

Strong Resilience in Challenging Times



CK ASSET HOLDINGS LIMITED
長江實業集團有限公司

(Incorporated in the Cayman Islands with limited liability)
STOCK CODE: 1113

Annual Report 2023

Group Structure



CK ASSET HOLDINGS LIMITED

(A limited liability Cayman Islands company registered and listed in Hong Kong)

Stock Code: 1113



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FIVE YEAR FINANCIAL SUMMARY

Consolidated Income Statement (HK\$ million)					
	2019	2020	2021	2022	2023
Group revenue	82,382	59,825	62,094	56,341	47,243
Share of revenue of joint ventures	13,937	14,327	21,147	23,210	23,839
Total	96,319	74,152	83,241	79,551	71,082
Profit attributable to shareholders	29,134	16,332	21,241	21,683	17,340
Consolidated Statement of Financial Position (HK\$ million)					
	2019	2020	2021	2022	2023
Fixed assets	97,519	95,101	76,444	70,267	73,027
Investment properties	119,832	128,683	132,324	125,186	147,223
Joint ventures	59,371	62,467	80,752	74,685	79,992
Associates	7,000	7,077	7,054	7,058	6,961
Other non-current assets	33,820	34,640	26,016	27,746	19,216
Net current assets	140,757	121,912	155,606	154,899	130,666
Non-current liabilities	458,299	449,880	478,196	459,841	457,085
Net assets	361,232	367,218	386,275	393,707	399,436
Representing:					
Share capital and share premium	245,639	245,639	242,619	240,102	238,071
Reserves	98,614	109,000	128,609	139,529	147,773
Shareholders' funds	344,253	354,639	371,228	379,631	385,844
Perpetual capital securities	11,670	6,200	7,929	7,929	7,929
Non-controlling interests	5,309	6,379	7,118	6,147	5,663
Total equity	361,232	367,218	386,275	393,707	399,436
	2019	2020	2021	2022	2023
Shareholders' funds – book value per share (HK\$) (Note 1)	93.21	96.02	101.89	105.30	108.72
Earnings per share (HK\$) (Note 2)	7.89	4.42	5.77	5.98	4.86
Dividends per share (HK\$)					
Interim dividend	0.52	0.34	0.41	0.43	0.43
Final dividend	1.58	1.46	1.79	1.85	1.62

Note 1: Book value per share is calculated based on the number of shares issued at the year end dates.

Note 2: Earnings per share is calculated based on the number of shares in issue or the weighted average number of shares in issue during the years.

THE YEAR AT A GLANCE



1

1 & 2. Release of the Group's annual results

2

1-3

166 member companies of the CK Group were named "Caring Companies" by the Hong Kong Council of Social Service, the highest number of awards received by a commercial entity for 20 consecutive years.

CK Asset's properties participated in a lights out event "Earth Hour 2023" which was organised by World Wide Fund For Nature of Hong Kong with the objective of supporting and caring for our planet's future.

THE YEAR AT A GLANCE (CONTINUED)



- 1
- 2
- 3
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- 1 & 2. 2023 Annual General Meeting of the Group
- 3. Donation to The Community Chest of Hong Kong
- 4. Launch of Grand Jeté Phase 2
- 5. 2023-2024 Asia Pacific Property Awards

3-6

- CA The Group's 2023 Annual General Meeting was convened as a hybrid meeting. Shareholders attended the meeting and exercised their voting rights either via online platform or in person.
- CA Sale of Grand Jeté Phase 2 in Tuen Mun was launched.



3-6

- CA The Group was granted 6 accolades in "2023-2024 Asia Pacific Property Awards" in recognition of outstanding performance of its office development, hotel project and residential properties, including "Best Office Architecture for Hong Kong" awarded to Cheung Kong Center II (under construction), "Best Hotel Interior for Hong Kong" to Hotel Alexandra, "Best Mixed Use Development for Hong Kong" to Wong Chuk Hang Station Package Three, "Award Winner of Residential Development 20+ Units for Hong Kong" to El Futuro, "Award Winner of Residential High Rise Architecture for Hong Kong" to Sea to Sky and "Award Winner of Residential Interior Private Residence for Hong Kong" to 90 Repulse Bay Road.
- CA The CK Group and Li Ka Shing Foundation supported the "The Community Chest Rainbow Fund - Medical Assistance Fund", demonstrating care and response to the needs of society.

THE YEAR AT A GLANCE (CONTINUED)



1	3
2	4

1 & 2. Launch of The Coast Line Phase 1

3. Leadership Business Award 2023

4. The Hong Kong Classic Brand Awards 2023 - 殿堂級品牌

7-9

- 🏆 The Group terminated a sale and purchase agreement in relation to the unsold units of "21 BORRETT ROAD".
- 🏆 Sale of The Coast Line Phases 1 & 2 in Yau Tong was launched which was well received by home buyers.
- 🏆 The Coast Line received "The Coast Line Residence Award of Excellence" in the Leadership Business Award 2023 presented by Now Finance.
- 🏆 Horizon Hotels & Suites Limited under the Group received the "Famitel Living Concept Award of Excellence" in the Leadership Business Award 2023 presented by Now Finance.



7-9

- 🏆 The CK Group received "The Hong Kong Classic Brand Awards 2023 - 殿堂級品牌" presented by East Week Magazine.
- 🏆 Member companies of the Group were awarded the "Good MPF Employer 5 Years+", "MPF Support Award" and "e-Contribution Award" by the Mandatory Provident Fund Schemes Authority.
- 🏆 Harbour Plaza Hotels & Resorts was awarded "TTG Travel Hall of Fame Award" in the 32nd TTG Annual Travel Awards Ceremony organised by TTG Asia Media.

THE YEAR AT A GLANCE (CONTINUED)



1	3
2	4

1. Ceremony of The Community Chest of Hong Kong
2. ListCo Excellence Awards 2023
3. The fourth Greater Bay Area Developing Forum cum Award Presentation Ceremony
4. Sale of Blue Coast was launched in March 2024

10-12

- 🏆 The CK Group has been named one of The Community Chest's Top 3 Donors for 24 consecutive years.
- 🏆 The Group was awarded the "Listed Company Awards of Excellence 2023 - 榮耀大獎" by Hong Kong Economic Journal.
- 🏆 The Group received the "ListCo Excellence Awards 2023" from am730, PR Asia and 鳳凰網港股.



10-12

- 🏆 The CK Group was awarded "The Award for Corporations with Outstanding Contribution in Guangdong-Hong Kong-Macao Greater Bay Area (領航「9+2」粵港澳大灣區傑出貢獻企業獎)" while the Group was presented with "The Best Real Estate Development Award of Guangdong-Hong Kong-Macao Greater Bay Area (粵港澳大灣區最佳地產發展獎)" in the fourth "Greater Bay Area Developing Forum cum Award Presentation Ceremony" organised by Hong Kong Ta Kung Wen Wei Media Group.
- 🏆 Grand Jeté won "Winner - Best Condo Development (Hong Kong)" and "Highly Commended - Best Condo Architectural Design (Hong Kong and Macau)" in 2023 PropertyGuru Asia Property Awards (Mainland China, Hong Kong, Macau).
- 🏆 Directors' training was held by the Group as a hybrid event with distinguished professionals on mergers and acquisitions, artificial intelligence, and biometrics-related issues.
- 🏆 The Coast Line was awarded the "iMoney Enterprise Brand Awards 2023 - 最佳品牌推廣策略".
- 🏆 Sale of Blue Coast in Wong Chuk Hang was launched in March 2024.

CHAIRMAN'S STATEMENT

Strong Resilience in Challenging Times



HIGHLIGHTS

Year ended 31 December	2023 HK\$ million	2022 HK\$ million	2023 HK\$ per share	2022 HK\$ per share	Change
Profit attributable to shareholders					
Continuing operations	17,340	19,627	4.86	5.41	-10.2%
Discontinued aircraft leasing business	–	2,056	–	0.57	
	17,340	21,683	4.86	5.98	-18.7%
Final dividend			1.62	1.85	-12.4%
Full year dividend			2.05	2.28	-10.1%

PROFIT FOR THE YEAR

The Group's profit attributable to shareholders from continuing operations for the year ended 31 December 2023 amounted to HK\$17,340 million (2022 – HK\$19,627 million from continuing operations and HK\$21,683 million including discontinued aircraft leasing business). Earnings per share from continuing operations were HK\$4.86 (2022 – HK\$5.41), a decrease of 10.2% when compared with the previous year. When compared with the previous year's earnings per share of HK\$5.98 which included the discontinued aircraft leasing business, a decrease of 18.7% was recorded.

The Group's profit attributable to shareholders from continuing operations amounted to HK\$17,340 million.

DIVIDEND

The Directors recommend the payment of a final dividend of HK\$1.62 per share in respect of 2023 to shareholders whose names appear on the Register of Members of the Company at the close of business on Wednesday, 29 May 2024. Together with the interim dividend of HK\$0.43 per share paid on 14 September 2023, this gives a total of HK\$2.05 per share for the year (2022 – HK\$2.28 per share). The proposed final dividend will be paid on Thursday, 13 June 2024 following approval at the 2024 Annual General Meeting.

CHAIRMAN'S STATEMENT (CONTINUED)

PROSPECTS

Business Review

The Group continued to demonstrate resilience in a challenging global business environment in 2023. A diverse portfolio of high-quality assets across geographies and sectors fortified the Group's solid foundation and strong financial fundamentals despite ongoing uncertainties. During the year, the Group strengthened its investment property portfolio through the acquisition of Civitas Social Housing PLC, a real estate investment trust dedicated to investing in social care housing and healthcare facilities in the UK. The Group's hotel and serviced suite operation reaped the benefits of a rise in inbound tourism in Hong Kong and recorded an increase in profit contribution for the year. The overall performance for 2023 was in line with budget.

Property Sales

Property transaction volumes in Hong Kong declined in 2023 as a result of high interest rates, the complex external environment, and the soft economic performance during the second half of the year. On the Mainland, the Central Government continued to implement various policy measures to support the weakened real estate market. The Group continued to pursue a proactive sales strategy and released its projects at opportune times in response to the challenging market conditions. The launch of The Coast Line Phases 1 and 2 in Yau Tong was well received. The sales of Grand Jeté Phase 1 and Phase 2 in Tuen Mun and Perfect Ten in Singapore have progressed steadily. The sale of Blue Coast in Wong Chuk Hang is expected to be launched in the near term.

Profit contributions from El Futuro in Sha Tin and #LYOS in Hung Shui Kiu were recognised in 2023 upon the completion of contracted sales. The forfeited deposit from the termination in July 2023 of the agreement for the disposal of the Group's interest in the development company that owns the unsold units of 21 BORRETT ROAD in Mid-Levels West was also recognised in the second half of the year. The Group recorded a decrease in contribution from property sales in 2023 when compared with the previous year primarily due to a scaling back of its property development business that is attributable to its prudent strategy on land bank replenishment. Planning works are in progress in relation to the residential and retail projects on the four sites acquired through government tenders and two redevelopment projects secured in Hong Kong in 2021 and 2022. The Group stands ready to replenish its land reserve for the development of premium projects when suitable opportunities arise.

Property Rental

While improved retail sales supported the retail leasing market, the adverse business environment on a global level continued to affect office leasing demand. Cheung Kong Center II is approaching completion and will be an iconic landmark office building in Central with a commanding view of Victoria Harbour. It is expected to strengthen the Group's growing investment property portfolio by providing a new recurring rental income stream, and through long-term asset appreciation. The Group remains confident in the demand for Grade A office buildings in Central in the long term. The Civitas portfolio, which began to generate rental income contributions to group profit in the second half of 2023, benefits from inflation adjusted long-term leases and is expected to deliver stable rental income growth and returns. The Group recorded a comparable contribution from property rental in 2023 when compared with 2022.

Hotel and Serviced Suite Operation

Hong Kong witnessed a continuous increase in visitor arrivals throughout 2023, leading to an improvement in hotel occupancy and room rates. This had a positive effect on the performance of the Group's hotel operation. Its serviced suite operation remained stable and maintained a high occupancy rate. Contribution from the Group's hotel and serviced suite operation recorded an encouraging increase in 2023 compared with 2022. The Group continued to optimise its hotel and serviced suite portfolio in line with market demand to maximise the resilient and stable revenue income streams from both short-term visitors and long stay guests.

Pub Operation

Inflationary pressures in the UK driven by high labour costs, energy and food prices affected consumer confidence, spending power and trading margins. Business conditions for the pub sector remained tough. However, Greene King's total sales revenue and contribution both recorded an increase in 2023 when compared with 2022. Greene King continued to make strategic investments into new brand developments, its core estates and digital transformation programme in 2023. With the steadfast backing of the Group, an experienced team and a portfolio of high quality freehold assets and brands that reflect its rich heritage, Greene King is well positioned to deliver sustainable growth and generate returns for the Group.

Infrastructure and Utility Asset Operation

The infrastructure and utility assets operation stayed resilient in the current high interest environment due to its stable nature. As the revenues and asset bases of regulated businesses are inflation-linked, these businesses are protected against the adverse effects of the current high inflation environment. In addition, these businesses are also protected against rising interest rates, given they are appropriately geared, and the allowed cost of debt is regularly adjusted to reflect the actual prevailing interest rates. The Group recorded an increase in contribution in 2023 when compared with 2022. CK William Group, Reliance Home Comfort and ista contributed HK\$1,400 million, HK\$1,456 million and HK\$1,291 million respectively. Other infrastructure and utility assets made a total contribution of HK\$3,626 million. The Group will continue to proactively source new investment opportunities in high-quality global infrastructure and utility assets.

Sustainability Initiatives

The Group acknowledges the pivotal role of sustainability in shaping corporate principles and is committed to fostering innovation for enduring growth. It has amplified its climate disclosures in line with the recommendations of the Task Force on Climate-Related Financial Disclosures. It has also made significant efforts in setting Science-Based Targets according to the Science Based Targets initiative (SBTi) criteria, and a comprehensive process was undertaken to ascertain the Scope 3 emissions of the Group's property-related businesses. The Company committed to the SBTi Net-Zero Standard in 2023 and has submitted its near-term targets and net-zero targets to SBTi for validation. In addition, the Group continued to take active measures to uphold its corporate governance responsibilities. It enhanced its policies in the areas of green procurement, cybersecurity, and anti-harassment in 2023 and adopted the Workforce Diversity Policy, Biodiversity Policy, and Sustainable Building Guidelines in 2024. It has also established a Privacy Management Programme across departments to further enhance personal data protection.

CHAIRMAN'S STATEMENT (CONTINUED)

The Civitas portfolio generates significant and quantifiable social impact benefits for the individuals that are supported through its social healthcare properties fund. It has improved the well-being of residents by increasing supply to ease the high level of demand for supported housing, and improving the quality and energy efficiency of existing housing by running a retrofit programme. Civitas will continue to support and expand the opportunity to contribute to the United Nations Sustainable Development Goals, which provide a recognised and useful framework for assessing Civitas' contribution towards economic, social, and environmental development.

The Group takes a special interest in projects that improve ecosystem performance and drive transformative change to reduce carbon emissions. We are in the process of evaluating regenerative soil management projects with a view to making solid contribution to carbon neutrality.

Outlook

The global growth momentum is expected to be diverging in 2024. The world's economic landscape remains challenging and will continue to be affected by geopolitical tensions, elevated interest rates, inflationary pressure, tight monetary policy, and trade conflicts.

The Mainland recorded a positive real GDP year-on-year growth of 5.2% in 2023, reflecting an improvement from 2022. While other economic data are still mixed, it is expected that the Central Government will continue to pursue sustainable growth and high-quality development through innovation and technology, and will take a proactive approach to deliver more effective measures to encourage real estate market activities and raise business confidence. As one of the world's largest economies, the Mainland will remain a major engine for global economic growth.

Hong Kong resumed positive real GDP year-on-year growth of 3.2% in 2023. The city's traditional status as a leading international finance, transportation and trading centre remains strong with firm support from the Mainland. Hong Kong will continue to benefit from its unique role as an important gateway connecting the Greater Bay Area and the Mainland with the rest of the world. The Government has introduced various measures to attract international enterprises, investment, and talent to create impetus for growth and strengthen Hong Kong's competitiveness. The property sector is a critical pillar of Hong Kong's economy and the sustainable prosperity of both are correlatively interdependent. Underlying demand for property is expected to support the real estate sector over the long term. The Government announced the cancellation of all demand-side management measures for residential properties in February 2024. Housing policies and interest rate movements will continue to be determining factors for the property market.

The Group is well-poised to navigate the current high interest rate environment with its low gearing ratio, ample liquidity, and solid financial position. Stringent financial discipline and prudent financial management philosophy will continue to be the core tenets underlying the Group's sound performance and resilience in a macro environment full of uncertainties. Our strong management team is looking for new opportunities and sizeable investments around the world. It will continue to enhance the growth prospects of its diversified portfolio of high-quality assets that yield recurring income and increase shareholder value. The Group has a track record of weathering economic downturns and emerging stronger. It will remain vigilant of the evolving global economic developments and rise up to the challenges in 2024 with confidence and cautious optimism.

As at 31 December 2023, the Group had a net debt to net total capital ratio of approximately 3%. The Group has maintained "A/Stable" and "A2 Stable" credit ratings from Standard & Poor's and Moody's respectively, demonstrating its stable financial profile.

ACKNOWLEDGEMENT

My colleagues on the Board join me in thanking our team of diligent employees around the world for their hard work, adaptability, and contributions during the year. I also take this opportunity to express my sincere gratitude to our board members for their unwavering dedication and to our stakeholders for their continued support.

Victor T K Li

Chairman

Hong Kong, 21 March 2024

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Major Business Activities

1. Developments Completed during 2023:

Name	Location	Gross Floor Area (sq.ft.)	Group's Interest
21 BORRETT ROAD Phase 2	Inland Lot No. 8949	149,123	100%
#LYOS	Lot No. 4328 in D.D. 124	138,876	100%
Grand Jeté Phase 1	The Remaining Portion of Tuen Mun Town Lot No. 463	171,523	40.94%
Regency Hills Land No. 11B	Yangjiashan, Nanan District, Chongqing	207,216	95%
Laguna Verona Phase F (Villa)	Henggang Reservoir, Dongguan	234,352	99.8%
Noble Hills Phase 3C	Zengcheng, Guangzhou	124,457	100%

2. Developments in Progress and Scheduled for Completion in 2024:

Name	Location	Gross Floor Area (sq.ft.)	Group's Interest
The Coast Line Phases 1 and 2	The Remaining Portion of Yau Tong Inland Lot No. 45	418,343	100%
Grand Jeté Phase 2	The Remaining Portion of Tuen Mun Town Lot No. 463	175,505	40.94%
Blue Coast	Aberdeen Inland Lot No. 467, Site C	583,715	Joint Venture
Cheung Kong Center II	Central	504,343	100%
Upper West Shanghai Phase 3 Tender 2 (T1) Phase 4 Tender 2 (T14)	Putuo District, Shanghai	1,648,685	60%
The Greenwich Phase 2 (Regency Park)	Chaoyang District, Beijing	2,814,114	100%
Regency Hills Land No. 4	Yangjiashan, Nanan District, Chongqing	1,347,769	95%
The South Bay Phase 5A	Jinzhou New Area, Dalian	969,537	100%
Laguna Verona Phase F (House on House)	Henggang Reservoir, Dongguan	290,238	99.8%
Noble Hills Phase 4A	Zengcheng, Guangzhou	190,693	100%
Emerald Cove Phase 2	Daya Bay, Huizhou	1,216,988	100%
Regency Garden Phase 5B-2a	Pudong New District, Shanghai	261,367	85%
Regency Cove Phase 3A	Caidian District, Wuhan	282,003	100%
Chelsea Waterfront Powerhouse, The Rotunda, East Tower, Block KC4 and Block KC2A	Chelsea/Fulham, London	509,064	95%

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3. New Acquisitions and Joint Developments and Other Major Events:

- (1) March to December 2023: The Company bought back a total of 45,557,000 shares of the Company (the "Shares") from March to December 2023 on The Stock Exchange of Hong Kong Limited with the aggregate consideration (before expenses) amounting to HK\$1,969,034,325.00. All the Shares bought back were subsequently cancelled.
- (2) May 2023: On 9 May 2023, an indirect wholly owned subsidiary of the Company and Civitas Social Housing PLC ("Civitas"), a real estate investment trust then listed on the London Stock Exchange, jointly issued an announcement on the London Stock Exchange pursuant to Rule 2.7 of the City Code on Takeovers and Mergers in the United Kingdom of a recommended all-cash offer for the entire share capital of Civitas, at a cash consideration of 80 pence (equivalent to approximately HK\$7.94) for each ordinary share in Civitas, and at a total cash consideration of approximately GBP485 million (equivalent to approximately HK\$4,811 million). The offer was declared unconditional on 23 June 2023 and an application was made to cancel the trading and listing of the shares of Civitas on the London Stock Exchange, which took effect on 4 August 2023.
- (3) June 2023: The Urban Renewal Authority reached a land exchange agreement with the Government in respect of a site at Nga Tsin Wai Village, Junction of Tung Kwong Road and Tung Lung Road, Wong Tai Sin, Kowloon (New Kowloon Inland Lot No. 6509) for an area of approximately 64,721 sq.ft. (approximately 6,012.8 sq.m.), further to a development agreement entered into between the Urban Renewal Authority and a wholly owned subsidiary of the Group in January 2008 for the joint development of a redevelopment project in respect of Nga Tsin Wai Village, Kowloon. The site is designated for residential/non-residential development and estimated to have a developable gross floor area of approximately 399,308 sq.ft. (approximately 37,097 sq.m.).
- (4) July 2023: On 13 July 2023, the agreement dated 28 September 2022 regarding the disposal of the entire issued share capital of a wholly owned subsidiary of the Company (which indirectly owns the development known as "21 BORRETT ROAD" in Hong Kong) was terminated by the Group. The deposit of HK\$2,076,618,600 paid by the purchaser was forfeited. Details of the termination are set out in the announcement of 13 July 2023.
- (5) December 2023: On 13 December 2023, in anticipation of the expiration of the two master agreements both dated 18 December 2020 between the Company and CK Hutchison Holdings Limited ("CK Hutchison", together with its subsidiaries, "CK Hutchison Group") on 31 December 2023, the Company and CK Hutchison entered into two new master agreements setting out the framework terms governing respectively (i) the entering into by CK Hutchison Group of leases, tenancies or licences in respect of the premises owned by the Group (including office space, car parks and building areas); and (ii) the purchases by the Group of goods (such as air conditioners and other electrical appliances and gift/cash coupons) and services (such as printing of sales brochures and advertising materials) from CK Hutchison Group for use in connection with the Group's property development projects, for the period from 1 January 2024 to 31 December 2026.

Property Sales

Revenue of property sales (including share of joint ventures) recognised for the year was HK\$13,153 million (2022 – HK\$25,756 million), comprising mainly sales of residential units (i) in Hong Kong – El Futuro in Sha Tin and #LYOS in Hung Shui Kiu; and (ii) on the Mainland – Laguna Verona in Dongguan, Hupan Mingdi in Shanghai and La Grande Ville in Beijing, and is summarised by location as follows:

Location	2023 HK\$ Million	2022 HK\$ Million
Hong Kong	5,840	14,511
The Mainland	6,630	9,916
Overseas	683	1,329
	13,153	25,756

Contribution for the year was HK\$4,475 million (2022 – HK\$10,339 million) and is summarised by location as follows:

Location	2023 HK\$ Million	2022 HK\$ Million
Hong Kong	2,087	6,374
The Mainland	2,238	3,799
Overseas	150	166
	4,475	10,339

Revenue and contribution of property sales for the year decreased when compared with last year amid worsening economic conditions and weak property market sentiment in Hong Kong and on the Mainland.

The agreement for the sale of Bristow Investments Limited, the developer of 21 Borrett Road in Hong Kong, was terminated in July 2023 and the deposit of HK\$2,077 million received from the purchaser was forfeited and booked as income.

The presales of various residential projects including Grand Jeté Phase 1 and Phase 2, The Coast Line I and The Coast Line II in Hong Kong, Regency Garden Phase 5B-2a in Shanghai and Perfect Ten in Singapore are substantially complete. The consent for presale of residential units of Blue Coast at Wong Chuk Hang MTR Station in Hong Kong has been obtained and presale of units will be launched soon.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Property sales contracted but not yet recognised at 31 December 2023 are as follows:

Location	Schedule for Sale Recognition		
	2024 HK\$ Million	After 2024 HK\$ Million	Total HK\$ Million
Hong Kong	3,442	8,316	11,758
The Mainland	3,459	64	3,523
Overseas	196	3,938	4,134
	7,097	12,318	19,415

At the year end date, the Group had a development land bank (including developers' interests in joint development projects but excluding agricultural land and completed properties) of approximately 74 million sq.ft., of which 7 million sq.ft., 63 million sq.ft. and 4 million sq.ft. were located in Hong Kong, on the Mainland and overseas respectively.

Property Rental

Revenue of property rental (including share of joint ventures) for the year was HK\$5,909 million (2022 – HK\$5,843 million) and comprised rental income derived from leasing of retail, office, industrial and other properties as follows:

Use of Property	2023	2022
	HK\$ Million	HK\$ Million
Retail	2,056	2,204
Office	1,881	2,148
Industrial	771	757
Others	1,201	734
	5,909	5,843

Contribution for the year was HK\$4,635 million (2022 – HK\$4,690 million), and is summarised by location as follows:

Location	2023	2022
	HK\$ Million	HK\$ Million
Hong Kong	3,734	3,923
The Mainland	323	371
Overseas	578	396
	4,635	4,690

The Group's investment properties in Hong Kong comprise mainly Cheung Kong Center, Cheung Kong Center II and China Building in Central, 1881 Heritage in Tsimshatsui, The Whampoa in Hunghom, OP Mall in Tsuen Wan and Hutchison Logistics Centre in Kwai Chung. The redevelopment of Cheung Kong Center II, a Super Grade A office property with Victoria harbour views, will be completed in the first half of 2024 and property rental contribution will be enhanced following the completion of the redevelopment.

In July 2023, the Group completed the cash offer for the shares of Civitas listed on the London Stock Exchange, a social care housing provider with a portfolio of 697 properties in the United Kingdom. The acquisition of Civitas has enlarged the Group's investment property portfolio and strengthened the Group's recurrent rental income.

Under the current property market environment, the completed portion of the commercial properties at Upper West Shanghai, including approximately 1.5 million sq.ft. of office properties and 2.3 million sq.ft. of retail properties, would be held as investment properties for rental income.

At the year end date, the Group had an investment property portfolio of approximately 22 million sq.ft. (including share of joint ventures but excluding car parking spaces) as follows:

Location	Retail	Office	Industrial	Others	Total
	Million sq.ft.	Million sq.ft.	Million sq.ft.	Million sq.ft.	Million sq.ft.
Hong Kong	3.3	3.9	5.9	–	13.1
The Mainland	3.0	1.6	–	–	4.6
Overseas	0.1	0.2	–	4.0	4.3
	6.4	5.7	5.9	4.0	22.0

An increase of HK\$3,238 million (2022 – HK\$967 million) in fair value of investment properties, including HK\$2,205 million attributable to the increase in fair value of Cheung Kong Center II under redevelopment, was recorded at 31 December 2023 based on a professional valuation using capitalisation rates ranging from approximately 4% to 8%.

Hotel and Serviced Suite Operation

The Group's hotel and serviced suite properties are mostly located in Hong Kong including Harbour Grand Hotels, Harbour Plaza Hotels & Resorts, Horizon Hotels & Suites, Sheraton Hong Kong Hotel & Towers, The Kowloon Hotel and a few others.

All border restrictions and quarantine measures were uplifted in early 2023 and the return of visitors to Hong Kong have driven up demand for hotel accommodation. The Group's hotel operation in Hong Kong performed well in 2023 and the results for the year were better than last year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Revenue of hotel and serviced suite operation (including share of joint ventures) for the year was HK\$4,383 million (2022 – HK\$3,228 million), an increase of HK\$1,155 million when compared with last year. The average hotel occupancy rate for the year increased to 79% from 58% in 2022 and the average occupancy rate of serviced suites was maintained at about 90% with long stay guests.

Contribution for the year was HK\$1,525 million (2022 – HK\$567 million), an increase of HK\$958 million when compared with last year, and is summarised by location as follows:

Location	2023 HK\$ Million	2022 HK\$ Million
Hong Kong	1,652	764
The Mainland	(127)	(197)
	1,525	567

Recently completed in Shanghai with 1,144 rooms for guest accommodation, Harbour Plaza Metropolitan and Metropolitan Residence have commenced operation and have yet to make a positive contribution to group profit.

Property and Project Management

Revenue of property and project management (including share of joint ventures) for the year was HK\$900 million (2022 – HK\$896 million) and mainly comprised management fees received for provision of property management and related services to properties developed by the Group.

Contribution for the year was HK\$359 million (2022 – HK\$362 million) and is summarised by location as follows:

Location	2023 HK\$ Million	2022 HK\$ Million
Hong Kong	241	250
The Mainland	53	59
Overseas	65	53
	359	362

At the year end date, approximately 267 million sq.ft. of completed properties were managed by the Group and this is expected to grow steadily following gradual completion of property development projects in the years ahead. The Group is committed to providing high quality services to the properties under its management.

Pub Operation

The Group's pub businesses comprise 2 breweries and about 2,700 pubs, restaurants and hotels operated by Greene King across England, Wales and Scotland. The economic and trading conditions in the United Kingdom were volatile in 2023 with high inflation, rising interest rates and tight labour market. Despite the Group's effort to increase pricing, it was challenging to maintain margins and profitability of the pub operation.

Revenue of pub operation for the year was HK\$23,217 million (2022 – HK\$20,939 million), an increase of HK\$2,278 million when compared with last year mainly as a result of increased prices while maintaining volumes.

Profit contribution for the year amounted to HK\$997 million (2022 – HK\$835 million) after a provision of HK\$535 million (2022 – HK\$994 million) made for asset impairment. The results by division of pub operation are as follows:

Division	2023		2022	
	Revenue HK\$ Million	Profit Contribution HK\$ Million	Revenue HK\$ Million	Profit Contribution HK\$ Million
Pub Company – operates food-led and drink-led destination pubs and restaurants and community-focused local pubs	19,186	627	17,274	199
Pub Partners – owns a portfolio of mainly drink-led pubs which are run as franchised or leased pubs	1,796	221	1,661	470
Brewing & Brands – sells and distributes a wide range of beers including ale brands brewed in own breweries	2,235	149	2,004	166
	23,217	997	20,939	835

Although revenue increased in 2023, profit contribution was less than expected due to rising costs of operation and asset impairment loss. Under the circumstances of high inflation and high interest rate, a goodwill impairment of HK\$1,963 million was recognised for the pub businesses upon a review at the year end date.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Infrastructure and Utility Asset Operation

In December 2023, the Group's interest in the economic benefits of UK Rails was converted to equity shareholding as part of the streamlining exercise of the corporate structure of UK Rails. At the year end date, the Group's infrastructure and utility asset businesses were operated through joint ventures as follows:

	Principal Activity	Interest in Joint Venture
CK William JV	An owner and operator of energy utility assets in Australia, the United States, Canada and the United Kingdom	40%
CKP (Canada) JV	A building equipment and service provider under the consumer brand identity of "Reliance Home Comfort" in Canada	75%
ista JV	A fully integrated energy management service provider operated by ista Group in Europe	65%
UK Power Networks JV	A power distributor that serves London, the South East and East of England	20%
Northumbrian Water JV	A regulated water and sewerage company in England and Wales	27%
Dutch Enviro Energy JV	An operator of energy-from-waste business in the Netherlands	24%
Wales & West Utilities JV	A gas distributor that serves Wales and the South West of England	22%
UK Rails JV	A rolling stock operating company in the United Kingdom	20%

The Group's remaining interests in the economic benefits of infrastructure and utility asset businesses are as follows:

	Principal Activity	Interest in Economic Benefit
Park'N Fly	An off-airport car park provider in Canada	20%
Australian Gas Networks	A distributor of natural gas in Australia	11%

Revenue of the joint venture operations was shared by the Group for the year as follows:

	2023 HK\$ Million	2022 HK\$ Million
CK William JV	4,469	4,387
CKP (Canada) JV	4,689	4,481
ista JV	6,296	5,606
UK Power Networks JV	3,595	3,403
Northumbrian Water JV	2,541	3,102
Dutch Enviro Energy JV	712	687
Wales & West Utilities JV	1,184	1,223
UK Rails JV	34	–
	23,520	22,889

Profit contribution for the year amounted to HK\$7,773 million (2022 – HK\$7,486 million), and is summarised by locations as follows:

	Australia HK\$ Million	Europe HK\$ Million	North America HK\$ Million	2023 Total HK\$ Million	2022 Total HK\$ Million
CK William JV	1,332	119	(51)	1,400	1,419
CKP (Canada) JV	–	–	1,456	1,456	1,408
ista JV	–	1,291	–	1,291	1,179
UK Power Networks JV	–	2,025	–	2,025	2,010
Northumbrian Water JV	–	672	–	672	619
Dutch Enviro Energy JV	–	129	–	129	126
Wales & West Utilities JV	–	621	–	621	453
UK Rails JV	–	19	–	19	–
Others	–	149	11	160	272
	1,332	5,025	1,416	7,773	7,486

In September 2023, Dutch Enviro Energy JV reported that a fire broke out at the waste processing plant in Rozenburg leading to a standstill of all installations. Some installations have since resumed operations while others are being rebuilt. The cost of rebuilding the installations as well as loss on business interruption would be substantially covered by insurance.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Interests in Real Estate Investment Trusts

The Group's interests in listed real estate investment trusts at the year end date were as follows:

	Principal Activity	Interest
Hui Xian REIT	Investment in hotels and serviced suites, office and retail properties on the Mainland	34.0%
Fortune REIT	Investment in retail properties in Hong Kong and Singapore	26.2%
Prosperity REIT	Investment in office, retail and industrial properties in Hong Kong	18.2%

Hui Xian REIT is an associate. The Group shared a net profit of HK\$55 million (2022 – HK\$178 million), taking into account its net rental profit for the year and exchange loss realised on bank loan repayment during the year. Distributions of a total amount of HK\$152 million (2022 – HK\$174 million) was received during the year.

