

# Corporate Governance Report

Maintaining high standards of business ethics and corporate governance has always been one of the Group's prime tasks. It believes that conducting the Group's businesses in an open and responsible manner and following good corporate governance practices serve its long-term interests and those of its shareholders. Details of the Group's investor relations initiatives and the recognition it has received for good management and corporate governance are set out under the "Investor Relations" section of this annual report.

## Corporate Governance Practices

Rigorous standards of corporate governance enhance the Group's accountability and transparency, earning the confidence of its shareholders and the public. The Company has complied with the applicable code provisions of the Corporate Governance Code (the "Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") throughout the year ended 30 June 2025, except that there is no separation of the roles of chairman and chief executive.

The Board of Directors of the Company (the "Board") continues to monitor and review the Company's corporate governance practices to ensure compliance.

## Corporate Culture

The Group is committed to developing and leasing premium properties with attentive service to residents, shoppers and tenants, both in Hong Kong and on the mainland. The Group promotes its corporate culture in alignment with its core values and vision, which enables the Group to deliver its long-term strategies and create sustainable value for its shareholders and other stakeholders. At the same time, the Group is committed to ensuring that its businesses are conducted lawfully, ethically and responsibly, and in accordance with high standards of business ethics and corporate governance. More information about the Group's core values and strategic direction is set out under the "Business Model and Strategic Direction" section of this annual report.

The Directors take the lead in promoting the desired corporate culture and ensuring that it is reflected consistently in the policies and operating practices of the Group. Corporate culture and expected behaviours are set out in the staff handbook and code of conduct. These values are clearly communicated to all levels of employees of the Group through orientation programmes and ongoing training and they are also freely accessible on the intranet of the Group. Cultural elements are included in the employee performance measurement to incentivize the desired culture. Various indicators (including employee feedback, internal control activities and any breaches of code of conduct) are used for assessing and monitoring the adoption of corporate culture.

## Board of Directors

### *Board Composition*

As at the date of this annual report, the Board has 18 Directors comprising nine Executive Directors, two Non-Executive Directors and seven Independent Non-Executive Directors. Further details of the composition of the Board are set out on page 2.

During the year ended 30 June 2025, Mr. Lau Tak-yeung, Albert retired as an Executive Director of the Company at the annual general meeting of the Company (the "AGM") held on 7 November 2024.

An updated list of Directors identifying their roles and functions (the "Directors List") is maintained on the websites of the Company and Hong Kong Exchanges and Clearing Limited ("HKEX"). Independent Non-Executive Directors are identified as such in the Directors List and all other corporate communications containing the names of the Directors.

Mr. Kwok Ping-uen, Raymond is an uncle of Mr. Kwok Kai-fai, Adam and Mr. Kwok Kai-chun, Geoffrey. He is also the father of Mr. Kwok Kai-wang, Christopher and Mr. Kwok Ho-lai, Edward. Mr. Kwok Kai-wang, Christopher is a cousin of Mr. Kwok Kai-fai, Adam and Mr. Kwok Kai-chun, Geoffrey, and the younger brother of Mr. Kwok Ho-lai, Edward. Save as disclosed above, there are no family or other material relationships among the members of the Board.

## **Board Diversity**

The Company adopted a board diversity policy (the "Diversity Policy") setting out the approach to achieve diversity of the Board members in June 2013. The Company is committed to equality of opportunity and does not discriminate on the grounds of race, gender, age, disability, nationality or any other factors. It also recognizes and embraces the benefits of diversity in Board members. The Company sees diversity as a wide concept and believes that diversity of Board members can be achieved through consideration of a number of factors, including but not limited to background, age, gender, culture, industry experience, skills and knowledge, educational background and other qualities. The Company takes into account these factors based on its own business model and specific needs from time to time as well as the availability of suitable candidates in the market. The implementation and effectiveness of the Diversity Policy are subject to annual review.

As at the date of this annual report, the Board consists of 18 Board members with a diversity of perspectives in terms of age, gender, tenure of office, and professional and business experiences. There are two female representation on the Board which exceed the minimum requirement of the Listing Rules. One of the female Directors is an Executive Director, representing approximately 11% of the total number of Executive Directors on the Board who are also members of the senior management of the Group. The Company targets to maintain the current level of female representation at the Board level and this target is subject to review from time to time. As the Group has diverse business activities in different geographical areas, the Company considers that it is more important for it to retain flexibility in the dynamic environment in which it operates and to have an appropriate mix of diversity in its board based on its own needs from time to time and as and when suitable candidates are identified. The Group will deploy all appropriate channels to identify suitable director candidates, including referral from Directors and internal promotion. The Group advocates a diverse and inclusive workplace that enables people from different backgrounds to work together. It continues to promote gender equality in the workforce by providing various training and supervision for all employees. As at 30 June 2025, the ratio of female to male in the workforce of the Group is approximately 1 to 1.35. Details on the Group's gender diversity ratio at workforce and initiatives taken are set out in the standalone Sustainability Report.

The Company requests the Directors to disclose annually to the Company the number and nature of offices held in public companies or organizations and other significant commitments with an indication of the time involved. The Directors' biographical information is set out on pages 141 to 151 and is also available on the website of the Company.

## **Board Independence**

As at the date of this annual report, the Company has seven Independent Non-Executive Directors, representing more than one-third of the Board, and at least one of them has appropriate professional qualifications or accounting or related financial management expertise. The Company has received from all Independent Non-Executive Directors their confirmation of independence with reference to the independence guidelines set out in Rule 3.13 of the Listing Rules (the "Independence Guidelines") and considers that they are independent. The retirement and re-election of the Independent Non-Executive Directors at the forthcoming AGM has been reviewed by the Nomination Committee and further details are set out in the section headed "Nomination Committee and Appointment of Directors" below.

The Board believes that the balance between Executive and Non-Executive Directors (including Independent Non-Executive Directors) is reasonable and adequate to provide sufficient checks and balances that safeguard the interests of the shareholders and the Group. Non-Executive Directors and Independent Non-Executive Directors provide the Group with diversified expertise and experience. Their views and participation in Board and committee meetings bring independent judgment and advice on issues relating to the Group's strategies, performance, conflicts of interest and management process, and ensure that the interests of the shareholders are taken into account.

