcomes of the Honing Skills for Hospitality programme relaunch in five Hong Kong operations and discussed opportunities to expand vocational training programmes for under-represented communities in global operations

Looking Forward

In 2025, GCRC will focus on (i) fine-tuning and revising *Vision 2030* commitments and targets based on results from benchmarking and stakeholder engagement, (ii) conducting further study on technical feasibility of proposed decarbonisation initiatives, (iii) incorporating climate risks into each operation's risk register, and (vi) enhancing internal engagement programmes and training.

AUDIT COMMITTEE REPORT



“The Committee has consistently served as a vital support for the Board in areas such as internal control, corporate governance, risk management, financial reporting and the comprehensive independent assessment of the group’s principal risks and risk tolerance.”

Patrick Paul
Chairman of the Audit Committee
31 March 2025



Composition

Chairman Mr Patrick Paul, INED
Members Ms Ada Tse, INED
Mr Andrew Brandler, NED



Meeting Frequency

- At least four times every year with senior management, the external auditor and Group General Manager, Audit and Risk Management in attendance by invitation
- Four meetings in 2024



Responsibilities

- To assist the Board in carrying out its responsibility of overseeing financial reporting, external audit, internal audit, risk management, internal controls and corporate governance

Key Work in 2024

Annual/Interim Report and Financial Information

- Reviewed and endorsed the 2023 Annual Report, Corporate Responsibility and Sustainability Report, and the annual results announcement, as well as the 2024 Interim Report and the interim results announcement

Internal and external audits

- Approved updates to the 3-year internal audit plan focusing on the (i) collection, recording, and reporting process of financial data, (ii) supplier tendering, payment, and spend monitoring process; and (iii) personal data privacy risks
- Reviewed and discussed key internal audit findings, related recommendations and the progress of implementation of those recommendations
- Reviewed KPMG’s audit report on the financial statements for the 2023 Annual Report and discussed the key observations identified by KPMG during the course of their audit and the related recommendations

- Reviewed 2024 audit plans and reports from KPMG on its audit scope, approach, areas of focus, and IT audit plan and timeline
- Noted the external auditor’s assurance of the Corporate Responsibility and Sustainability Report

Financial reporting system, risk management and internal control systems

- Reviewed the progress of the roll-out of the global finance system and the implementation issues
- Reviewed the valuation process and the methodology adopted by independent valuers for revaluing the group’s investment properties. Discussed the impairment assessment for the existing hotels and hotel projects and agreed that no impairment was required in 2023
- Reviewed adequacy of resources, staff qualifications and experience, and training programmes of the group’s accounting, internal audit, financial reporting and CRS functions
- Reviewed and endorsed the half-yearly Group Risk Management Report detailing the principal risks faced by the group, mitigation measures and the adequacy and effectiveness of risk management and internal control systems

Audit Committee Report

- Considered summaries of the internal representation letters from business operations which in turn formed the basis by which management confirmed the effectiveness of the group's risk management and internal control systems
- Reviewed and approved the representation letters to the external auditor before issuance of the 2023 Annual Report, 2023 Corporate Responsibility and Sustainability Report, and 2024 Interim Report

Environmental and social

- Reviewed global climate-related disclosure trends and upcoming requirements, identifying gaps in our current reporting
- Assessed the company's sustainability programme including an update on progress toward our sustainability targets and the planned actions for 2025
- Reviewed the environmental and social risks that the group are facing and how these risks are managed through *Vision 2030*

Governance

- Reviewed the proposed amendments to the Listing Rules regarding corporate governance matters, along with our submitted response to these proposals
- Reviewed the corporate governance documents including the HSH Code, Securities Code, Terms of Reference of Board and Audit Committee, Shareholder Communication Policy and the Speak Up Policy²⁷ and endorsed the relevant changes needed to align with relevant upcoming changes to the Listing Rules for the Board's approval
- Reviewed the group's communication channels, shareholders and investors engagement activities conducted in 2024,²⁸ and confirmed its satisfaction with the implementation and effectiveness of the Shareholder Communication Policy
- Reviewed all connected transactions and material related party transactions, including endorsing the renewal of the office lease for the group's Head Office for Board approval

Others

- Reviewed the group's tax position and associated tax issues, and the impacts arising from the changes in the tax laws and regulations, and the relevant actions being taken
- Endorsed the Group Tax Strategy for publication on the company website²⁹ to comply with UK tax disclosure requirements for Board approval

As the Chairman of the Audit Committee, I have met separately with the Group General Manager, ARM and the external auditor without management being present during the year.

Based on the reports from Group General Manager, ARM, summaries of internal representation letters and reports of the external auditor, the Audit Committee considers the overall operational, financial reporting and compliance controls, risk management and internal control systems for the group during 2024 to be effective and adequate. Issues raised by the internal and external auditors during 2024 have been, or are being addressed by management, and the Audit Committee advised the Board that there are no issues required to be raised to shareholders.