Distributions received from Fortune REIT and Prosperity REIT during the year amounted to HK\$270 million (2022 – HK\$273 million) and were recognised as investment income. A decrease of HK\$890 million (2022 – HK\$1,178 million) in fair value of the Group's investments in Fortune REIT and Prosperity REIT was recorded based on the market closing price at 31 December 2023.

FINANCIAL REVIEW

Liquidity and Financing

The Group monitors its liquidity requirements on a short to medium term basis and arranges its financing accordingly.

At the year end date, the Group's bank and other loans amounted to HK\$54.9 billion, an increase of HK\$6.3 billion when compared with bank and other loans at 31 December 2022. The maturity profile was spread over a period of 13 years, with HK\$17.8 billion repayable within 1 year, HK\$30.4 billion within 2 to 5 years and HK\$6.7 billion beyond 5 years.

Taking into account the bank balances and deposits of HK\$42.5 billion at 31 December 2023, the Group carried a net debt of HK\$12.4 billion at the year end date. The net debt to net total capital ratio was approximately 3%.

With plenty of cash on hand as well as available banking facilities, the Group's liquidity position remains strong and the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

Treasury Policies

The Group adopts a conservative approach on foreign exchange risk management and maintains an appropriate mix of floating and fixed rate borrowings to mitigate interest rate risk. The Group's exposure to foreign exchange fluctuations and interest rate changes are reviewed regularly. For investments in foreign currencies and at times of financial uncertainty or volatility, hedging instruments including swaps and forwards are used in the management of exposure to foreign exchange and interest rate fluctuations.

At the year end date, the Group's borrowings were 37% in HK\$ or US\$, and 63% in other currencies (including AUD, GBP and RMB) which had been arranged for investments and operations in Australia, the United Kingdom and on the Mainland; and about 54% of the Group's borrowings were on floating rate basis and 46% on fixed rate basis, after taking into account of effective swaps in place. The Group derives its revenue mainly from property businesses in HK\$ and RMB, and maintains bank balances and deposits substantially in HK\$, RMB and US\$. Income in foreign currencies is generated by overseas investments and operations, and cash in these currencies is maintained for business requirements.

Charges on Assets

At the year end date, (i) properties amounting to HK\$9,420 million (2022 – HK\$3,825 million) were charged to secure bank loans arranged for property development and investment; and (ii) properties amounting to HK\$25,978 million (2022 – HK\$24,526 million) were charged to secure other loans arranged for pub operation.

Contingent Liabilities

At the year end date, the Group provided guarantees for (i) revenue shared by land owner of a hotel project amounting to HK\$458 million (2022 – HK\$474 million); and (ii) mortgage loans provided by banks to purchasers of properties developed by the Group on the Mainland amounting to HK\$646 million (2022 – HK\$822 million).

Employees

At the year end date, the Group employed approximately 57,000 employees. The related employees' costs for the year (excluding directors' emoluments) amounted to approximately HK\$12,772 million. The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. The Group does not have any share option scheme for employees.

DIRECTORS' BIOGRAPHICAL INFORMATION



Victor T K LI

KAM Hing Lam

IP Tak Chuen, Edmond

CHUNG Sun Keung,
DavyCHIU Kwok Hung,
JustinCHOW Wai Kam,
RaymondPAU Yee Wan,
Ezra

LI Tzar Kuoi, Victor, aged 59, **Chairman and Managing Director**, joined the CK Group in 1985, has been a Director of the Company since January 2015. Mr. Li was designated as Executive Director, Managing Director and Deputy Chairman in February 2015 and has been re-designated as Chairman and Managing Director since May 2018. He has been the Chairman of the Executive Committee, and a member of the Remuneration Committee and Nomination Committee of the Company, since June 2015, May 2018 and January 2019 respectively. Mr. Li has also been the Chairman and Group Co-Managing Director of CK Hutchison Holdings Limited since May 2018 and was re-designated as the Chairman and Executive Director on 1 April 2024. Mr. Li is the Chairman of CK Infrastructure Holdings Limited and CK Life Sciences Int'l., (Holdings) Inc., a Non-executive Director of Power Assets Holdings Limited and HK Electric Investments Manager Limited ("HKEIM") as the trustee-manager of HK Electric Investments, and a Non-executive Director and the Deputy Chairman of HK Electric Investments Limited. Except for HKEIM, all the companies/investment trust mentioned above are listed in Hong Kong. Mr. Li is also the Deputy Chairman of Li Ka Shing Foundation Limited and Li Ka Shing (Global) Foundation, and the Member Deputy Chairman of Li Ka Shing (Canada) Foundation. Mr. Li serves as a member of the 14th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China and a member of the Chief Executive's Council of Advisers of the Hong Kong Special Administrative Region. He is also Vice Chairman of the Hong Kong General Chamber of Commerce. Mr. Li is the Honorary Consul of Barbados in Hong Kong and is awarded the Grand Officer of the Order of the Star of Italy. He holds a Bachelor of Science degree in Civil Engineering, a Master of Science degree in Civil Engineering and a degree of Doctor of Laws, honoris causa (LL.D.). Mr. Li is the elder son of Mr. Li Ka-shing, the Senior Advisor of the Company and a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), and a nephew of Mr. Kam Hing Lam, Deputy Managing Director and an Executive Committee Member of the Company. Mr. Li is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO, and a director of certain companies controlled by certain substantial shareholders of the Company.

KAM Hing Lam, aged 77, **Deputy Managing Director**, joined the CK Group in 1993, and has been an Executive Director and Deputy Managing Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. He is Deputy Managing Director of CK Hutchison Holdings Limited, the Group Managing Director of CK Infrastructure Holdings Limited, and the President of CK Life Sciences Int'l., (Holdings) Inc. All the companies mentioned above are listed companies. Mr. Kam is also the Chairman of Hui Xian Asset Management Limited as the manager of Hui Xian REIT (listed in Hong Kong). He holds a Bachelor of Science degree in Engineering and a Master's degree in Business Administration. Mr. Kam is the brother-in-law of Mr. Li Ka-shing, the Senior Advisor of the Company and a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance, and an uncle of Mr. Li Tzar Kuoi, Victor, the Chairman and Managing Director of the Company and the Chairman of the Executive Committee of the Company.

IP Tak Chuen, Edmond, aged 71, **Deputy Chairman**, joined the CK Group in 1993, and has been a Director since January 2015 and an Executive Director of the Company since February 2015. Mr. Ip was appointed Deputy Managing Director of the Company in February 2015 and has been re-designated as the Deputy Chairman of the Company since April 2024. He has been an Executive Committee Member of the Company since June 2015 and the Chairman of the Sustainability Committee of the Company since December 2020. He is Deputy Managing Director of CK Hutchison Holdings Limited. He is also an Executive Director and Deputy Chairman of CK Infrastructure Holdings Limited, and the Senior Vice President and Chief Investment Officer of CK Life Sciences Int'l., (Holdings) Inc. All the companies mentioned above are listed companies. Mr. Ip is also a Non-executive Director of Hui Xian Asset Management Limited as the manager of Hui Xian REIT (listed in Hong Kong). He holds a Bachelor of Arts degree in Economics and a Master of Science degree in Business Administration. Mr. Ip is a director of certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

CHUNG Sun Keung, Davy, aged 72, **Executive Director**, joined the CK Group in 1978, and has been an Executive Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. Mr. Chung is a Registered Architect. He was a member of the 11th Guangzhou Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. Mr. Chung is a director of certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

CHIU Kwok Hung, Justin, aged 73, **Executive Director**, joined the CK Group in 1997, and has been an Executive Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. Dr. Chiu is the Chairman of ARA Asset Management (Prosperity) Limited as the manager of Prosperity REIT (listed in Hong Kong); a Non-executive Director of ARA Asset Management (Fortune) Limited as the manager of Fortune REIT (listed in Hong Kong); a Non-executive Director of ESR Group Limited (listed in Hong Kong); and an Independent Non-executive Director of Star Shine Holdings Group Limited (formerly known as Deyun Holding Ltd.) (listed in Hong Kong). Dr. Chiu has more than 40 years of international experience in real estate in Hong Kong and overseas. He is a Fellow of The Royal Institution of Chartered Surveyors, a member of Advisory Board and a Fellow of The Hong Kong Institute of Directors, a Fellow of Hong Kong Institute of Real Estate Administrators, a member of the Board of Governors of Hong Kong Baptist University Foundation, an Honorary Associate Member of Business of Trent University, Canada, a member of the Singapore Management University International Advisory Council in China, the Chairman of the Advisory Committee and an Adjunct Professor of the School of Business of Hong Kong Baptist University and a Senior Departmental Fellow of the Department of Land Economy at University of Cambridge, the United Kingdom. Dr. Chiu was previously an Honorary Professor of School of Pharmaceutical Sciences of Sun Yat-sen University and a member of the Standing Committee of the 12th Shanghai Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He holds a Bachelor of Arts degree in Sociology and Economics from Trent University, Canada and a degree of Doctor of Business Administration from Hong Kong Baptist University, and was conferred with the degree of Doctor of Social Sciences, honoris causa by Hong Kong Baptist University and the degree of Doctor of Laws, honoris causa by Trent University, Canada. Dr. Chiu is a director of certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

CHOW Wai Kam, Raymond, JP, aged 76, **Executive Director**, has been an Executive Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. He joined the Hutchison Group in July 1995 and before his appointment on the Board, he was previously the Group Managing Director of the property and hotels divisions of the Hutchison Group. Mr. Chow is currently the Group Managing Director of Hutchison Property Group Limited, a wholly owned subsidiary of the Company. He is also a Non-executive Director of Continental Aerospace Technologies Holding Limited, a listed company. He has over 40 years of experience in project management and architectural design for various developments, including hotel, residential, commercial, industrial and school projects in Hong Kong, the Mainland and overseas. He holds a Bachelor of Arts degree in Architectural Studies and a Bachelor of Architecture degree from the University of Hong Kong. He is an Authorised Person (List of Architects) and a Registered Architect. He was also admitted as a Fellow of The Hong Kong Institute of Architects since August 2001.

PAU Yee Wan, Ezra, aged 68, **Executive Director**, joined the CK Group in 1982, and has been an Executive Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. Ms. Pau is a director of certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance, and a director of certain companies controlled by certain substantial shareholders of the Company.

DIRECTORS' BIOGRAPHICAL INFORMATION (CONTINUED)



CHEONG Ying Chew, Henry, aged 76, **Independent Non-executive Director**, has been an Independent Non-executive Director, the Chairman of the Audit Committee and a member of the Remuneration Committee of the Company since February 2015, and a member of the Sustainability Committee of the Company since December 2020. Mr. Cheong is also an Independent Non-executive Director of CK Infrastructure Holdings Limited, New World Department Store China Limited and Skyworth Group Limited, and an Independent Director of BTS Group Holdings Public Company Limited. Mr. Cheong is an Executive Director and Deputy Chairman of Worldsec Limited. All companies mentioned above are listed companies. Mr. Cheong holds a Bachelor of Science degree in Mathematics and a Master of Science degree in Operational Research and Management.

CHOW Nin Mow, Albert, aged 74, **Independent Non-executive Director**, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since February 2015. Mr. Chow is the Chairman and Managing Director of Wah Yip (Holdings) Limited.

HUNG Siu-lin, Katherine, aged 76, **Independent Non-executive Director**, joined the CK Group in March 1972, and has been an Independent Non-executive Director, the Chairperson of the Remuneration Committee and a member of the Audit Committee of the Company since February 2015. Ms. Hung is a Governing Committee Member of The Hong Kong Polytechnic University Foundation, an Honorary Court Member of The Hong Kong Polytechnic University, a member of the Precise Advisory Committee of the CR-PolyU Joint Research Institute for Carbon Neutral New Materials, an Honorary Court Member of Lingnan University, Honorary Advisor of The Education University of Hong Kong Foundation, President Consultant of Tianjin University and Honorary Vice Chairman of Chinese Academy of Governance (Hong Kong) Industrial and Commercial Professionals Alumni Association Limited. She was a member of the Tianjin Committee of the 12th and 13th Chinese People's Political Consultative Conference of the People's Republic of China from January 2008 to January 2018, a Court Member of The Hong Kong University of Science and Technology from 2011 to May 2016, an Executive Committee Member of Hong Kong Housing Society from September 2008 to August 2014 and a member of the Supervisory Board of Hong Kong Housing Society from September 2014 to August 2020, a member of Estate Agents Authority from November 2006 to October 2012, and a Steering Committee Member of the Institute for Enterprise of The Hong Kong Polytechnic University from April 2000 to August 2011. Ms. Hung is a University Fellow of The Hong Kong Polytechnic University.

Donald Jeffrey ROBERTS, aged 72, **Independent Non-executive Director**, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since March 2017, and a member of the Nomination Committee of the Company since January 2019. He is also an Independent Non-executive Director of CK Life Sciences Int'l., (Holdings) Inc. (listed in Hong Kong); an Independent Non-executive Director of HK Electric Investments Manager Limited, which is the trustee-manager of HK Electric Investments ("HKEI"), and HK Electric Investments Limited, a company listed together with HKEI in Hong Kong; an Independent Non-executive Director of Queen's Road Capital Investment Ltd. (listed in Canada); and an Independent Non-executive Director of NexGen Energy Ltd. (listed in U.S.A., Canada and Australia). He is also a Director of The Hongkong Electric Company, Limited, and an Independent Non-executive Director of Welab Bank Limited and Welab Capital Limited. He joined the Hutchison Whampoa Limited ("HWL") Group in 1988 and was the Group Deputy Chief Financial Officer of HWL from 2000 until his retirement in 2011. Mr. Roberts was a member of the Listing Committee of the Main Board and GEM of The Stock Exchange of Hong Kong Limited from July 2015 to July 2020. He was previously a member of the Executive Committee of The Canadian Chamber of Commerce (the "Chamber") in Hong Kong and is currently Governor of the Chamber. He previously served as a Governor of the Canadian International School of Hong Kong for the periods between 1998 to 2004, and between 2006 to 2012 and also a member on its Finance & Administration Committee. Mr. Roberts served as a member, including as the Deputy Chairman, of the Professional Conduct Committee of the Hong Kong Institute of Certified Public Accountants ("HKICPA") for 9 years. Mr. Roberts holds a Bachelor of Commerce degree. He is a Chartered Accountant with the Chartered Professional Accountants of Canada, Alberta and British Columbia, and also a Fellow of the HKICPA.

Stephen Edward BRADLEY, aged 65, **Independent Non-executive Director**, has been an Independent Non-executive Director, a member of the Audit Committee and a member of the Nomination Committee of the Company since November 2020, the Chairman of the Nomination Committee of the Company since December 2020, and a member of the Sustainability Committee of the Company since December 2022. He is also an Independent Non-executive Director of Power Assets Holdings Limited, a listed company, a Director of CNEX (Shanghai CFETS-NEX International Money Broking Co., Ltd.) and Broad Lea Group Ltd; and Senior Advisor of CME Group. Mr. Bradley entered the British Diplomatic Service in 1981 and retired from the British Diplomatic Service in 2009. He served in various capacities including: Director of Trade & Investment Promotion (Paris) from 1999 to 2002; Minister, Deputy Head of Mission & Consul-General (Beijing) from 2002 to 2003; and HM Consul-General (Hong Kong) from 2003 to 2008. Mr. Bradley also worked in the private sector as Marketing Director, Guinness Peat Aviation (Asia) and Associate Director, Lloyd George Management (a part of BMO Global Asset Management). Mr. Bradley holds a Bachelor of Arts degree from Balliol College, University of Oxford, England and a post-graduate diploma from Fudan University, Shanghai.

KWOK Eva Lee, aged 81, **Independent Non-executive Director**, has been an Independent Non-executive Director of the Company since May 2022. She is also an Independent Non-executive Director of CK Infrastructure Holdings Limited and CK Life Sciences Int'l., (Holdings) Inc., and a Director of Li Ka Shing (Canada) Foundation ("LKS Canada Foundation"). She currently serves as the Chair and Chief Executive Officer of Amara Holdings Inc. ("Amara"). Mrs. Kwok also acts as a Director of Cenovus Energy Inc. Except for LKS Canada Foundation and Amara, all the companies mentioned above are listed companies. She is a director of a company controlled by a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. In addition, she was an Independent Director of Bank of Montreal, a listed company, and previously sat on the Compensation Committee, the Corporate Governance Committee and the Audit Committee of Husky Energy Inc., the Nominating and Governance Committee of Shoppers Drug Mart Corporation, the Independent Committee of Directors and Human Resources Committee of Telesystems International Wireless (TIW) Inc., the Independent Committee of Directors and the Corporate Governance Committee of Fletcher Challenge Canada Ltd., the Audit and Corporate Governance Committees of Clarica Life Insurance Company, the Corporate Governance Committee of Air Canada, the Innovation Saskatchewan (IS) Board of Directors and the Saskatchewan-Asia Advisory Council of Saskatchewan.

SNG Sow-mei alias POON Sow Mei, aged 82, **Independent Non-executive Director**, has been an Independent Non-executive Director of the Company since May 2022. She is an Independent Non-executive Director of CK Infrastructure Holdings Limited (listed in Hong Kong). She is also an Independent Non-executive Director of ARA Asset Management (Prosperity) Limited, which manages Prosperity Real Estate Investment Trust, a real estate investment trust listed in Hong Kong. Mrs. Sng was previously an Independent Non-executive Director and the Lead Independent Director of Hutchison Port Holdings Management Pte. Limited as the trustee manager of Hutchison Port Holdings Trust, a business trust listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"), an Independent Director and a member of the Audit Committee of ARA Trust Management (Suntec) Limited, which manages Suntec Real Estate Investment Trust, a real estate investment trust listed on SGX-ST, and an Independent Non-executive Director and a member of the Audit Committee of ARA Asset Management (Fortune) Limited, which manages Fortune Real Estate Investment Trust, a real estate investment trust listed in Hong Kong. Mrs. Sng was also previously a Director of INFA Systems Ltd. and the Senior Consultant (International Business) of Singapore Technologies Electronics Ltd. Prior to her appointment with Singapore Technologies Pte Ltd. where Mrs. Sng was the Director, Special Projects (North East Asia) in 2000 and a Consultant in 2001, Mrs. Sng was the Managing Director of CapitalLand Hong Kong Ltd. for investments in Hong Kong and the region including Japan and Taiwan. In Hong Kong from 1983 to 1997, Mrs. Sng was the Centre Director and then as Regional Director of the Singapore Economic Development Board and Trade Development Board respectively. Mrs. Sng was Singapore's Trade Commissioner in Hong Kong from 1990 to 1997. Mrs. Sng holds a Bachelor of Arts degree from the Nanyang University in Singapore and has wide experience in various fields of industrial investment, business development, strategic and financial management, especially in property investment and management. In 1996, Mrs. Sng was conferred the title of PPA(P) – Pingat Pentadbiran Awam (Perak), the Singapore Public Administration Medal (Silver) by the Republic of Singapore.

LAM Siu Hong, Donny, aged 60, **Independent Non-executive Director**, has been an Independent Non-executive Director of the Company since October 2022 and a member of the Audit Committee of the Company since December 2022. He is Partner of DL Holdings Group and Chairman of DL Family Office (HK) Limited ("DL Family Office"). Mr. Lam has over 30 years of experience in the financial services and capital market industry. Prior to joining DL Family Office in 2014, Mr. Lam served as Managing Director, specialised in global and Hong Kong investments, of J.P. Morgan Private Bank in Asia from 2009 to 2014. Mr. Lam was previously Managing Director, Investment Counseling, of HSBC Private Bank from 2001 to 2009. Mr. Lam also previously held various positions with Citibank Private Bank, Union Bank of Switzerland, HG Asia Limited and Citibank (Hong Kong). Mr. Lam is an Adjunct Associate Professor at the Faculty of Business and Economics of The University of Hong Kong. Mr. Lam holds Bachelor's and Master's degrees in Business Administration from The Chinese University of Hong Kong.

LEE Wai Mun, Rose, JP, aged 71, **Independent Non-executive Director**, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since December 2023. She is also an Independent Non-executive Director of Swire Pacific Limited (listed in Hong Kong) and MTR Corporation Limited (listed in Hong Kong), a Board Member of the West Kowloon Cultural District Authority, a Vice Patron of The Community Chest of Hong Kong, and a member of the Board of Governors of Saint Francis University and Caritas Bianchi College of Careers. Ms. Lee was previously an Independent Non-executive Director of CK Hutchison Holdings Limited (listed in Hong Kong). Ms. Lee was also previously the Vice-Chairman and Chief Executive of Hang Seng Bank Limited, Group General Manager of HSBC Holdings plc, Director of The Hongkong and Shanghai Banking Corporation Limited, Chairman of the Board of Governors of The Hang Seng University of Hong Kong and Vice President of The Hong Kong Institute of Bankers. Ms. Lee is a Fellow of The Hong Kong Institute of Bankers. Ms. Lee holds a Bachelor's degree in Business Administration. She was conferred Doctorate of Social Science, honoris causa, by The Hang Seng University of Hong Kong in 2021.

KEY PERSONNEL'S BIOGRAPHICAL INFORMATION

Accounts Department

Man Ka Keung, Simon, aged 66, Executive Committee Member & General Manager, Accounts Department, joined the CK Group in December 1987. He is the Alternate Director to Mr. Ip Tak Chuen, Edmond, Deputy Chairman and Executive Director of CK Infrastructure Holdings Limited and a Director of Harbour Plaza Hotel Management Limited. He is also a board member of the Community Chest of Hong Kong. He has over 43 years of experience in accounting, auditing, tax and finance. He holds a Bachelor's degree in Economics and is a member of Chartered Accountants Australia and New Zealand.

Lee Shu Yan, Simon, aged 60, Deputy Chief Manager, joined the CK Group in October 1987. He has over 41 years of experience in accounting. He holds a Postgraduate Diploma in Management Studies. He is a fellow member of The Association of Chartered Certified Accountants, a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants, a non-practising member of The Chinese Institute of Certified Public Accountants, and a fellow member and Certified Tax Adviser of The Taxation Institute of Hong Kong.

Ng Yuet Fong, Betty, aged 75, Deputy Chief Manager, joined the CK Group in September 1993. She has over 51 years of experience in accounting and treasury. She holds a Bachelor of Business Administration degree in Accounting.

Lau Chi Ho, Elton, aged 43, Senior Manager, joined the CK Group in September 2013. He has over 21 years of experience in accounting and auditing. He holds a Bachelor of Business Administration degree with Honours in Accounting. He is a fellow member of The Association of Chartered Certified Accountants.

Wong Ling, Suki, aged 40, Senior Manager, joined the CK Group in June 2014. She has over 18 years of experience in accounting and auditing. She holds a Bachelor of Business Administration degree with Honours in Accounting. She is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Ng Wai Ling, Carrie, aged 55, Manager, joined the CK Group in October 2005. She has over 31 years of experience in accounting and auditing. She holds a Master of Science degree in Financial Management. She is a fellow member of The Association of Chartered Certified Accountants.

Cheung Wan Tung, Walter, aged 41, Manager, joined the CK Group in February 2013. He has over 19 years of experience in accounting and auditing. He holds a Bachelor of Business Administration degree with Honours in Accounting. He is a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Choi Hiu Yeung, Gary, aged 40, Manager, joined the CK Group in April 2015. He has over 18 years of experience in accounting and auditing. He holds a Bachelor of Business Administration degree with Honours in Accounting. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants, a Certified Practising Accountant of CPA Australia and a Chartered Accountant of The Institute of Chartered Accountants in England and Wales.

Leung Ka Lai, Stephanie, aged 40, Manager, joined the Group in June 2022. She has over 17 years of experience in accounting and auditing. She holds a Bachelor of Business Administration (Law) degree with Honours and a Bachelor of Laws degree with Honours. She is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Administration Department

Ng Po Lung, aged 62, Senior Manager, joined the CK Group in November 1993. He has over 39 years of experience in office administration management. He holds a Diploma in Legal Studies, a Bachelor of Social Science degree with Honours and a Master's degree in Business Administration.

Building Cost & Contract Department

Chee Chun Kit, aged 61, Chief Manager, joined the CK Group in December 1991. She has over 35 years of experience in quantity surveying. She holds an Associateship in Building Technology and Management and a Master of Laws degree in International and Commercial Law. She is a Registered Professional Surveyor, a professional member of the Royal Institution of Chartered Surveyors, a member of The Hong Kong Institute of Surveyors, a member of Hong Kong Institute of Construction Managers, a member of The Chartered Institute of Arbitrators and possesses the qualification of PRC Cost Engineer.

Cheung Wai Hung, Kevin, aged 57, Contracts Manager, joined the CK Group in March 1998. He has over 38 years of experience in quantity surveying. He holds a Bachelor of Science degree with Honours in Construction Economics and Management. He is a Registered Professional Surveyor, a professional member of the Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors.

Lam Man Na, Mana, aged 58, Contracts Manager, joined the CK Group in April 1996. She has over 34 years of experience in quantity surveying. She holds a Higher Diploma in Building and a Diploma in Surveying (Quantity Surveying). She is a Registered Professional Surveyor, a professional member of the Royal Institution of Chartered Surveyors, a member of The Hong Kong Institute of Surveyors and possesses the qualification of PRC Cost Engineer.

Lau Heung Wing, Joseph, aged 55, Contracts Manager, joined the CK Group in October 2000. He has over 33 years of experience in quantity surveying. He holds a Higher Diploma in Building Services Engineering and a Master of Science degree in Construction Project Management. He is a professional member of the Royal Institution of Chartered Surveyors, a member of The Chartered Institute of Arbitrators, a member of The Hong Kong Institute of Value Management, a Certified ESG Planner of International Chamber of Sustainable Development and a BEAM Professional of Hong Kong Green Building Council.

Chairman's Office

Li Tuen Yee, Bianca, aged 60, Manager, joined the CK Group in May 1987. She has over 40 years of experience in secretarial and office management.

China Department

Beijing Office

Wong K, James, aged 60, Manager, Business Development, joined the CK Group in September 1991. He has over 35 years of experience in business development. He is the Chief Representative of the Beijing Office of the Company, and is also the Director, Deputy General Manager and Chief Corporate Affairs Officer of Beijing Oriental Plaza Company Limited. He holds a Master's degree in Management Science and a Postgraduate Diploma in Global Operations and Management.

China Property

Lee Chi Kin, Casey, aged 61, Business Development Manager, joined the CK Group in August 1998. He is also an Executive Director, the Chief Operating Officer and a Responsible Officer of Hui Xian Asset Management Limited. He has over 35 years of experience in accounting, hotel management and property development. He holds a Bachelor of Social Sciences degree with Honours. He is a member of The Chinese Institute of Certified Public Accountants, a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants, and a fellow of The Institute of Chartered Accountants in England and Wales.

Cheung Sau Ying, Dorothy, aged 62, Business Development Manager, joined the CK Group in August 2000. She is also the Director and Deputy General Manager of Shenyang Lido Business Company Limited, Director and Deputy General Manager of Chengdu Chang Tian Company Limited, Deputy General Manager of Sofitel Shenyang Lido and Deputy General Manager of Sheraton Chengdu Lido Hotel. She has over 40 years of experience in accounting. She holds a Higher Certificate in Company Secretaries and Administration. She is an associate member of The Chartered Governance Institute and an associate member of The Hong Kong Chartered Governance Institute.

Guangzhou

Tang Sek Wai, Max, aged 64, Senior Project Manager, joined the CK Group in November 1986. He is the General Manager of Regal Lake Property Development Limited Guangzhou, Shanghai Heya Property Development Company Limited, Shanghai Lianya Investment Consultancy Company Limited (上海聯雅投資諮詢有限公司) and Shanghai Xiangya Investment Consultancy Company Limited (上海翔雅投資諮詢有限公司). He is also a Director and the General Manager of Beijing Po Garden Real Estates Development Company Limited and Beijing Chang Le Real Estates Development Company Limited. He has over 37 years of experience in project management. He holds a Master's degree in Environmental Engineering Management and a Master's degree in Business Administration (Executive). He is a member of The Hong Kong Institution of Engineers.

Shanghai

Lam Yuk, Bruce, aged 55, Senior Project Manager, joined the CK Group in June 1998. He is the General Manager of Shanghai Changrun Jianghe Property Development Company Limited. He has over 30 years of experience in project management. He holds a Bachelor of Arts degree with Honours in Architectural Studies, a Master's degree in Architecture, a Master's degree in Business Administration and a Postgraduate Diploma in Project Management. He is a Registered Architect, a member of The Hong Kong Institute of Architects and possesses the qualification of PRC Class 1 Registered Architect.

Chan Wing Fai, Eric, aged 57, Leasing Manager, joined the CK Group in July 2012. He is also the Chief Leasing Manager of our project Company in Shanghai. He has over 31 years of experience in property leasing. He holds a Bachelor of Science degree in Land Management and a Master of Science degree in International Real Estate. He is a professional member of the Royal Institution of Chartered Surveyors.

Fan Kar Lun, Ryan, aged 47, Leasing Manager, joined the Group in October 2023. He is also the Chief Leasing Manager of our project Company in Shanghai. He has over 20 years of experience in real estate. He holds a Honours Diploma in Business Administration.

Shum Kam Yiu, Richard, aged 48, Finance Manager, joined the Group in September 2017. He is also the Financial Controller of our project Companies in Shanghai. He has over 23 years of experience in accounting. He holds a Bachelor of Arts degree with Honours in Accountancy. He is a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Company Secretarial Department

Yeung, Eirene, aged 63, Executive Committee Member and Company Secretary, General Manager of Company Secretarial Department and a member of the Sustainability Committee of the Company. She joined the CK Group in August 1994. She is also the Company Secretary of CK Infrastructure Holdings Limited and the Alternate Director to Mr. Kam Hing Lam, the Group Managing Director of CK Infrastructure Holdings Limited. She is also the Company Secretary of CK Life Sciences Int'l., (Holdings) Inc. and a Non-executive Director of ARA Asset Management (Fortune) Limited. She is a member of the Main Board and GEM Listing Review Committees of The Stock Exchange of Hong Kong Limited and Deputy Chairperson of the General Committee of The Chamber of Hong Kong Listed Companies. She is a solicitor of the High Court of the Hong Kong Special Administrative Region and a non-practising solicitor of the Senior Courts of England and Wales. She is also a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. She holds a Master of Science degree in Finance, a Master's degree in Business Administration and a Bachelor's degree in Laws.

KEY PERSONNEL'S BIOGRAPHICAL INFORMATION (CONTINUED)

Tse Kin Keung, Augustine, aged 54, Deputy Chief Group General Counsel, joined the CK Group in October 2010. He has over 31 years of experience in the legal field. He holds a Bachelor of Laws degree with Honours, a Postgraduate Certificate in Laws and a Master's degree in Business Administration. He is a solicitor of the High Court of the Hong Kong Special Administrative Region.