The Company has in place mechanisms to ensure independent views and input are available to the Board. The Audit and Risk Management Committee, the Remuneration Committee and the Nomination Committee are all chaired by Independent Non-Executive Directors, and while the majority of the members of the Remuneration Committee and the Nomination Committee are Independent Non-Executive Directors, the members of the Audit and Risk Management Committee only comprise Independent Non-Executive Directors. The Independent Non-Executive Directors meet the Chairman annually without the presence of the other Directors. No equity-based remuneration with performance-related elements is granted to the Independent Non-Executive Directors. Besides, they can seek independent professional advice at the Company's expense, if necessary. These mechanisms are subject to annual review to ensure their effectiveness.

# Corporate Governance Report

## Board Meetings

The Board meets at least four times a year, and a tentative schedule for regular Board meetings for each year is provided to the Directors prior to the beginning of each calendar year to facilitate their attendance and participation at Board meetings. In addition, at least 14 days' notice of all regular Board meetings together with the meeting agenda is given to all Directors such that all Directors are given the opportunity to include matters for discussion in the agenda. Meeting agenda and accompanying meeting papers are sent to all relevant Directors at least three days in advance of every regular Board meeting and committee meeting. Directors may participate in meetings in person, by phone or by other communication means. Between regularly scheduled Board meetings, Directors may approve various matters by way of passing written resolutions. Additional Board meetings may be convened, if necessary.

The Company Secretary assists the Chairman in preparing the agenda for the Board meetings and ensures that all applicable rules and regulations regarding the proceedings of the Board meetings are followed. Draft and final versions of minutes of each Board meeting are sent to all Directors for their comments and records respectively within a reasonable time. The Company also keeps detailed minutes of each Board meeting, which are available for inspection by all Directors.

All Directors have confirmed that they have given sufficient time and attention to the affairs of the Group during the year ended 30 June 2025. During the year, the Board discussed the overall strategies of the Group, monitored its financial and operational performance, and approved the annual and interim results of the Group and the convening of the 2024 AGM. In addition, it approved the appointment of a new member of the Executive Committee, an announcement with respect to the retirement of an Executive Director at the 2024 AGM and the withdrawal of an ordinary resolution regarding his re-election at the same meeting, and two announcements regarding the issuance of debt instruments by a wholly-owned subsidiary of the Company. It also approved the amendments to the terms of reference of the Nomination Committee and the appointment of a new member of the Nomination Committee, both with effect from 1 July 2025.

The Board held four regular meetings during the year ended 30 June 2025, and the attendance records of the Directors at the Board meetings are set out below:

Directors	Meetings attended/held
<b>Executive Directors</b>	
Kwok Ping-luen, Raymond ( <i>Chairman &amp; Managing Director</i> )	4/4
Wong Chik-wing, Mike ( <i>Deputy Managing Director</i> )	4/4
Lui Ting, Victor ( <i>Deputy Managing Director</i> )	4/4
Kwok Kai-fai, Adam	4/4
Kwok Kai-wang, Christopher	4/4
Tung Chi-ho, Eric	4/4
Fung Yuk-lun, Allen	4/4
Lau Tak-yeung, Albert <sup>1</sup>	1/2
Fung Sau-yim, Maureen	4/4
Chan Hong-ki, Robert	4/4
<b>Non-Executive Directors</b>	
Kwan Cheuk-yin, William	4/4
Kwok Kai-chun, Geoffrey	3/4

<b>Directors (cont'd)</b>	<b>Meetings attended/held</b>
<b>Independent Non-Executive Directors</b>	
Yip Dicky Peter	4/4
Wong Yue-chim, Richard	3/4
Li Ka-cheung, Eric	4/4
Fung Kwok-lun, William	4/4
Leung Nai-pang, Norman	4/4
Leung Ko May-yee, Margaret	4/4
Fan Hung-ling, Henry	4/4

<sup>1</sup> Mr. Lau Tak-yeung, Albert retired as a Director with effect from 7 November 2024

Directors have access to relevant and timely information, and they can ask for further information or retain independent professional advisors if necessary. They also have access to the advice and services of the Company Secretary, who is responsible for providing Directors with Board papers and related materials and ensuring that Board procedures are followed. Directors are given sufficient time for discussion at the Board meetings. Management is invited to join the Board meetings, where appropriate, to provide information to the Directors to enable the Board to make informed decisions. Where queries are raised by Directors, prompt and full responses will be given if possible.

Directors are required to declare their interests (if any) in the matters to be considered at the Board meetings in accordance with the articles of association of the Company (the "Articles of Association"). Should a potential conflict of interest involving a substantial shareholder or a Director arise, the matter will be dealt with by a physical meeting rather than by written resolution. Independent Non-Executive Directors with no conflict of interest will be present at meetings dealing with such conflict issues. Pursuant to the Articles of Association, a Director who is considered to be materially interested in the matter shall abstain from voting on the resolution approving such matter.

The Company has arranged appropriate directors and officers liability insurance in respect of legal action against Directors. In addition, each Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he or she may sustain or incur in or about the execution of the duties of his or her office or otherwise in relation thereto in accordance with the Articles of Association.

### **Chairman**

Mr. Kwok Ping-luen, Raymond is the Chairman and Managing Director of the Company. This is at variance with code provision C.2.1 of the Code, which provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Although the positions of Chairman and Managing Director are not separate, the powers and authorities have not been concentrated as all major decisions have been made in consultation with the Board and appropriate Board committees, as well as top management. In addition, there are two Non-Executive Directors and seven Independent Non-Executive Directors on the Board offering their experience, expertise, independent advice and views from different perspectives. The Board is therefore of the view that there are adequate balance of power and safeguards in place.

The Chairman is primarily responsible for leading the Board and ensuring that it functions effectively and smoothly. Directors are encouraged to participate actively in all Board and committee meetings of which they are members.

During the year ended 30 June 2025, the Chairman held a meeting with the Independent Non-Executive Directors without the presence of the other Directors, in which the Independent Non-Executive Directors can share their views and raise any issues in the absence of other Directors and management of the Company.

# Corporate Governance Report

## Training and Support for Directors

Directors must keep abreast of their collective responsibilities. Each newly appointed Director or Alternate Director will be provided a comprehensive induction package containing an overview of the Group's businesses and the applicable statutory and regulatory obligations of a director of a listed company, and he or she will receive legal advice from an external lawyer of the Company as regards the requirements under the Listing Rules that are applicable to him or her as a Director of the Company and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

The Group also provides briefings and other training to develop and refresh the Directors' knowledge and skills. The Group continuously updates Directors on the latest developments regarding the Listing Rules and other applicable legal and regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. Circulars or guidance notes are also issued to the Directors and the senior executives where appropriate to keep them abreast of any latest changes in applicable legal and regulatory requirements and corporate governance practices. In addition, where necessary, external experts will be invited to give seminars to the Executive Directors and the senior executives to update their skills and knowledge. In-house briefings on various topics relating to the business of the Group are arranged during regular meetings attended by the Executive Directors and senior executives.