In March 2025, the Audit Committee reviewed and endorsed this annual report, the Corporate Responsibility and Sustainability Report, which is posted on the website,³⁰ and the annual results announcement, and recommended the same to the Board for approval.

Reviewing the Independence of our External Auditor

The group's external auditor is KPMG. We believe the independence of our external auditor is crucial to the effectiveness of our corporate governance and should not be compromised. The issue of auditor independence is reviewed annually. We give particular attention to the extent of non-audit work performed by the external auditor to satisfy ourselves that the provision of such services does not impair KPMG's independence and objectivity. The lead partner of the external auditor rotates every seven years. In engaging the external auditor for non-audit work, we also take into account the internal guideline adopted to monitor the amount of non-audit work given to the external auditor. The Committee has recommended to the Board the re-appointment of KPMG as independent auditor for shareholders' approval at the 2025 AGM.

A summary of fees for audit and non-audit services to KPMG for the financial years ended 31 December 2024 and 2023 is as follows:

Nature of Services	2024 HK\$m	2023 HK\$m
Audit Services	12	11
Non-audit Services		
<i>Taxation and other services</i>	3	4

Looking Forward

The Committee's work to support the company's core internal control mechanisms remains crucial and this will continue with 2025 aiming to be a year of financial stabilisation.

²⁷ Please also refer to page 183 on Speak Up Policy

²⁸ Details on shareholders engagement can be found on page 185

²⁹ www.hshgroup.com/en/corporate-governance




³⁰ www.hshgroup.com/en/sustainable-luxury/sustainability-reports

NOMINATION COMMITTEE REPORT



“ We are pleased to welcome Mr Benjamin Vuchot, Mr Keith Robertson and Mr Gareth Roberts to the Board. We also continue to value the contributions of our newly appointed Deputy Chairman, Mr Philip Kadoorie, who brings fresh perspectives to our leadership. Together with the other Board members, they will play a vital role in driving our strategic vision and fostering a culture of excellence as we move forward. ”

The Hon. Sir Michael Kadoorie
 Chairman of the Nomination Committee
 31 March 2025

 <p>Composition</p>	<p>Chairman The Hon. Sir Michael Kadoorie, Non-Executive Chairman</p> <p>Members Dr the Hon. Sir David Li, INED Dr William Fung, INED</p>
 <p>Meeting Frequency</p>	<ul style="list-style-type: none"> • At least two meetings every year • Three meetings in 2024
 <p>Responsibilities</p>	<ul style="list-style-type: none"> • To evaluate the structure, size and composition of the Board • To identify new Directors and recommend them for appointments • To maintain an appropriate, adequate, effective and balanced Board • To review the independence of INEDs • To review the Board members’ contributions, and training and continuous professional development • To assist the Board in maintaining a Board skills matrix and to support the Board in a regular evaluation of its performance

Board Composition and Diversity

A diverse Board brings constructive challenge and fresh perspectives to Board discussion. The company approaches diversity in the broadest sense, recognising the benefits of a diverse mix of skills, knowledge, age, race, gender and

experience on its Board, whilst not compromising on the central principle of appointments based on merit. The Nomination Committee has reviewed the Board Diversity Policy³¹ during 2024 to ensure that it remains effective and that the measurable objectives set out therein remain relevant and up to date.

31 Posted on the company website: www.hshgroup.com/en/corporate-governance

Nomination Committee Report

In anticipation of Mr Clement Kwok's retirement on 31 October 2024, we engaged an executive search consultant. Shortlisted candidates were interviewed by senior management and members of the Nomination Committee. The Nomination Committee reviewed the selection and assessment approach and endorsed the appointment of Mr Benjamin Vuchot as an Executive Director and the Chief Executive Officer effective from 3 March 2025. Mr Vuchot has over 30 years of experience in the luxury retail business with two leading global groups, Richemont and LVMH.

To tie over the retirement of Mr Clement Kwok to Mr Vuchot's commencement date, the Nomination Committee concurred with the Board's approval to appoint Ms Christobelle Liao as the Interim Chief Executive Officer from 1 November 2024 to 2 March 2025.

For an overview of the other key appointments of 2024, please refer to the 2024 in a Nutshell on page 154.

The Committee considered that the individual expertise, background and experience of the new Executive Directors would introduce fresh ideas and meet the Board's desire to bring varied insights to the business. Their appointments followed the approach set out in our Board Diversity Policy and the appointments process followed the selection criteria, nomination process and procedures set out in our Nomination Policy.³²

The Nomination Committee reviews the composition, balance, skills and experience of the Board annually. It confirmed that the Board has continued to contribute positively, with diverse views from each Director based on the wide mix of skills, knowledge, and experience.