Yu Ho Man, Simon, aged 48, Deputy Chief Group General Counsel, joined the Group in June 2022. He has over 24 years of experience in the legal field. He holds a Bachelor of Laws degree with Honours, a Postgraduate Certificate in Laws and a Master of Laws degree. He is a solicitor of the High Court of the Hong Kong Special Administrative Region and a non-practising solicitor of the Senior Courts of England and Wales.

Yu Tzu-Ern, Ernie, aged 44, Deputy Chief Group General Counsel, joined the CK Group in December 2014. He is also the Senior Legal Counsel of Hutchison Property Group (UK) Limited. He has over 19 years of experience in the legal field. He holds a Bachelor of Laws degree with Honours. He is a solicitor of the Senior Courts of England and Wales and attorney-at-law of the State of New York.

Cheng Shuk Chi, Bridie, aged 52, Assistant General Manager, joined the CK Group in September 2004. She has over 28 years of experience in the company secretarial field. She holds a Bachelor's degree with Honours in Business Administration. She is an associate member of The Hong Kong Chartered Governance Institute and an associate member of The Chartered Governance Institute.

Lee Ming Hua, Pauline, aged 52, Senior Group General Counsel, joined the Group in July 2017. She has over 18 years of experience in the legal field. She holds a Bachelor of Commerce degree, a Bachelor of Laws degree, a Postgraduate Certificate in Laws and a Master of Laws degree. She is a solicitor of the High Court of the Hong Kong Special Administrative Region, and a non-practising solicitor of the Supreme Court of Victoria and the Supreme Court of New South Wales. She is also an associate member of The Chartered Governance Institute.

Lo Yuan Shan, Kyna, aged 42, Senior Group General Counsel, joined the Group in November 2018. She has over 17 years of experience in the legal field. She holds a Bachelor of Laws degree with Honours. She is a solicitor of the Senior Courts of England and Wales and an attorney of the Supreme Court of the State of New York. She is also a fellow member of The Hong Kong Chartered Governance Institute and a fellow member of The Chartered Governance Institute.

Chan Cho Mui, Jo, aged 55, Senior Manager, joined the CK Group in November 2003. She has over 31 years of experience in the company secretarial field. She is an associate member of The Hong Kong Chartered Governance Institute and an associate member of The Chartered Governance Institute.

Wong Wai Sing, Wilson, aged 59, Senior Manager, joined the Group in July 2022. He has over 18 years of experience in the company secretarial field. He holds a Master degree in Professional Accounting. He is a fellow member of The Association of Chartered Certified Accountants, a fellow of the Hong Kong Institute of Certified Public Accountants, a fellow member of The Hong Kong Chartered Governance Institute and a fellow member of the Chartered Governance Institute.

Chow Hoi Wah, Justin, aged 39, Group General Counsel, joined the Group in November 2019. He has over 13 years of experience in the legal field. He holds a Bachelor of Laws degree with Honours. He is an attorney of the New York State Bar Association.

Cheng Kwan Tsz, Gloria, aged 42, Manager, joined the Group in August 2023. She has over 17 years of experience in the company secretarial field. She holds a Bachelor of Arts degree with Honours in Translation & Chinese. She is an associate member of The Hong Kong Chartered Governance Institute and an associate member of The Chartered Governance Institute.

Lee Hok Yee, Natalie, aged 53, Manager, joined the CK Group in May 2009. She has over 29 years of experience in the company secretarial field. She holds a Bachelor of Business degree in Business Administration and a Master of Arts degree in Professional Accounting and Information Systems. She is an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute, holding Chartered Secretary and Chartered Governance Professional due designations.

Lo Kit Wah, Lisa, aged 47, Manager, joined the CK Group in August 2010. She has over 16 years of experience in the company secretarial field. She holds a Bachelor of Science degree with Honours in Biology and a Master of Science degree in Professional Accounting & Corporate Governance. She is an associate member of The Hong Kong Chartered Governance Institute and an associate member of The Chartered Governance Institute.

So Hiu Wa, Connie, aged 34, Manager, joined the Group in July 2021. She has over 11 years of experience in the company secretarial field. She holds a Bachelor's degree with Honours in Business Administration and a Master's degree in Corporate Governance. She is an associate member of The Hong Kong Chartered Governance Institute and an associate member of The Chartered Governance Institute.

Szeto Mei Sim, Veronica, aged 52, Manager, joined the CK Group in May 2004. She has over 25 years of experience in the company secretarial field. She holds a Bachelor of Arts degree with Honours in Information Systems, a Postgraduate Diploma in Corporate Administration and a Master's degree in Professional Accounting. She is an associate member of The Hong Kong Chartered Governance Institute and an associate member of The Chartered Governance Institute.

Tang Sui Ying, Linda, aged 36, Manager, joined the CK Group in May 2013. She has over 14 years of experience in the company secretarial field. She holds a Bachelor of Science degree with Honours in Tourism Management, a Master of Science degree in Hotel & Tourism Management and a Juris Doctor degree. She is an associate member of The Hong Kong Chartered Governance Institute and an associate member of The Chartered Governance Institute.

Tse Siu Man, Tweety, aged 51, Copywriting Manager, joined the CK Group in June 2011. She has over 26 years of experience in the translation field. She holds a Bachelor of Arts degree with Honours in Translation.

Construction Audit & Quality Assurance Department

Chen Siu Hung, Wilson, aged 51, Senior Manager, joined the CK Group in April 2001. He has over 27 years of experience in building quality management. He holds a Master of Science degree in Facility Management and a Bachelor of Engineering degree with Honours in Building Services Engineering. He is a Registered Professional Engineer, a Chartered Engineer, a member of The Hong Kong Institution of Engineers, a member of The Chartered Institution of Building Services Engineers (UK) and a member of The Institute of Engineering and Technology.

Construction Management Department

Shen Wai Yee, Grace, aged 72, Executive Committee Member & General Manager, Construction Management Department, joined the CK Group in September 1989. She has over 42 years of experience in project management. She holds a Bachelor of Arts degree in Sociology and a Bachelor of Architecture degree. She is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region and a member of The Hong Kong Institute of Architects.

Cheng Kin Chi, Eddy, aged 48, Senior Executive Manager, joined the CK Group in July 2009. He has over 25 years of experience in construction management. He holds a Bachelor of Science degree with Honours in Building Technology and Management and a Master of Science degree in Project Management. He is a member of The Chartered Institute of Building and a member of The Hong Kong Institution of Engineers.

Mak Kwok Keung, Charles, aged 62, Senior Executive Manager, joined the CK Group in January 1994. He has over 41 years of experience in construction management. He holds a Postgraduate Diploma in Construction Management.

Au Yu Lam, Ken, aged 57, Manager, joined the CK Group in May 2012. He has over 31 years of experience in construction management. He holds a Master of Science degree in Construction Management and Economics.

Chiu Chin Pang, aged 54, Manager, joined the CK Group in March 1994. He has over 32 years of experience in construction management. He holds a Higher Diploma in Mechanical Engineering.

Siu Chun Yim, Vincent, aged 52, Manager, joined the CK Group in September 2009. He has over 29 years of experience in construction management. He holds a Bachelor of Science degree with Honours in Building and a Master of Science degree in Project Management. He is a Registered Construction Manager, a member of The Chartered Institute of Building and a member of The Hong Kong Institution of Construction Managers.

Tam Sin Hang, Alan, aged 47, Manager, joined the CK Group in June 2005. He has over 27 years of experience in construction management. He holds a Bachelor of Science degree with Honours in Construction Project Management. He is a member of The Australian Institute of Building.

Wong Kin Wai, Ben, aged 53, Manager, joined the Group in November 2023. He has over 24 years of experience in construction management. He holds a Bachelor of Science degree in Building and a Master of Science degree in Project Management. He is an Authorized Signatory (Registered General Building Contractor) approved by the Buildings Department.

Yeung Sim Fong, aged 54, Manager, joined the CK Group in August 2004. She has over 29 years of experience in construction management. She holds a Bachelor of Science degree in Building Technology and Management and a Master's degree in Construction Engineering and Management. She is a member of The Chartered Institute of Building and a member of Hong Kong Institute of Construction Managers.

Corporate Affairs Department

Tong Barnes Wai Che, Wendy, aged 63, Executive Committee Member & Chief Corporate Affairs Officer, joined the CK Group in March 1999. She is also the Chief Corporate Affairs Officer of CK Infrastructure Holdings Limited and CK Life Sciences Int'l., (Holdings) Inc. as well as the Deputy Chief Executive Officer of Hui Xian Asset Management Limited. She holds a Bachelor's degree in Business Administration.

Tsui Sau Yuen, Anita, aged 60, Deputy Chief Manager, Marketing Communications, joined the CK Group in August 2005. She has over 35 years of experience in advertising and marketing communications. She holds a Diploma in Journalism.

Cheong Yuen Mei, Winnie, aged 55, Deputy Chief Manager, Corporate Affairs, joined the CK Group in March 1999. She is also the Deputy Chief Manager, Corporate Affairs of CK Infrastructure Holdings Limited. She has over 30 years of experience in public relations and corporate affairs. She holds a Bachelor of Arts degree with Honours in Philosophy.

Huen Ka Lee, Carrie, aged 53, Senior Corporate Affairs Manager, joined the CK Group in April 2014. She has over 30 years of experience in public relations and corporate affairs. She holds a Bachelor of Arts degree with Honours.

Ngai Ching, Angie, aged 38, Marketing Communications Manager, joined the CK Group in June 2011. She has over 10 years of experience in the marketing communications field. She holds a Bachelor of Arts degree with Honours in Human Resource Management.

Corporate Business Development Department

Ma Lai Chee, Gerald, aged 56, Executive Committee Member & General Manager, Corporate Business Development Department, joined the CK Group in February 1996. He is a Non-Executive Director of ARA Asset Management (Fortune) Limited as the manager of Fortune Real Estate Investment Trust and ARA Asset Management (Prosperity) Limited as the manager of Prosperity Real Estate Investment Trust (both listed in Hong Kong). He is also an Alternate Director to Mr. Lai Kai Ming, Dominic, Non-Executive Director of Hutchison Telecommunications Hong Kong Holdings Limited (listed in Hong Kong). He has over 34 years of management experience in different industries. He holds a Bachelor of Commerce degree in Finance and a Master of Arts degree in Global Business Management. He is a member of the Faculty Advisory Board of the Sauder School of Business of the University of British Columbia, Canada.

KEY PERSONNEL'S BIOGRAPHICAL INFORMATION (CONTINUED)

Lee Kwong Wang, Francis, aged 53, General Manager, joined the CK Group in August 2000. He is a Director of e-Smart System Inc., iMarkets Limited and Beijing Net-Infinity Technology Development Company Limited. He has over 31 years of experience in banking, investment and managing technology related ventures. He holds a Bachelor of Science degree with Honours and a Master's degree in Business Administration. He is a Chartered Financial Analyst, a member of The CFA Institute and a member of The Hong Kong Society of Financial Analysts Limited.

Chan Cheuk Man, Curley, aged 52, Deputy Chief Manager, Head of Finance & Accounts, joined the CK Group in July 2000. He has over 29 years of experience in finance, investment and business development. He holds a Bachelor of Arts degree with Honours in Accountancy and a Master of Science degree in Accounting and Finance. He is a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Chow Ping Leung, Ruskin, aged 54, Deputy Chief Manager, Head of Group Credit & Risk Management, joined the Group in July 2016. He has over 28 years of experience in risk management. He holds a Bachelor of Sciences degree with Honours in Engineering and a Master's degree in Business Administration.

Lau Chun Yu, Sophia, aged 44, Deputy Chief Manager, Head of Investment Management, joined the CK Group in August 2000. She has over 23 years of experience in business development. She holds a Bachelor of Science degree, a Bachelor of Commerce degree and a Master's degree in International and Public Affairs. She is an associate member of The Chartered Institute of Management Accountants and a Chartered Global Management Accountant.

Au Chi Pun, Esmond, aged 57, Senior Manager, Group Credit & Risk Management, joined the Group in July 2016. He has over 28 years of experience in mortgage underwriting. He holds a Master's degree in Business Administration.

Luk Ting Chung, Mike, aged 51, Senior Manager, Group Credit & Risk Management, joined the CK Group in February 1998. He has over 33 years of experience in sales & marketing. He holds a Bachelor's degree with Honours in Management Studies.

Yu Lok Lun, Lawrence, aged 34, Senior Manager, Investment Management, joined the CK Group in January 2015. He has over 12 years of experience in investment banking and business development. He holds a Bachelor of Science degree in Economics.

Chan Chuen Kit, Dickie, aged 52, Manager, Engineering, joined the CK Group in August 1995. He has over 28 years of experience in networking & system engineering. He holds a Bachelor of Science degree in Computer Science and a Master of Science degree in E-Commerce.

Chu Hiu Yee, Connie, aged 38, Manager, Investment Management, joined the CK Group in November 2011. She has over 16 years of experience in accounting. She holds a Bachelor of Business Administration degree with Honours in Professional Accountancy. She is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Kwok Stephen Joseph, aged 53, Manager, Engineering, joined the CK Group in May 2001. He has over 28 years of experience in networking & system engineering. He holds a Bachelor of Arts degree in Economics.

Leigh Zen Way, Eric, aged 54, Manager, Group Credit & Risk Management, joined the CK Group in April 2003. He has over 26 years of experience in sales & marketing. He holds a Bachelor of Science degree.

Leung Wai Ping, Ricky, aged 60, Manager, Project Management, joined the CK Group in June 1993. He has over 37 years of experience in project management. He holds a Diploma in Electrical Engineering.

Li Michelle, aged 28, Manager, Investment Management, joined the CK Group in August 2016. She has over 7 years of experience in finance, accounting and business development. She holds a Bachelor of Laws degree.

Wu Cheuk Ying, Ivy, aged 47, Manager, Finance & Accounts, joined the CK Group in April 2008. She has over 24 years of experience in accounting and auditing. She holds a Bachelor of Business Administration degree with Honours in Accountancy and a Master of Corporate Governance degree. She is a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Yip Lai On, Maggie, aged 45, Manager, Finance & Accounts, joined the CK Group in May 2008. She has over 23 years of experience in accounting. She holds a Bachelor of Arts degree with Honours in Accountancy and a Master of Professional Accounting degree. She is a fellow member of The Association of Chartered Certified Accountants.

Yu Po Wah, Raymond, aged 38, Manager, Finance & Accounts, joined the Group in August 2015. He has over 14 years of experience in accounting. He holds a Bachelor of Business Administration degree with Honours in Accounting and a Master of Corporate Finance degree. He is a fellow of the Hong Kong Institute of Certified Public Accountants and an associate member of The Institute of Chartered Accountants of England and Wales.

Design & Promotion Department

Leung Yuen Kwan, Josephine, aged 55, Deputy Chief Manager, joined the CK Group in July 1995. She has over 30 years of experience in design, promotion, market research and property sales. She holds a Bachelor of Commerce degree in Marketing and Finance.

Tsui Man Wai, Fanny, aged 45, Senior Promotion Manager, joined the CK Group in March 2006. She has over 21 years of experience in promotion and production management. She holds a Bachelor of Social Science degree with Honours in China Studies (History).

Development Department

Chan Ho Kei, Kevin, aged 51, Senior Project Manager, joined the CK Group in June 2003. He has over 25 years of experience in project management. He holds a Bachelor of Arts degree with Honours in Architectural Studies and a Master's degree in Architecture. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region and a member of The Hong Kong Institute of Architects.

Chan Hon Shing, aged 62, Senior Project Manager, joined the CK Group in December 1995. He has over 37 years of experience in architectural profession and project management. He holds a Bachelor of Arts degree with Honours in Architectural Studies and a Bachelor of Architecture degree. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region and a member of The Hong Kong Institute of Architects.

Chan Kwok Keung, Dennis, aged 56, Senior Project Manager, joined the CK Group in May 1997. He has over 30 years of experience in project management. He holds a Bachelor of Arts degree with Honours in Architecture, a Master's degree in Architecture, and a Master's degree in Business Administration in Digital Technologies Management. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region and a member of The Hong Kong Institute of Architects.

Lam Pui Yu, Eric, aged 51, Senior Project Manager, joined the CK Group in November 2004. He has over 25 years of experience in project management. He holds a Bachelor of Arts degree with Honours in Architectural Studies and a Master's degree in Architecture. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region and a member of The Hong Kong Institute of Architects.

Leung Chung Ping, Louis, aged 56, Senior Project Manager, joined the CK Group in November 2003. He is a Director of Property Enterprises Development (Singapore) Pte Limited. He has over 28 years of experience in project management. He holds a Bachelor of Science degree with Honours in Architecture and a Master's degree in Architecture. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region and a member of The Hong Kong Institute of Architects.

Pun Wing Chiu, Anthony, aged 60, Senior Project Manager, Structural, joined the CK Group in September 1999. He has over 36 years of experience in project/structural engineering management. He holds a Bachelor of Science degree with Honours in Civil Engineering. He is a Chartered Engineer, a Registered Professional Engineer, a Registered Structural Engineer, a member of The Hong Kong Institution of Engineers and a member of The Institution of Structural Engineers.

Chu Chi Hang, Lewis, aged 49, Project Manager, joined the CK Group in November 2004. He has over 25 years of experience in project management. He holds a Bachelor of Arts degree with Honours in Architectural Studies and a Master's degree in Architecture. He is a Registered Architect and a member of The Hong Kong Institute of Architects.

Directors' Office

Lee Sheung Pui, Benjiman, aged 36, Senior Manager, joined the Group in May 2017. He has over 13 years of experience in financial management, auditing and investment. He holds a Bachelor of Commerce and Administration degree with Honours and Master of Science degree in Accounting and Finance. He is a Chartered Financial Analyst, a member of The CFA Institute and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

E & M Department

Lo Kin Hing, Isaac, aged 62, Senior Manager, joined the CK Group in April 2003. He has over 37 years of experience in electrical & mechanical engineering. He holds a Master of Science degree in Construction Project Management. He is a Chartered Engineer, a Registered Professional Engineer, a fellow of The Chartered Institution of Building Services Engineers (UK), a fellow of The Institute of Engineering and Technology and a fellow of The Hong Kong Institution of Engineers.

Lau Man Bun, Barry, aged 56, Deputy Senior Manager, joined the CK Group in July 2003. He has over 32 years of experience in electrical & mechanical engineering. He holds a Bachelor of Engineering degree with Honours in Building Services Engineering and a Master of Science degree in Environmental Management. He is a Chartered Engineer, a Registered Professional Engineer, a member of The Chartered Institution of Building Services Engineers (UK) and a member of The Hong Kong Institution of Engineers.

Cheung Sau Hing, Belinda, aged 59, Manager, joined the CK Group in October 1999. She has over 36 years of experience in electrical & mechanical engineering. She holds a Higher Diploma in Building Services Engineering. She is a Chartered Engineer, a member of The Chartered Institution of Building Services Engineers (UK) and a member of The Hong Kong Institution of Engineers.

Human Resources Department

Yip Kim Wing, Kim, aged 60, Senior Manager, joined the CK Group in November 2003. He has over 34 years of experience in human resources and administration management. He holds a Bachelor's degree in Business Administration and a Postgraduate Diploma in Corporate Administration.

Tsang Chi Lun, Alan, aged 55, Senior Manager, joined the CK Group in April 2002. He has over 31 years of experience in human resources management. He holds a Bachelor of Arts degree with Honours in Hospitality Management and a Master's degree in Business Administration. He is a professional member of The Hong Kong Institute of Human Resource Management.

Chiang Sau Man, Grace, aged 56, Manager, joined the CK Group in March 2009. She has over 31 years of experience in human resources and administration management. She holds a Bachelor of Business Administration degree in Office Management and a Master of Science degree in Human Resources Management. She is a professional member of The Hong Kong Institute of Human Resource Management.

Information Technology Department

Lum Man Fai, Brian, aged 56, Deputy Chief Manager, Head of Information Technology, joined the CK Group in August 2000. He has over 33 years of experience in information technology and telecommunication. He holds a Bachelor of Science degree with Honours in Electronics and a Master's degree in Business Administration.

Leung Chun Wai, aged 54, Senior Manager, System Development, joined the Group in July 2016. He has over 28 years of experience in information technology management. He holds a Bachelor of Arts degree with Honours in Computing Studies.

KEY PERSONNEL'S BIOGRAPHICAL INFORMATION (CONTINUED)

Lau Yau Keung, Sam, aged 58, Manager, Networking & Operations, joined the CK Group in July 2005. He has over 32 years of experience in information technology management and network operations. He holds a Bachelor of Science degree with Honours in Mathematics Science and a Bachelor of Science degree with Honours in Computing and Information Systems. He is a member of The Hong Kong Computer Society.

Leung Hoi Shing, Kaiser, aged 51, Manager, System Development, joined the CK Group in July 1997. He has over 27 years of experience in information technology management. He holds a Bachelor of Mathematics degree in Computer Science and a Master of Science degree in E-Commerce. He is a Project Management Professional of Project Management Institute.

Internal Audit Department

Lee King Yuen, Albert, aged 68, Senior Manager, joined the CK Group in November 1987. He has over 46 years of experience in auditing. He holds a Bachelor of Science degree in Business Administration. He is a fellow member of The Association of Chartered Certified Accountants and a fellow of the Hong Kong Institute of Certified Public Accountants.

Tse Chun Wai, Richard, aged 57, Senior Manager, joined the CK Group in January 2009. He is the Internal Audit Manager of Hui Xian Asset Management Limited. He has over 32 years of experience in auditing. He holds a Master's degree in Business Administration, a Master of Science degree in Information Systems Management, a Master of Science degree in Investment Management, a Master of Laws degree in Common Law and a Juris Doctor degree. He is a fellow member of The Association of Chartered Certified Accountants, an associate member of The Chartered Institute of Management Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Chau Wai Keung, Allen, aged 69, Manager, joined the CK Group in November 1994. He has over 44 years of experience in auditing. He holds a Bachelor of Business Administration degree and a Master's degree in Business Administration.

Chu Kai Wah, Richard, aged 61, Manager, joined the CK Group in August 1995. He has over 35 years of experience in auditing. He holds a Professional Diploma in Accountancy and a Master of Business degree in Electronic Commerce. He is a fellow member of The Association of Chartered Certified Accountants, an associate member of The Institute of Chartered Accountants in England and Wales and a fellow of the Hong Kong Institute of Certified Public Accountants.

Lam Wai Choi, Nick, aged 53, Manager, joined the CK Group in March 2001. He has over 31 years of experience in auditing. He holds a Bachelor of Arts degree in Accountancy, a Master of Science degree in Risk Management and a Postgraduate Diploma in Enterprise Risk Management. He is a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Leasing Department

Wong See Hang, Resina, aged 60, Chief Manager, Leasing, joined the CK Group in June 1990. She is a Director of Cheung Kong Real Estate Limited and E-Park Parking Management Limited. She has over 37 years of experience in property leasing. She holds a Bachelor of Arts degree with Honours in History and a Master of Science degree in Facilities Management.

Lee Po Chu, Eileen, aged 63, Assistant Chief Manager, Leasing, joined the CK Group in October 2003. She has over 42 years of experience in property leasing. She holds a Diploma in Business.

Wong Ling Fei, Mable, aged 61, Assistant Chief Manager, Leasing, joined the CK Group in September 2002. She has over 35 years of experience in property leasing.

Deng Chi Yung, Jonathan, aged 53, Senior Leasing Manager, joined the CK Group in April 2008. He has over 27 years of experience in property leasing. He holds a Bachelor of Business degree in Property and a Master's degree in Business Administration. He is a member of The Hong Kong Institute of Surveyors.

Fung Kam Sun, Kam, aged 63, Senior Leasing Manager, joined the CK Group in June 2007. He has over 37 years of experience in property leasing. He holds a Bachelor of Arts degree in Business Administration and a Master's degree of Housing Management. He is a Registered Professional Housing Manager, a member of The Chartered Institute of Marketing, a chartered member of Chartered Institute of Housing, a member of The Hong Kong Institute of Housing and an ordinary member of Hong Kong Institute of Real Estate Administrators.

Ng Kwok Leung, Christopher, aged 62, Senior Manager, E-Park, joined the CK Group in October 2007. He has over 30 years of experience in car park management. He holds a Bachelor of Science degree with Honours in Engineering and a Postgraduate Diploma in Business Administration.

Cheung Yuk Ching, Virginia, aged 51, Promotion Manager, joined the Group in May 2023. She has over 19 years of experience in marketing, marketing communications and public relations. She holds a Master's degree of Business in Marketing.

Ip Chi Chon, Calvin, aged 34, Manager, Leasing Administration, joined the Group in July 2023. He has over 11 years of experience in auditing, risk management and internal control consulting. He holds a Bachelor of Science degree in Managerial Economics and a Master's degree in Business Administration. He is a Certified Practising Accountant of CPA Australia.

Leung Ho Shan, Susana, aged 55, Leasing Manager, joined the CK Group in March 1996. She has over 34 years of experience in property leasing. She holds a Bachelor of Science degree with Honours in Estate Management and a Master's degree in Business Administration.

Li Sau Yuk, Isaac, aged 50, Leasing Manager, joined the Group in January 2024. He has over 14 years of experience in property leasing. He holds a Bachelor of Business degree in Marketing.

Tjer Hung Fu, Frederick, aged 56, Manager, Technical Support, joined the CK Group in May 1996. He has over 32 years of experience in building surveying, repair and maintenance. He holds a Bachelor of Science degree in Building Surveying.

Wong Kin Pong, Frank, aged 45, Leasing Manager, joined the Group in June 2023. He has over 20 years of experience in property leasing. He holds a Bachelor of Science degree with Honours in Real Estate. He is a professional member of the Royal Institution of Chartered Surveyors.

Wong On Kei, Angela, aged 54, Leasing Manager, joined the Group in July 2018. She has over 20 years of experience in property leasing. She holds a Bachelor degree in Land Economics and a Master of Science degree in Real Estate.

Legal Department

Yip Kin Ming, Emmanuel, aged 71, Executive Committee Member & General Manager, Legal Department, joined the CK Group in July 1985. He has over 40 years of experience in the legal field. He holds a Diploma in Economics.

Wong Fung King, Amy, aged 64, Deputy Chief Manager, joined the CK Group in June 1998. She has over 38 years of experience in the legal field. She holds a Bachelor of Laws degree with Honours and a Postgraduate Certificate in Laws. She is a solicitor of the High Court of the Hong Kong Special Administrative Region.

Cheung Kam Heung, Bella, aged 55, Deputy Chief Manager, joined the CK Group in December 2002. She has over 32 years of experience in the legal field. She holds a Bachelor of Laws degree with Honours and a Postgraduate Certificate in Laws. She is a solicitor of the High Court of the Hong Kong Special Administrative Region.

Ching Mei Yee, Elisa, aged 55, Senior Legal Manager, joined the CK Group in June 2006. She has over 32 years of experience in the legal field. She holds a Bachelor of Laws degree with Honours and a Postgraduate Certificate in Laws. She is a solicitor of the High Court of the Hong Kong Special Administrative Region.

Property Investment & Valuation Department

Chan Man Wai, Anthony, aged 61, Chief Manager, joined the CK Group in January 1994. He has over 34 years of experience in property development & investment, land management and property valuation. He holds a Bachelor of Science degree with Honours in Electrical Engineering, a Master's degree in Business Administration and a Master of Science degree in Land Management. He is a Registered Professional Surveyor, a member of The Hong Kong Institute of Surveyors and a member of The China Institute of Real Estate Appraisers and Agents.

Leung Hon Man, Alex, aged 52, Assistant Chief Manager, joined the CK Group in May 1996. He has over 29 years of experience in property development & investment, land management and property valuation. He holds a Bachelor of Social Science degree with Honours. He is a Registered Professional Surveyor, a professional member of the Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors.

Fung Sing Tak, Patrick, aged 50, Senior Manager, joined the CK Group in January 2008. He has over 28 years of experience in property development & investment, land management and property valuation. He holds a Bachelor of Science degree with Honours in Surveying. He is a Registered Professional Surveyor and a member of The Hong Kong Institute of Surveyors.

Chan Kam Ping, Karen, aged 51, Manager, joined the CK Group in August 2011. She has over 28 years of experience in property development & investment, land management and property valuation. She holds a Bachelor of Science degree with Honours in Surveying. She is a Registered Professional Surveyor and a member of The Hong Kong Institute of Surveyors.

Lam Chi Ho, aged 47, Manager, joined the CK Group in March 1994. He has over 27 years of experience in property development, research and analysis.

Sales Department

Kwok Tze Wai, William, aged 58, Chief Manager, Sales, joined the CK Group in May 1989. He is a Director of Cheung Kong Real Estate Limited. He has over 35 years of experience in property sales. He holds a Bachelor of Science degree in Business Administration Marketing.

Lau Kai Man, Joseph, aged 65, Deputy Chief Manager, Sales, joined the CK Group in June 1981. He is a Director of Cheung Kong Real Estate Limited, Goodwell-Fortune Property Services Limited and Goodwell-Prosperity Property Services Limited. He has over 45 years of experience in property sales.

Yeung Kwai Ling, Moni, aged 53, Assistant Chief Manager, Sales, joined the CK Group in February 2013. She has over 23 years of experience in property sales. She holds a Bachelor of Arts degree with Honours, a Master of Science degree with Honours in Marketing and a Master of Science degree in Real Estate.

Leung Cheuk Hang, Warren, aged 58, Senior Sales Manager, joined the Group in April 2022. He has over 23 years of experience in property sales. He holds a Master's Degree in Business Administration.

Ng Chui Ha, Fiona, aged 60, Senior Manager, Sales Administration, joined the CK Group in December 1990. She has over 37 years of experience in sales administration. She holds a Bachelor of Arts degree in History.

Tai Mei Ling, Marinda, aged 65, Senior Manager, Customer Service, joined the CK Group in August 1985. She has over 38 years of experience in customer service.

KEY PERSONNEL'S BIOGRAPHICAL INFORMATION (CONTINUED)

Chan Wing Chi, Kristy, aged 33, Sales Manager, joined the CK Group in September 2014. She has over 9 years of experience in property sales. She holds a Master of Arts degree with Honours in Business Studies.

Chim Fan Wing, Jim, aged 35, Sales Manager, joined the Group in November 2022. He has over 11 years of experience in property sales. He holds a Bachelor of Science degree with Honours in Biology and a Master of Science degree in International Financial Management.

Nee Tak Sum, Sam, aged 52, Sales Manager, joined the CK Group in September 1995. He has over 28 years of experience in property sales. He holds a Bachelor of Social Science degree with Honours.

Sales Department – Building Management

Chua Kwok Cheung, Vincent, aged 57, Assistant Chief Manager, Building Management, joined the Group in January 2020. He is the General Manager of Goodwell Property Management Limited. He has over 35 years of experience in building management. He holds a Bachelor of Arts degree with Honours in Housing Studies and a Master's degree in Business Administration. He is a Registered Professional Housing Manager, a chartered member of Chartered Institute of Housing and a member of The Hong Kong Institute of Housing.

Tse Ka Li, Gary, aged 62, Assistant Chief Manager, Building Management, joined the CK Group in September 2014. He is the General Manager of Citybase Property Management Limited. He has over 34 years of experience in building management. He holds a Bachelor of Science degree in Civil Engineering and a Bachelor of Arts degree with Honours in Housing Studies. He is a Registered Professional Housing Manager, a chartered member of Chartered Institute of Housing, a member of The Hong Kong Institute of Housing, an ordinary member of Hong Kong Institute of Real Estate Administrators and a corporate member of Building Services Operation and Maintenance Executives Society.

Wong Wo Muk, Philip, aged 64, Manager, Building Management, joined the CK Group in May 1987. He is a Director of E-Park Parking Management Limited, Goodwell-Fortune Property Services Limited and Goodwell-Prosperity Property Services Limited. He has over 41 years of experience in building management. He holds a Bachelor of Arts degree with Honours in Business Studies and a Postgraduate Diploma in Surveying (Real Estate Development).

Senior Advisor's Office

Yue Shuk Chun, Jennie, aged 63, Manager & Secretary to Senior Advisor, joined the CK Group in March 1993. She has over 44 years of experience in secretarial and office management. She holds a Bachelor of Social Sciences degree.

Special Projects

Chiu Yue Seng, aged 47, Executive Committee Member & Head of Special Projects, joined the CK Group in January 2017. He is also the Head of Corporate Finance of CK Infrastructure Holdings Limited. He has over 20 years of experience in investment banking and finance. He holds a Bachelor of Arts degree and a Master's degree in Business Administration.