During the year ended 30 June 2025, training materials regarding anti-corruption made by the Independent Commission Against Corruption were provided to the Directors. The Directors also participated in the following trainings:

Directors	Types of training	
	Attending or giving talks at seminars and/or conferences and/or forums and/or briefings	Reading materials on various topics*
<b>Executive Directors</b>		
Kwok Ping-luen, Raymond	✓	✓
Wong Chik-wing, Mike	✓	✓
Lui Ting, Victor		✓
Kwok Kai-fai, Adam	✓	✓
Kwok Kai-wang, Christopher	✓	✓
Tung Chi-ho, Eric	✓	✓
Fung Yuk-lun, Allen	✓	✓
Fung Sau-yim, Maureen	✓	✓
Chan Hong-ki, Robert	✓	✓
Kwok Ho-lai, Edward	✓	✓
<i>(Alternate Director to Kwok Ping-luen, Raymond)</i>		
<b>Non-Executive Directors</b>		
Kwan Cheuk-yin, William	✓	✓
Kwok Kai-chun, Geoffrey		✓
<b>Independent Non-Executive Directors</b>		
Yip Dicky Peter	✓	✓
Wong Yue-chim, Richard	✓	✓
Li Ka-cheung, Eric	✓	✓
Fung Kwok-lun, William	✓	✓
Leung Nai-pang, Norman	✓	✓
Leung Ko May-yee, Margaret	✓	✓
Fan Hung-ling, Henry		✓

\* Topics include the Company's business, legal and regulatory updates, corporate governance matters, and directors' duties and responsibilities

### **Compliance with Model Code**

The Company follows the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Listing Rules (the “Model Code”) as the code of conduct for the Directors and the relevant employees who are likely to possess inside information of the Group (the “Relevant Employees”) in their dealings in the Company’s securities.

Before the Group’s interim and annual results are announced, notifications will be sent to the Directors and the Relevant Employees to remind them not to deal in the securities of the Company during the blackout periods. In response to specific enquiry made by the Company, all Directors have confirmed that they have complied with the Model Code during the year ended 30 June 2025.

### **Delegation by the Board**

The Board directs and approves the Group’s overall strategies. Given the diversity and volume of the Group’s businesses, responsibilities for execution and daily operations are delegated to management. The Board gives clear directions as to management’s power, and reviews the delegations to management, when necessary, to ensure that they are appropriate and continue to be beneficial to the Group as a whole.

The Board has delegated specific roles and responsibilities to the Executive, Remuneration, Nomination, and Audit and Risk Management Committees. These Committees have specific terms of reference clearly defining their powers and responsibilities, and they are required by their terms of reference to report to the Board in relation to their decisions, findings or recommendations, and in certain specific situations, to seek the Board’s approval before taking any action. Meetings of the Committees are convened as often as necessary and some decisions of the Committees are made by way of passing written resolutions.

### **Executive Committee**

The Executive Committee was established in 1977 and now consists of all Executive Directors and four full time senior executives of the Group as its members, including a full time senior executive of the Group who was appointed by the Board as a new member of the Committee during the year. A list of the current members of the Committee and their biographical information are set out on page 2 and pages 141 to 152 respectively. In addition, two senior executives holding major positions in the Group have been invited by the Committee to attend its meetings regularly as associate members, and to contribute their experience and expertise to assist the Committee in its decision-making process. A list of the current associate members of the Committee is set out on page 152.

The Executive Committee meets regularly, usually once every week. It is primarily responsible for formulating business policies, making decisions on key business issues and policies, facilitating the approval of certain corporate actions and exercising the powers and authority delegated by the Board in respect of matters which arise between regularly scheduled Board meetings. A summary of the minutes of the meetings of, and the written resolutions passed by, the Executive Committee is provided to the Board for review at each regular Board meeting.

The Board has delegated to the Executive Committee its responsibilities to develop, review and monitor the policies and practices on corporate governance of the Group and to make recommendations to the Board, to review and monitor the Company’s policies and practices on legal and regulatory compliance, to review and monitor the code of conduct and ethical behaviour applicable to the Directors and employees and the training and continuous professional development of Directors and senior management, and to review the Company’s compliance with the Code and disclosures in the corporate governance reports.

# Corporate Governance Report

During the year ended 30 June 2025, the Executive Committee oversaw the daily business operations of the Group and made key business decisions. In addition, the Committee reviewed the Company's compliance with the Code and the applicable statutory and regulatory requirements, the Diversity Policy and the shareholders' communication policy of the Company (the "Shareholders' Communication Policy") and their implementation and effectiveness, and the disclosures in the corporate governance report. The Committee also approved the Sustainability Report of the Company. The attendance records of the members at the Committee meetings held during the year are set out below:

Committee members	Meetings attended/held
Kwok Ping-luen, Raymond	47/47
Wong Chik-wing, Mike	44/47
Lui Ting, Victor	44/47
Kwok Kai-fai, Adam	46/47
Kwok Kai-wang, Christopher	41/47
Tung Chi-ho, Eric	45/47
Fung Yuk-lun, Allen	36/47
Lau Tak-yeung, Albert <sup>1</sup>	15/18
Fung Sau-yim, Maureen	44/47
Chan Hong-ki, Robert	43/47
Yung Sheung-tat, Sandy	43/47
Li Ching-kam, Frederick	46/47
Lam Ka-keung, Henry	46/47
Lo King-wai <sup>2</sup>	38/39

<sup>1</sup> Mr. Lau Tak-yeung Albert ceased to act as a member with effect from 7 November 2024

<sup>2</sup> Mr. Lo King-wai was appointed as a member with effect from 1 September 2024

## Remuneration Committee

The Remuneration Committee was established in June 2005 and is chaired by Professor Wong Yue-chim, Richard, an Independent Non-Executive Director. Other members of the Committee are Dr. Li Ka-cheung, Eric, Mr. Kwan Cheuk-yin, William and Dr. Leung Nai-pang, Norman. All members are Non-Executive Directors and the majority of them are Independent Non-Executive Directors.