The Committee continues to believe that the current size of the Board enables it to benefit from a diverse set of views based on the different backgrounds and experiences of all Directors. In addition, the Committee is committed to keeping no less than three female directors on the Board and increasing the number of female directors where possible, taking into account its overarching objective to identify the right person for the role. On the basis that we currently have four female directors on the Board, the Committee remains of the view that the existing gender mix is sufficient. The gender mix and Board Diversity Policy will be reviewed on an annual basis and it is noted that the Board concurred with the views of the Committee.

Other Key Work in 2024

The Nomination Committee assessed and reviewed all INEDs' confirmations of independence and the cross-directorships of Dr Rosanna Wong³³ and Mr Philip Kadoorie who each served on the board of CK Hutchison Holdings Limited. The Nomination Committee considered that all seven INEDs who served in 2024 were and continued to be independent in accordance with the independence guidelines set out in rule 3.13 of the Listing Rules and that there were no business or other relationships or circumstances which are likely to affect the independent mindset of any of the INEDs and they continue to bring an independent view to our Board discussions and strategy oversight.³⁴

The Committee reviewed the training and continuous professional development of Directors³⁵ also evaluated the contribution and time commitment of Directors (including INEDs)³⁶ put forward for re-election as well as their respective skills and experience and recommended them for re-election at the 2024 AGM.

In addition, the Committee further reviewed its own terms of reference and the Nomination Policy. It revised the terms of reference to align with the updated Listing Rules, and confirmed that the Nomination Policy remained relevant and no revision was required.

In March 2025, the Committee approved this report for inclusion into the company's 2024 Annual Report and nominated the Directors for re-election at the 2025 AGM with assessment on INED independence, contribution, time commitment and cross-directorships.³⁷

Looking Forward

The Nomination Committee is committed to a gradual board refreshment strategy that will focus on identifying and integrating qualified candidates, with a view to further strengthen our Board and support the company's long-term strategic objectives. We will also carefully review the new Listing Rules effective from 1 July 2025 and update the Nomination Committee's approach as appropriate.

³² Please also refer to pages 187 and 188 on Nomination Policy

³³ Dr Rosanna Wong served as an INED of CK Hutchison Holdings Limited until May 2024 and does not hold any shares in this company

³⁴ Please also refer to page 188 on Independence of INEDs

³⁵ Please refer to page 181 on Directors training records

³⁶ Please also refer to page 188 on time commitment of Directors




³⁷ Details of the Directors who stand for re-election at 2025 AGM can be found on page 207 of the Directors' Report and the AGM Circular dated 14 April 2025

REMUNERATION COMMITTEE REPORT



“The Committee has emphasised the importance of fair and competitive pay for our Board and senior management, enabling us to attract global talent, whilst ensuring alignment with the company’s financial capabilities.”

Patrick Paul
Chairman of the Remuneration Committee
31 March 2025

 Composition	Chairman Mr Patrick Paul, INED Members Dr Rosanna Wong, INED Mr Andrew Brandler, NED
 Meeting Frequency	<ul style="list-style-type: none"> At least two meetings every year with the Chief Executive Officer and Chief People and Culture Officer in attendance Three meetings in 2024
 Responsibilities	<ul style="list-style-type: none"> To review and approve remuneration packages for Executive Directors and senior management To review and recommend proposals for Non-Executive Directors’ fees and Board Committee Chairmen and members’ fees for approval by shareholders and the Board respectively

HSH Rewards Philosophy

HSH’s Rewards philosophy is to ensure that compensation and benefits designed for the group and its executives accord with an overall framework of guiding principles. We work within this framework to adjust compensation and benefits as appropriate in light of changing financial and market conditions. Our objective remains to attract and retain high performing talent by offering a mix of financial and non-financial rewards to stay competitive and meet our employees’ expectations.

Key guiding principles

- Aim to pay a total remuneration package that is competitive with the relevant external market and achieves consistency and fairness with existing employees

- Design an appropriate mix of fixed and variable pay, taking into account the group’s pay policy and market practice to incentivise management and individual performance
- Provide meaningful and competitive benefits that resonate with our corporate values on employee care and inclusion, encourage long-term careers, and brand HSH as an employer of choice

Remuneration for Executive Directors and Senior Management

The Committee recognises that there is a competitive market for successful executive talent and believes that remuneration packages being offered must be set competitively with the market in order to attract, retain and motivate the group’s key executives.

Remuneration Committee Report

As part of its scope of responsibility, the Committee is involved in reviewing and approving the terms of service of all Executive Directors and senior management. No individual is involved in determining his or her own remuneration.

There are four components of remuneration paid to Executive Directors and senior management:

Basic compensation

Basic compensation includes salary and other allowances and the general policy is to set them at a level required to retain and motivate, taking into account the scope and complexity of responsibilities, market pay levels in the defined markets, as well as individual performance.

