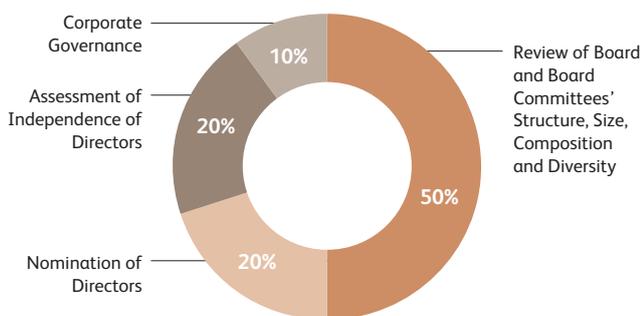


Nomination Committee Report

Dear Shareholders,

We are pleased to present the Nomination Committee Report for 2020. The primary roles of the Nomination Committee are to review the Board's structure, composition and diversity, and to recommend Board appointments. The roles of the Non-Executive Directors continue to evolve in line with the growing demands and the fast-changing business environment. The Board is constantly looking ahead to ensure that our Non-Executive Directors have the skills and experience required to drive the highest standards of performance. During 2020, Lau Lawrence Juen-Yee retired from the Board and the Committee. We would like to thank him for his contribution during his tenure. We would also like to welcome Churchouse Frederick Peter to the Committee.

Nomination Committee activities and agenda time during the year



Composition

The majority of the Committee is comprised of Independent Non-Executive Directors

Committee members

Lee Irene Yun-Lien (Chairman)

Churchouse Frederick Peter*

Fan Yan Hok Philip*

Lee Chien

Poon Chung Yin Joseph*

* Independent Non-Executive Director

Highlights in 2020

- Considered the re-appointment and independence of Directors
- Reviewed the Diversity Policy and the Nomination Policy
- Reviewed the Terms of Reference

Key responsibilities

- Review the structure, size and composition of the Board
- Review the skills, knowledge, experience and diversity of each Director
- Assess the independence of the Independent Non-Executive Directors
- Make recommendations to the Board on the appointment of Directors
- Review the dedication of time and expertise of each Director, while taking into account other material commitments of Directors
- Oversee succession planning for the Board

Meeting Schedule

The Nomination Committee generally meets at least once a year.

Roles and Authorities

- Review and make recommendations on the structure, size, composition and diversity of the Board with a view to complementing the Company's corporate strategies.
- Review the Diversity Policy.
- Review the independence of Directors pursuant to the Listing Rules' requirements.
- Generally oversee the succession planning of the Board.
- Review the time commitment and effort required of Directors to discharge their responsibilities.
- Review the training and continuous professional development of the Directors.
- Recommend the nomination of Directors after careful consideration of the attributes and values required in accordance with the Company's Nomination Policy, while also taking into account diversity aspects (including, but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) with due regard to the benefits of diversity, as set out under the Diversity Policy.

Director Recruitment Process

- 1 A wide and diverse range of candidates with different skills and business backgrounds appropriate to the Group's business needs are identified
- 2 Nomination Committee Chairman meets with shortlisted candidates
- 3 Nomination Committee assesses the suitability of the candidates based on a range of criteria
- 4 All Directors are given the opportunity to meet with the preferred candidate
- 5 Nomination Committee makes a recommendation to the Board

Activities

During 2020, the Committee held one meeting to:

Board Composition

- Review the Board's structure, size, composition and diversity, and monitor the progress made towards enriching the skills and experience of Board members while improving Board diversity in line with the Company's strategy. The Nomination Committee was satisfied that, with the establishment of the Sustainability Committee at Board level on 1 January 2020, the current composition and size of the Board remained appropriate for the time being. These matters shall continue to be kept under regular review.
- Recommend the re-appointment of Directors to the Board.
- Continue with the appointment of Li Xinzhe Jennifer as an advisor to the Board, in order to continue to enrich the Board's skills and diversity.
- Receive and review the latest Board performance evaluation, which concluded that the Board has operated very well. The Nomination Committee was satisfied that all Directors were committed to the Company and had contributed to the Board through their participation in the Company's affairs and discussions at the Board and Board Committees' meetings during the year, as reflected in their high rates of attendance, recorded in the table on page 41.
- Review the contributions of those Directors who are due to retire and are subject to re-appointment at the forthcoming AGM with the support of the Board.
- Review the training of the Directors and senior management.

Independence of Non-Executive Directors

- Assess the independence, effectiveness and commitment of each of the Company's Independent Non-Executive Directors.

- Consider the fact that two Directors, Fan Yan Hok Philip and Poon Chung Yin Joseph, have served as Independent Non-Executive Directors for more than nine years. Fan Yan Hok Philip was re-elected at the 2020 AGM and will remain on the Board for a further year, while Poon Chung Yin Joseph will retire by rotation at the forthcoming AGM to be held on 21 May 2021. The Nomination Committee was of the view that both Fan Yan Hok Philip and Poon Chung Yin Joseph have consistently demonstrated a healthy level of professional scepticism whenever appropriate, and have not held back from asking probing questions and challenging the executive management's views and recommendations. There is no evidence to suggest that their tenure has had any impact on their independence. The Nomination Committee was thus satisfied that, notwithstanding the length of service of such Directors, as well as the number and nature of office(s) they held in other public companies and their other commitments, they remained highly committed to the Company, are independent and impartial, and continue to be in a position to discharge their duties and responsibilities in the coming year.

Review of Policies and Guidelines

- Review our Diversity Policy and Nomination Policy (available on the Company's website) to enhance the diverse perspectives of Directors and strengthen the nomination process.
- Review its terms of reference in order to strengthen the board assessment process for the appointment of Directors.

Next Generation Innovation Panel

- Consider the nature and composition of the Next Generation Innovation Panel, which improves the Board's capabilities and supports its strategic decision-making.

Members of the Nomination Committee

Lee Irene Yun-Lien (Chairman)
Churchouse Frederick Peter
Fan Yan Hok Philip
Lee Chien
Poon Chung Yin Joseph

Hong Kong, 25 February 2021