The Company has adopted the model to delegate the determination of the remuneration packages of individual Executive Directors to the Remuneration Committee. The Committee is responsible for formulating and recommending remuneration policy to the Board and reviewing and making recommendations on compensation-related issues. The fees for the Directors are subject to the approval of the shareholders at the general meetings in accordance with the Articles of Association. The Committee, with the assistance of the Head of Internal Affairs, consults with the Chairman on its proposals and recommendations if necessary, and also has access to independent professional advice if necessary. The Committee is also provided with sufficient resources enabling it to perform its duties. The Committee's specific terms of reference are available on the websites of the Company and HKEX.

During the year ended 30 June 2025, the Remuneration Committee reviewed and approved the Directors' fees and the emoluments of the Executive Directors. Particulars of the Directors' emoluments are set out in note 8 to the consolidated financial statements. The Committee held a meeting during the year and the attendance records of the members at the meeting are set out below:

Committee members	Meeting attended/held
Wong Yue-chim, Richard ( <i>Chairman</i> )	1/1
Li Ka-cheung, Eric	1/1
Kwan Cheuk-yin, William	1/1
Leung Nai-pang, Norman	1/1

## Nomination Committee and Appointment of Directors

The Nomination Committee was established in June 2005 and is chaired by Professor Wong Yue-chim, Richard, an Independent Non-Executive Director. Other members of the Committee are Mr. Kwan Cheuk-yin, William, Mr. Yip Dicky Peter, Dr. Leung Nai-pang, Norman and Ms. Fung Sau-yim, Maureen, who was appointed as a member of the Committee with effect from 1 July 2025. The majority of the members are Independent Non-Executive Directors.

The Nomination Committee is responsible for formulating policy and making recommendations to the Board on the appointment and re-appointment of Directors, and Board succession. A nomination policy setting out the current nomination practice, such as the criteria and procedures for the selection, appointment and re-appointment of the Directors, has been adopted by the Company. Under the policy, the Committee will evaluate potential candidates by considering various factors, including their professional expertise, industry and business experience, time commitments, potential contributions to board diversity, and material conflict of interest with the Group (if any). The Committee will also consider the independence of candidates with reference to the Independence Guidelines if they will be appointed as Independent Non-Executive Directors. The Committee will then make recommendation of suitable candidates to the Board for consideration of appointment. In case of re-appointment of existing Directors who will retire at AGMs, the Committee will review the rotation and retirement of Directors and make recommendations to the Board accordingly.

The Nomination Committee also reviews the structure, size and composition of the Board and the Board committees. In accordance with the amended code provisions of the Code which came into effect on 1 July 2025, the Committee has taken up additional duties, which include to assist the Board in maintaining a board skills matrix, to review the time commitment and contribution to the Board by each Director and to support the regular evaluation of the performance of the Board. Sufficient resources are provided to the Committee to enable it to perform its duties, and it can seek independent professional advice at the Company's expense if necessary. The Committee's specific terms of reference are available on the websites of the Company and HKEX.

During the year ended 30 June 2025, the Nomination Committee reviewed the structure, size and composition of the Board and the Board committees. It also reviewed the retirement and re-election of Directors at the forthcoming AGM, including the re-election of the retiring Independent Non-Executive Directors. In accordance with the nomination policy, the Committee reviewed the biographies of those Independent Non-Executive Directors who will be subject to retirement and re-election at the forthcoming AGM (the "Retiring INEDs"), and taking into consideration their knowledge, experience, capability and various diversity aspects as set out in the Diversity Policy as well as their contributions to the Company over the years, the Committee is of the view that the Retiring INEDs will continue to contribute to the Board with their respective perspectives, skills and experience.

In addition, none of the Retiring INEDs has any financial or family relationships with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company, which could give rise to a conflict of interests situation or otherwise affect their exercise of independent judgement. The Nomination Committee believes that the Retiring INEDs remain committed to their role as Independent Non-Executive Directors of the Company and will continue to be independent.

Each of Dr. Fung Kwok-lun, William and Dr. Leung Nai-pang, Norman (being two of the Retiring INEDs) has served the Company for more than nine years, during which period they have provided professional advice and insight to the Board. They have in-depth understanding of the Group's business and operation and have also demonstrated strong independence by providing impartial views and comments at Board and/or Board committee meetings during their tenure of office. They have not taken part in the day-to-day management of the Company. The Nomination Committee considered that the long service of Dr. Fung Kwok-lun, William and Dr. Leung Nai-pang, Norman will not affect their exercise of independent judgment and was satisfied that each of Dr. Fung Kwok-lun, William and Dr. Leung Nai-pang, Norman has the required integrity and experience to continue fulfilling the role of an Independent Non-Executive Director.

In view of the above, the Nomination Committee believes that the re-election of the retiring Directors (including the Retiring INEDs) at the forthcoming AGM will be in the best interests of the Company and its shareholders as a whole and has agreed to nominate them to the Board to stand for re-election at the forthcoming AGM.



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The Nomination Committee held a meeting during the year ended 30 June 2025 and the attendance records of the members at the meeting are set out below:

Committee members	Meeting attended/held
Wong Yue-chim, Richard ( <i>Chairman</i> )	1/1
Kwan Cheuk-yin, William	1/1
Yip Dicky Peter	1/1
Leung Nai-pang, Norman	1/1

All Directors have formal letters of appointment setting out the key terms of their appointments. New Director appointed by the Board shall hold office until the next following AGM and shall then be eligible for re-election. In accordance with the Articles of Association, one-third of the Directors are required to retire from office by rotation and are eligible for re-election at each AGM. In addition, all Directors do not have a specific term of appointment and they are subject to retirement by rotation and are eligible for re-election at least once every three years. The re-election of all retiring Directors (including those Independent Non-Executive Directors who have served the Company for more than nine years) will be subject to separate resolutions to be approved at the AGM.

## Audit and Accountability

The Board is responsible for presenting a balanced, clear and comprehensible assessment of the Group's performance and prospects. The Directors also acknowledge their responsibility for preparing the financial statements that give a true and fair view of the Group's financial position on a going-concern basis, and for presenting a balanced, clear and understandable assessments in its annual and interim reports, other inside information announcements and other financial disclosures. All Board members are provided with monthly updates, including contracted property sales updates, upcoming projects, leasing and hotel project updates, major investment projects under development and financial position, which give the Directors a balanced and understandable assessment of the performance, position and prospects of the Group. Management provides all relevant information to the Board, giving the members sufficient explanation and information they need to discharge their responsibilities. A statement by the external auditor of the Company in respect of its reporting responsibilities is set out in the Independent Auditor's Report.