Bonuses and incentives

The provision of appropriate bonus and incentive awards for performance is vital to the continued growth to the business. Executive Directors' bonuses consist of contractual and/or discretionary short-term and long-term incentives, while other senior management participates in the HSH Management Bonus Plan³⁸ which is a short-term incentive scheme calculated by reference to financial and non-financial considerations.

Retirement benefits

The Executive Directors and most of the senior management participate in the company's retirement plan which is a scheme set up under the Occupational Retirement Scheme Ordinance of Hong Kong. The employer contributions to the company's plan for the Executive Directors, senior management and all other Hong Kong employees are made according to the plan's defined contribution level and vesting conditions. Employees can opt to contribute voluntarily.

Other benefits

The benefits available to Executive Directors and senior management include, but are not limited to, health, life, disability and accident insurance.

Remuneration for Non-Executive Directors

Fees for Non-Executive Directors (NEDs) are fixed at shareholders' general meetings, while any additional fees for serving on Board Committees are fixed by the Board. The Committee has the responsibility for reviewing management's annual recommendations for these fees. Factors taken into account in this process include estimated time spent in the discharge of these duties and benchmarking against other Hong Kong listed companies of similar size and activities as well as other international companies. After review, the Committee makes recommendations to the Board.

As disclosed in last year's annual report, the Board in December 2023 approved the Committee's proposal that for 2024, the fees for NEDs and INEDs be fixed at HK\$370,000 and HK\$430,000 per annum, respectively. The revised fees were approved by the shareholders at the AGM on 8 May 2024, took effect on the same date and were paid to the NEDs and INEDs on a pro rata basis for the financial year ended 31 December 2024.

In November 2024 the Committee concurred with management's proposal to maintain the fees at the current levels, having considered the company's financial position and market pay trends.

Other Key Work in 2024

2025 salaries

In 2024, the Committee noted management's recommendation on a group-wide 2025 general salary increase and approved a similar percentage salary adjustment to Executive Directors and senior management.

2023 bonuses

The Committee also reviewed and approved the bonus awards to Executive Directors and senior management as well as the HSH Management Bonus Plan proposal. All these adjustments were made after considering the financial performance of the group and other factors such as retention challenges, market pay trends and inflationary forecasts.

Remuneration packages of new CEO and former CEO and COO

The Committee reviewed and approved the remuneration package of the new CEO, Mr Benjamin Vuchot in the context of his individual qualifications and experience as well as market competitiveness.

The Committee also reviewed and approved (i) outstanding matters relating to the remuneration of former CEO Mr Clement Kwok, and (ii) the separation letters for the former CEO and COO.

Others

The Committee reviewed and confirmed its terms of reference remained relevant and no revision was required. It also approved the terms of the letters of appointment of two INEDs.

The Committee endorsed the changes to the medical plan benefits for executive-level employees and assessed the total remuneration of Grade A and B staff in comparison to market standards. Additionally, the Committee reviewed and endorsed the updated benefits policy for HSH Directors.

In March 2025, the Committee approved this report for inclusion into the company's 2024 Annual Report.

³⁸ Senior staff also participates in the HSH Management Bonus Plan

2024 Remuneration of Directors and Senior Management

The following information is an integral part of the audited financial statements for the year ended 31 December 2024.

Non-Executive Directors – remuneration

Executive Directors serving on the Board and Board Committees are not entitled to any Directors' fees.

(HK\$'000)	Board	Executive Committee	Audit Committee	Remuneration Committee	Nomination Committee	Total ⁽¹⁾ 2024	Total ⁽¹⁾ 2023
Non-Executive Directors							
The Hon. Sir Michael Kadoorie	354	100	–	–	40	494	465
Mr Philip L. Kadoorie	354	–	–	–	–	354	325
Mr John A.H. Leigh ⁽²⁾	115	35	–	–	–	150	425
Mr Nicholas T.J. Colfer	354	–	–	–	–	354	325
Mr Andrew C.W. Brandler	354	100	165	60	–	679	650
Mr James L. Lewis	354	–	–	–	–	354	325
Mr Diego A. González Morales	354	–	–	–	–	354	245
Mr Peter C. Borer ⁽³⁾	154	–	–	–	–	154	–
Mr William E. Mocatta ⁽⁴⁾	–	–	–	–	–	–	81
Independent Non-Executive Directors							
Dr the Hon. Sir David K.P. Li	411	–	–	–	40	451	415
Mr Patrick B. Paul	411	–	200	100	–	711	675
Mr Pierre R. Boppe	411	–	–	–	–	411	375
Dr William K.L. Fung	411	–	–	–	40	451	415
Dr Rosanna Y.M. Wong	411	–	–	60	–	471	435
Dr Kim L. Winser	411	–	–	–	–	411	375
Ms Ada K.H. Tse	411	–	165	–	–	576	540
	5,270	235	530	220	120	6,375	6,071

Remuneration Committee Report

Executive Directors – remuneration

The remuneration of Executive Directors of the company for 2024 was as follows:

(HK\$'000)	Basic compensation	Bonus and incentives	Retirement benefits	Other benefits	Total ⁽¹⁾ 2024	Total ⁽¹⁾ 2023
Executive Directors						
Ms Christobelle Y.C. Liao ⁽⁵⁾	5,242	5,839	524	134	11,739	8,703
Mr Keith J. Robertson ⁽⁶⁾	4,522	2,358	427	236	7,543	–
Mr Gareth O. Roberts ⁽⁷⁾	3,898	2,100	390	98	6,486	–
Mr Clement K.M. Kwok ⁽⁸⁾	8,010	6,295	1,317	191	15,813	17,123
Mr Peter C. Borer ⁽³⁾	3,354	2,522	543	288	6,707	10,409
Mr Christopher S.M. Ip ⁽⁹⁾	–	–	–	–	–	5,360
	25,026	19,114	3,201	947	48,288	41,595

Notes:

- (1) In line with industry practice, the group operates a scheme which encourages Directors and senior management to use the facilities of the group to promote its business. For this purpose, discount cards are issued to the Directors. The remuneration disclosed does not include the amount of discounts offered to the Directors and senior management
- (2) Mr John A.H. Leigh retired as a Non-Executive Director with effect from 8 May 2024
- (3) Mr Peter C. Borer was re-designated from Executive Director to Non-Executive Director with effect from 1 August 2024
- (4) Mr William E. Mocatta retired as a Non-Executive Director with effect from 31 March 2023
- (5) Ms Christobelle Y.C. Liao was appointed as an Executive Director with effect from 4 August 2023. The 2023 figure represents Ms Liao's full year remuneration
- (6) Mr Keith J. Robertson was appointed as an Executive Director with effect from 29 January 2024
- (7) Mr Gareth O. Roberts was appointed as an Executive Director with effect from 1 August 2024. The 2024 figure represents Mr. Roberts' full year remuneration
- (8) Mr Clement K.M. Kwok retired as the Chief Executive Officer with effect from 31 October 2024 and remains as Executive Director until 7 May 2025
- (9) Mr Christopher S.M. Ip resigned as an Executive Director with effect from 31 March 2023 and remained employed by the company until 31 July 2023

Senior Management – remuneration

Remuneration for senior management (GMB members other than Executive Directors*) disclosed pursuant to the Listing Rules falls within the following bands:

	2024 Number	2023 Number
HK\$4,000,001 – HK\$5,000,000	2	0
HK\$5,000,001 – HK\$6,000,000	2	4
HK\$6,000,001 – HK\$7,000,000	1	1

* GMB, the company's management and operations' decision-making authority. As at 31 December 2024, GMB comprised the four Executive Directors (2023: three) and five (2023: five) senior management who represent the various key functions and operations of the company

Individuals with highest remuneration

The five highest paid individuals of the group included three (2023: three) Executive Directors whose remuneration is set out above. The remuneration of the other two (2023: two) individuals with highest remuneration are within the following bands:

	2024 Number	2023 Number
HK\$6,000,001 – HK\$7,000,000	2	2

The aggregate of the remuneration in respect of these two (2023: two) individuals is as follows:

(HK\$'000)	2024	2023
Basic compensation	7,350	7,275
Bonus and incentives	1,239	1,413
Retirement benefits	458	937
Other benefits	4,659	3,727
	13,706	13,352
Number of Individuals	2	2

The Committee has reviewed the methodology and benchmarking of the remuneration disclosed above and has endorsed and approved the same.

2025 and beyond

The Remuneration Committee is dedicated to enhancing our performance evaluation system to ensure consistent application across the group. We will review individual performance metrics to align them with our organisational goals as set out in the group and functional balanced scorecards, fostering a culture of accountability and driving sustainable growth.

DIRECTORS' REPORT

The Directors have submitted their report together with the audited financial statements for the year ended 31 December 2024.

Principal Activities

The principal activity of the company is investment holding and the principal activities of its subsidiaries, joint ventures and associates are the ownership, development and management of prestigious hotels and commercial and residential properties in key locations in Asia, the United States and Europe, as well as the operation of the Peak Tram, retail and other services.

Particulars of the principal subsidiaries of the company are set out in note 33 to the financial statements.

Business Review and Performance

Discussions on the group's businesses and performance during the year can be found throughout this annual report. A summary of the relevant sections in this Annual Report covering the required disclosures under the Companies Ordinance is set out below. These discussions form part of this Directors' Report.