Hutchison Property Group Limited

Tsui Kin Tung, Tony, aged 64, Deputy Managing Director, Hutchison Property Group Limited, joined the CK Group in June 1990. He has over 40 years of experience in property sales and leasing in Hong Kong, the PRC and the United Kingdom. He is a Registered Professional Surveyor, a professional member of the Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors.

Tam, Raymond, aged 70, Director – Finance, Hutchison Property Group Limited, joined the CK Group in May 1982. He has over 45 years of experience in accounting, taxation and finance in Hong Kong, the PRC and overseas. He holds a Doctor's degree in Business Administration. He is a fellow of the Hong Kong Institute of Certified Public Accountants, a fellow member of The Taxation Institute of Hong Kong and a fellow member of Institute of Chartered Accountants in England and Wales.

Tsui Ching Sang, Stephen, aged 63, Director – Projects, Hutchison Property Group Limited, joined the CK Group in April 1990. He has over 35 years of experience in project management and architectural design for various developments in Hong Kong, the PRC and the United Kingdom. He holds a Bachelor of Arts degree in Architectural Studies and a Bachelor's degree in Architecture. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region and a member of The Hong Kong Institute of Architects.

Tam Kin Yuk, Jason, aged 53, Director – Marketing and Director – Corporate Business Development, Hutchison Property Group Limited, joined the CK Group in August 2000. He has over 30 years of experience in property sales and leasing in the PRC. He holds a Bachelor of Science degree in Surveying. He is a professional member of the Royal Institution of Chartered Surveyors.

Chan Ching Man, Janice, aged 63, Director – Cost Control, Hutchison Property Group Limited, joined the CK Group in December 1994. She has over 35 years of experience in contract management and quantity surveying in Hong Kong, the PRC and the United Kingdom. She holds a Master's degree in Construction Project Management. She is a Registered Professional Surveyor, a fellow member of the Royal Institution of Chartered Surveyors and a fellow member of The Hong Kong Institute of Surveyors.

Mak Kin Wo, Kenneth, aged 58, Director – Projects, Hutchison Property Group Limited, joined the CK Group in October 2004. He has over 35 years of experience in project management and architectural design for various developments in Hong Kong and the PRC. He holds a Bachelor's degree in Architecture. He is a Registered Architect and a member of The Hong Kong Institute of Architects.

Harbour Plaza Hotel Management Limited

Koh Poh Chan, aged 75, Finance Director of Harbour Plaza Hotel Management Limited, joined the CK Group in January 1991. She is also an Executive Committee Member of CK Asset Holdings Limited and a Director of Harbour Plaza Hotel Management Limited. She has over 43 years of experience in accounting, auditing, tax and finance. She graduated from the London School of Accountancy. She is also a fellow member of The Institute of Chartered Accountants in England and Wales, an associate member of the Canadian Institute of Chartered Accountants as well as of the Chartered Institute of Taxation in the United Kingdom.

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting to shareholders their report together with the audited financial statements of the Group for the year ended 31 December 2023.

Principal Activities

The Group has diverse capabilities with activities presently encompassing property development and investment, hotel and serviced suite operation, property and project management, pub operation and investment in infrastructure and utility asset operation.

Business Review

A fair review of the Group's business, an indication of likely future development in the Group's business and an analysis using financial key performance indicators are provided in the Chairman's Statement and the Management Discussion and Analysis respectively from pages 10 to 15 and pages 16 to 27 of this Annual Report. A description of the principal risks and uncertainties facing the Group are set out in the Risk Factors on pages 184 to 195 of this Annual Report. In addition, particulars of important events affecting the Group that have occurred since the end of the year 2023, if any, are set out in the Chairman's Statement from pages 10 to 15 of this Annual Report. The above discussions form part of this Report of the Directors.

The Group recognises the importance of sustainable business and is conscious of the environmental impact associated with its operations. With increasing interest from regulators and stakeholders regarding climate change, green buildings and sustainable operations, the Group understands the shifting market needs in balancing community welfare, environment and economy. Relevant environmental, social and corporate governance aspects are therefore assessed and considered as part of its investment decisions and various measures are continuously incorporated into its business operations in order to build a sustainable future.

The Group endeavours to minimise its environmental impact through various measures in resource reduction, climate change mitigation, and waste management initiatives. It has established the Corporate Social Responsibility Policy and Environmental Policy, which set out its corporate direction for environmental protection. During 2023, various buildings managed by the Group, "Ma On Shan Plaza" and "The Metropolis Tower", attained the Final Platinum rating under the BEAM Plus Existing Buildings Version 2.0 Comprehensive Scheme; and "Prosperity Millennia Plaza" was awarded Platinum grading under WELL Certification by the International WELL Building Institute in recognition of their efforts in sustainability and green building management. "Seaside Sonata" has been awarded the Final Gold rating of BEAM Plus New Buildings Version 1.2.

REPORT OF THE DIRECTORS (CONTINUED)

The Group maintains close dialogue with key stakeholders (including, but not limited to, employees, shareholders and investors, tenants, customers, suppliers, government bodies, media and rating agents) in the different geographic locations in which it operates. The Group examines stakeholders' concerns and regularly enhances its sustainability strategy to address them. The Group treasures its employees and strives to provide employees with a safe workplace and a positive work environment that fosters personal growth and professional development. Our employment and labour practices prioritise fair treatment, equal opportunities, and the protection of workers' rights. The Group adheres to local labour laws and regulations, and strives to provide competitive compensation and benefits packages, promote work-life balance, and foster a culture of respect and collaboration. The Group is committed to delivering superior customer service and handling queries from customers in a timely and efficient manner. The Group conducts customers' survey regularly to enhance its services and respond swiftly to changes in customer appetite. The Group puts customers' health and safety as its priority, performing daily cleansing and disinfection work at its property locations and pubs. The Group is aware of the indirect impact on the community arising from its ability to influence environmental and social performance within its supply chains, and therefore closely collaborates with its suppliers. In its procurement activity, the Group has a preference for products that are eco-friendly or that have environmental certifications, such as organic fertilisers and paper sourced from sustainable forests.

The Board of Directors of the Company ("Board") is ultimately responsible for sustainability, and is engaged in formulating related strategies and policies which provide direction and guidance to the Group. It oversees sustainability performance, and is responsible for ensuring effective risk (including ESG risk) management and internal controls. The Company has established the Sustainability Committee to oversee management and advise the Board on the development and implementation of the sustainability initiatives of the Group. The Group's sustainability and corporate governance policies provide guidance on the integration of sustainability and purposeful governance into businesses. The Group will continue to publish its annual standalone Sustainability Report. To understand more about the Group's sustainability practices, please refer to the Company's Sustainability Report, which will be available on the website of Hong Kong Exchanges and Clearing Limited and the Company's website at www.ckah.com for inspection and download.

In connection with the Group's property business in Hong Kong, the Residential Properties (First-hand Sales) Ordinance regulates the sales of first-hand uncompleted and completed residential properties and sets out detailed requirements in relation to, among other things, sales brochures, price lists, show flats, viewing of properties in completed developments, disclosures of transaction information, sales arrangements, the mandatory provision for the preliminary agreement for sale and purchase and agreement for sale and purchase for the sales of first-hand residential properties, advertisements and promotional materials. The Group strives to and has taken special care and all necessary steps and reasonable precautions and exercised all due diligence to comply with the said Ordinance including developing internal compliance procedures, familiarising its employees with the specific requirements of the said Ordinance by internal seminars and issuing internal memoranda with updates of the requirements of the said Ordinance and seeking external professional advice to ensure, among other things, accuracy of information made available to public so that transparency and consumer protection of sales of first-hand residential properties can be enhanced.

In connection with the Group's development and project management in Hong Kong, applicable statutory controls include ordinances and regulations on air pollution and other environmental issues, antiquities and monuments, building design, construction works, construction safety, consumers' protection, land use, town planning etc. Each project has external professional consultants working with in-house professional teams with different expertise, under the direction of a Project Manager, for the design and development of the project. During the construction phase, a construction management team, also under the direction of the Project Manager, will be deployed full time on site. The site team will manage and monitor the construction activities to ensure compliance with contract requirements, including applicable ordinances and regulations. Upon completion and before handover to our customers, all units are checked and inspected again by an audit team as well as the customer service handover team to ensure that all units are in good condition and in compliance with the sale and purchase agreement.

In connection with the Group's property business on the Mainland, save as the compliance matters as disclosed in the listing document of the Company dated 8 May 2015 where measures have been undertaken to closely monitor the status and remedial action where appropriate to the circumstances have been in progress, the Group has complied with all applicable laws and regulations, including the Civil Code, the Law of the Administration of Urban Real Estate, Law of Urban and Rural Planning and Civil Air Defence Law, and will seek legal and/or technical advice from external professional consultants, wherever required, to ensure compliance.

In connection with the Group's hotel and serviced suite operation in Hong Kong, the Group ensures its compliance with the Hotel and Guesthouse Accommodation Ordinance, the Public Health and Municipal Services Ordinance, the Food Business Regulations and the Dutiable Commodities (Liquor) Regulations and the Group has maintained requisite licences such as hotel and guesthouse licence, hotel television (transmission) licence, restaurant licence, liquor licence and water pollution control licence from the relevant regulatory bodies if required for its operations.

In the UK, Greene King's managed pubs continue to comply with food safety and health and safety legislation, with no enforcement action received from regulators for over 500 routine inspections in 2023, and their Environmental Health Officer (EHO) food hygiene rating improved to an all-time high of 4.92 (on a scale of 0 – 5). Greene King serves quality food and offers a variety of dishes to customers with a range of calorie options that support a healthy and balanced diet. The children's menus offer fresh fruit, salad and fresh vegetables, in line with the five-a-day UK government recommendation. Greene King's tenanted pub business is subject to the Pubs Code. Compliance with the Pubs Code is overseen by the Code Compliance Officer (the "CCO") appointed by Greene King pursuant to the Pubs Code. Regular internal compliance reporting is undertaken by the CCO, who is required to submit an annual report to the Pubs Code Adjudicator confirming Greene King's compliance with the Pubs Code. Greene King's ESG board, established in 2022, continues to operate and has governance over all aspects of environmental, social and governance and reports to Greene King's group executive board. A key part of its role is to ensure that the group is able to meet its reporting requirements under various new ESG-related regulations. In 2023, Greene King established a regulatory governance forum to ensure that management were made aware of any significant new legislation that could impact the group. Work has also been undertaken to ensure there are clear accountabilities for regulatory compliance across the group and better systems in place to monitor new legislation. In addition, going forwards there will be regular reporting of significant litigation to the group's executive board. Greene King also has a data governance committee which deals with issues relating to compliance with data protection legislation in the UK. Greene King requires all non-pub staff to undertake a variety of training including on matters such as compliance with the Bribery Act and the Equalities Act in the UK.

REPORT OF THE DIRECTORS (CONTINUED)

The Group is committed to the compliance with the Competition Ordinance and has established internal compliance policies and implemented compliance programme to educate its employees so as to ensure that its business practices are compliant with the relevant laws from time to time.

Results and Dividends

Results of the Group for the year ended 31 December 2023 are set out in the consolidated income statement on page 130.

The Directors recommend the payment of a final dividend of HK\$1.62 per share which, together with the interim dividend of HK\$0.43 per share paid on 14 September 2023, makes a total dividend of HK\$2.05 per share for the year.

Group Financial Summary

Results, assets and liabilities of the Group for the last five years are summarised on page 2.

Directors

The Directors of the Company in office at the date of this Annual Report are listed on page 196. The Directors' biographical information is set out on pages 28 to 31.

With effect from 28 April 2023, Ms. Woo Chia Ching, Grace retired as an Executive Director of the Company.

In accordance with the Company's Amended and Restated Articles of Association, the Directors of the Company (including Independent Non-executive Directors) shall be subject to retirement by rotation at each annual general meeting. Mr. Ip Tak Chuen, Edmond, Mr. Chung Sun Keung, Davy, Ms. Pau Yee Wan, Ezra, Ms. Hung Siu-lin, Katherine, and Mr. Donald Jeffrey Roberts will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting. Mr. Chow Nin Mow, Albert will retire as an Independent Non-executive Director of the Company with effect from the conclusion of the forthcoming annual general meeting.

Ms. Lee Wai Mun, Rose was appointed as Independent Non-executive Director of the Company by the Board with effect from 18 December 2023. In accordance with the Amended and Restated Articles of Association of the Company, she holds office until the forthcoming annual general meeting of the Company and, being eligible, offers herself for re-election at the annual general meeting.

Each of the Independent Non-executive Directors has made an annual confirmation of independence taking into account the factors referred to in Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). The Company considers that all Independent Non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

Arrangement to Purchase Shares or Debentures

At no time during the year was the Company or any of its subsidiaries 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.

Directors' Interests in Transactions, Arrangements or Contracts

Save for otherwise disclosed under the section headed "Continuing Connected Transactions", there were no other transactions, arrangements or contracts of significance in relation to the businesses of the Company and its subsidiaries to which the Company or any of its subsidiaries was a party and in which a Director of the Company or his/her connected entity had a material interest, whether directly or indirectly, subsisted at any time during the year 2023 and as at the date of this Annual Report.

Directors' Service Contracts

None of the Directors of the Company 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).

Permitted Indemnity Provision

The Amended and Restated Articles of Association of the Company provide that every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour, or in which he/she is acquitted. A Directors Liability Insurance is in place to protect the Directors against potential costs and liabilities arising from claims brought against the Directors.

REPORT OF THE DIRECTORS (CONTINUED)

Disclosure of Interests

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2023, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company ("Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

Long Positions in Shares

(a) The Company

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate% of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Tzar Kuoi, Victor	Beneficial owner, interest of child or spouse, interest of controlled corporations & beneficiary of trusts	220,000	405,200	368,467,448 (Note 1)	1,328,696,745 (Note 2)	1,697,789,393	47.84%
Kam Hing Lam	Beneficial owner & interest of child or spouse	51,040	57,360	-	-	108,400	0.003%
Ip Tak Chuen, Edmond	Beneficial owner	600,000	-	-	-	600,000	0.01%
Chow Nin Mow, Albert	Beneficial owner	66	-	-	-	66	≈0%
Hung Siu-lin, Katherine	Beneficial owner	43,256	-	-	-	43,256	0.0012%
Donald Jeffrey Roberts	Interests held jointly	-	-	-	10,396 (Note 3)	10,396	0.0002%
Lam Siu Hong, Donny	Interest of spouse & interests held jointly	-	5,472	-	5,420 (Note 4)	10,892	0.0003%

(b) Associated Corporations

Name of Company	Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate% of Shareholding
			Personal Interest	Family Interest	Corporate Interest	Other Interest		
Precise Result Global Limited	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	15 (Note 5)	15	15%
Jabrin Limited	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	2,000 (Note 5)	2,000	20%
Mightycity Company Limited	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	168,375 (Note 5)	168,375	1.53%

Notes:

- (1) The 368,467,448 shares of the Company comprise:
 - (a) 2,272,350 shares held by certain companies of which Mr. Li Tzar Kuoi, Victor is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings.
 - (b) 366,195,098 shares held by Li Ka Shing Foundation Limited ("LKSF"). By virtue of the terms of the constituent documents of LKSF, Mr. Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSF.
- (2) The 1,328,696,745 shares of the Company comprise:
 - (a) 1,171,881,779 shares of the Company held by Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of The Li Ka-Shing Unity Trust ("UT1") and its related companies in which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings ("TUT1 related companies"). Mr. Li Ka-shing is the settlor of each of The Li Ka-Shing Unity Discretionary Trust ("DT1") and another discretionary trust ("DT2"). Each of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1", which is the trustee of DT1) and Li Ka-Shing Unity Trustcorp Limited ("TDT2", which is the trustee of DT2) holds units in UT1 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT1 and DT2 are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard.

The entire issued share capital of TUT1, TDT1 and TDT2 are owned by Li Ka-Shing Unity Holdings Limited ("Unity Holdco"). Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Unity Holdco. TUT1 is only interested in the shares of the Company by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of the Company independently without any reference to Unity Holdco or any of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor as a holder of the shares of Unity Holdco as aforesaid.

REPORT OF THE DIRECTORS (CONTINUED)

As Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT1 and DT2, and by virtue of the above, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said shares of the Company held by TUT1 as trustee of UT1 and TUT1 related companies under the SFO as a Director of the Company.

- (b) 72,387,720 shares of the Company held by Li Ka-Shing Castle Trustee Company Limited ("TUT3") as trustee of The Li Ka-Shing Castle Trust ("UT3") and its related companies in which TUT3 as trustee of UT3 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings ("TUT3 related companies"). Mr. Li Ka-shing is the settlor of each of the two discretionary trusts ("DT3" and "DT4"). Each of Li Ka-Shing Castle Trustee Corporation Limited ("TDT3", which is the trustee of DT3) and Li Ka-Shing Castle Trustcorp Limited ("TDT4", which is the trustee of DT4) holds units in UT3 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT3 and DT4 are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard.

The entire issued share capital of TUT3, TDT3 and TDT4 are owned by Li Ka-Shing Castle Holdings Limited ("Castle Holdco"). Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Castle Holdco. TUT3 is only interested in the shares of the Company by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of the Company independently without any reference to Castle Holdco or any of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor as a holder of the shares of Castle Holdco as aforesaid.

As Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT3 and DT4, and by virtue of the above, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said shares of the Company held by TUT3 as trustee of UT3 and TUT3 related companies under the SFO as a Director of the Company.

- (c) 84,427,246 shares of the Company held by a company controlled by TDT3 as trustee of DT3.
- (3) Such 10,396 shares are jointly held by Mr. Donald Jeffrey Roberts and his wife.
- (4) Such 5,420 shares are jointly held by Mr. Lam Siu Hong, Donny and his son.
- (5) These companies are subsidiaries of the Company and such shares are held through TUT1 as trustee of UT1. By virtue of Mr. Li Tzar Kuoi, Victor's deemed interests as described in Note (2)(a) above, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to such shares under the SFO as a Director of the Company.

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 31 December 2023, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests and Short Positions of Shareholders

So far as is known to any Director or chief executive of the Company, as at 31 December 2023, shareholders of the Company (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

1. Long Positions of Substantial Shareholders in the Shares of the Company

Name of Shareholder	Capacity	Number of Ordinary Shares	Total	Approximate% of Shareholding
Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust	Trustee	1,171,881,779	1,171,881,779 (Note 1)	33.02% (Note 6)
Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust	Trustee & beneficiary of a trust	1,171,881,779	1,171,881,779 (Note 1)	33.02% (Note 6)
Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust	Trustee & beneficiary of a trust	1,171,881,779	1,171,881,779 (Note 1)	33.02% (Note 6)
Li Ka-shing	(i) Interest of a controlled corporation (ii) Founder of discretionary trusts	366,195,098) 1,328,696,745)	1,694,891,843 (Note 2)	47.75% (Note 6)
Li Ka Shing Foundation Limited	Beneficial owner	366,195,098	366,195,098	10.31% (Note 6)

2. (a) Long Positions of Other Persons in the Shares and Underlying Shares of the Company

Name of Shareholder	Capacity	Number of Shares/ Underlying Shares	Total	Approximate% of Shareholding
BlackRock, Inc.	Interest of controlled corporations	177,633,326	177,633,326 (Notes 3 & 5)	5.01% (Note 6)

REPORT OF THE DIRECTORS (CONTINUED)

(b) Short Positions of Other Persons in the Shares and Underlying Shares of the Company

Name of Shareholder	Capacity	Number of Shares/ Underlying Shares	Total	Approximate% of Shareholding
BlackRock, Inc.	Interest of controlled corporations	731,500	731,500 (Notes 4 & 5)	0.02% (Note 6)

Notes:

- (1) The three references to 1,171,881,779 shares relate to the same block of shares in the Company. Of these 1,171,881,779 shares of the Company, 913,378,704 shares of the Company are held by TUT1 as trustee of UT1 and 258,503,075 shares of the Company are held by companies controlled by TUT1 as trustee of UT1. Each of TUT1 as trustee of UT1, TDT1 as trustee of DT1 and TDT2 as trustee of another discretionary trust is taken to have a duty of disclosure under the SFO in relation to the same 1,171,881,779 shares of the Company as described in Note (2)(a) under the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" above.
- (2) The 1,694,891,843 shares of the Company comprise:
 - (a) 366,195,098 shares held by LKSF. By virtue of the terms of the constituent documents of LKSF, Mr. Li Ka-shing may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSF.
 - (b) 1,328,696,745 shares of the Company as described in Note (2) under the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" above. As Mr. Li Ka-shing may be regarded as a founder of each of DT1, DT2, DT3 and DT4 for the purpose of the SFO, Mr. Li Ka-shing is taken to have a duty of disclosure under the SFO as a substantial shareholder in relation to the same 1,328,696,745 shares of the Company after his retirement from the directorship of the Company.
- (3) Such long position includes derivative interests in 1,171,500 underlying shares of the Company derived from unlisted and cash settled derivatives.
- (4) Such short position includes derivative interests in 678,000 underlying shares of the Company derived from unlisted and cash settled derivatives.
- (5) Such disclosure of interests was made in the form of notice pursuant to Part XV of the SFO submitted by BlackRock, Inc. to the Company on 18 December 2023.
- (6) The approximate percentages of shareholding were based on the issued share capital of the Company as at 31 December 2023 (i.e. 3,548,884,333 shares).

Save as disclosed above, as at 31 December 2023, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Continuing Connected Transactions

Each of CK Hutchison Holdings Limited ("CK Hutchison", together with its subsidiaries, "CK Hutchison Group") and the Company has been deemed by the Stock Exchange to be a connected person of the other after completion of the listing of the ordinary shares in the share capital of the Company by way of introduction (the "Listing") on 3 June 2015. Accordingly, transactions entered into between members of the Group and members of the CK Hutchison Group following the Listing would constitute connected transactions of the Company under the Listing Rules.

The following transactions constituted continuing connected transactions of the Company ("Continuing Connected Transactions") under the Listing Rules during the financial year ended 31 December 2023:

(a) Leasing and licensing of premises by the Group to the CK Hutchison Group

On 18 December 2020, the Company entered into an agreement with CK Hutchison to set out the framework terms governing the leasing transactions between the Group and the CK Hutchison Group (the "Leasing Transactions") to be entered into during the period from 1 January 2021 to 31 December 2023 (the "Term") (the "Master Leasing Agreement"). Pursuant to the Master Leasing Agreement, the Company agrees to lease or license or to procure its subsidiaries to lease or license the premises owned by the Group (including office space, car parks and building areas) to members of the CK Hutchison Group as and when reasonably requested by members of the CK Hutchison Group from time to time during the Term, at a rental or licence fee to be negotiated on a case-by-case and arm's length basis, and on normal commercial terms.

The aggregate rental or licence fees of the Leasing Transactions are subject to the annual caps of HK\$849 million, HK\$940 million and HK\$987 million for the years ended 31 December 2021, 31 December 2022, and 31 December 2023 respectively. During the year ended 31 December 2023, HK\$681 million has been paid/payable by the CK Hutchison Group to the Group for the Leasing Transactions.

REPORT OF THE DIRECTORS (CONTINUED)

(b) Purchases of goods and services by the Group from the CK Hutchison Group for use in connection with the Group's property development projects

On 18 December 2020, the Company entered into an agreement with CK Hutchison to set out the framework terms governing the purchases of goods and services (the "Project Related Supplies") by the Group from the CK Hutchison Group for use in connection with the Group's property development projects (the "Project Related Supplies Transactions") to be entered into during the Term (the "Master Purchase Agreement"). Pursuant to the Master Purchase Agreement, CK Hutchison agrees to provide, or to procure its subsidiaries to provide, the Project Related Supplies to members of the Group as and when reasonably requested by the members of the Group from time to time during the Term, at a fee or charge to be negotiated on a case-by-case and arm's length basis, and on normal commercial terms.

The aggregate fees and charges of the Project Related Supplies Transactions are subject to the annual caps of HK\$228 million, HK\$313 million and HK\$313 million for the years ended 31 December 2021, 31 December 2022 and 31 December 2023 respectively. During the year ended 31 December 2023, HK\$127 million has been paid/payable by the Group to the CK Hutchison Group for the Project Related Supplies Transactions.

As Mr. Victor T K Li, the Chairman of the Board, might be regarded as having a material interest in the Continuing Connected Transactions, he voluntarily abstained from voting on the board resolutions of the Company approving the Continuing Connected Transactions. An announcement in respect of the above Continuing Connected Transactions was published on 18 December 2020 in accordance with the Listing Rules.

The Continuing Connected Transactions have been reviewed by the Independent Non-executive Directors. The Independent Non-executive Directors have confirmed that for the year ended 31 December 2023 the Continuing Connected Transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Company has engaged the auditor of the Company to report on the Continuing Connected Transactions of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reported to the Board and confirmed that for the year ended 31 December 2023 nothing has come to the auditor's attention that causes the auditor to believe that the Continuing Connected Transactions (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and (iv) have exceeded the annual caps as set by the Company.

On 13 December 2023, in anticipation of the expiration of the Master Leasing Agreement and the Master Purchase Agreement on 31 December 2023, the Company and CK Hutchison entered into (i) a new agreement setting out the framework terms governing the Leasing Transactions for the period from 1 January 2024 to 31 December 2026; and (ii) a new agreement setting out the framework terms governing the Project Related Supplies Transactions for the period from 1 January 2024 to 31 December 2026 (as defined and more particularly described in the announcement of the Company dated 13 December 2023).

Major Customers and Suppliers

During the year, 50% of the Group's purchases were attributable to the Group's five largest suppliers with the largest supplier accounted for 31% of the Group's purchases. The Group's revenue from sales of goods or rendering of services attributable to the Group's five largest customers was less than 30%.

As at 31 December 2023, GXO Logistics FST Limited and TotalEnergies Gas & Power Limited, both United Kingdom companies, and China State Construction Engineering Corporation, a PRC company, are three of the five largest suppliers of the Group. According to the information available to the Company, (i) GXO Logistics, Inc. is the ultimate parent of GXO Logistics FST Limited, (ii) TotalEnergies SE is the ultimate parent of TotalEnergies Gas & Power Limited, and (iii) China State Construction Engineering Corporation Limited is a subsidiary of China State Construction Engineering Corporation. On the basis of the information available to the Company, BlackRock, Inc., a shareholder owning more than 5% of the number of issued shares of the Company, held 8.912% shares in GXO Logistics, Inc., 6.527% shares in TotalEnergies SE and 0.459% shares in China State Construction Engineering Corporation Limited, as at 31 December 2023.

Saved as disclosed above and to the best knowledge of the Company, none of the Directors and their close associates, nor any shareholder of the Company owning more than 5% of the number of issued shares of the Company, has any interest in the Group's five largest suppliers.

REPORT OF THE DIRECTORS (CONTINUED)

Directors' Interests in Competing Businesses

During the year, the interests of Directors in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group ("Competing Business") as required to be disclosed pursuant to the Listing Rules were as follows:

1. Principal Business Activities of the Group

- (1) Property development and investment
- (2) Hotel and serviced suite operation
- (3) Property and project management
- (4) Interests in Real Estate Investment Trusts
- (5) Pub operation
- (6) Investment in infrastructure and utility asset operation

2. Interests in Competing Business

Name of Director	Name of Company	Nature of Interest	Competing Business (Note)
Victor T K Li	CK Hutchison Holdings Limited	Chairman and Executive Director*	(6)
	CK Infrastructure Holdings Limited	Chairman	(6)
	CK Life Sciences Int'l., (Holdings) Inc.	Chairman	(1)
	HK Electric Investments and HK Electric Investments Limited	Non-executive Director and Deputy Chairman	(6)
Kam Hing Lam	Power Assets Holdings Limited	Non-executive Director	(6)
	CK Hutchison Holdings Limited	Deputy Managing Director	(6)
	CK Infrastructure Holdings Limited	Group Managing Director	(6)
	CK Life Sciences Int'l., (Holdings) Inc.	President	(1)
Ip Tak Chuen, Edmond	Hui Xian Asset Management Limited	Chairman and Non-executive Director	(1), (2), (3) & (4)
	CK Hutchison Holdings Limited	Deputy Managing Director	(6)
	CK Infrastructure Holdings Limited	Deputy Chairman	(6)
	CK Life Sciences Int'l., (Holdings) Inc.	Senior Vice President and Chief Investment Officer	(1)
Chiu Kwok Hung, Justin	ARA Asset Management (Fortune) Limited	Non-executive Director	(1)**, (3) & (4)
	ARA Asset Management (Prosperity) Limited	Chairman and Non-executive Director	(1)**, (3) & (4)
	ESR Group Limited	Non-executive Director	(1)**, (3) & (4)
Chow Wai Kam, Raymond	Continental Aerospace Technologies Holding Limited	Non-executive Director	(1)

Note: Such businesses may be conducted through subsidiaries, associated companies or by way of other forms of investments.

* Mr. Victor T K Li was the Chairman and Group Co-Managing Director before the re-designation with effect from 1 April 2024.

** The companies are reported to be engaged in property development and/or investment activities in 2023.

Save as disclosed above, none of the Directors is interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with businesses of the Group.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's Amended and Restated Articles of Association, or the laws of Cayman Islands, which would oblige the Company to offer new shares on pro-rata basis to existing shareholders.

Purchase, Sale or Redemption of the Company's Listed Securities

During the year ended 31 December 2023, the Company bought back a total of 45,557,000 Shares on the Stock Exchange for an aggregate consideration of HK\$1,969,034,325.00 (before expenses). All the Shares bought back were subsequently cancelled. As at 31 December 2023, the total number of Shares in issue was 3,548,884,333⁽¹⁾.

Particulars of the share buy-backs are as follows:

Month	Number of Shares bought back	Purchase price per Share		Aggregate consideration (before expenses) (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
March 2023	1,570,000	47.00	45.65	72,511,450.00
April 2023	989,000	46.00	45.25	45,162,650.00
May 2023	12,600,000	44.90	42.10	541,026,925.00
June 2023	15,941,000	45.20	42.80	699,500,025.00
August 2023	12,286,500	43.85	41.55	523,838,750.00
September 2023	1,970,500	40.70	39.70	79,582,025.00
November 2023	100,000	37.10	37.05	3,707,500.00
December 2023	100,000	37.10	37.00	3,705,000.00
	45,557,000			1,969,034,325.00

Note:

(1) This does not reflect the 200,000 Shares repurchased during the period from 30 November 2023 to 11 December 2023 which were cancelled on 7 February 2024. As at the date of this Annual Report, the total number of Shares in issue is 3,548,684,333.

The Directors were of the view that the above share buy-backs would lead to an enhancement of the net assets and/or earnings per Share and benefit the Company and the shareholders.

Save as disclosed above, during the year ended 31 December 2023, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Equity-Linked Agreements

For the year ended 31 December 2023, the Company has not entered into any equity-linked agreement, and there did not subsist any equity-linked agreement entered into by the Company as at 31 December 2023.

REPORT OF THE DIRECTORS (CONTINUED)

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of any business of the Group were entered into or existed during the year.

Sufficiency of Public Float

Based on information publicly available to the Company and within the knowledge of the Directors as at the date of this Annual Report, the Company has maintained the prescribed public float under the Listing Rules.

Donations

During the year, the Group supported a wide variety of charitable activities of the community. Donations of approximately HK\$8 million were made by the Group to various charitable organisations.

Audit Committee

The Group's Annual Report for the year ended 31 December 2023 has been reviewed by the audit committee of the Company (the "Audit Committee"). Information on the work of Audit Committee and its composition are set out in the Corporate Governance Report on pages 75 to 78.

Auditor

The consolidated financial statements for the year have been audited by Messrs. Deloitte Touche Tohmatsu who will retire and offer themselves for re-appointment at the 2024 annual general meeting.

On behalf of the Board

Victor T K Li

Chairman and Managing Director

Hong Kong, 21 March 2024

Note: With effect from 1 April 2024, Mr. Ip Tak Chuen, Edmond was re-designated from the position of Deputy Managing Director to Deputy Chairman of the Company. With effect from the same date, Mr. Victor T K Li was re-designated from the position of Chairman and Group Co-Managing Director to the Chairman and Executive Director of CK Hutchison Holdings Limited. The positions held by the Executive Directors provided in this Annual Report have been updated as at 19 April 2024, the date of release of this Annual Report.

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board") and the management of the Company are committed to the maintenance of good corporate governance practices and procedures of the Company and its subsidiaries (the "Group"). The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholder value. The corporate governance principles of the Company emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders.