## Audit and Risk Management Committee

The Audit Committee was established in 1999 and was renamed as the Audit and Risk Management Committee in June 2016 to reflect its role in risk management. The Committee is chaired by Dr. Li Ka-cheung, Eric, and other members of the Committee are Mr. Yip Dicky Peter, Dr. Leung Nai-pang, Norman and Professor Wong Yue-chim, Richard. All members of the Committee are Independent Non-Executive Directors.

No former partner of the Company's existing auditing firm acted as a member of the Audit and Risk Management Committee within two years from the date of his ceasing to be a partner or to have any financial interest in the auditing firm.

The duties of the Audit and Risk Management Committee include:

- reviewing the Group's financial statements and annual reports and accounts, and interim reports before submitting them to the Board;
- reviewing the Group's financial controls, and its risk management and internal control systems;
- ensuring that management has fulfilled its duty to establish and maintain an effective risk management and internal control systems including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, financial reporting function, as well as those relating to the Company's environmental, social and governance ("ESG") performance and reporting;
- considering major investigation findings on risk management and internal control matters;

- reviewing the internal audit programme and ensuring the internal audit function is adequately resourced and effective;
- reviewing the Group's financial and accounting policies and practices;
- reviewing the external auditor's management letter and questions raised by the external auditor to management, and management's response to such questions;
- reporting to the Board on matters required to be performed by the Committee under the applicable code provisions of the Code;
- meeting with the external auditor to discuss issues regarding audit at least once a year in the absence of management; and
- reviewing the arrangements that employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal controls or other matters.

The Audit and Risk Management Committee is provided with sufficient resources enabling it to perform its duties. The specific terms of reference of the Committee are available on the websites of the Company and HKEX.

The Audit and Risk Management Committee held three meetings during the year ended 30 June 2025. It had reviewed the interim and annual results of the Group, and discussed and approved the relevant financial reports; reviewed the Group's risk management and internal control systems, the risk assessment result and the internal audit activities; and discussed the audit plans of the external auditor and the internal audit plans. Two private sessions between the members of the Committee and the external auditor without the presence of management had been arranged in these meetings. The attendance records of the members at the Committee meetings are set out below:

<b>Committee members</b>	<b>Meetings attended/held</b>
Li Ka-cheung, Eric ( <i>Chairman</i> )	3/3
Yip Dicky Peter	3/3
Leung Nai-pang, Norman	3/3
Wong Yue-chim, Richard	3/3

There was no disagreement between the Board and the Audit and Risk Management Committee on the selection, appointment, resignation or dismissal of the external auditor.

The Audit and Risk Management Committee monitors the audit and non-audit services rendered to the Group by the external auditor and ensures that the engagement of the external auditor in non-audit services will not impair its audit independence or objectivity. A non-assurance services concurrence policy has been established which sets out (among others) (i) the non-assurance services which the external auditor is prohibited from providing and (ii) the process for obtaining pre-concurrence from the Committee on those non-assurance services where such concurrence is required. In addition, an independence confirmation has been obtained from the external auditor which confirmed that during the course of its audit on the Group's consolidated financial statements for the year ended 30 June 2025 and thereafter to the date of the annual report, it is independent of the Group in accordance with the independence requirements of the Hong Kong Institute of Certified Public Accountants.

The fees in respect of audit and non-audit services provided to the Company and its subsidiaries by the external auditor for the year ended 30 June 2025 amounted to approximately HK\$26 million and HK\$8 million respectively. The non-audit services mainly consist of consultancy, taxation, review and other reporting services. These fees have been reviewed by the Audit and Risk Management Committee.

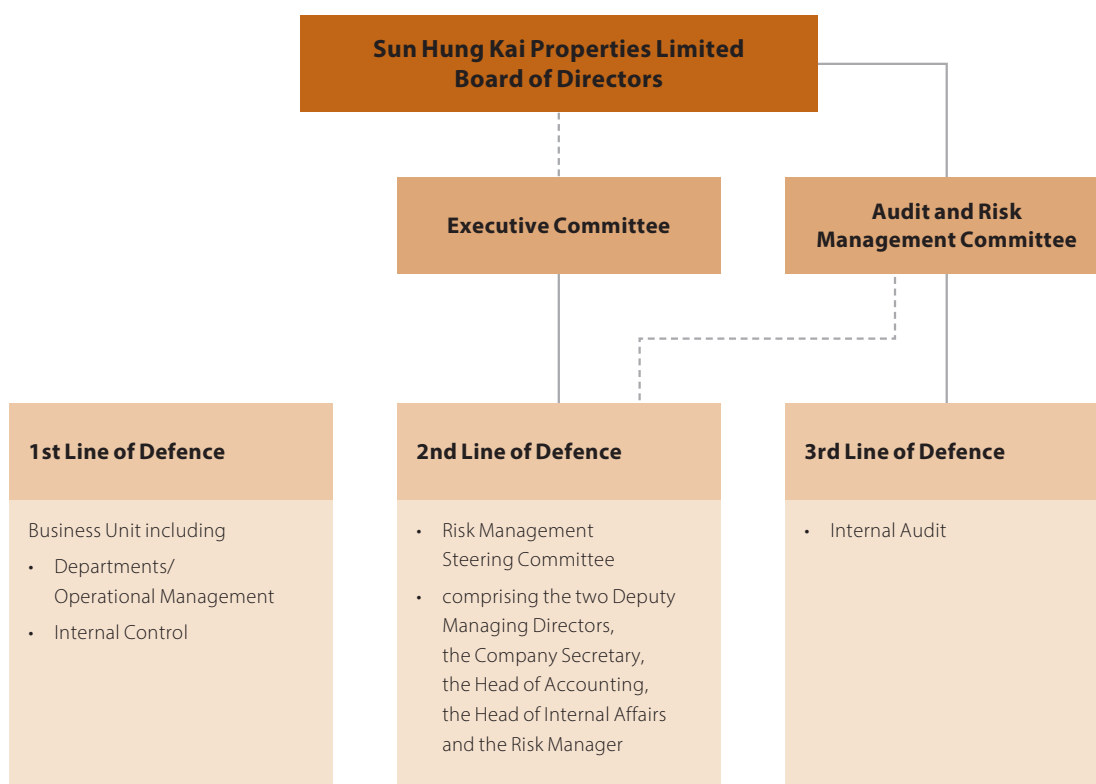
# Corporate Governance Report

## Risk Management and Internal Control

The Group has diverse business activities in Hong Kong, on the mainland and in Singapore and is exposed to different risks in a dynamic environment. Effective risk management is therefore essential for the long-term growth and sustainability of the businesses of the Group. The Board is responsible for the overall strategy and development of the Group's businesses; for setting its corporate goals and risk appetite; for establishing and maintaining sound and effective risk management and internal control systems to safeguard the Group's assets and stakeholders' interests; and for reviewing the effectiveness of the systems. The Board assesses the effectiveness of the risk management and internal control systems through the reviews performed by the Audit and Risk Management Committee, executive management and both internal and external auditors. It should be acknowledged that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