Disclosures	Sections
(a) A fair review of the group's business and a discussion and analysis of the group's performance during the financial year 2024 and the material factors underlying its results and financial position, including analysis using financial key performance indicators	<ul style="list-style-type: none"> Letter from the Chairman (pages 24 to 27) CEO Statement and Strategic Review (pages 28 to 42) Operational Review (pages 44 to 85) Financial Review (pages 86 to 105)
(b) Outlook of the group's business	<ul style="list-style-type: none"> Letter from the Chairman (pages 24 to 27) CEO Statement and Strategic Review (pages 28 to 42) Operational Review (pages 44 to 85)
(c) Particulars of important events affecting the group that have occurred since the end of the financial year 2024	<ul style="list-style-type: none"> Letter from the Chairman (pages 24 to 27) CEO Statement and Strategic Review (pages 28 to 42) Operational Review (pages 44 to 85)
(d) Description of the principal risks and uncertainties facing the group	<ul style="list-style-type: none"> Letter from the Chairman (pages 24 to 27) CEO Statement and Strategic Review (pages 28 to 42) Operational Review (pages 44 to 85) Corporate Governance Report (pages 173 to 190) Group Risk Committee Report (pages 191 to 194) Note 28 to the financial statements
(e) Details regarding compliance with relevant laws and regulations which have a significant impact on the group	<ul style="list-style-type: none"> Corporate Governance Report (pages 173 to 190) Corporate Responsibility and Sustainability Report (CRS Report)³⁹
(f) An account of the group's relationships with its key stakeholders	<ul style="list-style-type: none"> CEO Statement and Strategic Review (pages 28 to 42) Engaging with Our Stakeholders (pages 128 to 133) Corporate Governance Report (pages 173 to 190) Group Corporate Responsibility Committee Report (pages 195 and 196)
(g) Details regarding the environment and social related policies and performance	<ul style="list-style-type: none"> Letter from the Chairman (pages 24 to 27) CEO Statement and Strategic Review (pages 28 to 42) Group Corporate Responsibility Committee Report (pages 195 and 196) CRS Report

³⁹ Posted on the company website: www.hshgroup.com/en/sustainable-luxury/sustainability-reports

Ten Year Operating Statistics and Financial Summary

The group's key operating statistics and financial data for the last ten years are set out on pages 22 and 23.

Share Capital

Movements in the share capital of the company during the year are set out in note 25 to the financial statements.

Equity-linked Agreements

No equity-linked agreement was entered into by the company during the year or subsisted at the end of the year.

Purchase, Sale or Redemption of Listed Securities

There was no purchase, sale or redemption of the company's listed securities by the company or any of its subsidiaries during the year.

Dividends

During 2024, given the underlying loss of the company, the Board of Directors has resolved not to declare an interim dividend (2023: nil) or a final dividend (2023: 8 HK cents per share). This is in line with our dividend policy.⁴⁰

Borrowings

Particulars of all borrowings are set out in note 23 to the financial statements.

Charitable Donations

Cash donations made by the group for charitable purposes during the year amounted to HK\$0.99 million (2023: HK\$1.38 million).⁴¹

Major Customers and Suppliers

The diversity and nature of the group's activities are such that the percentage of sales or purchases attributable to the group's five largest customers or suppliers is significantly less than 30% of the total and the Directors do not consider any one customer or supplier to be influential to the group during the year.

Connected Transactions

Audit and Risk Management Department and Audit Committee have reviewed all relevant connected transactions and confirmed that the internal control procedures of these connected transactions are adequate and effective. The connected transactions requiring disclosure under the Listing Rules are set out in note 31 to the financial statements.

Material Related Party Transactions

Details of material related party transactions which were undertaken in the ordinary and usual course of business are set out in note 31 to the financial statements.

Directors

Biographical details of the Directors in office at the date of this report are shown on pages 156 to 165. All of them held office throughout 2024 and up to the date of this report, with the exception of the Board changes as disclosed in "Board, Senior Management and Committees Changes" in the Governance section on page 154.

In accordance with the Articles of Association of the company, all the Directors will retire at the 2025 AGM⁴² and, being eligible, have agreed to offer themselves for re-election. If the Directors are re-elected, they are subject to retirement at the conclusion of the third annual general meeting following their re-election. They include The Hon. Sir Michael Kadoorie, Mr Benjamin Vuchot, Mr Gareth Roberts, Mr Peter Borer, Mr Patrick Paul, Dr Rosanna Wong and Dr Kim Winser.

None of the Directors proposed for re-election at the 2025 AGM has a service contract with the company which is not determinable by the company within one year without payment of compensation, other than statutory compensation.

Directors of Subsidiaries

The list of directors who have served on the boards of the subsidiaries of the company during the year and up to the date of this report is shown on the company website.⁴³

⁴⁰ Details of the dividend policy is set out on pages 104 and 186

⁴¹ The donations amount of HK\$3.58 million (2023: HK\$3.8 million) referred to in the Sustainability Data Statements on page 284 include donations by managed properties owned by joint ventures and associates and employees

⁴² AGM will be held on 7 May 2025

⁴³ www.hshgroup.com/en/corporate-governance/directors-of-subsidiaries

Directors' Report

Senior Management

Biographical details of the senior management in office at the date of this report are shown on pages 169 to 171. All of them held office throughout 2024 and up to the date of this report, with the exception of the changes as disclosed in "Board, Senior Management and Committees Changes" in the Governance section on page 154.