The Company has applied the principles and complied with all code provisions (except code provision C.2.1 with respect to the separate roles of the Chairman of the Board (the "Chairman") and Managing Director, and code provision C.1.6 with respect to Independent Non-executive Directors' attendance at general meetings, as further elucidated below) and, where applicable, the recommended best practices of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2023.

SUSTAINABLE BUSINESS MODEL

Vision

CK Asset Holdings Limited began a new chapter of growth in 2015 following the strategic reorganisation of Cheung Kong (Holdings) Limited. The name "Cheung Kong" originates from the Yangtze River, which aggregates countless streams and tributaries. Inspired by the Yangtze's unique power of synergy, the Group's vision is to inspire societal improvement and contribute to the development of a brighter future through the combined efforts of many. This vision has been reinforced over the years by the Group's founder and the current Chairman together with a dedicated management team whose diligence, perseverance and innovation have collectively contributed to the continuing success of the Group.

Purpose

With its foundation laid over 70 years ago, CK Asset Holdings Limited is a leading multinational conglomerate that has diverse capabilities with business activities presently encompassing property development and investment, hotel and serviced suite operation, property and project management, pub operation and investment in infrastructure and utility asset operation, as well as interests in three listed real estate investment trusts. The Group's purpose is to enrich lives through an array of assets and services it offers in the current and other sectors and geographies in which its businesses operate, and may operate as the opportunity arises, while sharing its corporate and financial successes with shareholders and creating long-term value for stakeholders through the sustainable development of its businesses.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Values

The core values embraced by the Group include:

Integrity	We act with integrity, honesty and fairness, and adhere to high corporate governance and ethical standards.
Accountability	We are a responsible corporate citizen. We deliver results, quality and value.
Prudence	We make prudent investment decisions based on financial analysis, and pride ourselves in our ability to anticipate and manage risks.
Diversity	We respect individual differences and treat others with dignity.
Collaboration	We prioritise collaboration and collegiality and believe in the power of combined efforts.

Strategy

The Motto: Advancing without Forgoing Stability – This overarching guiding principle is the bedrock of the Group’s business operations. The Group’s emphasis on financial discipline, effective risk management and internal controls has contributed to a strong track record of outstanding operational and financial performance. The Group has also demonstrated remarkable resilience during adversities. It employs a prudent growth strategy and seeks to capture timely opportunities in different economic phases of market cycles with financial agility and strategic flexibility.

Optimise its Strength in the Property Development Sector – The Group has a leading market share in the property development sector in Hong Kong and the Mainland with presence in the UK and Singapore. Property development has been a significant part of the Group’s heritage and remains close to our heart. The Group will continue to optimise its property development portfolio and expand its land bank as suitable investment opportunities arise in and outside of Hong Kong.

Broaden Quality Recurrent Income Base – The Group maintains a quality investment portfolio in line with its investment strategy and criteria which focus on fundamentals, growth prospects and sustainability performance, with quality recurring income streams to complement the cyclical revenue generated from the development and sales of properties. Its global portfolio is rich in stability and potential, and is diversified across geographies and sectors. The Group will continue to look for opportunities to broaden its quality recurrent income and sector and geographical base to generate sustainable returns, and when suitable opportunities arise, engage in strategic collaboration with others, including listed companies within the CK Group, for the benefit of synergistic impact.

Embrace Innovation and Sustainability for Long-term Growth – The Group recognises the value of innovation and the importance of sustainability in driving corporate values throughout its journey. It makes ongoing efforts to support a strong innovation culture and to integrate environmental, social, and governance principles into its investment decisions and business operations to build an ethical corporate culture at all levels. The Group takes a special interest in projects that improve ecosystem performance and drive transformative change to reduce carbon emissions. It will continue to advance its transition to carbon neutrality and work proactively towards a sustainable future.

Sustainable Dividend Policy

The Company is committed to maintaining an optimal capital structure and investment grade credit ratings. This is pursued to deliver returns to shareholders and ensure that adequate capital resources are available for business growth and investment opportunities. Subject to business conditions, market opportunities and maintenance of the Company’s strong investment grade credit ratings, the Company aims to deliver a sustainable dividend that improves over time in line with its underlying earnings performance, consistent with its long-term growth prospects.

Culture

As a multinational conglomerate with businesses around the world, the Group respects the unique set of legal, social, environmental and economic considerations in each individual market, and strives to integrate these considerations into its culture. The Group adheres to high corporate governance standards and conducts its businesses with ethics and integrity. The Group’s vision, values and strategy are inextricably linked to its purpose and business operations, and will continue to underpin its performance in enhancing shareholder value and delivering returns. The Group’s resilient financial results and stable dividend payout amid the challenging macro environment reflect the quality of its assets and steady income stream. Its “A/Stable” and “A2 Stable” credit ratings from Standard & Poor’s and Moody’s demonstrate its stable outlook.

Through collaboration: The Group promotes the purpose, values and strategy set by the Board by employing a three-pronged approach, which focuses on top-down, bottom-up and horizontal interactions and the close collaboration between the Board, employees and the communities in which the Group operates. With a positive and productive culture that celebrates diversity and collaboration, the Group is poised to maintain stable growth through effective risk management and financial prudence. The Group’s culture and values will continue to support its mission of enriching lives and creating long-term value for its shareholders and stakeholders through the sustainable development of its businesses.

Through communication and training: The Board, with support of the management, is responsible for fostering the corporate culture to support the Group’s pursuit of success. The desired culture and expected behaviours that underpin the Group’s values are set out in the Group’s Employee Code of Conduct, Employee Handbooks, Supplier Code of Conduct, in conjunction with other policies and procedures issued by the Group from time to time including the Human Rights Policy, Anti-Fraud and Anti-Bribery Policy, Whistleblowing Policy, Anti-Harassment Policy and Workforce Diversity Policy. Induction and regular training are provided to directors and employees to instil and reinforce the Group’s values. Regular in-house training sessions are also provided by The Independent Commission Against Corruption of Hong Kong and The Office of the Privacy Commissioner for Personal Data to reinforce the importance of anti-bribery and anti-corruption compliance as well as data protection and use.

Through governance: The Group maintains a robust corporate governance framework and internal control systems to uphold its accountability with support from internal and external auditors and other professional advisors. The Board, through different board level committees, makes reference to employee and other stakeholder communications, feedback and data, and reviews whistleblowing and audit reports, and other regulatory and compliance performance metrics, to assess and monitor the Group’s culture.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Group adopts a “zero tolerance” approach to bribery, corruption and fraud, and is committed to the prevention, deterrence, detection and investigation of all forms of bribery, corruption and fraud. Reports on any impropriety, misconduct or malpractice within the Group received through the whistleblowing channel are handled on a timely and confidential basis. The Company conducts regular risk assessments both internally and externally, in consultation with the corruption prevention arm of the local anti-corruption authority, to identify risks that it might be exposed to through its businesses, operations and counterparties. In addition to the implementation of relevant policies and procedures, the Group manages its counterparty risks through the pre-screening of track records, due diligence checks and contractual provisions.

Through dialogue: The Group commits to engage stakeholders in ongoing dialogue to better understand their evolving concerns and expectations. Stakeholders can keep abreast of the Group’s development by accessing its website which contains useful and up-to-date information about the Group, and are welcome to provide feedback and suggestions through various channels. The Group has established different forms of engagement for various groups of stakeholders in order to maintain effective and meaningful dialogue. Employees, shareholders, investors, customers, tenants, suppliers, government bodies, rating agencies, the media and other stakeholders are engaged with designated departments and units at various levels of the Group through dedicated communication channels, activities and events. In particular, open and frank discussions among colleagues are encouraged, and designated hotlines, emails and suggestion boxes have been set up to receive comments and feedback from employees. The Group strives to ensure that the legitimate interests and concerns of stakeholders are understood and acknowledged, and reflected in the Group’s strategic planning where appropriate to achieve alignment.

Through appreciation: The Group recognises that its resilience and success depend on its employees, and is committed to providing them with an inclusive workplace, a caring environment and development opportunities to advance and prosper. The Group adopts a transparent recruitment process and recruits in a manner in line with its corporate values. Employee performance and promotion reviews are based on merit and the Group ensures the equity and competitiveness of its employee remuneration policy and recognition programmes. Sponsorships and special leave are offered to eligible employees for career development training. Furthermore, events and activities including sports, leisure classes and health talks have been arranged to support the physical and mental wellness of employees. Refreshments, such as healthy fruits, snacks and beverages, are provided daily at the head office for the enjoyment of employees in response to suggestions from colleagues. The Group implements measures to protect the health and safety of employees. The Group has made an effort to go above and beyond for its employees to make them feel appreciated and at ease in assimilating the corporate culture.

Through reflection: All Directors* have completed a Board performance evaluation for 2023. The results show that the Directors are satisfied with the performance of the Board and have identified some areas for further enhancement. Taking into account the corporate culture in a range of contexts, including the Board performance evaluation conducted for 2023, the Board considers that the culture and the purpose, values and strategy of the Group are aligned.

* Except for Ms. Lee Wai Mun, Rose who was appointed as an Independent Non-executive Director with effect from 18 December 2023

THE BOARD

Roles of the Board

Accountable to the shareholders under the leadership of the Chairman, the Board leads, directs and supervises the Company’s affairs to enable the long-term success of the Company. The Board is responsible for shaping and monitoring the corporate culture, setting long-term strategic objectives, policies and directions of the Company with appropriate focus on values creation and risk management. The Board evaluates the Group’s operating, financial and sustainability performance and oversees the executive management of the Company with the support of various standing committees, and ensures the Company maintains effective communication with shareholders and appropriate engagement with other key stakeholders. The Board ensures appropriate and adequate reporting in annual reports, including financial statements, ESG, disclosure of Board’s practices and other corporate policies. The Board is accountable for its actions or inactions, and where appropriate, the Board takes the shareholders’ and stakeholders’ view into account in its decisions. The Board ensures adequacy of resources, staff qualifications and experience, especially for the Company’s accounting, internal audit and financial reporting functions.

The Company’s management is responsible for the day-to-day operations of the Group.

The Company has arranged and maintained appropriate and adequate directors and officers liability insurance coverage for its Directors and officers since its listing on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Board Composition

As at 31 December 2023 and as at the date of this Annual Report, the Board consists of 16 Directors, comprising seven Executive Directors and nine Independent Non-executive Directors. Details of the composition of the Board are set out on page 196 of this Annual Report. Throughout the year ended 31 December 2023 and up to the date of this Annual Report, more than half of the Board are Independent Non-executive Directors and more than one of them have appropriate professional qualifications, or accounting or related financial management expertise. Independent Non-executive Directors have been identified in all corporate communications that disclosed the names of Directors.

CORPORATE GOVERNANCE REPORT (CONTINUED)

A formal letter setting out the key terms and conditions of the Board appointment was issued to each Director upon appointment. Since the date of the last corporate governance report, the following changes to the composition of the Board have taken place:

1. Ms. Woo Chia Ching, Grace retired as an Executive Director with effect from 28 April 2023; and
2. Ms. Lee Wai Mun, Rose was appointed as an Independent Non-executive Director with effect from 18 December 2023.

The Board, through and by the Nomination Committee, reviews the Board's structure, size and composition at least annually to ensure that the Board has a balance of expertise, skills, experience and diversity of perspectives appropriate to the requirements of the business of the Group and a balanced composition of Executive and Non-executive Directors.

The Company maintains, on the websites of the Company and Hong Kong Exchanges and Clearing Limited ("HKEX") an updated list of Directors identifying their respective roles and functions and whether they are Independent Non-executive Directors. The Directors' biographical information and the relationships among the Directors are set out on pages 28 to 31 of this Annual Report and on the website of the Company.

Chairman and Managing Director

During the year, the positions of Chairman and Managing Director are held by the same individual, namely, Mr. Victor T K Li. Although the positions of Chairman and Managing Director are not separately held, the Board is of the view that this is the most appropriate arrangement in the interest of the shareholders as a whole at present. All major decisions are made, in accordance with current practice, in consultation with members of the Board and relevant Board Committees and key personnel of the Group after thorough discussions. As at 31 December 2023 and as at the date of this Annual Report, the Board has a majority of Independent Non-executive Directors. These nine Independent Non-executive Directors have a balance of expertise, skills, experience and diversity of perspectives appropriate to the requirement of the Group's business, and they will continue to provide their views and comments to Mr. Victor T K Li as Chairman and Managing Director as they have done so over the years.

The Chairman provides leadership for the Board and ensures effective performance of the duties of the Board and that all key and appropriate issues are discussed in a timely manner. Under the leadership of the Chairman, the Board determines the strategic directions of the Group. With the support of other Executive Directors and the Company Secretary, the Chairman sets the agenda for each Board meeting taking into account, where appropriate, matters proposed by the other Directors for inclusion in the agenda, and ensures that all Directors receive adequate and accurate information, and are properly briefed on issues arising at Board meetings, on a timely manner.

The Chairman encourages and solicits opinions from the Directors and urges for Directors' active contribution to the Board's affairs, and takes the lead to ensure that the Board acts in the best interest of the Company. The Chairman promotes a culture of openness and a constructive relationship between Executive and Non-executive Directors, and encourages Directors with different views to voice their concerns. The Chairman allows sufficient time for discussion of issues and ensures that Board decisions fairly reflect Board consensus. Led by the Chairman, the Board and the management of the Company have taken appropriate steps to facilitate effective communication with shareholders and engagement with other stakeholders, and have put in place good corporate governance practices and procedures.

The Chairman leads the Board in fostering the Group's corporate culture in alignment with its purpose, values and strategy set by the Board, to reinforce the Group's vision and pursuit of success.

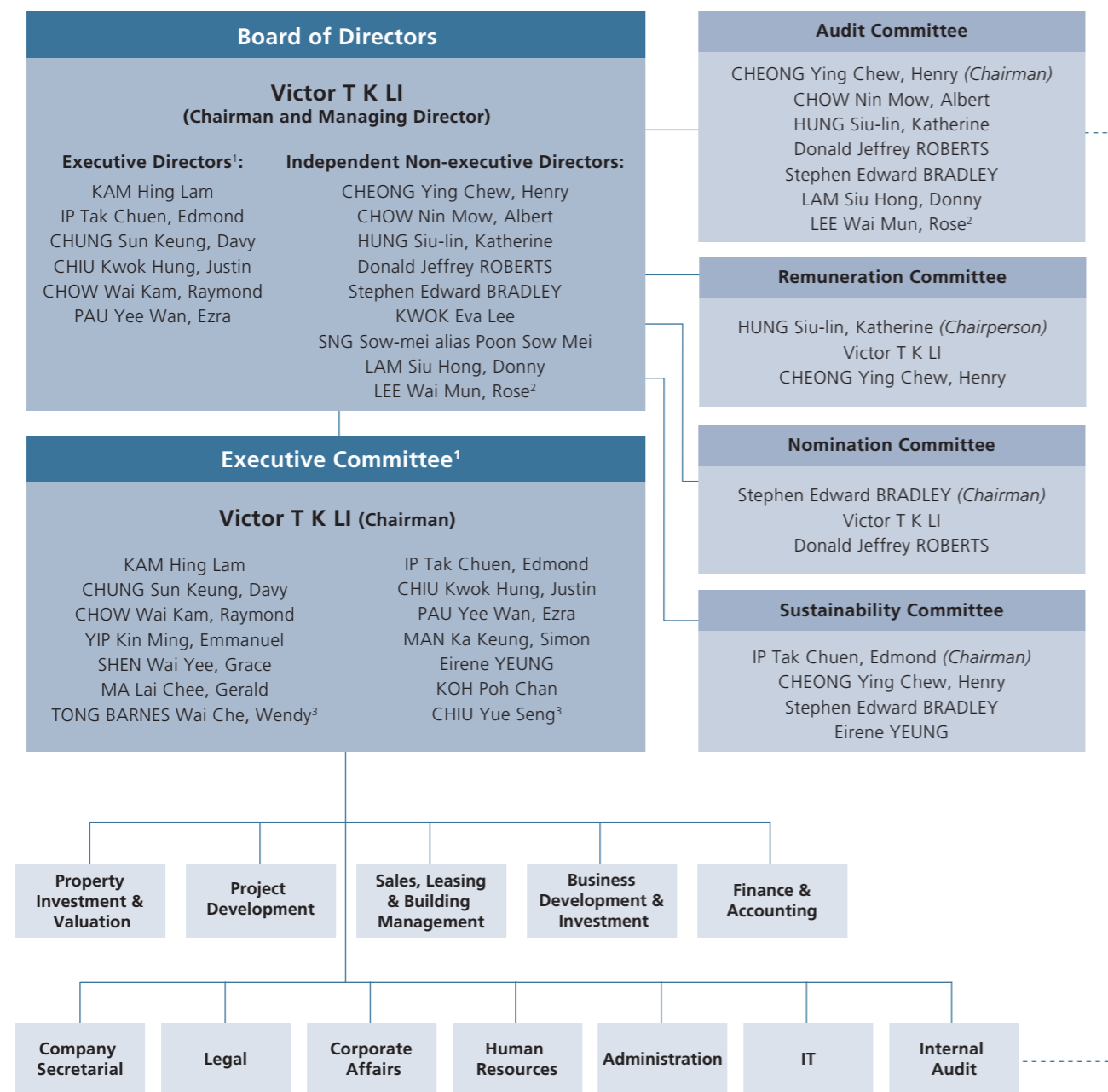
Executive Directors and the Executive Committee

Executive Directors are in charge of different business units and functional divisions in accordance with their respective areas of expertise. The management of the Company reports acquisitions of or investments in businesses or projects, and other matters as considered appropriate, back to the Board, and obtains the Board's prior approval before making decisions or entering into any commitments on behalf of the Company. Where appropriate, disclosure is made and/or circulars are issued to obtain shareholders' approval in accordance with the requirements of the applicable rules and regulations.

The Executive Committee is one of the five Board committees established with specific terms of reference. (Details of the other Board committees are provided below in this Report.) The Executive Committee is chaired by the Chairman and Managing Director of the Company, and comprises all Executive Directors and eight general managers/business unit heads of the Group. The Executive Committee meets as and when it is necessary to discuss and make decisions on matters relating to the management and operations of the Company, and to assess and make recommendations to the Board on acquisitions of or investments in businesses or projects. The Executive Committee is provided with sufficient resources to discharge its duties, and may seek independent professional advice, through the Company Secretary and at the Company's expense, in appropriate circumstances in discharging its duties.

CORPORATE GOVERNANCE REPORT (CONTINUED)

A Management Structure Chart of the Company is set out below:



Notes:

- Ms. Woo Chia Ching, Grace retired as an Executive Director and a member of Executive Committee of the Company with effect from 28 April 2023
- Appointed on 18 December 2023
- Appointed on 1 January 2024

Board Process

The Board meets regularly and at least four times a year at approximately quarterly intervals. Regular Board meetings in a particular year are scheduled towards the end of the immediately preceding year to give all Directors adequate time to plan their schedules. Notice of at least 14 days is given of a regular Board meeting, together with a draft agenda for review and comments. The prior notice gives all Directors an opportunity to include matters in the agenda. The agenda accompanying a full set of papers of a regular Board meeting are circulated not less than three days before the intended date of the meeting, with a view to enabling the Directors to make informed decisions on matters to be considered at the meeting. The Directors are given as much prior notice as is reasonable and practical under the circumstances of ad hoc Board meetings in addition to regular Board meetings.

The Directors are provided with adequate, complete and reliable information in a timely manner to enable them to make informed decisions. All Directors are entitled to have access to Board papers and related materials. Directors make enquiries when they require further information. Communication between the Directors on the one hand and the Company Secretary acting as the co-ordinator for business units of the Group on the other, is a dynamic and interactive process ensuring that queries raised and clarifications sought by the Directors are dealt with and that further supporting information is provided if appropriate. The Company Secretary and the General Manager of the Accounts Department attend all regular Board meetings to advise on corporate governance, statutory compliance and accounting and tax related financial matters, as appropriate. The Directors have been advised that the Company Secretary can arrange independent professional advice at the expense of the Company should such advice be considered necessary by any Director.

Each Director is required to declare his/her interest in accordance with the Company's amended and restated articles of association (the "Articles"). All matters to be considered by the Board which the Board has determined to be material, in which a substantial shareholder or a Director has a conflict of interest, are dealt with in accordance with the applicable rules and regulations and, where appropriate, by an independent board committee to be set up in accordance with the Listing Rules.

CORPORATE GOVERNANCE REPORT (CONTINUED)

During the year ended 31 December 2023, the Company held four regular Board meetings (in March, May, August and November of 2023). All Directors (except for Mr. Chow Nin Mow, Albert who was absent due to medical reasons) attended the annual general meeting of the Company held on 18 May 2023. The attendance record is set out below:

Members of the Board	Board Meeting(s) Attended/Eligible to Attend	Attendance at 2023 annual general meeting
Executive Directors		
Victor T K LI (<i>Chairman and Managing Director</i>)	4/4	1/1
KAM Hing Lam (<i>Deputy Managing Director</i>)	4/4	1/1
IP Tak Chuen, Edmond (<i>Deputy Chairman</i>) ¹	4/4	1/1
CHUNG Sun Keung, Davy	4/4	1/1
CHIU Kwok Hung, Justin	4/4	1/1
CHOW Wai Kam, Raymond	4/4	1/1
PAU Yee Wan, Ezra	4/4	1/1
WOO Chia Ching, Grace ²	1/1	0/0
Independent Non-executive Directors		
CHEONG Ying Chew, Henry	4/4	1/1
CHOW Nin Mow, Albert	1/4 ⁴	0/1 ⁴
HUNG Siu-lin, Katherine	4/4	1/1
Donald Jeffrey ROBERTS	4/4	1/1
Stephen Edward BRADLEY	4/4	1/1
KWOK Eva Lee	4/4	1/1
SNG Sow-mei alias Poon Sow Mei	4/4	1/1
LAM Siu Hong, Donny	4/4	1/1
LEE Wai Mun, Rose ³	0/0	0/0

Notes:

- Mr. Ip was Deputy Managing Director before the re-designation with effect from 1 April 2024.
- Retired as an Executive Director with effect from 28 April 2023.
- Appointed as an Independent Non-executive Director with effect from 18 December 2023. No further meetings were held in 2023 after her appointment.
- Mr. Chow Nin Mow, Albert did not attend the Board meetings held in March, May and August 2023 and the 2023 annual general meeting due to medical reasons.

The Directors have the option to attend Board meetings in person, by phone or through means of electronic communication or by their respective alternate directors (if applicable) or proxies in accordance with the Company's Articles. None of the Directors attended meetings through his/her proxy during the year of 2023. English and Chinese versions of the Company's Articles are available on the websites of the Company and HKEX.

The Directors also considered and approved affairs and matters of the Company by way of written resolutions during the year ended 31 December 2023 with the support of relevant information and explanatory materials necessary and sufficient for the Directors to make informed decisions. All Directors (including the Independent Non-executive Directors) have been given the opportunity to consider, query and comment on such matters before granting approval. In addition, the management of the Company also provides the Directors with monthly updates and other information in order to enable the Directors to keep abreast of the business affairs of the Group and involved in scrutinizing the Group's performance in achieving the Group's corporate goals and objectives.

During the year ended 31 December 2023, in addition to full Board meetings, the Chairman held two meetings with the Independent Non-executive Directors without the presence of other Directors (in May and November of 2023). The attendance record is set out below:

	Meeting(s) Attended/Eligible to Attend
Chairman	
Victor T K LI	2/2
Independent Non-executive Directors	
CHEONG Ying Chew, Henry	2/2
CHOW Nin Mow, Albert	1/2 ²
HUNG Siu-lin, Katherine	2/2
Donald Jeffrey ROBERTS	2/2
Stephen Edward BRADLEY	2/2
KWOK Eva Lee	2/2
SNG Sow-mei alias Poon Sow Mei	2/2
LAM Siu Hong, Donny	2/2
LEE Wai Mun, Rose ¹	0/0

Notes:

- Appointed as an Independent Non-executive Director with effect from 18 December 2023. No further meetings were held in 2023 after her appointment.
- Mr. Chow Nin Mow, Albert did not attend the meeting between Chairman and Independent Non-executive Directors held in May 2023 due to medical reasons.

Board Independence

The Board has maintained a balanced composition of Executive and Non-executive Directors, so that there is strong independence on the Board. As at 31 December 2023 and as at the date of this Annual Report, nine out of the 16 members of the Board are Independent Non-executive Directors accounting for approximately 56% of the Board. The Audit Committee, the Nomination Committee and the Remuneration Committee are chaired by Independent Non-executive Directors. The Audit Committee comprises Independent Non-executive Directors only. Independent Non-executive Directors comprise a majority of each of the Nomination Committee and the Remuneration Committee. A majority of the Directors sitting on the Sustainability Committee are Independent Non-executive Directors.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Independent Non-executive Directors exercise their independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct of the Company. The Independent Non-executive Directors help review the Board's major decisions, the Company's financial and operational performance and monitor performance reporting on a regular basis. During the year ended 31 December 2023, through their participation at the Company's annual general meeting, Board and Board Committee meetings and perusal of reports by and having dialogues with the management, the Independent Non-executive Directors attended to affairs relating to internal audit and controls, corporate governance, directors' appointments, acquisitions and divestments, accounting and financial matters, regulatory compliance, and strategic and sustainability policies of the Company.

The independence of the Independent Non-executive Directors is assessed according to the relevant requirements under the Listing Rules. Each Independent Non-executive Director is reminded to inform the Company and the Stock Exchange as soon as practicable if there is any change that may affect his/her independence. Each Independent Non-executive Director has provided the Company with an annual confirmation of independence taking into account the factors referred to in Rule 3.13 of the Listing Rules. Independent Non-executive Directors receive fixed fees for their appointments as members of the Board and additional fees for sitting on each Board Committee. None of such fees are based on the performance of the Group. None of the Independent Non-executive Directors are financially dependent on the Group.

The Board considers that a Director's independence is a question of fact and that cross-directorships do not necessarily result in significant links with other directors or compromise the independence of an Independent Non-executive Director. Instead, the experience of sitting on other listed boards broadens a Director's perspective and enriches a Director's contributions to Board discussions. The Independent Non-executive Directors are professionals with high esteem and integrity, experts in their specific fields with a wide spectrum of skills and experience, and financially independent. The Independent Non-executive Directors are able to provide independent, constructive views with respect to the Company's matters and challenges to the management and other Directors as circumstances require. During the year ended 31 December 2023, one new Independent Non-executive Director was appointed to the Board according to the Company's Articles, Director Nomination Policy and Board Diversity Policy. The Board is of the view that all Independent Non-executive Directors of the Company meet the independence guidelines set out in Rule 3.13 of the Listing Rules.

The following paragraphs provide a summary of the mechanism maintained by the Company to ensure independent views and input are available to the Board.

Pursuant to the Company's Board Diversity Policy and Director Nomination Policy, the Board, through the Nomination Committee, reviews and assesses the profile of a candidate for directorship with a view to achieving a balance of skill set, experience, expertise and diversity of perspectives appropriate for the strategies of the Company. As reported above, a balanced composition secures strong independence on the Board and the Board Committees. To maintain the desired independence, the Company assesses the independence of the Independence Non-executive Directors periodically on the Board in accordance with the requirements of the Listing Rules.

The Chairman encourages Directors with different views to voice their concerns to promote diversity of thought and independence of judgement. To enable the Directors to discharge their duties and identify and understand issues quickly, the management of the Company provides the Directors with all relevant documents and information in a timely manner, with a view to enabling the Directors to exercise independent judgement, contribute to discussions and make informed, resilient decisions. To facilitate these objectives, the Directors are entitled to seek further information from the management on the matters to be discussed at meetings of the Board or Board Committees, and/or to seek assistance from the Company Secretary who will be co-ordinating between the Directors and the management to deal with any queries from the Directors, or seek assistance from external professional advisers at the Company's expense.

In addition, the two meetings held every year between the Chairman and Independent Non-executive Directors without the presence of the other Directors provide an exclusive platform for Independent Non-executive Directors to raise concerns, exchange views and discuss issues about the Company or its business, such as corporate governance enhancement, efficiency of the Board and any other matters they may wish to discuss without the presence of the Executive Directors and the management.

The Board has conducted an evaluation of its performance for the year 2023, including the aspects contributing to the effective implementation of the mechanism discussed above.

Commitment, Induction and Professional Development

The Directors disclose to the Company at the time of appointment their other significant commitments, such as the number and nature of offices held in public companies or organisations, and notify the Company of any subsequent changes in a timely manner. The Company considers that all Directors have given sufficient time and attention to the affairs of the Group. The Company considers that there has been satisfactory attendance of the Directors at the Company's general meeting, Board meetings, Board Committee meetings and, with respect to the Independent Non-executive Directors, the meetings between the Chairman and the Independent Non-executive Directors during the year ended 31 December 2023. Executive Directors have hands-on knowledge and expertise in the areas and operations of which they are in charge. Appropriate attention to the affairs of the Company is measured in terms of time as well as the quality of such attention, the ability of the Directors to contribute with reference to their areas of knowledge, skills and expertise and the ability to bring global perspectives to the Company. The Independent Non-executive Directors have consistently demonstrated their commitment to being fully engaged with the Company's affairs both inside and outside the boardroom, and their ability to devote sufficient time to the Board. The Company considers that the Independent Non-executive Directors manage to make a positive contribution to the development of the Group's strategy and policies through independent, constructive and informed comments.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Shortly before the appointment takes effect, a prospective Director receives a comprehensive induction package comprising a policy handbook containing the Company's corporate governance and sustainability policies and procedures, as well as a guidance book, compiled and reviewed by the Company's external legal advisers, providing an overview of directors' duties and obligations under the Listing Rules and other relevant legal and regulatory requirements. The Company instructs its external legal advisers to give a briefing session to take a prospective Director through all the directors' duties and responsibilities under the applicable laws and regulations, and other requirements under the Listing Rules that are applicable to him/her as a Director, before the appointment is effective. (In the case of Ms. Lee Wai Mun, Rose who was appointed an Independent Non-Executive Director with effect from 18 December 2023, such briefing session was held on 8 December 2023 at the office of the Company by a firm of solicitors qualified to advise on Hong Kong Law.) Senior executives and responsible officers provide newly appointed Directors with orientation briefings on the roles of a member of the Board and Board Committees and on the Group's structure, business outlook and strategy, financial reporting and accounting practice, risk management and governance framework. The Company Secretary and responsible officers liaise proactively with newly appointed Directors before and after their appointments to facilitate their discharge of duties and responsibilities as Directors of the Company.

All Directors are encouraged to participate in continuous professional development ("CPD"). The Company has a long history of organising and providing Directors with tailored CPD training, at the cost of the Company, to enable the Directors to develop and refresh their knowledge and skills on the roles, functions and duties of a listed company director and discharge their duties and responsibilities for the benefit of the Company. Since the listing of its shares on the Stock Exchange, the Company has been organising in-house seminars and webinars on an annual basis for the Directors and directors of other companies of the entire CK Group. The Company Secretary and the responsible officers at the Company Secretarial Department of the Company also assist the Directors, on an individual basis, from time to time upon request in handling any regulatory, compliance or governance issues that the Directors may come across in the performance of their duties and responsibilities.

Throughout the year ended 31 December 2023, the Directors have participated in CPD to keep abreast of the latest developments in areas including laws and regulations, the Listing Rules, governance and sustainability practices, directors' duties, and industry-specific and innovative changes in the markets in which the Group operates, primarily by the following means:

1. Reading guidelines, memoranda, reports, updates and other papers prepared or compiled from time to time by or for the Company;
2. Attending briefings/seminars/conferences/courses/workshops organised by the Company, professional bodies and/or government authorities; and
3. Reading news/journals/magazines/other materials.

The CPD training received by the Directors in the year ended 31 December 2023 is summarised as follows:

Members of the Board	Training received
Executive Directors	
Victor T K LI (<i>Chairman and Managing Director</i>)	(1) & (3)
KAM Hing Lam (<i>Deputy Managing Director</i>)	(1) & (3)
IP Tak Chuen, Edmond (<i>Deputy Chairman</i>) ¹	(1), (2) & (3)
CHUNG Sun Keung, Davy	(1) & (3)
CHIU Kwok Hung, Justin	(1), (2) & (3)
CHOW Wai Kam, Raymond	(1), (2) & (3)
PAU Yee Wan, Ezra	(1), (2) & (3)
WOO Chia Ching, Grace ²	N/A
Independent Non-executive Directors	
CHEONG Ying Chew, Henry	(1), (2) & (3)
CHOW Nin Mow, Albert	(1) & (3)
HUNG Siu-lin, Katherine	(1), (2) & (3)
Donald Jeffrey ROBERTS	(1), (2) & (3)
Stephen Edward BRADLEY	(1), (2) & (3)
KWOK Eva Lee	(1), (2) & (3)
SNG Sow-mei alias Poon Sow Mei	(1), (2) & (3)
LAM Siu Hong, Donny	(1), (2) & (3)
LEE Wai Mun, Rose ³	(2) & (3)

Notes:

1. Mr. Ip was Deputy Managing Director before the re-designation with effect from 1 April 2024.
2. Retired as an Executive Director with effect from 28 April 2023.
3. Appointed as an Independent Non-executive Director with effect from 18 December 2023.