### Risk Management

The Group's risk governance structure is guided by the "Three Lines of Defence" model as shown below:



### First Line of Defence

Each business unit including department/operational management and internal control (collectively the "Business Unit") has the duty to manage its own risks in the course of its daily operations, including:

- establishing its own risk management measures for identifying, measuring, mitigating and monitoring its own risks;
- designing and executing control procedures to mitigate the risks identified;
- completing a risk assessment template and submitting its assessment results to the Risk Management Steering Committee twice a year;

- (iv) operating in a manner that is in line with the risk appetite of the Group; and
- (v) implementing any risk action plans as advised by the Risk Management Steering Committee and/or the Internal Audit Department and/or the Audit and Risk Management Committee to address any significant risks that may affect its operation.

### **Second Line of Defence**

The Risk Management Steering Committee is under the direct supervision of the Executive Committee and also accountable to the Audit and Risk Management Committee. Members of this Committee comprise the two Deputy Managing Directors, the Company Secretary, the Head of Accounting, the Head of Internal Affairs and the Risk Manager. The Risk Management Steering Committee is primarily responsible for:

- (i) providing assistance to the Board and the Audit and Risk Management Committee in overseeing and monitoring the operation of the risk management and internal control systems;
- (ii) reviewing the risk assessment results submitted by each Business Unit, providing support and guidance to them, and putting forward any risk action plans for implementation by them;
- (iii) reporting its work done to the Audit and Risk Management Committee twice a year; and
- (iv) proposing any enhancement to the risk management and internal control systems for consideration by the Audit and Risk Management Committee and/or the individual Business Unit concerned.

### **Third Line of Defence**

The Internal Audit function is performed by the Group's Internal Audit Department, which is primarily responsible for:

- (i) performing audits to evaluate the proper functioning of the risk management and internal control systems;
- (ii) reporting its findings to the Audit and Risk Management Committee and providing the Committee with an independent and objective assurance on the effectiveness of the risk management and internal control systems of the Group;
- (iii) putting forward any risk action plans for implementation by the relevant Business Units concerned; and
- (iv) proposing any enhancement to the risk management and internal control systems for consideration by the Audit and Risk Management Committee and/or the Risk Management Steering Committee and/or the individual Business Unit concerned.

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## Audit and Risk Management Committee

The Audit and Risk Management Committee assists the Board in overseeing the risk management and internal control systems of the Group, including:

- (i) reviewing the risk management and internal control systems of the Group with the Internal Audit Department twice a year to ascertain whether management has fulfilled its responsibilities in establishing and maintaining effective systems;
- (ii) reviewing the risk assessment results, including changes in the nature and extent of significant risks since the last review and the Group's ability to respond to changes in its business and the external environment;
- (iii) discussing with management on the resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, financial reporting functions, as well as those relating to the Group's ESG performance and reporting to ensure that these are adequate;
- (iv) considering major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- (v) identifying any significant risks that should be drawn to the attention of the Board;
- (vi) putting forward any risk action plans for implementation by the relevant Business Units concerned; and
- (vii) reviewing and considering any enhancement to the risk management and internal control systems as proposed by the Risk Management Steering Committee and/or the Internal Audit Department.

## Board of Directors

The Board has the overall responsibility for establishing and maintaining sound and effective risk management and internal control systems, including:

- (i) setting the Group's strategies and corporate goals;
- (ii) evaluating and determining the nature and extent of the risks it is willing to take in achieving its strategic and business objectives;
- (iii) overseeing management in the design, implementation and monitoring of the risk management and internal control systems;
- (iv) overseeing the risk management and internal control systems on an ongoing basis, and ensuring that a review of the systems is conducted twice a year to ensure their effectiveness;
- (v) reviewing the changes in the nature and extent of significant risks since the last review and the Group's ability to respond to changes in its business and the external environment;
- (vi) considering the scope and quality of management's ongoing monitoring of risks and of the internal control systems;
- (vii) considering the extent and frequency of communication of monitoring results to the Board; and
- (viii) considering any significant control failings or weaknesses that have been identified during the period.

## **Internal Control**

Risk management is integrated with the Group's internal control system which was developed based on the COSO (the Committee of Sponsoring Organizations of the Treadway Commission) principles as follows:

### **(i) Control Environment**

- demonstrates a commitment to integrity and ethical values
- the Board demonstrates independence from management and exercises oversight of the development and performance of internal control
- management establishes, with Board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives
- demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives
- holds individuals accountable for their internal control responsibilities in the pursuit of objectives

### **(ii) Risk Assessment**

- specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives
- identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed
- considers the potential for fraud in assessing risks to the achievement of objectives
- identifies and assesses changes that could significantly impact the system of internal control

### **(iii) Control Activities**

- selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels
- selects and develops general control activities over technology to support the achievement of objectives
- deploys control activities through policies that establish what is expected and procedures that put policies into place

### **(iv) Information and Communication**

- obtains or generates and uses relevant, quality information to support the functioning of internal control
- internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control
- communicates with external parties regarding matters affecting the functioning of internal control

### **(v) Monitoring Activities**

- selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning
- evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the Board, as appropriate

The internal control system aims at safeguarding assets from inappropriate use, maintaining proper accounts, ensuring compliance with laws and regulations, and enabling timely identification and management of key risks that may have impact on the Group. Management is primarily responsible for the design, implementation and maintenance of the risk management and internal control systems. The Group's internal control system includes a well-established organizational structure with clearly defined lines of responsibility and authority. Policies and procedures are laid down for its key business processes and Business Units covering project development, tendering, sales and leasing, financial reporting, human resources and computer systems.