Interests of Directors

As at 31 December 2024, the interests or short positions of the Directors of the company in the shares, underlying shares and debentures of the company or any associated corporation, within the meaning of Part XV of the Securities and Futures Ordinance (SFO), as recorded in the register required to be kept under section 352 of the SFO, are as follows:

Long position in shares of the company

	Capacity	Number of shares held in the company	% of total number of shares in issue of the company
The Hon. Sir Michael Kadoorie	Note (a)	859,625,063	51.569
Mr Philip L. Kadoorie	Note (b)	859,625,063	51.569
Mr Clement K.M. Kwok	Beneficial Owner	769,811	0.046
Mr Peter C. Borer	Beneficial Owner	378,936	0.023
Dr the Hon. Sir David K.P. Li	Beneficial Owner	1,137,146	0.068
Mr Pierre R. Boppe	Beneficial Owner	30,000	0.002

Notes:

- (a) The Hon. Sir Michael Kadoorie was deemed (by virtue of the SFO) to be interested in 859,625,063 shares in the company. These shares were held in the following capacity:
- (i) 361,213,251 shares were ultimately held by a discretionary trust, of which The Hon. Sir Michael Kadoorie is one of the discretionary beneficiaries and the founder; and
 - (ii) 498,411,812 shares were ultimately held by a discretionary trust, of which The Hon. Sir Michael Kadoorie is one of the discretionary beneficiaries and the founder.
- (b) Mr Philip L. Kadoorie was deemed (by virtue of the SFO) to be interested in 859,625,063 shares in the company. These shares were held in the following capacity:
- (i) 361,213,251 shares were ultimately held by a discretionary trust, of which Mr Philip L. Kadoorie is one of the discretionary beneficiaries; and
 - (ii) 498,411,812 shares were ultimately held by a discretionary trust, of which Mr Philip L. Kadoorie is one of the discretionary beneficiaries.

Ms Christobelle Liao, Mr Keith Robertson, Mr Gareth Roberts, Mr Nicholas Colfer, Mr Andrew Brandler, Mr James Lewis, Mr Diego González Morales, Mr Patrick Paul, Dr William Fung, Dr Rosanna Wong, Dr Kim Winser and Ms Ada Tse who are Directors of the company have each confirmed that they had no interests in the shares of the company or any of its associated corporations as at 31 December 2024.

Certain Directors held qualifying shares in two subsidiaries of the company, on trust for the parent company of that subsidiaries.

Except as set out above, as at 31 December 2024, none of the Directors of the company (including their spouses and children under 18 years of age) had any interests or short positions in the shares, underlying shares and debentures of the company or its associated corporations, within the meaning of Part XV of the SFO, as recorded in the register required to be kept under section 352 of the SFO.

At no time during the year was the company, or its subsidiaries, or its associated companies, a party to any arrangements which enabled any Director to acquire benefits by means of the acquisition of shares in, or debentures of, the company or of any other body corporate.

Interests of Senior Management

As at 31 December 2024, none of the senior management had any interests in the shares and underlying shares of the company.

Interests of Substantial Shareholders

So far as is known to any Director of the company, as at 31 December 2024, shareholders (other than Directors of the company) who had interests or short positions in the shares and underlying shares of the company as recorded in the register required to be kept under section 336 of the SFO, are as follows:

Long position in shares of the company

(a) Substantial shareholders

	Capacity	Number of shares held in the company	% of total number of shares in issue of the company
Acorn Holdings Corporation	Beneficiary	265,018,552	15.90 ⁽ⁱ⁾
Bermuda Trust Company Limited	Trustee/Interests of controlled corporations	350,261,699	21.01 ⁽ⁱ⁾
Guardian Limited	Beneficiary/Interest of controlled corporation	85,243,147	5.11 ⁽ⁱⁱ⁾
Harneys Trustees Limited	Trustee/Interests of controlled corporations	944,868,210	56.68 ⁽ⁱⁱⁱ⁾
Lawrencium Holdings Limited	Beneficiary	498,411,812	29.90 ⁽ⁱⁱ⁾
Lawrencium Mikado Holdings Limited	Beneficiary	361,213,251	21.67 ⁽ⁱⁱ⁾
The Magna Foundation	Beneficiary	361,213,251	21.67 ⁽ⁱⁱ⁾
The Mikado Private Trust Company Limited	Trustee/Interests of controlled corporations	859,625,063	51.57 ⁽ⁱⁱ⁾
The Oak Private Trust Company Limited	Trustee/Interests of controlled corporations	85,243,147	5.11 ^(iv)
Oak (Unit Trust) Holdings Limited	Trustee	85,243,147	5.11 ⁽ⁱ⁾
Oak HSH Limited	Beneficiary	85,243,147	5.11 ^(iv)

Notes:

(i) Bermuda Trust Company Limited was deemed to be interested in the shares in which Acorn Holdings Corporation, Oak (Unit Trust) Holdings Limited and The Oak Private Trust Company Limited were deemed to be interested, either in the capacity as trustee of various discretionary trusts and/or by virtue of having direct or indirect control over such companies.