The Directors have provided the Company with their CPD records for the year ended 31 December 2023.

Compliance with the Model Code

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' dealings in securities of the Company (the "Model Code"). The Model Code is reviewed and revised by the Company to reflect any amendments to Appendix C3 to the Listing Rules from time to time.

All Directors have confirmed that they have complied with the required standards set out in the Model Code regarding their dealings in securities of the Company during the year ended 31 December 2023.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Board has established written guidelines no less exacting than the Model Code for relevant employees in respect of their dealings in the Company's securities. The Company has adopted a policy on handling of confidential information, information disclosure and securities dealing, applicable to the Group's employees when they are in possession of confidential or inside information in relation to the Group. The policy satisfies the requirements under Part XIVA of the Securities and Futures Ordinance. The policy is available on the Company's intranet and disseminated to the employees.

Board Committees

Five Board Committees, namely Audit Committee, Remuneration Committee, Nomination Committee, Sustainability Committee and Executive Committee, have been established with specific terms of reference. Details of these Board Committees are further provided in this Report. The memberships and terms of reference of the Board Committees are available on the websites of the Company and/or HKEX. Board Committees are required to report to the Board on their decisions and recommendations at Board meetings.

The table below provides membership information of these committees on which the Directors served during the year ended 31 December 2023:

Director	Board Committee				
	Audit Committee	Remuneration Committee	Nomination Committee	Sustainability Committee*	Executive Committee*
Victor T K LI		M	M		C
KAM Hing Lam					M
IP Tak Chuen, Edmond				C	M
CHUNG Sun Keung, Davy					M
CHIU Kwok Hung, Justin					M
CHOW Wai Kam, Raymond					M
PAU Yee Wan, Ezra					M
CHEONG Ying Chew, Henry	C	M		M	
CHOW Nin Mow, Albert	M				
HUNG Siu-lin, Katherine	M	C			
Donald Jeffrey ROBERTS	M		M		
Stephen Edward BRADLEY	M		C	M	
LAM Siu Hong, Donny	M				
LEE Wai Mun, Rose ¹	M				

Notes:

* also comprises other key personnel

C Chairperson of the relevant Board Committee

M Member of the relevant Board Committee

1. Appointed as an Independent Non-executive Director and a member of the Audit Committee with effect from 18 December 2023.

COMPANY SECRETARY

Reporting to the Chairman, the Company Secretary advises the Board on corporate governance and other regulatory compliance matters. The Company Secretary assists the Board with the development and maintenance of a sound and effective corporate governance framework, including robust risk management and internal control systems to reinforce regulatory compliance and good corporate governance practices. The Company Secretary further assists the Board in fostering a strong compliance culture to meet regulatory and shareholder expectations.

The Company Secretary is responsible for keeping the Board abreast of developments in the law, rules and regulations that may affect the Company's business and operations. The Company Secretary also assists the Board in monitoring the Company's compliance with Board procedures and the requirements under the Listing Rules and other applicable law, rules and regulations. From time to time, the Company Secretary organises induction and regular training, and prepares briefing materials for Directors and the management of the Company, to provide them with continuous training on regulatory developments or specific topics of relevance to the business of the Company.

The Company Secretary provides compliance advice to the Board and management in the Company's decision making process, and works closely with the Board, in particular the Executive Directors, and the management in the formulation and implementation of the Company's policies and procedures which reflect the values underlying the Company's corporate culture developed over the years in support of the application of the strategy to achieve the Company's purpose. The Company Secretary assists the Board and the Sustainability Committee in aligning the desired corporate culture with the Company's purpose, values and strategy.

As part of the Company's efforts to maintain effective and meaningful engagement with stakeholders, the Company Secretary, in collaboration with the Executive Directors and the management of the Company, acts as a crucial conduit of communications within the Board, between the Board and the management, between the Board and the Company's business units and departments, and between the Company and its shareholders and other stakeholders. In doing so, the Company Secretary facilitates a good channel of communication between the Company and its shareholders, and also assists and works with the Board and the management in responding to inquiries from the regulators in a timely manner. All Directors have access to the advice and services of the Company Secretary in order to ensure that Board procedures, and all applicable law, rules and regulations, are complied with.

The Company Secretary is supported by the Company Secretarial Department in carrying out her duties and responsibilities. The Company Secretarial Department, under the supervision of the Company Secretary, prepares written resolutions and minutes and keeps records of substantive matters discussed and decisions resolved at all Board and Board Committee meetings. Minutes of all meetings of the Board and Board Committees record in sufficient detail the matters considered and decisions reached by the Board or Board Committees. Draft and final versions of the minutes are sent to all Directors or Board Committee members as appropriate for comments and for their records within a reasonable time after each Board or Board Committee meeting. Such minutes and resolutions are available for inspection by Directors or Board Committee members upon request.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Company Secretary is an employee of the Company, and a member of the Executive Committee and the Sustainability Committee. The appointment and dismissal of the Company Secretary is subject to the Board's approval. The Company Secretary has confirmed that she has complied with all the required qualifications, experience and training requirements under the Listing Rules as at 31 December 2023.

ACCOUNTABILITY AND AUDIT

Financial Reporting

Directors are provided with a review of the Group's major business activities and key financial information on a quarterly basis. Monthly updates are provided to all members of the Board, for the purpose of providing a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties. Sufficient explanation and information is provided to the Board to enable Directors to make an informed assessment of the financial and other information put before the Board for approval.

The Directors acknowledge in writing on an annual basis their responsibility for preparing the financial statements of the Group. With the assistance of the Company's Accounts Department which is under the supervision of its General Manager being a professional accountant, the Directors ensure the financial statements of the Group are prepared in accordance with the statutory requirements and applicable accounting standards, and published in a timely manner. Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubts upon the Company's ability to continue as a going concern. The statement by the auditor of the Company regarding its reporting responsibilities on the Consolidated Financial Statements of the Group is provided in the Independent Auditor's Report on pages 174 to 177.

The Board presents a clear, balanced and understandable assessment of the Group's performance and financial position in the Group's annual and interim reports and other financial disclosures required by the Listing Rules, and in other reports to the regulators or information disclosed under applicable statutory requirements. The Board is aware of and updated with the requirements under the applicable rules and regulations about timely disclosure of information or matters regarding the Company and will authorise the publication of such announcements as and when the occasion arises. The relevant responsible departments and business units work closely and in consultation with professional advisers to review the materiality and sensitivity of transactions and proposed transactions and advise the Board accordingly.

The Company issues half-yearly financial results within two months after the end of the relevant period, and annual financial results within three months after the end of the relevant year. All significant transactions and inside information are announced and disclosed in accordance with the Listing Rules during the year. The shareholders of the Company are therefore able to assess the performance, financial position and prospects of the Company.

Given regular Board meetings are held quarterly to review major business and financial information, the Company does not consider it necessary, nor is it in the interests of the Company and its shareholders, to issue quarterly financial results. This would incur costs disproportionate to any additional benefits to the shareholders. The Company considers that quarterly financial reports may not fairly reflect the actual performance of the Company given that the development cycle of property projects often spans several years.

Audit Committee

The Audit Committee comprises seven members, all of whom are Independent Non-executive Directors, with more than one of the members possessing appropriate professional qualifications, or accounting or related financial management expertise. No members of the Audit Committee are former partners of the existing auditing firm of the Company who have ceased to be partners of such firm or ceased to have financial interest in such firm for less than two years.

The Audit Committee is chaired by Mr. Cheong Ying Chew, Henry with Mr. Chow Nin Mow, Albert, Ms. Hung Siu-lin, Katherine, Mr. Donald Jeffrey Roberts, Mr. Stephen Edward Bradley, Mr. Lam Siu Hong, Donny and Ms. Lee Wai Mun, Rose (appointed on 18 December 2023) as members. The Audit Committee held four meetings in March, May, July and November of 2023. The Company's external auditor was invited to attend the meetings held in March, July and November of 2023. During the year ended 31 December 2023, the Audit Committee held two private sessions with the external auditor and internal auditor respectively without the presence of management. Attendance record of the members of the Audit Committee in 2023 is as follows:

Members of the Audit Committee	Audit Committee Meetings Attended/ Eligible to Attend
CHEONG Ying Chew, Henry (Chairman)	4/4
CHOW Nin Mow, Albert	2/4 ²
HUNG Siu-lin, Katherine	4/4
Donald Jeffrey ROBERTS	4/4
Stephen Edward BRADLEY	4/4
LAM Siu Hong, Donny	4/4
LEE Wai Mun, Rose ¹	0/0

Notes:

1. Appointed as a member of the Audit Committee with effect from 18 December 2023. No further meetings were held in 2023 after her appointment.
2. Mr. Chow Nin Mow, Albert did not attend the Audit Committee meetings held in March and May 2023 due to medical reasons.

Minutes of the Audit Committee meetings are kept by the Company Secretary. Draft minutes of the meetings of the Audit Committee are circulated to members within a reasonable time after each meeting for their review and comments and the signed minutes are shared with the members for reference.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The terms of reference of the Audit Committee are updated from time to time in accordance with the provisions set out in the CG Code and are available on the websites of the Company and HKEX. Under the Audit Committee's terms of reference, the role of the Audit Committee is to assist the Board in fulfilling its duties through the review and supervision of the Company's financial reporting, risk management and internal control systems and to take on any other responsibility as may be delegated by the Board from time to time. Audit Committee is responsible for overseeing the Group's financial reporting, risk management and internal control systems, monitoring the integrity of the Group's financial information, overseeing the relationship with the external auditor of the Company, reviewing the arrangements that the Company's employees may use, in confidence and anonymity, to raise concerns about possible improprieties and ensuring proper arrangements are in place for fair and independent investigations and follow-up actions, and performing corporate governance functions delegated by the Board. The Audit Committee is provided with sufficient resources to perform its duties. The Company Secretary arranges independent professional advice for the Audit Committee at the expense of the Company should the seeking of such advice be considered necessary by the Audit Committee.

In 2023, the Audit Committee discharged the duties and responsibilities under the terms of reference and the CG Code. The following is a summary of the work of the Audit Committee during 2023:

1. Reviewed the financial reports for 2022 annual results and 2023 interim results, and unaudited financial results for the first quarter and the third quarter of 2023;
2. Reviewed the findings and recommendations of the Internal Audit Department of the Company on the work of various departments and related companies and updates on remedial actions, as appropriate;
3. Reviewed the effectiveness of the risk management and internal control systems;
4. Reviewed the external auditor's audit findings;
5. Reviewed the external auditor's remuneration;
6. Reviewed the risks of different business units and analysis thereof provided by the relevant business units and the Internal Audit Department;
7. Reviewed the control mechanisms for such risks and the action plans for improvement of the situations;
8. Reviewed the arrangements employees can use, in confidence and anonymity, to raise concerns about possible improprieties in financial reporting, internal control or other matters;

9. Reviewed the following internal policies and corporate governance practices:

Corporate governance policies ("Corporate Governance Policies"):

- (a) Anti-Fraud and Anti-Bribery Policy;
- (b) Anti-Money Laundering Policy;
- (c) Board Diversity Policy;
- (d) Competition Compliance Policy;
- (e) Director Nomination Policy;
- (f) Employee Code of Conduct;
- (g) Information Security Policy;
- (h) Media, Public Engagement and Donation Policy;
- (i) Model Code for Securities Transactions by Directors;
- (j) Policy on Appointment of Third Party Representatives;
- (k) Policy on Handling of Confidential Information, Information Disclosure, and Securities Dealing;
- (l) Privacy Policy and Personal Information Collection Statement;
- (m) Sanctions Compliance Policy;
- (n) Shareholders Communication Policy; and
- (o) Whistleblowing Policy – Procedures for Reporting Possible Improprieties;

Sustainability Policies:

- (p) Anti-Harassment Policy;
- (q) Corporate Social Responsibility Policy;
- (r) Environmental Policy;
- (s) Health and Safety Policy;
- (t) Human Rights Policy;
- (u) Modern Slavery & Human Trafficking Statement; and
- (v) Supplier Code of Conduct; and

10. Reviewed revisions of the following Corporate Governance Policies:

- (a) Anti-Money Laundering Policy;
- (b) Sanctions Compliance Policy;
- (c) Shareholders Communication Policy; and
- (d) Whistleblowing Policy.

At the meeting of the Audit Committee held in March 2024, the Audit Committee:

1. Noted, after due and careful consideration of reports from the management and the internal and external auditors, that no suspected fraud or irregularities, significant internal control deficiencies, or significant suspected infringement of laws, rules, or regulations had been found, and concluded that the risk management and internal control systems were adequate and effective;

CORPORATE GOVERNANCE REPORT (CONTINUED)

2. Reviewed the Group's 2023 consolidated financial statements, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditor. After review and discussions with the management, internal and external auditors, the Audit Committee endorsed the accounting treatment adopted by the Company, and the Audit Committee had to the best of its ability assured itself that the disclosure of the financial information in the Annual Report 2023 complied with the applicable accounting standards and Appendix D2 to the Listing Rules. The Audit Committee therefore resolved to recommend for the Board's approval the consolidated financial statements for the year ended 31 December 2023;
3. Noted the fees for (i) audit services, (ii) tax services and (iii) advisory services provided by the external auditor of the Company for the year ended 31 December 2023 amounted to approximately HK\$45 million, HK\$1 million and HK\$41 million, respectively; and, in this respect, received confirmation from Messrs. Deloitte Touche Tohmatsu ("Deloitte"), the Company's external auditor, that Deloitte is independent in accordance with The Code of Ethics for Professional Accountants issued by The Hong Kong Institute of Certified Public Accountants;
4. Resolved to recommend to the Board the re-appointment of Deloitte as the Company's external auditor for 2024 and that the related resolution be put forth for shareholders' consideration and approval at the 2024 annual general meeting;
5. Reviewed the Annual Report 2023;
6. Reviewed and confirmed satisfaction of the following corporate governance functions, as delegated by the Board and provided in the terms of reference of the Audit Committee:
 - (a) Develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
 - (b) Review and monitor the training and continuous professional development of Directors and senior management;
 - (c) Review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
 - (d) Develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
 - (e) Review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; and
7. Reviewed revisions of Shareholders Communication Policy.

The Whistleblowing Policy is in place for employees and those who deal with the Group (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in matters of financial reporting, internal control or other matters relating to the Group. Such procedures are included in the Company's Employee Handbook and available on the Company's website.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group strives to maintain high standards of corporate governance. During 2023, the Group reviewed its risk management framework and processes and implemented relevant enhancement measures resulting from such exercise. In particular, the Group has developed, approved and implemented an enterprise risk management ("ERM") system (the "ERM System"), which is defined in and supported by a risk management policy (the "RM Policy"). It is a robust internal control system that is designed to provide reasonable assurance on the prevention, detection and handling of any material misstatement or loss and to manage the risk of failure in operating systems and in the achievement of its objectives. It is acknowledged that the assurance provided by the ERM System is not absolute and cannot eliminate such risk completely.

A Risk Management Taskforce ("RMTF") has been established and is the decision-making body for the operation of the ERM System.

The ERM System defines the roles and responsibilities within the Group for risk management activity and describes the methodology and approach to risk identification and assessment that the Group has adopted. The ERM System also contains the established protocols for the communication of risks and measures to address such risks. The Board is ultimately responsible for determining and evaluating the risks that it is willing to take in achieving the Group's objectives, ensuring effective risk management and internal control systems are established and maintained, and overseeing these systems on an ongoing basis. The Group's management is responsible for designing, implementing and monitoring the Group's risk management and internal control systems. They also consider and assess the adequacy of resources, staff qualifications and experience, training programmes, and budgets of the Group's accounting, internal audit, financial reporting functions, as well as those relating to the Group's ESG performance and reporting.

In addition to complying with the CG Code, the Group also strives to enhance the communication of information on risk and controls across different levels and departments/functions/overseas subsidiaries within the Group for the purpose of enhancing accountability in the business operations.

The RM Policy also provides direction to management within the Group for applying consistent risk management practices in which the Group's significant risks (including ESG risks) are identified, prioritised and addressed. It also serves to provide continuity in the Group's risk management activities, by facilitating transitions as turnover of staff may take place.

CORPORATE GOVERNANCE REPORT (CONTINUED)

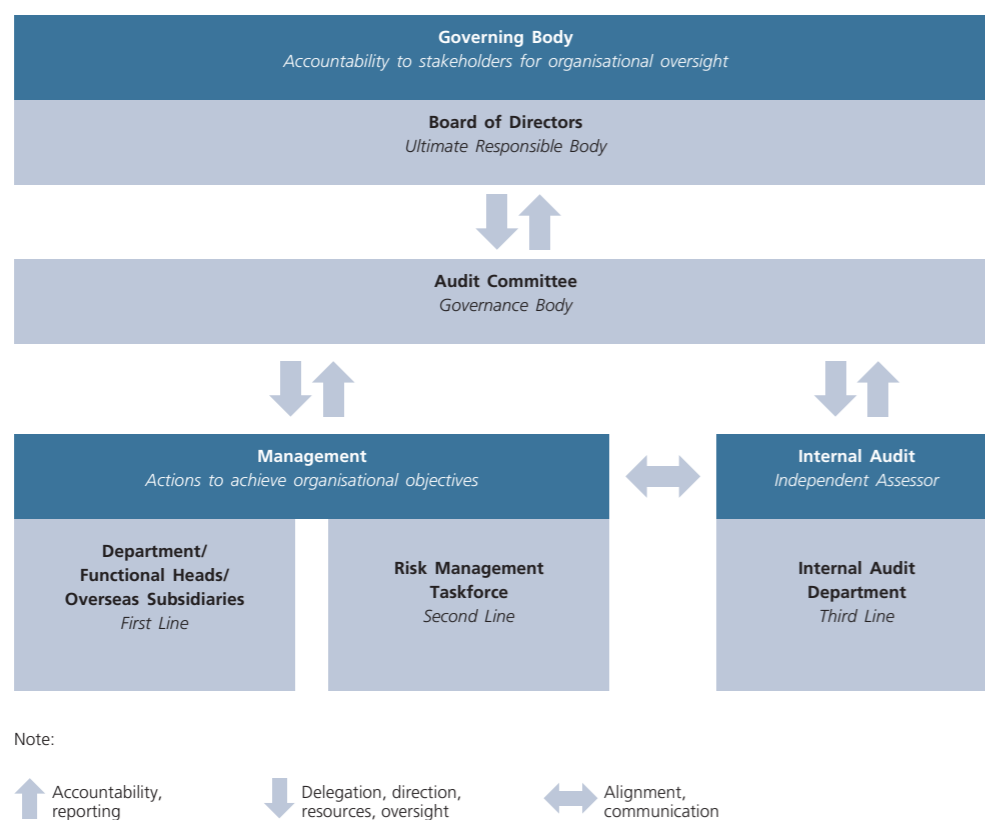
Overall, risk management activity is a key element of our corporate governance practices. The Group recognises that effective risk management is essential to the financial and operational success of the Group. The Group is committed to the continuous improvement of its risk management and internal control systems and will continue to conduct regular reviews to ensure that they are effective and appropriate, especially as business conditions and the organisation develop.

A “Top-Down” approach is adopted in the Group’s risk management system. This is manifested by strong oversight exercised by the Board, the Audit Committee, the RMTF and department heads in the establishment and maintenance of the ERM System.

The terms of reference of the Audit Committee include the responsibility for the oversight of the Group’s risk management and internal control systems, as delegated by the Board. The RM Policy has been endorsed by the Audit Committee.

Governance Structure for Enterprise Risk Management

The governance structure for our ERM System is as shown below:



The Board has overall responsibility for maintaining sound and effective risk management and internal control systems for the Group including, but not limited to:

- Setting and communicating the Group’s strategies and objectives;
- Overseeing the Group’s ERM System and activities, including internal controls, on an ongoing basis, having overall accountability for the effectiveness thereof;
- Evaluating and providing direction to the Group on the nature and extent of the risks that shall be taken to achieve the Group’s strategic objectives (i.e. setting the risk appetite);
- Ensuring a review of the effectiveness of the Group’s ERM System and material financial, operational and compliance controls is conducted at least annually, considering any relevant significant failings or weaknesses identified therefrom, their impact and how they are being addressed;
- Reviewing changes in the nature and extent of significant risks (including ESG risks) from the last annual review and the Group’s ability to respond to these risks and to changes in its business and external environment; and
- Reviewing the scope and quality of management’s ongoing monitoring of risks (including ESG risks) and internal controls, the extent and frequency of communication of the results of risk monitoring to the Board.

The Audit Committee plays a vital role in overseeing the ERM System on behalf of the Board, including by way of:

- Reviewing and approving the RM Policy and subsequent changes that are requested or required;
- Reviewing, on behalf of the Board, the Group’s ERM System and internal controls with the RMTF and the Internal Audit Department on at least an annual basis to ensure that management has fulfilled its duties of establishing and maintaining an effective ERM system and internal controls;
- Reviewing the results of the annual risk assessment, including changes in the nature, and extent of significant risks (including ESG risks) since the last review and the Group’s ability to respond to changes in these risks, and in its business and the external environment;
- Reviewing any enhancements to the ERM System proposed by the RMTF;
- Assessing the extent and frequency of the communication of the monitoring results to the Board and the Audit Committee, and of the effectiveness of the ERM System as well as the processes for financial reporting and for achieving compliance with Listing Rules;
- Considering the results of any investigation into the Group’s risk management practices and internal controls, as delegated by the Board or as performed on its own initiative, and considering management’s responses to the findings of such investigations;
- Identifying key risk issues that might require the Board’s attention and reporting on the same accordingly;
- Performing an annual review on the adequacy of budgets and resources, the qualifications and experience of the management and staff, and the quality of the training program, in order to ensure that there is sufficient coverage of the Group’s key risk issues; and
- Reviewing reports from the external auditor, Deloitte, on internal controls and relevant financial reporting matters, in addition to management’s review.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The RMTF is the decision-making body of the ERM System. It is chaired by an Executive Director and comprises delegates of the Executive Directors and representatives from different functions of the Group, so as to provide effective coverage of the Group as a whole. The RMTF is responsible for the following:

- Assisting the Board and the Audit Committee with overseeing the ERM System and its implementation;
- Making decisions relating to the design or modification of the ERM System, i.e. risk assessment approach/methodology;
- Ensuring that a risk management culture is fostered and developed and that the ERM System is embedded over time into the Group's daily operations;
- Performing ad hoc reviews of the ERM System, as needed;
- Resolving and aligning any risk management practices and activities of different departments/functions/overseas subsidiaries that are inconsistent;
- Ensuring that departments/functions/overseas subsidiaries of the Group commit sufficient resources to carrying out risk management activities in accordance with the RM Policy;
- Reviewing and approving the Risk Inventory (which covered the operational, compliance, and ESG risks) produced as part of the annual risk assessment process performed by Functional Heads and which summarises all key strategic, financial, operational and compliance risks identified;
- Reviewing the results of the annual risk assessment and submitting these results to the Audit Committee for review; and
- Proposing enhancements to the ERM System, including those required to fulfill any changes in regulatory requirements, and submitting these proposed endorsements to the Audit Committee for review.

The Internal Audit Department acts as an independent assessor of the ERM System. In maintaining a sound ERM System, the Internal Audit Department's major responsibilities include but are not limited to the following:

- Carrying out independent assessments of the adequacy and effectiveness of the Group's ERM System;
- Acting as an advisory member of the RMTF advising on matters such as the design, implementation and development of the ERM System, risk assessment practices, etc.;
- Reporting to the Audit Committee on the results of its independent assessments, the scope, frequency and timing of which are subject to the discretion of the Audit Committee; and
- Providing administrative support in relation to the Group's risk assessment process.

On top of the above responsibilities, the Internal Audit Department also provides an independent appraisal of the Group's financial and operating activities, and makes constructive recommendations to the relevant management regarding actions necessary to be taken to address any areas for improvement.

The Internal Audit Department carries out an annual risk assessment of the Group's operations and derives a yearly audit plan based on the risk ratings of various auditable areas. The audit plan is reviewed and endorsed by the Audit Committee before execution. In addition to its agreed schedule of work derived from this plan, the Internal Audit Department conducts other review and investigative work as may be required. The results of internal audit reviews and agreed management action plans in response to the Internal Audit Department's recommendations are reported to the Executive Directors and Audit Committee periodically. The Internal Audit Department also follows up with the management regarding the implementation of the agreed action plans, to ensure that internal controls are continuously enhanced.

Department/Functional Heads/Overseas Subsidiaries and their delegates are responsible for managing risks during their day-to-day operations. Their major responsibilities include, but are not limited to, the following:

- Operating in a manner that is consistent with the Group's risk appetite;
- Embedding appropriate risk management processes and practices into day-to-day operations and fostering a risk culture within the departments/functions under their responsibilities;
- Supporting and participating in the implementation of the ERM System;
- Attending risk assessment meetings and other risk management-related meetings upon the request of the RMTF;
- Identifying and assessing risks (including ESG risks) associated with business activities (including new business) within their own departments/functions;
- Participating in the Group's control self-assessment process (which is performed semi-annually), in order to assess the effectiveness of controls over the reliability of financial reporting, the effectiveness and efficiency of operations, compliance with applicable laws and regulations as well as mitigation of the Group's risks;
- Preparing operational budgets and seeking the approval of the responsible Executive Director for the same, as well as complying with processes for appraising, reviewing and approving major capital and recurrent expenditure;
- Reporting the results of operations against budgets to the Executive Directors on a regular basis; and
- Developing and implementing risk action plans to address key risks in systems, processes and controls which are assessed as being ineffective.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Enterprise Risk Assessment Methodology

The Group adopted the Committee of Sponsoring Organisations of the Treadway Commission's ERM Framework in establishing the ERM System which illustrates the key components of any ERM system necessary for managing risks.

Our ERM activity is integrated into our business and decision-making processes, including the formulation of strategic objectives, business planning and development and daily operations.

The Group's methodology for risk assessment comprises four core stages as shown below.



Ongoing communication, monitoring and review

It mainly involves:

a) Risk Identification

Department/Functional Heads/Overseas Subsidiaries identify risks in the operations for which they are responsible as well as such risks which they believe are relevant to the Group as a whole. All the identified risks are consolidated into a risk inventory.

b) Risk Assessment

Risks in the Risk Inventory are evaluated by a range of senior individuals from the Group using predefined risk assessment criteria associated with two risk dimensions – (i) impact of each risk on the Group; and (ii) the Group's vulnerability to each risk. The risk scoring and prioritisation process is then performed.

c) Risk Response

The prioritised risk ranking is then submitted to the Internal Audit Department for use in preparing the internal audit plan for the upcoming financial year and to the RMTF for review. Risk Owners are assigned for each selected risk, with more significant risks being assigned to more senior individuals. Risk Owners also formulate risk mitigation plans relating to their areas of responsibility for the significant risks identified.

When determining appropriate risk mitigation plans, four types of risk responses are generally adopted:

- **Acceptance:** Risks are considered immaterial and are therefore accepted, based on the Group's risk appetite. No action is considered necessary.
- **Reduction:** Risks cannot be considered immaterial and actions, such as implementing more effective controls, have to be taken to reduce their potential impact, and the Group's vulnerability to such risks, to an acceptable level.
- **Sharing:** Risks cannot be considered immaterial and the Group itself cannot effectively reduce them to an acceptably low level in isolation. Therefore, a portion of the risks have to be transferred to, or shared with, other parties (by insurance, outsourcing, etc.).
- **Avoidance:** Risks are so significant that there are no means, either through reduction or sharing, of mitigating them to acceptable levels without incurring excessive costs. Therefore, activities giving rise to such risks should be avoided.

Such plans are reviewed and approved by the RMTF. The Internal Audit Department incorporates the finalised risk ranking account into its internal audit plan and revises this plan as needed. The revised internal audit plan will then be submitted to the Audit Committee for approval.

d) Risk Monitoring and Reporting

Risk monitoring and reporting are key components of the ERM System as they enable the Board, the Audit Committee, the RMTF and Department/Functional Heads/Overseas Subsidiaries to determine whether the ERM System is functioning effectively and whether risks are being properly addressed. This includes ensuring that risks are identified, prioritised and communicated to those responsible for taking action to address them, and that such actions have been taken and are operating effectively.

Risk Owners monitor the implementation and effectiveness of the risk mitigation plans for which they are responsible. They provide periodic updates to the RMTF on the progress of the implementation of the risk mitigation plans and on the performance of these plans, according to the frequency specified in each plan. Risk management monitoring activities and the effectiveness of the implementation of risk mitigation plans are reviewed by the Internal Audit Department and are included in its internal audit plans.

Communication of Risk Events

Where risk events arise, our communication, both within the Group and to external parties, is an integral part of the ERM System. To enable the Group to make appropriate decisions and responses to mitigate or address any risk event, relevant information on the incident is communicated by and to the right functions and individuals, completely and accurately, and in a timely manner.

The Group has put in place written procedures relating to the handling of confidential and inside information, including Price Sensitive Information in accordance with Hong Kong laws and regulations, and the requirements for communication of information on risk events specified above. These procedures are posted on the Group's intranet and disseminated to all employees of the Group.

CORPORATE GOVERNANCE REPORT (CONTINUED)

In addition, various functions in the Group have established practices and protocols for the escalation and handling of crisis level events, involving the Executive Directors, key personnel and the Corporate Affairs Department, etc., as appropriate. Group personnel refer to their functional/departmental leadership their requirement for further information or guidance relating to the crisis management practices and protocols that are relevant to them.

Review of the Effectiveness of the Enterprise Risk Management System and Internal Control

As mentioned above, the Board is ultimately responsible for the Group's risk management and internal control systems and the related effectiveness review.

The Internal Audit Department conducts ongoing independent assessments of the Group's risk management and internal control systems, including those of its subsidiaries, and reports on these assessments to the Audit Committee. The Audit Committee also reviews the effectiveness of the Group's risk management and internal control systems and reports on these reviews to the Board for each financial year.

For the year ended 31 December 2023, the Board has received confirmation from management on the effectiveness of the risk management and internal control systems. The Board and its Audit Committee considered the risk management and internal control systems to be effective and adequate. They also considered the adequacy of resources, staff qualifications and experience, training and budgets of accounting, internal audit and financial reporting functions, as well as those relating to the Group's ESG performance and reporting. No significant areas of concern that might affect our stakeholders, including our shareholders, were identified during the year ended 31 December 2023.

Legal and Regulatory Compliance

The Group is committed to maintaining high standards of business integrity, honesty and transparency in all its business dealings. In addition to the ERM system and other risk management and internal control measures discussed above, the Company has adopted, and regularly reviews, its comprehensive set of corporate governance policies and sustainability policies, which provide frameworks and directions at the Group level on corporate governance and sustainability-related matters. Business units and operating subsidiaries also develop additional implementation policies and practices that better suit their specific business and operating circumstances.

The Group adopts a "zero tolerance" approach to bribery, corruption and fraud of any kind. Relevant Corporate Governance Policies (e.g. the Anti-Fraud and Anti-Bribery Policy, Anti-Money Laundering Policy, the Employee Code of Conduct and the Whistleblowing Policy, etc.) are in place and available to employees for their attention and adherence for promotion and support of the anti-corruption laws and regulations. In addition to the specific requirements included in the contracts with suppliers for compliance with local laws and regulations, the Supplier Code of Conduct requests that the appointed suppliers maintain the ethical standards which align with the compliance requirements and practices as provided therein. Tailor-made internal seminars and workshops are held from time to time with the assistance of regulators, legal professionals and other experts to provide employees with training on the latest development of the legal and regulatory requirements in relation to anti-corruption and other legal compliance issues.

The Group is subject to the Listing Rules, the Codes on Takeovers and Mergers and Shares Buy-backs, the Securities and Futures Ordinance, the Companies Ordinance, the Cayman Islands Companies Act and other applicable law, rules and regulations. The Group is committed to conducting its businesses in compliance with the applicable local and international law, rules and regulations. During the year of 2023, the Board is not aware of any legal or regulatory non-compliance by the Directors or employees of the Group which might have significant impact on the Group.