# Corporate Governance Report

A code of conduct is maintained and communicated to all employees for compliance. In addition, whistleblowing mechanism is in place for our employees and those who deal with the Group (e.g. customers and suppliers) to raise concerns in confidence and anonymity about suspected misconducts, malpractices or fraudulent activities relating to the Group. The identity of the whistleblower will be treated with the strictest confidence. The Company has also established an anti-corruption policy that promotes and supports all applicable anti-corruption laws and regulations in force in the jurisdictions in which the Group has operations.

The Company has a policy on inside information in place setting out the principles and procedures for handling and disclosing inside information of the Group in compliance with the relevant requirements under Part XIVA of the Securities and Futures Ordinance and the Listing Rules, and such policy has been communicated to the relevant senior executives of the Group. The policy contains provisions for establishing an internal committee to ascertain whether certain information constitutes inside information of the Group, and (where necessary) for escalating the matter to the senior management of the Group for final determination. To prevent inadvertent disclosure of inside information, the policy also prescribes certain measures in place, including restricting access to inside information to employees on a need-to-know basis, requiring documents and files containing inside information to be kept in a safe place, and requiring that confidentiality agreements be made with external parties in appropriate cases.

## **Key Risk Factors**

The following section lists out the key risks and uncertainties facing the Group. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined below:

### **Risks Pertaining to the Property Market in Hong Kong**

A substantial part of the Group's property portfolio is located in Hong Kong, and a substantial part of the Group's revenue is derived in Hong Kong. As a result, general state of the economy and the property market, stock market performance, legislative and regulatory changes, government policies and political conditions, interest rate and currency fluctuation, labour market conditions, availability of financing and supply chain disruption may have a significant impact on the Group's operating results and financial conditions. For instance, profitability of the property development business may be affected due to deteriorating economic conditions or intense competition from other developers and property owners. Construction work may not be completed on schedule or within budget due to supply chain disruption, shortage of labour or increase in labour cost. Launch of new property projects may be affected by intense competition from other developers or unfavourable market conditions. Further growth of the Group's property development business may also be impacted by the supply and price levels of land in Hong Kong.

Rental levels in Hong Kong are subject to competition arising from supply in the primary sector. In addition to the economic and market conditions mentioned above, other domestic and external economic and political factors including but not limited to supply and demand conditions, and stock market performance may affect the Group's property investment business. Retail rent and occupancy levels may also be affected as a result of the change in consumer and tourist behaviour.

### **Risks Pertaining to the Property Market on the Mainland**

The Group has material interests in residential and commercial property development and property investment on the mainland and is therefore subject to the risks associated with the mainland property market. The Group's operations on the mainland may also be exposed to the risks of policy changes, interest rate and currency fluctuation, demand-supply imbalance, changes in the overall economic conditions, competition in the labour market, availability of financing and supply chain disruption, which may pose an adverse impact on the Group's business, financial condition or results of operations.

### **Operational Risks**

The Group's operation is subject to a number of risk factors distinctive to property development, property investment, and property related businesses. Default on the part of our buyers, tenants and strategic business partners, inadequacies or failures of internal processes, people and systems, leakage of sensitive information by hacking or accidents, inadequate responses to negative events or other external factors may have various levels of negative impact on the results of operations. Additionally, accidents may happen despite systems and policies set up for their prevention, which may lead to financial loss, litigation, or damage in reputation.

### **ESG Risks**

Riding on the COSO principles where our risk management and internal control systems are based, the Group is integrating ESG risks into its risk management and internal control systems to better manage enterprise-wide risks. Some of the ESG risks are of particular concern to the Group including climate change, energy efficiency and waste management for environmental aspect; community investment and engagement, tenant/customer engagement and responsible supply chain management for social aspect; and ethics and integrity, information privacy and risk and crisis management for governance aspect. Such integration can provide additional strategic and operational leverage for the Group as it seeks to succeed and grow in today's turbulent environment. The Sustainability Steering Committee is appointed to supervise and manage sustainability issues across operations, including evaluation of the ESG related risks and execution of the sustainability strategy. The ESG related risks, strategies and initiatives are included in the annual Sustainability Report.

### **Mitigating Principal Risks Faced by the Group**

The risk management and internal control systems have been designed to operate proactively to ensure that principal risks are not only identified, measured and monitored but also mitigated. Under such systems, management staff of various departments would identify suitable internal controls and countermeasures to mitigate principal risks faced by the Group. When formulating mitigating measures, important factors such as regulatory requirements, risk appetite, adequacy and effectiveness of mitigating actions proposed, risk owners in place to implement risk mitigating measures, and feasibility of transferring risks to third parties were taken into consideration. The objective of these risk mitigating plans is to ensure that principal risks are well managed and governed effectively.

In addition, the Group set up a crisis management taskforce to coordinate, respond to and tackle ad hoc events and key issues and risks in an effective manner. Co-led by two Deputy Managing Directors, the taskforce comprises senior management members of major Business Units.

### **Past Performance and Forward-Looking Statements**

The performance and the results of operation of the Group as set out in this annual report are historical in nature and past performance is not a guarantee of future performance. This annual report may contain forward-looking statements and opinions that involve risks and uncertainties. Actual result may also differ materially from expectations discussed in such forward-looking statements and opinions. Neither the Group nor the Directors, employees or agents of the Group assume (i) any obligations to correct or update the forward-looking statements or opinions contained in this annual report; and (ii) any obligations or liabilities in the event that any of the forward-looking statements or opinions does not materialize or turns out to be incorrect.



# Corporate Governance Report

## ***Effectiveness of Risk Management and Internal Control Systems***

During the year ended 30 June 2025, the Risk Management Steering Committee has worked with major Business Units and senior management to enhance the risk management and internal control systems. Activities included updating the risk assessment templates to include risk predictors (which are critical predictors of unfavourable events that can adversely impact individual Business Units concerned), and providing risk training to and maintaining ongoing interactive dialogues with the Business Units. It has also reviewed the major risks for operations in Hong Kong and on the mainland.

The Group's Internal Audit Department, which has been established for more than 30 years, performs independent appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems. The department has direct access to the Audit and Risk Management Committee and has rights to access all records, assets and personnel as stipulated in the Internal Audit Charter. The department follows a risk-based approach to formulate the audit plan that focuses on the top risks identified. The risks for departments and Business Units are assessed using the pre-determined risk criteria. The assessment results are consolidated and ranked from an enterprise-wide perspective. The Audit and Risk Management Committee reviews and approves annually the audit plan, which is formulated based on the risk assessment result. The department conducts audit review on specific areas based on the approved audit plan. Summaries of major audit findings and control weaknesses, if any, are reviewed by the Audit and Risk Management Committee. The department monitors the follow-up actions agreed upon in response to recommendations. Internal Audit Department provides the Audit and Risk Management Committee with conclusion on the adequacy and effectiveness of the risk management and internal control systems.