(ii) The Mikado Private Trust Company Limited was deemed to be interested in the shares in which Lawrencium Holdings Limited and Lawrencium Mikado Holdings Limited were deemed to be interested, either in the capacity as trustee of a discretionary trust and/or by virtue of having direct or indirect control over such companies. The Magna Foundation was also deemed to be interested in the shares in which Lawrencium Mikado Holdings Limited was deemed to be interested.

The interests of The Mikado Private Trust Company Limited in the shares of the company include the shares held by a discretionary trust of which The Hon. Sir Michael Kadoorie and/or Mr Philip L. Kadoorie are among the discretionary beneficiaries and/or a founder as disclosed in "Interests of Directors".

(iii) Harneys Trustees Limited was deemed to be interested in the shares in which The Mikado Private Trust Company Limited and Guardian Limited were deemed to be interested, either by virtue of having direct or indirect control over such companies and/or in the capacity as trustee of a discretionary trust.

(iv) The Oak Private Trust Company Limited was deemed to be interested in the shares in which Oak HSH Limited was deemed to be interested, either in the capacity as trustee of a discretionary trust and/or by virtue of having direct or indirect control over such company.

Directors' Report

(b) Other substantial shareholders

	Capacity	Number of shares held in the company	% of total number of shares in issue of the company
Mr Ng Chee Siong	Trustee	85,909,519	5.15 ⁰
Mr Philip Ng Chee Tat	Trustee	85,909,519	5.15 ⁰
Sino Hotels (Holdings) Limited	Interests of controlled corporations	85,909,519	5.15 ⁰

Note:

- (i) Mr Ng Chee Siong and Mr Philip Ng Chee Tat, had trustee interest in their capacity as the co-executors of the estate of Mr Ng Teng Fong, who controlled Sino Hotels (Holdings) Limited and therefore they were both deemed to be interested in the 85,909,519 shares in which Sino Hotels (Holdings) Limited was deemed to be interested. Hence, the share interests of Mr Ng Chee Siong, Mr Philip Ng Chee Tat and Sino Hotels (Holdings) Limited as disclosed were duplicated.

Except as set out above, as at 31 December 2024, the company had not been notified of any substantial shareholder (other than Directors of the company) who had interests or short positions in the shares or underlying shares of the company that were recorded in the register required to be kept under section 336 of the SFO.

Interests of Any Other Person

As at 31 December 2024, the company had not been notified of any person other than the substantial shareholders who had interests or short positions in the shares or underlying shares of the company, which are required to be recorded in the register required to be kept under section 336 of the SFO.

Directors' Interests in Transactions, Arrangements or Contracts

Apart from the details disclosed in note 31(d) to the financial statements, no transaction, arrangement or contract of significance to which the company or its subsidiaries was a party and in which a Director of the company or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted as at 31 December 2024 or at any time during the year.

Directors' Indemnities

The company maintains directors' and officers' liability insurance, which gives appropriate cover for any legal action brought against its Directors. The level of the coverage is reviewed annually by Finance Committee. The company has also granted indemnities to each Director of the company (including former Directors) and some of the Directors of its associated companies to the extent permitted by law. The indemnity was in force throughout the financial year and is currently in force.

Employee Retirement Benefits

Details of the group's employee retirement benefits are shown in note 27 to the financial statements.

Management Contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the company was entered into or existed during the year.

Corporate Governance Report

The Corporate Governance Report outlines the company's approach to governance and is set out on pages 173 to 190.

Loan Agreements with Covenants Relating to Specific Performance of the Controlling Shareholder

The company has not entered into any new loan agreements containing any covenant relating to specific performance of the controlling shareholder, which is required to be disclosed in accordance with rule 13.18 of the Listing Rules.

Directors' Responsibilities for the Financial Statements

The Directors are responsible for preparing the financial statements for each financial period. These financial statements must present a true and fair view of the state of affairs of the group and of the results and cashflows of the relevant period. The Directors are also responsible for ensuring that the group operates an efficient financial reporting system and keeps proper accounting records which disclose at any time and with reasonable accuracy the financial position of the group.

In preparing the financial statements for the year ended 31 December 2024, the Directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis.

Auditor

The financial statements for the year ended 31 December 2024 have been audited by KPMG who will retire at the 2025 AGM and, being eligible, offer themselves for re-appointment. A resolution to re-appoint KPMG (Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance) as auditor and authorise the Directors to fix their remuneration will be proposed at the 2025 AGM.

By Order of the Board



Till Lembke
Company Secretary
31 March 2025