NOMINATION OF DIRECTORS

Nomination Committee

A majority of the members of the Company's Nomination Committee are Independent Non-executive Directors. The Nomination Committee is chaired by Mr. Stephen Edward Bradley, an Independent Non-executive Director with another Independent Non-executive Director, Mr. Donald Jeffrey Roberts and the Chairman and Managing Director, Mr. Victor T K Li, as members.

The terms of reference of the Nomination Committee follow closely the requirements of the CG Code and are available on the websites of the Company and HKEX. The principal responsibilities of the Nomination Committee are:

- i. to review at least once annually the structure, size, diversity profile and skills matrix of the Board and the needs of the Board and make recommendation on any proposed changes to the Board to complement the Board to achieve the Group corporate strategy as well as promote shareholder value;
- ii. to identify suitable director candidates and select or make recommendation to the Board on the selection of individuals to be nominated as Directors;
- iii. to assess the independence of Independent Non-executive Directors having regard to the criteria under the Listing Rules;
- iv. to make recommendation to the Board on the appointment or re-appointment of Directors and succession planning for Directors; and
- v. to review the Director Nomination Policy and the Board Diversity Policy of the Company periodically and make recommendation on any proposed revisions to the Board.

A meeting of the Nomination Committee was held in March 2023. Attendance record of the members of the Nomination Committee in 2023 is as follows:-

Members of the Nomination Committee	Nomination Committee Meeting(s) Attended/Eligible to Attend
Stephen Edward BRADLEY (<i>Chairman</i>)	1/1
Victor T K LI	1/1
Donald Jeffrey ROBERTS	1/1

CORPORATE GOVERNANCE REPORT (CONTINUED)

The following is a summary of the work of the Nomination Committee during 2023:

1. Reviewed the structure, size, diversity profile and skills matrix of the Board and the needs of the Board, and made recommendation to the Board on the appointment of Ms. Lee Wai Mun, Rose as an Independent Non-executive Director;
2. Facilitated the Board in the conduct of the selection and nomination process, including identify suitable candidates for consideration by the Board;
3. Assessed the independence of the Independent Non-executive Directors having regard to the criteria under the Listing Rules;
4. Made recommendation to the Board on the re-election of Directors at the 2023 annual general meeting; and
5. Reviewed the Director Nomination Policy and the Board Diversity Policy and made recommendations on any proposed revision to the Board, where applicable.

The Nomination Committee is provided with sufficient resources to perform its duties. The Nomination Committee is empowered by the Board to seek information they require from the management of the Company in order to perform their duties and to have access to independent professional advice at the Company's expense, through the Company Secretary, where necessary.

Nomination Procedures and Board Diversity

The Board recognises the importance of Board refreshment, which brings in new perspectives and ideas to the Board and the Group. The Nomination Committee is responsible for regular review of the Board composition and succession planning for Directors and makes recommendations on changes to the Board, taking the Company's corporate strategy and shareholder value into account.

The Nomination Committee, with delegated responsibility, establishes the policy and procedures for nomination of directors, and determines the process and criteria to select and recommend candidates for directorship. The nomination process has been, and will continue to be, conducted in accordance with the Director Nomination Policy and the Board Diversity Policy. Such policies are available on the website of the Company. The Board, through and by the Nomination Committee, reviews from time to time (and at least once annually) these policies and monitors their implementation to ensure continued effectiveness and compliance with regulatory requirements and good corporate governance practices.

The Company's Director Nomination Policy sets out the approach and procedures the Board adopts for the nomination and selection of suitable director candidates, including the appointment of additional Directors, replacement of Directors and re-election of Directors.

1. The Nomination Committee, from time to time, identifies, assesses, selects and nominates suitable director candidates to the Board for it to consider for appointment. In the determination of the suitability of a candidate, the Nomination Committee considers the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, expertise, independence, age, culture, ethnicity and gender diversity, and in particular considers whether and how the candidate's attributes may be complementary to the Board as a whole, and the candidate's commitment, motivation, integrity and such other factors that it may consider appropriate for a position on the Board. The Board takes into consideration the benefits of a diversified Board when selecting Board candidates. The ultimate responsibility for the selection and appointment of Directors rests with the Board as a whole.
2. If the Nomination Committee determines that an additional or replacement Director is required, it will deploy multiple channels for identifying suitable director candidates. Where a retiring Director, being eligible, offers himself/herself for re-election, the Nomination Committee will, if appropriate, make a recommendation to the Board for its consideration, for such retiring Director to stand for re-election at a general meeting. A circular containing the requisite information on such retiring Director will be sent to shareholders prior to a general meeting in accordance with the Listing Rules. Shareholders of the Company may nominate a person to stand for election as a Director at a general meeting in accordance with the Articles and applicable laws and regulations. The procedures for such proposal are available on the website of the Company.

The Company's Board Diversity Policy sets out the approach to achieving diversity on the Board.

1. The Company recognises the benefits of a Board that possesses a balance of skill set, experience, expertise and diversity of perspectives appropriate for the strategies of the Company. The Company believes that board diversity enhances decision-making capability and thus the overall effectiveness of the Board in achieving sustainable business operation and enhancing shareholder value.
2. The Company takes into consideration the benefits of various aspects of diversity, including gender, age, culture, ethnicity, education background, professional experience and other factors that may be relevant from time to time towards achieving a diversified Board.
3. Appointment to the Board is based on merit and attributes that the selected candidate will bring to the Board to complement and expand the competencies, experience and perspectives of the Board as a whole, taking into account the corporate strategy of the Company.
4. The Nomination Committee is responsible for reviewing the structure, size, diversity profile and skills matrix of the Board, selecting individuals to be nominated as Directors, reviewing succession plan of Directors, and making recommendation on these matters to the Board for approval. The Company is mindful of having an appropriately structured recruitment, selection and training programme at appropriate levels so as to identify and prepare suitable talents for Board positions.

CORPORATE GOVERNANCE REPORT (CONTINUED)

In December 2023, one additional female Independent Non-executive Director was appointed to the Board. There are currently five female Directors, representing about 31% of the Board. However, the Board is of the view that gender should not be the only driving factor in considering a candidate to the Board. The Company would follow the Board Diversity Policy and the Director Nomination Policy to take into account various factors to identify suitable candidates for appointment to the Board, and may adjust the proportion of female directors over time as and when appropriate. The total gender diversity of the Company's workforce (including senior management) as at the end of 2023 is balanced (approximately 51% female: 49% male). The Company seeks to maintain gender diversity at the workforce.

Rotation of Directors

All Directors (including Independent Non-executive Directors) are subject to retirement by rotation at least once every three years. Retiring Directors are eligible for re-election by shareholders at general meetings in accordance with the Company's Articles and the CG Code. Each Director who is subject to retirement by rotation will be appointed by a separate resolution at the Company's annual general meeting.

Where a retiring Director, being eligible, offers himself/herself for re-election at the annual general meeting, the Nomination Committee will consider and, if appropriate, recommend to the Board that such retiring Director be recommended for re-election by the shareholders at the forthcoming annual general meeting. When formulating such recommendations, the Nomination Committee will take into consideration the Company's Articles, Director Nomination Policy and Board Diversity Policy, as well as, in the case of a retiring Independent Non-executive Director, his/her biographical details and diversity profile, and the contributions and independent view he/she can bring to the Board. A member of the Nomination Committee abstains from voting on the resolutions of the Nomination Committee for considering his/her own nomination.

Each retiring Independent Non-executive Director eligible for re-election at the annual general meeting makes a confirmation of independence taking into account the independence factors set out in Rule 3.13 of the Listing Rules. The Board has opined in its circular for 2024 annual general meeting that the retiring Independent Non-executive Directors, eligible for re-election, namely Ms. Hung Siu-lin, Katherine, Mr. Donald Jeffrey Roberts and Ms. Lee Wai Mun, Rose, meet the independence factors set out in Rule 3.13 of the Listing Rules and are independent.

The Board assesses a Director's independence on a case-by-case basis with reference to the Director's business acumen, experience in related industries, professional qualification, international business exposure and the nature of the businesses of the Company. The Board considers that a Director's independence should not be defined by his/her tenure on the Board. A Director who has over time gained in-depth insight into the Company's operations and its markets are well-positioned to offer his/her perspective and advice for discussions on the Board and that he/she can bring valuable contribution to the Company with comprehensive understanding of the operations of the Company.

The Nomination Committee has taken into account the respective contributions of the retiring Independent Non-executive Directors to the Board and their commitment to their roles as Independent Non-executive Directors. The retiring Independent Non-executive Directors have demonstrated their ability to provide independent views to the Company's matters and have brought in fresh perspectives, skills and knowledge gained from their other directorships and appointments on an ongoing basis. The Nomination Committee is satisfied that each of the retiring Independent Non-executive Directors possesses the required integrity and the wealth of skills, knowledge and experience that have enabled them to continue contributing meaningfully and objectively to the Board as an Independent Non-executive Director and the independence of each of the retiring Independent Non-executive Director from the management has not been impaired by the years of service. Based on the biographical information disclosed to the Company, none of the retiring Independent Non-executive Directors holds seven or more listed company directorships. During their tenure as Independent Non-executive Directors, none of the retiring Independent Non-executive Directors has been involved in the daily management of the Company nor has been financially dependent on the Company which would materially interfere with the exercise of independent judgement. There is no evidence that their tenure has compromised their continued independence.

The nomination of the retiring Directors has been made in accordance with the Director Nomination Policy of the Company. The Nomination Committee is of the view that the retiring Directors are appropriate to stand for re-elections and that their re-appointments will enhance the Board's diversity and performance, and accordingly recommends them for re-election at the forthcoming annual general meeting.

The Board, having considered the recommendation of the Nomination Committee, is of the view that the retiring Directors are able to continue to generate significant contributions to the Company and the shareholders as a whole, and has accepted the nomination by the Nomination Committee and recommends the retiring Directors for re-election by the shareholders at the forthcoming annual general meeting. The Board considers that the re-election of the retiring Directors as Directors is in the best interest of the Company and the shareholders as a whole. The retiring Directors abstained from voting at the Board meeting regarding their respective nominations.

As at 31 December 2023, no Independent Non-executive Directors have served the Board for more than nine years. As at the date of this Annual Report, Mr. Cheong Ying Chew, Henry, Mr. Chow Nin Mow, Albert and Ms. Hung Siu-lin, Katherine have served the Board for more than nine years.

CORPORATE GOVERNANCE REPORT (CONTINUED)

REMUNERATION OF DIRECTORS

Remuneration Committee

A majority of the members of the Company's Remuneration Committee are Independent Non-executive Directors. The Remuneration Committee is chaired by Ms. Hung Siu-lin, Katherine, an Independent Non-executive Director, with another Independent Non-executive Director, Mr. Cheong Ying Chew, Henry, and the Chairman and Managing Director, Mr. Victor T K Li as members.

As reported in the last corporate governance report, a meeting of the Remuneration Committee was held in January 2023. Since the publication of the Annual Report 2022 in April 2023, a meeting of the Remuneration Committee was held in January 2024. Attendance record is as follows:

Members of the Remuneration Committee	Remuneration Committee Meeting(s) Attended/Eligible to Attend
HUNG Siu-lin, Katherine (<i>Chairperson</i>)	1/1
Victor T K LI	1/1
CHEONG Ying Chew, Henry	1/1

The terms of reference of the Remuneration Committee are available on the websites of the Company and HKEX. The Board reviewed the terms of reference of the Remuneration Committee in March 2023 and in March 2024 for an update of the terms of reference in accordance with the provisions set out in the CG Code.

Under its terms of reference, the principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration packages of all Directors and the management, making recommendations on the remuneration of Independent Non-executive Directors and, with delegated responsibility, determining the remuneration packages of individual Executive Directors and the management, with reference to the corporate goals and objectives of the Board resolved from time to time. The Board has never approved any remuneration or compensation arrangements which have previously been rejected by the Remuneration Committee.

In the discharge of its duties and to better advise on the Group's future remuneration policy and related strategies, the Remuneration Committee has been advised on the Group's existing Remuneration Policy and proposals for formulating employees' remuneration packages, market trends and other human resources issues relating to the Directors and the management, including, without limitation, succession plans and key personnel movements as well as policies for recruiting and retaining qualified personnel. Human Resources Department provides administrative support and implements the approved remuneration packages and other human resources related decisions approved by the Remuneration Committee. The Remuneration Committee is provided with sufficient resources to perform its duties. The Company Secretary arranges independent professional advice at the expense of the Company for the Remuneration Committee should the seeking of such advice be considered necessary by the Remuneration Committee.

The following is a summary of the work of the Remuneration Committee during the meeting held in January 2024:

1. Reviewed the remuneration policy for 2023/2024;
2. Recommended to the Board the Company's policy and structure for the remuneration packages of the Directors and the management;
3. Reviewed and determined the remuneration packages of Executive Directors and the management with reference to the Company's established practice of the remuneration review;
4. Reviewed the remuneration of Independent Non-executive Directors;
5. Reviewed the annual bonus policy; and
6. Considered HKEX's proposed requirement for listed issuers to disclose whether and how climate-related considerations would be factored into remuneration policies, and considered the preparation for formulating remuneration packages taking account of the Company's ESG performance.

The Remuneration Committee is satisfied that there is in place a clear system for determining remunerations, which is reasonable and has been followed consistently in its application.

No Director or any of his/her associates was involved in deciding his/her own remuneration at the meeting of the Remuneration Committee held in January 2024. The recommendations made by the Remuneration Committee were endorsed by the Board in March 2024.

Remuneration Policy

The remuneration packages of the Executive Directors and the management are determined with reference to the skills, knowledge, experience, involvement in the Company's affairs and the performance of the individuals, taking into account the corporate goals and objectives of the Board resolved from time to time, the expected overall performance of the Group's businesses, market trends (including market data and the prevailing market conditions during that year and remuneration levels relative to peers), and whether the current remuneration programme effectively aligns executive pay and performance (to be assessed against corporate financials). A significant proportion of the Executive Directors' remuneration packages has been structured to link rewards to corporate and individual performance. The Company does not have any share option scheme in place. The Board has resolved that the senior management of the Company comprises the Executive Directors of the Company only. Please refer to note 4 in the Notes to Consolidated Financial Statements for details of the remuneration payable to the Directors.

The Independent Non-executive Directors receive fixed fees for their appointments as members of the Board and additional fees for sitting on each Board Committee. None of such fees are based on the performance of the Group.

CORPORATE GOVERNANCE REPORT (CONTINUED)

SUSTAINABILITY

Sustainability Committee

As at the date of this Annual Report, the Sustainability Committee comprises three Directors, a majority of whom are Independent Non-executive Directors, and the Company Secretary.

The Sustainability Committee is chaired by Mr. Ip Tak Chuen, Edmond, Deputy Chairman. Other members include two Independent Non-executive Directors, Mr. Cheong Ying Chew, Henry and Mr. Stephen Edward Bradley, and the Company Secretary, Ms. Eirene Yeung.

The terms of reference of the Sustainability Committee are available on the websites of the Company and HKEX. The principal responsibilities of the Sustainability Committee include:

- i. to propose and recommend to the Board on the Group's corporate social responsibility and sustainability objectives, strategies, priorities, initiatives, goals and targets;
- ii. to oversee, review and evaluate actions taken by the Group in furtherance of the corporate social responsibility and sustainability priorities, goals and targets, including coordinating with the business units of the Group and ensuring that their operations and practices adhere to the relevant priorities and goals;
- iii. to review and report to the Board on sustainability and ESG risks and opportunities;
- iv. to monitor, evaluate and review emerging corporate social responsibility and sustainability-related issues, trends and best practices that could impact the business operations and performance of the Group;
- v. to oversee and review the Group's corporate social responsibility and sustainability and ESG policies, practices, frameworks and management approaches, and to recommend improvements;
- vi. to consider the impact of the Company's corporate social responsibility and sustainability on its stakeholders, including employees, shareholders, local communities and the environment;
- vii. to review and advise the Board on the Company's public communication, disclosure and publications (including sustainability reports) as regards its corporate social responsibility and sustainability performance; and
- viii. to perform such further functions related or incidental to the foregoing which the Sustainability Committee deems appropriate.

The Sustainability Committee is provided with sufficient resources to perform its duties. The Company Secretary arranges independent professional advice for the Sustainability Committee at the expense of the Company should the seeking of such advice be considered necessary by the Sustainability Committee.

The Sustainability Committee held two meetings in March and November of 2023. Attendance record of the members of the Sustainability Committee in 2023 is as follows:

Members of the Sustainability Committee	Sustainability Committee Meeting(s) Attended/ Eligible to Attend
IP Tak Chuen, Edmond (<i>Chairman</i>)	2/2
CHEONG Ying Chew, Henry	2/2
Stephen Edward BRADLEY	2/2
Eirene YEUNG	2/2

The following is a summary of the major work of the Sustainability Committee during the year of 2023:

1. Reviewed the Group's sustainability objectives, strategies, priorities, initiatives, goals, targets, management approach and work progress and highlights for the year of 2022, in consultation with the external professional consultant;
2. Reviewed the Company's standalone sustainability report for the year of 2022, prepared in consultation with the external professional consultant;
3. Reviewed the progress of the Company towards making climate-related disclosures in compliance with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), and other initiatives, with a view to enhancing the Company's sustainability disclosures and ability to identify and address sustainability-related issues;
4. Discussed the feasibility of setting Science-Based Targets (SBTs) for carbon neutrality;
5. Reviewed the Company's sustainability policies and practices;
6. Considered rating agencies' analyses of the Group's sustainability performance;
7. Considered the plan and preparatory work for the sustainability report for the year of 2023;
8. Reviewed the progress of the Group in 2023 towards the targets set by the Company on electricity consumption, water consumption, paperwaste and green house gas emissions (the "Consumption-based Targets");
9. Considered potential climate-related financial risks, i.e. physical risk and transition risk, that might affect the Group;
10. Considered the consultation paper issued by the Stock Exchange in April 2023 and the proposed scope of disclosures to be made by a listed company; and
11. Considered revisions of (a) Information Security Policy; (b) Environmental Policy; (c) Human Rights Policy; and (d) Supplier Code of Conduct.

At the meeting of the Sustainability Committee held in March 2024, the Sustainability Committee (i) reviewed the sustainability report for the year 2023, (ii) noted that the Company had committed to setting SBTs in December 2023 and had subsequently submitted the SBTs (near term and net zero) to Science Based Targets initiative ("SBTi") for validation, and (iii) reviewed the progress towards achieving the Consumption-based Targets.

Sustainability Report

The Company's standalone sustainability report provides more details of the Group's sustainability efforts and practices. The sustainability report for the year of 2023, published at the same time as this Annual Report, is available on the websites of the Company and HKEX.

CORPORATE GOVERNANCE REPORT (CONTINUED)

SHAREHOLDERS ENGAGEMENT

Shareholders Communication Policy

The Company's Shareholders Communication Policy is available on the Company's website. The policy is subject to review on a regular basis to ensure its implementation and effectiveness.

The Company commits to engaging stakeholders in ongoing dialogues to understand their evolving needs, concerns and expectations. The Company establishes different forms of engagement for different groups of stakeholders to keep consistent interactions and maintains different communication channels for shareholders and investors to communicate their views on matters regarding the Company's businesses and affairs. These channels include (i) corporate communications¹ published on the websites of the Company and HKEX (and, in the case of actionable corporate communications², further disseminated to shareholders in accordance with the Listing Rules); (ii) general meetings which provide a forum for shareholders to raise comments and exchange views with the Board (further details to be provided below); (iii) updated and key information regarding the Group available on the website of the Company; (iv) the Company's website which offers a communication platform between the Company and its shareholders and stakeholders; (v) press conferences and briefing meetings with analysts held from time to time, where applicable, to provide updates on the performance of the Group; (vi) the Company's Hong Kong Share Registrar who deals with shareholders for share registration and related matters; (vii) the Corporate Affairs Department of the Company handling enquiries from shareholders and investors generally; and (viii) other dedicated communication channels, activities and events operated or organised by designated business units and departments at various levels engaging different groups of stakeholders.

These channels are adopted for communications with shareholders, and for shareholders and investors to provide the Company with feedback and engage with the Company actively. Shareholders are encouraged to attend general meetings. Shareholders' questions not fully answered at general meetings will be followed up by the Company Secretarial Department or other relevant departments, as appropriate. Contact details of Corporate Affairs Department are available on the Company's website for taking enquiries and receiving information requests from shareholders. Those enquiries and information requests will be handled by the Corporate Affairs Department or referred to other relevant departments for further handling, as appropriate. Having reviewed the implementation of the multiple channels of communication in place, the Board, through and by the Audit Committee, considers that the implementation of the Company's Shareholders Communication Policy was effective during the year ended 31 December 2023. In March 2023, the Shareholders Communication Policy was amended to include an introduction to the Company's whistleblowing mechanism and related contact details and provide further elaborations on the aims and functions of the various channels available for shareholders' communications. In March 2024, the Shareholders Communication Policy was further amended to reflect the new arrangements for dissemination of corporate communications to shareholders.

No changes have been made to the Company's Articles during the year ended 31 December 2023 and thereafter until the date of this Annual Report.

Notes:

1. "Corporate Communications" refer to any documents issued or to be issued by the Company for the information or action of holders of any of the Company's shares or securities or the investing public, including but not limited to directors' reports, annual accounts and auditor's reports, interim reports, notices of meetings, listing documents, circulars and proxy forms.
2. "Actionable Corporate Communications" refer to any Corporate Communications that seek instructions from holders of the shares in or other securities of the Company on how they wish to exercise their rights or make an election as holders of the shares in or other securities of the Company.

Shareholders Rights and Shareholders Meetings

The Company has only one class of shares. All shares in the Company rank pari passu with each other in all respects, including rights as to voting, dividends and return of capital. The Articles set out the rights of shareholders. Any two or more shareholders holding not less than one-tenth of the paid-up capital of the Company, or any one shareholder which is a recognised clearing house (or its nominee(s)) holding not less than one-tenth of the paid-up capital of the Company, may issue a written requisition to the Board to convene an extraordinary general meeting in accordance with the requirements and procedures set out in the Articles. The objects of the meeting must be specified in the written requisition, and the written requisition must be signed by the requisitioner(s) and deposited at the principal office of the Company in Hong Kong. Within 21 days from the date of deposit of the written requisition, the Board would convene the meeting to be held within a further 21 days. The notice of the meeting shall contain, inter alia, a description of the proposed resolution desired to be put forward at the meeting, the reasons for such proposal and any material interest of the proposing shareholder in such proposal.

A shareholder intending to propose a person other than a retiring Director for election as a Director at a general meeting (including an annual general meeting) may lodge a written notice of his/her/its intention to propose such person for election as a Director with the Company Secretary during a seven-day period commencing on a day after the dispatch of the notice of the general meeting appointed for such election (or any such period, as may from time to time be designated by the Company, being not less than seven days, commencing no earlier than the day after the dispatch of the notice of the general meeting and ending no later than seven days prior to the date of such general meeting). Such written notice must be accompanied by a notice signed by the person to be proposed of his/her willingness to be elected as a Director. The procedures for shareholders to propose a person for election as a Director are available on the website of the Company.

In conducting a poll, subject to any special rights, privileges or restrictions as to voting for the time being attached to any shares by or in accordance with the Articles, every shareholder present in person or by proxy or, in the case of a shareholder being a corporation, by its duly authorised representative, shall have one vote for each share registered in his/her/its name in the register. On a poll a shareholder entitled to more than one vote is under no obligation to cast all his/her/its votes in the same way.

CORPORATE GOVERNANCE REPORT (CONTINUED)

A general meeting may be held as a physical meeting, or as a hybrid meeting conducted by virtual attendance through electronic facilities as well as physical attendance, in the proceedings of which shareholders are provided with on-line access to participate and vote. All corporate communications of the Company are published on the Company's website. Shareholders (including those whose shares are held in the Central Clearing and Settlement System (CCASS)) are entitled to request receiving corporate communications in printed form. (Any such request from a shareholder will cease to be valid after one year, or such shorter period if the original request is revoked in writing, or superseded by a subsequent written request, by such shareholder, prior to the expiry date of the original request.) Details of the arrangements for dissemination of corporate communications (including actionable corporate communications) and the relevant request forms are available on the Company's website under "Dissemination of Corporate Communications" in the "Investor Relations" section. Enquiries may be sent in written form to the Board by addressing them to the Corporate Affairs Department or the Company Secretary by mail at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong or by email to contactckah@ckah.com. The Company Secretary ensures that all such enquiries will be properly directed to the Board, the relevant Board Committee(s), and/or the relevant departments of the Company, as appropriate, for further handling. The Company Secretarial Department is responsible for coordinating communications.

In 2023, the Company held one general meeting. The Chairman, the Chairperson of each of the Audit Committee, the Remuneration Committee, the Nomination Committee, the Sustainability Committee and the Executive Committee and all other Directors in office at the time (except for Mr. Chow Nin Mow, Albert who was absent due to medical reasons) attended the 2023 annual general meeting held in May 2023 and were available to answer questions. The Company's external auditor attended the 2023 annual general meeting and was available to answer questions.

Separate resolutions are proposed at the general meetings of the Company on each substantially separate issue, including the election of individual directors. All the resolutions (other than procedural or administrative resolutions) put to vote at the Company's general meetings are taken by poll.

At the 2023 annual general meeting, the Chairman of the meeting explained (through the Company Secretary) the detailed procedures for conducting a poll, and answered questions from shareholders. The Chairman of the meeting exercised his power under the Articles to put each resolution set out in the notice to be voted on by way of a poll. Representatives of the Hong Kong Share Registrar of the Company were appointed as scrutineers to monitor and count the poll votes cast at the 2023 annual general meeting.

The percentage of votes cast in favour of the resolutions at the 2023 annual general meeting as disclosed in the announcement of the Company dated 18 May 2023 are set out below:

Resolutions proposed at the 2023 annual general meeting		% of Votes
1	To receive the audited Financial Statements, the Report of the Directors and the Independent Auditor's Report for the year ended 31 December 2022	99.9108%
2	To declare a final dividend	100.0000%
3(1)	To elect Mr. Li Tzar Kuoi, Victor as Director	90.3362%
3(2)	To elect Dr. Chiu Kwok Hung, Justin as Director	97.6844%
3(3)	To elect Mr. Chow Wai Kam, Raymond as Director	99.6695%
3(4)	To elect Mr. Cheong Ying Chew, Henry as Director	84.1050%
3(5)	To elect Mr. Stephen Edward Bradley as Director	91.9568%
3(6)	To elect Mrs. Kwok Eva Lee as Director	93.6058%
3(7)	To elect Mrs. Sng Sow-mei alias Poon Sow Mei as Director	94.4152%
3(8)	To elect Mr. Lam Siu Hong, Donny as Director	99.8402%
4	To appoint Messrs. Deloitte Touche Tohmatsu as Auditor and authorise Directors to fix their remuneration	97.9053%
5(1)	To give a general mandate to the Directors to issue additional shares of the Company	98.7436%
5(2)	To give a general mandate to the Directors to buy back shares of the Company	99.7649%

Accordingly, all resolutions put to shareholders at the 2023 annual general meeting were duly passed as ordinary resolutions. Poll results were posted on the websites of the Company and HKEX.

Other corporate information and important shareholders dates are set out in the "Corporate Information and Key Dates" section of this Annual Report.

As at 31 December 2023, the Company had 10,452 registered shareholders, whose shareholdings are categorised as follows:

Number of Shares held	No. of Shareholders	Approximate % of Shareholders	Aggregate Number of Shares held	Approximate % of Issued Share Capital
0 – 1,000	4,097	39.19%	2,288,371	0.06%
1,001 – 5,000	3,827	36.62%	10,124,171	0.29%
5,001 – 10,000	1,075	10.29%	8,195,734	0.23%
10,001 – 100,000	1,283	12.28%	35,885,401	1.01%
Above 100,000	170	1.62%	3,492,390,656	98.41%
Total	10,452	100.00%	3,548,884,333^{Note}	100.00%

Note: As at 31 December 2023, the Company had 3,548,884,333 shares in issue, out of which 1,743,829,860 shares were registered in the name of HKSCC Nominees Limited.

Based on information publicly available and within the knowledge of the Directors, the public float of the Company as at the latest practicable date prior to the date of publication of this Annual Report is approximately 52.14%.

HIGHLIGHTS OF DEVELOPMENT PROPERTIES

21 BORRETT ROAD PHASE 2

Mid-levels West

The project is built on a premium Mid-levels land plot commanding beautiful views of the Hong Kong Island's central business hub and the Victoria Harbour. Phase 2 of the project offers 66 spacious and deluxe residential units.



BLUE COAST

Wong Chuk Hang

Situated above The Southside Shopping Mall and adjacent to the Wong Chuk Hang MTR Station, the project enjoys leisure seaview and greenery. It is conveniently connected to the Central Business District and other regions of Hong Kong. The project belongs to Wong Chuk Hang Station Package 3 which offers a total of 1,200 residential units.



HIGHLIGHTS OF DEVELOPMENT PROPERTIES (CONTINUED)

GRAND JETÉ PHASE 2

Tuen Mun

Surrounding by natural scenery, the project is situated at the Tai Lam section of Castle Peak Road and enjoys spectacular seaview of Gold Coast and luscious greenery of Tai Lam Country Park. Phase 2 of the project offers 400 residential flats.

UPPER WEST SHANGHAI PHASE 4
TENDER 2 (T14)

Shanghai

This office tower, located in Zhenru, the west side of Shanghai, provides approximately 33,000 square metres of grade A office space, suitable for the establishment of global or district headquarters of multi-national companies, in particular in the IT, TMT, manufacturing or consultancy businesses. The project is well connected to various major districts in Shanghai by two subway lines underneath it.



HIGHLIGHTS OF DEVELOPMENT PROPERTIES (CONTINUED)

PERFECT TEN

Singapore

Well situated in Bukit Timah, one of Singapore's most sought-after districts, this project is conveniently connected to major expressways and is embraced by a wide array of amenities within the condominium buildings and neighbourhood. The project is a freehold luxury condominium made up of 2 symmetrical towers with 230 residential flats in total.



NOBLE HILLS PHASE 3C

Guangzhou

This development in Zengcheng District, Guangzhou, combines suburban luxury with convenience. Positioned near Metro Line 21 and the North Third Ring Expressway, it offers a tranquil living experience, replete with upscale amenities, including an opulent clubhouse, commercial amenities and a kindergarten, and easy access to a bustling commercial hub. It is an ideal choice for a comfortable and sophisticated suburban lifestyle.



HIGHLIGHTS OF DEVELOPMENT PROPERTIES (CONTINUED)

REGENCY HILLS LAND NO.4

Chongqing

Regency Hills is situated in the core of Chongqing Nanan District, enjoying vibrant city life with Nanshan views. It is conveniently located near Chongqing Rail Transit Luojiaba Station that allows easy access to core business hubs in Jiefangbei and Nanping. Tailored to daily and commercial needs, it presents a perfect balance of city vibrancy and luxury experience.



LAGUNA VERONA PHASE F

Dongguan

Situated on the waterfront of Henggang Reservoir, Laguna Verona enjoys an advantageous location with picturesque views of Shuilianshan and Dalingshan Forest Parks. Adjacent to an international golf course, it offers a wide range of leisure, recreational and educational facilities in the Greater Bay Area.



HIGHLIGHTS OF DEVELOPMENT PROPERTIES (CONTINUED)

REGENCY GARDEN PHASE 5B-2A

Shanghai

Located on Zhoukang Road at Pudong New District, Regency Garden represents a neighbourhood comprising townhouses and high-rise apartments. Embraced by educational, medical and commercial amenities and in close proximity to Metro Line 18 (Fanrong Road Station) and Metro Line 16 (East Zhoupu Station) that allows easy access to Qiantan, Zhangjiang, Shanghai Disney Resort and Pudong International Airport, it offers prestige living experience in Shanghai.



CHELSEA WATERFRONT – POWERHOUSE

London

Powerhouse is the latest phase of Chelsea Waterfront development, an iconic residential landmark fronting the north bank of the River Thames in London. Situated in the most distinguished and elegant Royal Borough of Kensington and Chelsea, the development offers the very best in contemporary living. The apartments have been designed to create spacious and elegant interiors with views across the River Thames. Powerhouse is now re-energized and reimagined to offer a 21st Century living experience like no other.