The Board through the Audit and Risk Management Committee reviewed the risk assessment results, and the risk management and internal control systems of the Group for the year ended 30 June 2025, including financial, operational and compliance controls. The review includes considering the internal control evaluations conducted by executive management and the internal and external auditors as well as the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, financial reporting functions as well as those relating to the Group's ESG performance and reporting. Based on the result of the review, the Board considered that for the year ended 30 June 2025, the risk management and internal control systems of the Group were effective and adequate.

## **Shareholder Relations**

### ***Dividend Policy***

The Company has adopted a dividend policy which aims to provide shareholders of the Company with a sustainable dividend and to pay out 40% to 50% of the underlying net profit of the Group. In determining the dividend amount, the Board will take into account a number of factors such as the Group's financial performance, future capital expenditures and financial position as well as the general economic and business conditions. The policy will be reviewed from time to time so as to keep in line with the future prospects and capital requirements of the Group and the changes in market conditions.

### ***Shareholders' Communication Policy***

The Board established the Shareholders' Communication Policy setting out the principles of the Company in relation to shareholders' communications, with the objective of ensuring that its communications with the shareholders are timely, transparent, accurate and open. Information will be communicated to the shareholders mainly through the Company's corporate communications (such as interim and annual reports, announcements and circulars) and AGMs, as well as disclosures on the website of the Company.

Interim reports, annual reports and circulars are sent to the shareholders in a timely manner and are also available on the websites of the Company and HKEX. The Company's website provides shareholders with its corporate information, such as its principal business activities and major property projects, the corporate governance practices and sustainable development of the Group. For efficient communication with shareholders and in the interest of environmental protection, arrangements are made to allow shareholders to elect to receive corporate communications of the Company by electronic means through the Company's website.

Shareholders are provided with contact details of the Company, such as telephone hotline, fax number, email address and postal address, in order to enable them to make any queries that they may have with respect to the Company. They can also send their enquiries to the Board through these means. In addition, shareholders can contact the share registrar of the Company if they have any enquiries about their shareholdings and entitlements to dividend.

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

The Company through the Executive Committee has reviewed the Shareholders' Communication Policy. Having considered the multiple channels in place for shareholders to communicate their views, the Executive Committee was satisfied that the Shareholders' Communication Policy was appropriate and effective, and had been properly implemented during the year.

### **Annual General Meeting**

The AGM allows the Directors to meet and communicate with shareholders. The Company ensures that shareholders' views are communicated to the Board. The chairman of the AGM proposes separate resolutions on each substantially separate matter to the shareholders for their consideration and approval. Members of the Audit and Risk Management Committee, the Remuneration Committee and the Nomination Committee, and the external auditor also attend the AGM to answer questions from shareholders. Simultaneous interpretation is provided to facilitate smooth and direct communication between shareholders and Directors.

AGM proceedings are reviewed from time to time to ensure that the Company follows good corporate governance practices. The notice of AGM is distributed to all shareholders at least 21 clear days prior to the AGM and the accompanying circular also sets out details of each proposed resolution and other relevant information as required to be disclosed under the Listing Rules. The chairman of the AGM exercises his power under the Articles of Association to put each proposed resolution to the vote by way of a poll. The procedures for conducting a poll are explained at the meeting prior to the polls being taken and the share registrar of the Company acts as the scrutineer for the vote-taking at the meeting. An announcement setting out the voting results and the attendance of the Directors at the AGM is available on the websites of the Company and HKEX on the day of the AGM.

The 2024 AGM was held on 7 November 2024 at the Company's headquarters. Businesses transacted at the 2024 AGM included the adoption of audited consolidated financial statements, the approval of final dividend, the re-election of Directors and fixing of the Directors' fees, the re-appointment of auditor and the renewal of general mandates with respect to the buy-back of shares and the issue of new shares.

# Corporate Governance Report

The attendance records of the Directors at the 2024 AGM are set out below:

Directors	AGM attended
<b>Executive Directors</b>	
Kwok Ping-luen, Raymond	✓
Wong Chik-wing, Mike	✓
Lui Ting, Victor	✓
Kwok Kai-fai, Adam	✓
Kwok Kai-wang, Christopher	✓
Tung Chi-ho, Eric	✓
Fung Yuk-lun, Allen	✓
Lau Tak-yeung, Albert	
Fung Sau-yim, Maureen	✓
Chan Hong-ki, Robert	✓
<b>Non-Executive Directors</b>	
Kwan Cheuk-yin, William	✓
Kwok Kai-chun, Geoffrey	✓
<b>Independent Non-Executive Directors</b>	
Yip Dicky Peter	✓
Wong Yue-chim, Richard	✓
Li Ka-cheung, Eric	✓
Fung Kwok-lun, William	✓
Leung Nai-pang, Norman	✓
Leung Ko May-yee, Margaret	✓
Fan Hung-ling, Henry	✓

Shareholder(s) holding at least 5% of the total voting rights of all the shareholders of the Company having a right to vote at general meetings can send a request to the Company to convene a general meeting pursuant to Section 566 of the Companies Ordinance. The request must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The request must be authenticated by the relevant shareholder(s) and sent to the Company in hard copy form or in electronic form.

Besides, Section 615 of the Companies Ordinance provides that (i) shareholder(s) representing at least 2.5% of the total voting rights of all shareholders of the Company who have a right to vote on the resolution at the AGM; or (ii) at least 50 shareholders who have a right to vote on the resolution at the AGM may request the Company to circulate a notice of a resolution for consideration at the AGM. Such request must identify the resolution to be moved at the AGM and must be authenticated by the relevant shareholder(s) and sent to the Company in hard copy form or in electronic form not later than six weeks before the relevant AGM or if later, the time when the notice of the AGM is despatched.

The latest version of the Articles of Association, where no amendment was made during the year ended 30 June 2025, is available on the websites of the Company and HKEX.

In order to reflect recent amendments to the Listing Rules and the Companies Ordinance, a special resolution will be proposed at the forthcoming AGM for the shareholders to consider and, if thought fit, approve the adoption of a new set of Articles of Association.