HIGHLIGHTS OF INVESTMENT PROPERTIES



1. Cheung Kong Center

2, 3 & 4. Cheung Kong Center II*

* Previously known as Hutchison House
(under redevelopment)

The Group has an investment property portfolio comprising mainly office, retail, and industrial properties. It continues to evaluate and strategically adjust the mix of investment properties from time to time in order to timely release the underlying value of the portfolio.



HIGHLIGHTS OF INVESTMENT PROPERTIES (CONTINUED)

1

2

- 1. The Harbourfront
- 2. China Building



1881 HERITAGE

Located in the heart of Tsim Sha Tsui, this historical development represents a cultural and shopping landmark in Hong Kong.



HIGHLIGHTS OF HOTELS AND SERVICED SUITES



The Group's hotel and serviced suite properties are mostly located in Hong Kong and Shanghai.



- | | | |
|---|---|--|
| 1 | 3 | 1. Harbour Grand Kowloon |
| 2 | 4 | 2. Hotel Alexandra |
| | | 3. Metropolitan Residence Shanghai |
| | | 4. Harbour Plaza Metropolitan Shanghai |

HIGHLIGHTS OF PUB OPERATION



Greene King is a leading integrated brewer and pub retailer which operates pubs, restaurants and hotels across England, Scotland and Wales.



- | | |
|---|---|
| 1 | 3 |
| 2 | 4 |

1. The iconic Grade II listed Dirty Duck in Stratford, underwent a significant six-figure investment in 2023 to enhance the building's exterior and interior facade. Celebrated as being Stratford's 'real' theatre pub, thanks to its proximity to the Royal Shakespeare Theatre, it has been popular with RSC actors for many decades.
2. The Coach & Horses hasn't changed since the 1770s. One of Mayfair's oldest surviving unreconstructed taverns, our Tudor exterior still beckons all punters wanting to experience true London pubs.
3. Customers at Farmhouse Inns, the Holly Tree Farm.
4. Greene King's Flint Eye is a dry-hopped lager that celebrates the Neolithic flint tipped arrows found in and around the brewery's native Bury St Edmunds. Growing in all channels in 2023, Greene King sold more than five million pints of its premium craft portfolio by the end of year.

HIGHLIGHTS OF INFRASTRUCTURE AND UTILITY ASSET OPERATION

The Group has actively expanded its investment portfolio of businesses with stable recurrent income through various acquisitions. Its diversified businesses now include infrastructure and utility asset operations in Continental Europe, Australia, Canada and the United Kingdom.

United Energy, Dampier Bunbury Pipeline, Multinet Gas Networks, Energy Developments



1	2
3	4

1. United Energy distributes electricity to more than 700,000 customers across east and southeast Melbourne and Mornington Peninsula in Australia. United Energy recorded a 22% decrease in greenhouse gas emissions since 2019, as highlighted in its Sustainability Report 2022 published in the first quarter of 2023.
2. Dampier Bunbury Pipeline is the operator of the Dampier to Bunbury Natural Gas Pipeline, the principal gas transmission pipeline in Western Australia. Dampier Bunbury Pipeline's regulatory team has commenced work on the upcoming 2026-2030 Dampier to Bunbury Pipeline Access Arrangement. The company has adopted a four-stage engagement approach that consists of research, planning development, consultation, and ongoing engagement.
3. Multinet Gas Networks operates a regulated natural gas network that covers approximately 1,860 square kilometres and serves approximately 720,000 residential, commercial and industrial customers in the eastern and south eastern suburbs of Melbourne, the Yarra Ranges and South Gippsland. Multinet Gas Networks is set to complete its network upgrade project in the coming years. The project involves replacing old steel and cast iron pipes with new polyethylene and protected-steel pipes.
4. Energy Developments (EDL) is a leading global sustainable energy producer. EDL owns and operates a global portfolio of power and gas facilities in Australia, North America and Europe. EDL's Jabiru Power Station delivers reliable and sustainable energy to the town of Jabiru, supporting its transition from a mining town to a tourism hub. It also sets a blueprint for isolated off-grid communities seeking a reliable clean energy solution.

ista



Reliance Home Comfort



5	6
7	8

5. Headquartered in Essen, Germany, ista is a leading international provider of sub-metering and related services. ista made a number of bolt-on acquisitions in 2023, including takeovers of Wintel/Habidat, a Spanish service provider of intelligent heating management, which developed "Sophia"; Messdienst Schäfer as well as GEMAS, two individual sub-metering companies operating in the southern region of Germany, serving a total of approximately 12,000 dwellings.
6. ista's smart heating system control unit "Sophia" won two awards in Spain. "Sophia" collects data on heating habits and weather conditions, determines the actual demand, and automatically and proactively regulates the amount of heat produced. In this way, heating energy consumption can be reduced by 15% and more.
7. Reliance Home Comfort is principally engaged in the home and commercial services sector, providing the sale and rental of water heaters, HVAC (heating, ventilation and air conditioning) equipment, water purification service, plumbing service, electrical service, comfort protection plans and other related services primarily in Ontario, Canada.
8. In 2023, Reliance Home Comfort was recognized once again by Waterstone Human Capital as one of Canada's Most Admired Corporate Cultures for 2022-2023; the company has maintained this distinction every year since 2016. Reliance Home Comfort has also established a blueprint for Environmental, Social and Governance programmes that directly support six of the United Nations Sustainable Development Goals.

HIGHLIGHTS OF INFRASTRUCTURE AND UTILITY ASSET OPERATION (CONTINUED)

Northumbrian Water



- Northumbrian Water is one of the ten regulated water and sewerage companies in England and Wales. In 2023, Northumbrian Water Group was named one of the World's Most Ethical Companies for the 12th time, the only water company in the world to feature on the list. Northumbrian Water were the first water company in the UK to use all the sewage sludge (the material left over at the end of the sewage treatment process) to produce gas and electricity.
- Northumbrian Water's customer service continues to remain strong, ranking number one in Ofwat's (the Water Services Regulation Authority) measure of customer satisfaction and experience. In 2023, Northumbrian Water was awarded more than £6 million from the Water Breakthrough Challenge programme under Ofwat for four innovation projects aimed at improving operation as well as protecting the environment.

Dutch Enviro Energy



- Dutch Enviro Energy is the holding company of AVR, which operates five waste treatment plants in Duiven (near the German border) and Rozenburg, in the Port of Rotterdam area. AVR is one of the largest renewable district heating producers in the Netherlands.
- In August 2023, AVR celebrated its 10th anniversary of becoming a member company of CK Group. Over the past 10-year period, AVR delivered consistent growth in both revenue and profit, and its operations have expanded to include steam and heat supply, carbon capture, as well as waste separation.

Wales & West Utilities



- Wales & West Gas Networks is the holding company of Wales & West Utilities, one of the eight gas distribution networks in the United Kingdom. Wales & West Gas Networks celebrated its 10th consecutive gold RoSPA (Royal Society for the Prevention of Accidents) award, demonstrating the highest level of commitment to health and safety standards.
- Wales & West Gas Networks invested £2.2 million in 2023 in energy system transition projects, with the majority of the funds coming from the Network Innovation Allowance offered by Ofgem (the Office of Gas and Electricity Markets).

UK Power Networks



- UK Power Networks owns and maintains electricity networks across London, the South East and the East of England. UK Power Networks' outstanding customer service led it to become the only utility company featured in the top 50 companies in the UK Customer Satisfaction Index compiled by the Institute of Customer Service.
- UK Power Networks reaped the rewards of its hard work in 2023, winning more than 20 national awards. One of these honours was Utility of the Year, the top accolade in the UK's utility industry presented by the Utility Week Awards.

HIGHLIGHTS OF INFRASTRUCTURE AND UTILITY ASSET OPERATION (CONTINUED)

UK Rails



- UK Rails is one of the three major rolling stock leasing companies in the United Kingdom. In 2023, UK Rails renewed leases for a number of its fleets, including those with TransPennine Trains, Freightliner and London North Eastern Railway.
- UK Rails signed an agreement in 2022 for the modernisation of Class 395 Javelin trains. The first refurbished Class 395 Javelin re-entered passenger service in August 2023.

HIGHLIGHTS OF ECONOMIC BENEFITS OF INFRASTRUCTURE BUSINESSES

Through the economic benefits of infrastructure businesses comprising interests in Park’N Fly and Australian Gas Networks, the Group is well-positioned to strengthen its stable recurring revenue base.

Park’N Fly, Australian Gas Networks



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| 1 | 2 |
| 3 | 4 |
- 1 & 2. Park’N Fly is one of the leading off-airport car park providers in Canada. Park’N Fly experienced a year of significant growth in 2023 with revenue exceeding 2019 pre-Covid levels.
 - 3 & 4. Australian Gas Networks is one of Australia’s largest natural gas distribution companies. The Victorian networks of Australian Gas Networks entered into new regulatory resets on 1 July 2023, providing the group with predictable income streams for the coming five years.

SCHEDULE OF MAJOR PROPERTIES

As at 31 December 2023

A. PROPERTIES FOR/UNDER DEVELOPMENT

Description	Lot Number/Location	Group's Interest	Approx. Site Area (sq. ft.)	Approx. Floor Area Attributable to the Group (sq. ft.)	Existing Land Use	Stage of Completion	Estimated Date of Completion
Hong Kong							
Grand Jeté Phase 2, Tuen Mun	T.M.T.L. 463 R.P.	40.9%	266,945	71,852	Residential	Interior finishing	March, 2024
The Coast Line, Yau Tong	Y.T.I.L. 45 R.P.	100.0%	83,669	113,453	Residential	Superstructure in progress	June, 2024
				304,890	Residential	Superstructure in progress	December, 2024
A site at Kwun Tong	Lot 1069 in Survey District No. 3	100.0%	217,076	1,089,145	Residential	Superstructure in progress	January, 2026
A site at Yuen Long	Lot 1677 in D.D. 115	100.0%	163,697	78,574	Residential	Foundation work	April, 2026
A site at Kai Tak	N.K.I.L. 6604	100.0%	117,843	218,087	Residential/Commercial	Superstructure in progress	April, 2026
				238,421	Residential	Superstructure in progress	October, 2026
				191,629	Residential	Superstructure in progress	April, 2027
A site at Kam Tin	Lot 2206 in D.D. 109	100.0%	171,986	137,584	Residential	Foundation work	June, 2026
A site at Tuen Mun	T.M.T.L. 561	100.0%	362,883	1,306,380	Residential	Ground investigation work	June, 2028
A site at Sung Wong Toi, Kai Tak	N.K.I.L. 6649	100.0%	214,406	1,293,704	Residential/Commercial	Foundation to commence	October, 2028
A site at Fung Yuen, Tai Po	Various lots in D.D. 11	100.0%	747,564	–	Agricultural land	Planning	–
A site at Yuen Long	Lot 1457 R.P. in D.D. 123 Y.L.	60.0%	8,610,937	–	Agricultural land	Planning	–
A site at North District	Various lots	100.0%	1,215,513	–	Agricultural land	Planning	–
Various sites at Yuen Long	Various lots	100.0%	1,718,866	–	Agricultural land	Planning	–
Various sites at Tai Po	Various lots	100.0%	133,472	–	Agricultural land	Planning	–
The Mainland							
The Greenwich	Beijing	100.0%	1,052,720	2,814,114	Residential/Commercial	Superstructure in progress	June, 2024
Noble Hills	Changsha	100.0%	345,500	758,123	Residential	Planning	December, 2025
				284,813	Residential	Planning	March, 2026
Regency Hills	Chongqing	95.0%	8,857,118	1,280,381	Residential/Commercial	Superstructure in progress	September, 2024
				2,036,390	Residential/Commercial	Superstructure in progress	June, 2025
				742,100	Residential/Commercial	Superstructure in progress	June, 2026
				1,929,529	Residential	Superstructure in progress	June, 2027
				2,621,503	Residential/Commercial	Superstructure in progress	June, 2028
				3,215,855	Residential/Commercial	Superstructure in progress	September, 2029
				15,292,405	Residential/Commercial	Planning	–
The South Bay	Dalian	100.0%	3,007,111	969,537	Residential	Interior finishing	June, 2024
				2,623,690	Residential/Commercial	Planning	–
Laguna Verona	Dongguan	99.8%	4,452,132	289,724	Residential	Superstructure completed	March, 2024
				633,946	Residential	Superstructure in progress	December, 2025
				2,491,300	Residential	Superstructure in progress	June, 2026
				1,080,480	Residential	Site formation	March, 2027
				1,050,900	Residential/Commercial	Planning	March, 2028
Noble Hills	Guangzhou	100.0%	2,326,068	190,693	Residential	Superstructure in progress	September, 2024
				897,182	Residential	Planning	December, 2026
				268,667	Residential	Planning	–
Yuhu Mingdi	Guangzhou	80.0%	287,038	479,603	Residential	Superstructure in progress	August, 2026
Emerald Cove	Huizhou	100.0%	248,775	1,216,988	Residential/Commercial	Interior finishing	March, 2024
Upper West Shanghai	Shanghai	60.0%	199,624	989,211	Commercial	Superstructure completed	June, 2024
Regency Garden	Shanghai	85.0%	235,697	222,162	Residential	Interior finishing	April, 2024
				329,360	Residential	Planning	June, 2026

SCHEDULE OF MAJOR PROPERTIES (CONTINUED)

A. PROPERTIES FOR/UNDER DEVELOPMENT (continued)

Description	Lot Number/Location	Group's Interest	Approx. Site Area (sq. ft.)	Approx. Floor Area Attributable to the Group (sq. ft.)	Existing Land Use	Stage of Completion	Estimated Date of Completion
The Mainland (continued)							
Regency Cove	Wuhan	100.0%	6,742,163	282,003	Residential	Superstructure in progress	June, 2024
				1,865,050	Residential/Commercial	Foundation work	September, 2026
				716,876	Residential	Planning	June, 2028
				10,812,661	Residential/Commercial/Hotel	Planning	–
Horizon Costa	Zhuhai	100.0%	2,152,780	1,202,801	Residential/Commercial	Planning	June, 2027
				1,354,314	Residential	Planning	June, 2028
Overseas							
Chelsea Waterfront, Chelsea A site at Convoys Wharf	London, the United Kingdom	95.0%	237,979	483,611	Residential/Commercial	Interior finishing	May, 2024
				7,320	Commercial	Superstructure in progress	June, 2025
	London, the United Kingdom	100.0%	1,737,293	322,229	Residential/Commercial	Foundation completed	December, 2028
				42,270	Commercial	Planning	December, 2028
Perfect Ten	Singapore	100.0%	104,532	2,583,302	Residential/Commercial/Hotel	Planning	–
				222,758	Residential	Foundation work	November, 2025

B. PROPERTIES IN WHICH THE GROUP HAS A DEVELOPMENT INTEREST

Description	Lot Number/Location	Approx. Site Area (sq. ft.)	Approx. Floor Area of the Development (sq. ft.)	Existing Land Use	Stage of Completion	Estimated Date of Completion
Hong Kong						
Blue Coast, Wong Chuk Hang	A.I.L. 467, Site C	240,928	583,715	Residential	Superstructure in progress	December, 2024
			416,251	Residential	Superstructure in progress	March, 2025
Two adjoining sites at To Kwa Wan	K.I.L. 11275 & K.I.L. 11277	58,534	518,196	Residential/Commercial	Foundation work	October, 2026
			115,852	Residential/Commercial	Ground investigation work	March, 2028
A site at Sai Ying Pun	I.L. 9089	16,864				
A site at Wong Tai Sin	N.K.I.L. 6509	64,721	374,347	Residential	Planning	–

SCHEDULE OF MAJOR PROPERTIES (CONTINUED)

C. PROPERTIES FOR INVESTMENT/OWN USE

Description	Lot Number/Location	Group's Interest	Approx. Floor Area Attributable to the Group (sq. ft.)	Existing Use	Lease Term
Hong Kong					
Cheung Kong Center, Central	I.L. 8887	100.0%	1,289,356	Office/Retail	Medium Term Lease
Cheung Kong Center II, Central	I.L. 8286	100.0%	504,343	Under redevelopment	Long Lease
One and Two Harbourfront, Hung Hom	Sections A, B & R.P. of H.H.M.L. 6 & Extension	100.0%	938,308	Office/Retail	Long Lease
THE HUB, Aberdeen	A.I.L. 399	100.0%	342,868	Office	Long Lease
Hutchison Telecom Tower (portion), Tsing Yi	T.Y.T.L. 139 section A	100.0%	300,268	Office	Medium Term Lease
China Building, Central	I.L. 2317	100.0%	258,751	Office/Retail	Medium Term Lease
The Whampoa, Hung Hom	K.I.L. 10750 sections A to H & J to L	100.0%	1,713,990	Retail	Long Lease
OP Mall, Tsuen Wan	T.W.T.L. 401	100.0%	436,476	Retail	Medium Term Lease
Aberdeen Centre (portion), Aberdeen	A.I.L. 302 & 304	100.0%	345,026	Retail	Long Lease
Victoria Mall, Tsim Sha Tsui	K.I.L. 11086 R.P.	85.0%	143,040	Retail	Medium Term Lease
1881 Heritage, Tsim Sha Tsui	K.I.L. 11161 R.P.	100.0%	140,180	Retail/Hotel	Medium Term Lease
Celestial Place, Ho Man Tin	K.I.L. 11124	90.0%	82,466	Retail	Medium Term Lease
Harbourview Horizon All-Suite Hotel, Hung Hom Bay	K.I.L. 11103	100.0%	1,283,918	Hotel	Medium Term Lease
Harbourfront Horizon All-Suite Hotel and Kowloon Harbourfront Hotel, Hung Hom Bay	K.I.L. 11110	100.0%	1,156,516	Hotel	Medium Term Lease
Harbour Plaza Resort City, Tin Shui Wai	T.S.W.T.L. 4	98.5%	651,990	Hotel	Medium Term Lease
Harbour Grand Kowloon, Hung Hom	Sections A, B & R.P. of H.H.M.L. 6 & Extension	100.0%	633,487	Hotel	Long Lease
Horizon Suite Hotel at Tolo Harbour, Ma On Shan	S.T.T.L. 461	100.0%	602,778	Hotel	Medium Term Lease
Harbour Plaza Metropolis, Hung Hom	K.I.L. 11077	100.0%	461,309	Hotel	Medium Term Lease
Harbour Grand Hong Kong, North Point	I.L. 7106 s.A & Extension	Development interest	444,988	Hotel	Medium Term Lease
Harbour Plaza North Point	I.L. 8885	100.0%	343,078	Hotel	Medium Term Lease
The Kowloon Hotel, Tsim Sha Tsui	K.I.L. 10737	100.0%	329,486	Hotel/Retail	Medium Term Lease
Hotel Alexandra, North Point	I.L. 8920	100.0%	322,917	Hotel	Medium Term Lease
Sheraton Hong Kong Hotel & Towers, Tsim Sha Tsui	K.I.L. 9172	39.0%	260,061	Hotel/Retail	Long Lease
Harbour Plaza 8 Degrees, Kowloon City	K.I.L. 4013 R.P.	100.0%	230,565	Hotel	Long Lease
The Apex Horizon, Kwai Chung	K.C.T.L. 467 R.P.	100.0%	228,087	Hotel	Medium Term Lease
Rambler Oasis Hotel, Tsing Yi	T.Y.T.L. 140	100.0%	213,233	Hotel	Medium Term Lease
Rambler Garden Hotel, Tsing Yi	T.Y.T.L. 140	100.0%	211,111	Hotel	Medium Term Lease
Hutchison Logistics Centre (portion), Kwai Chung	K.C.L. 4 & Extension	100.0%	4,705,141	Industrial/Office	Medium Term Lease
Watson Centre, Kwai Chung	K.C.T.L. 258	100.0%	687,200	Industrial	Medium Term Lease
Conic Investment Building, Hung Hom	Subsection 1 of section O of K.M.L. 40	100.0%	508,885	Under redevelopment	Medium Term Lease
The Mainland					
Century Place	Shenzhen	80.0%	454,346	Retail	Medium Term Lease
Upper West Shanghai	Shanghai	60.0%	2,244,004	Retail/Office	Medium Term Lease
Kerry Everbright City	Shanghai	24.8%	113,401	Retail/Office	Medium Term Lease
Harbour Plaza Metropolitan	Shanghai	60.0%	196,475	Hotel	Medium Term Lease
Metropolitan Residence	Shanghai	60.0%	138,537	Hotel	Medium Term Lease
The Westin Shenyang	Shenyang	29.0%	252,090	Hotel	Medium Term Lease
Overseas					
1 & 2 Heuston South Quarter	Dublin, Ireland	100.0%	242,115	Office	Freehold
Various premises at England, Wales and Scotland	The United Kingdom	100.0%	3,770,425	Residential	Freehold
			137,333	Residential	Long Lease
Various premises at England, Wales and Scotland	The United Kingdom	100.0%	24 million	Pub operation	Freehold
			3 million	Pub operation	Long and Medium Term Lease

Notes to Schedule of Major Properties:

- Properties which are insignificant, including overseas properties, agricultural land and completed properties for sales, are not included.
- For properties in which the Group has a development interest, other parties provide the land whilst the Group finances the construction costs and occasionally also the land costs, and is entitled to a share of the revenue/development profits/properties after completion in accordance with the terms and conditions of the joint development agreements.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2023

	Note	2023 \$ Million	2022 \$ Million
Continuing operations			
Group revenue		47,243	56,341
Share of revenue of joint ventures		23,839	23,210
	(3)	71,082	79,551
Group revenue		47,243	56,341
Forfeiture of deposit of property sale		2,077	–
Interest from joint ventures		1,675	2,097
Investment and others		1,350	708
Operating costs			
Property and related costs		(9,736)	(15,905)
Pub operation and related costs		(12,382)	(10,745)
Salaries and related expenses		(10,685)	(9,830)
Interest and other finance costs		(1,583)	(1,173)
Depreciation		(1,927)	(2,045)
Other expenses		(587)	(589)
		(36,900)	(40,287)
Gain (loss) on financial instruments		164	(148)
Increase in fair value of investment properties		3,238	967
Gain on bargain purchase of Civitas	(32)	1,486	–
Goodwill impairment		(1,963)	–
Impairment loss on fixed assets		(535)	(994)
Surplus on disposal of investment properties		–	738
Gain on disposal of interest in utility joint venture		–	606
Share of profit of joint ventures		2,436	2,477
Share of profit of associates		55	178
Profit before taxation	(4)	20,326	22,683
Taxation	(5)	(2,802)	(2,860)
Profit for the year		17,524	19,823
Discontinued operation			
Profit for the year		–	2,140
Profit for the year		17,524	21,963
Non-controlling interests – continuing operations		102	87
– discontinued operation		–	(84)
Perpetual capital securities – continuing operations		(286)	(283)
Profit attributable to shareholders		17,340	21,683
Profit attributable to shareholders			
Continuing operations		17,340	19,627
Discontinued operation		–	2,056
		17,340	21,683
Earnings per share	(6)		
Continuing operations		\$4.86	\$5.41
Discontinued operation		–	\$0.57
		\$4.86	\$5.98

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023 \$ Million	2022 \$ Million
Profit for the year	17,524	21,963
Other comprehensive income to be reclassified to income statement		
Exchange gain (loss) on translation of financial statements of operations outside Hong Kong	3,974	(15,158)
Exchange gain (loss) on translation of bank loans for hedging	(100)	570
Gain (loss) on derivative financial instruments		
Net investment hedges	(4,533)	9,636
Cash flow hedges	(377)	1,974
Share of other comprehensive income of joint ventures	(135)	805
Other comprehensive income reclassified to income statement		
Exchange deficit of foreign operations disposed	–	537
Cumulated gain on derivative financial instruments		
Net investment hedges – foreign operations disposed	–	(412)
Cash flow hedges – cash flows terminated	–	(892)
Other comprehensive income not to be reclassified to income statement		
Gain (loss) on remeasurement of defined benefit obligations	62	(657)
Share of other comprehensive income of joint ventures	40	439
Other comprehensive income, net of tax	(1,069)	(3,158)
Total comprehensive income	16,455	18,805
Non-controlling interests – continuing operations	185	534
– discontinued operation	–	(99)
Perpetual capital securities – continuing operations	(286)	(283)
Total comprehensive income attributable to shareholders	16,354	18,957
Total comprehensive income attributable to shareholders		
Continuing operations	16,354	16,715
Discontinued operation	–	2,242
	16,354	18,957

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	2023 \$ Million	2022 \$ Million
Non-current assets			
Fixed assets	(8)	73,027	70,267
Investment properties	(9)	147,223	125,186
Joint ventures	(10)	79,992	74,685
Associates	(11)	6,961	7,058
Investments	(12)	6,422	10,436
Goodwill	(13)	2,573	4,308
Derivative financial instruments	(14)	4,985	8,159
Other non-current assets	(15)	5,236	4,843
		326,419	304,942
Current assets			
Properties for sale	(16)	130,101	136,446
Debtors, prepayments and others	(17)	7,491	9,968
Loan receivables		2,393	2,267
Bank balances and deposits		42,481	61,198
		182,466	209,879
Current liabilities			
Creditors, accruals and others	(18)	23,562	38,304
Bank and other loans	(19)	17,799	2,435
Customers' deposits received		7,781	9,215
Provision for taxation		2,658	5,026
		51,800	54,980
Net current assets		130,666	154,899
Non-current liabilities			
Bank and other loans	(19)	37,070	46,102
Deferred tax liabilities	(20)	14,041	13,940
Lease liabilities	(21)	5,555	5,276
Derivative financial instruments	(14)	895	723
Pension liabilities	(22)	88	93
		57,649	66,134
Net assets		399,436	393,707
Representing:			
Share capital and share premium	(23)	238,071	240,102
Reserves		147,773	139,529
Shareholders' funds		385,844	379,631
Perpetual capital securities	(24)	7,929	7,929
Non-controlling interests		5,663	6,147
Total equity		399,436	393,707

Victor T K Li
Director

Ip Tak Chuen, Edmond
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Shareholders' funds				Perpetual capital securities \$ Million	Non- controlling interests \$ Million	Total equity \$ Million
	Share capital \$ Million	Share premium \$ Million	Reserves ^(Note) \$ Million	Total \$ Million			
Balance at 1 January 2022	3,644	238,975	128,609	371,228	7,929	7,118	386,275
Profit for the year	-	-	21,683	21,683	283	(3)	21,963
Exchange loss on translation of financial statements of operations outside Hong Kong	-	-	(14,708)	(14,708)	-	(450)	(15,158)
Exchange gain on translation of bank loans for hedging	-	-	570	570	-	-	570
Gain on derivative financial instruments	-	-	9,636	9,636	-	-	9,636
Net investment hedges	-	-	9,636	9,636	-	-	9,636
Cash flow hedges	-	-	1,959	1,959	-	15	1,974
Exchange deficit of foreign operations disposed reclassified to income statement	-	-	537	537	-	-	537
Cumulated gain on derivative financial instruments reclassified to income statement	-	-	(412)	(412)	-	-	(412)
Net investment hedges – foreign operations disposed	-	-	(892)	(892)	-	-	(892)
Cash flow hedges – cash flows terminated	-	-	1,244	1,244	-	-	1,244
Share of other comprehensive income of joint ventures	-	-	(660)	(660)	-	3	(657)
Loss on remeasurement of defined benefit obligations	-	-	(660)	(660)	-	3	(657)
Other comprehensive income	-	-	(2,726)	(2,726)	-	(432)	(3,158)
Change in non-controlling interests	-	-	-	-	-	(478)	(478)
Buy-back and cancellation of issued shares	(39)	(2,478)	39	(2,478)	-	-	(2,478)
Unclaimed dividends reverted to the Company	-	-	4	4	-	-	4
Distribution of perpetual capital securities	-	-	-	-	(283)	-	(283)
Dividend paid to non-controlling interests	-	-	-	-	-	(58)	(58)
Dividend paid to shareholders	-	-	(6,521)	(6,521)	-	-	(6,521)
2021 final dividend \$1.79 per share	-	-	(1,559)	(1,559)	-	-	(1,559)
2022 interim dividend \$0.43 per share	-	-	(1,559)	(1,559)	-	-	(1,559)
Balance at 31 December 2022	3,605	236,497	139,529	379,631	7,929	6,147	393,707
Balance at 1 January 2023							
Profit for the year	-	-	17,340	17,340	286	(102)	17,524
Exchange gain on translation of financial statements of operations outside Hong Kong	-	-	4,055	4,055	-	(81)	3,974
Exchange loss on translation of bank loans for hedging	-	-	(100)	(100)	-	-	(100)
Loss on derivative financial instruments	-	-	(4,533)	(4,533)	-	-	(4,533)
Net investment hedges	-	-	(4,533)	(4,533)	-	-	(4,533)
Cash flow hedges	-	-	(377)	(377)	-	-	(377)
Share of other comprehensive income of joint ventures	-	-	(95)	(95)	-	-	(95)
Gain on remeasurement of defined benefit obligations	-	-	64	64	-	(2)	62
Other comprehensive income	-	-	(986)	(986)	-	(83)	(1,069)
Change in non-controlling interests	-	-	-	-	-	(145)	(145)
Buy-back and cancellation of issued shares	(56)	(1,975)	56	(1,975)	-	-	(1,975)
Unclaimed dividends reverted to the Company	-	-	5	5	-	-	5
Distribution of perpetual capital securities	-	-	-	-	(286)	-	(286)
Dividend paid to non-controlling interests	-	-	-	-	-	(154)	(154)
Dividend paid to shareholders	-	-	(6,644)	(6,644)	-	-	(6,644)
2022 final dividend \$1.85 per share	-	-	(1,527)	(1,527)	-	-	(1,527)
2023 interim dividend \$0.43 per share	-	-	(1,527)	(1,527)	-	-	(1,527)
Balance at 31 December 2023	3,549	234,522	147,773	385,844	7,929	5,663	399,436

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Note: Reserves

	Business combination reserve	Capital redemption reserve	Exchange reserve	Hedging reserve	Retained profits	Total
	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
Balance at 1 January 2022	(69,014)	549	417	1,021	195,636	128,609
Profit attributable to shareholders	-	-	-	-	21,683	21,683
Other comprehensive income	-	-	(4,118)	1,613	(221)	(2,726)
Buy-back and cancellation of issued shares	-	39	-	-	-	39
Unclaimed dividends reverted to the Company	-	-	-	-	4	4
Dividend paid to shareholders						
2021 final dividend \$1.79 per share	-	-	-	-	(6,521)	(6,521)
2022 interim dividend \$0.43 per share	-	-	-	-	(1,559)	(1,559)
Balance at 31 December 2022	(69,014)	588	(3,701)	2,634	209,022	139,529
Balance at 1 January 2023	(69,014)	588	(3,701)	2,634	209,022	139,529
Profit attributable to shareholders	-	-	-	-	17,340	17,340
Other comprehensive income	-	-	(371)	(719)	104	(986)
Buy-back and cancellation of issued shares	-	56	-	-	-	56
Unclaimed dividends reverted to the Company	-	-	-	-	5	5
Dividend paid to shareholders						
2022 final dividend \$1.85 per share	-	-	-	-	(6,644)	(6,644)
2023 interim dividend \$0.43 per share	-	-	-	-	(1,527)	(1,527)
Balance at 31 December 2023	(69,014)	644	(4,072)	1,915	218,300	147,773

At the year end date, the cumulated gain included in exchange reserve on net investment hedges amounted to \$5,157 million (31 December 2022 – \$9,545 million, 1 January 2022 – loss of \$395 million).

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Note	2023 \$ Million	2022 \$ Million
Operating activities			
Cash generated from (used in) operations	(a)	(1,720)	11,505
(Increase) decrease in bank deposits maturing over three months		2,760	(3,796)
Interest received		4,495	2,456
Profits tax paid		(5,157)	(3,591)
Net cash from operating activities		378	6,574
Investing activities			
Investment in/loan advance to joint ventures		(1,914)	(9)
Dividend/loan repayment from joint ventures		2,751	1,712
Disposal of interest in utility joint venture		-	2,930
Cash distribution from associates		152	174
Dividend/distribution from investments		726	404
Acquisition of investments		(78)	(436)
Acquisition of investment properties		(1,935)	(3,724)
Acquisition of fixed assets		(2,403)	(2,460)
Acquisition of Civitas	(32)	(4,592)	-
Acquisition of pub businesses		-	(317)
Disposal of aircraft assets		-	31,155
Disposal of investment properties		-	12,309
Disposal of fixed assets		105	195
Disposal/redemption of investments		947	308
Net cash received on hedging instruments		2,220	5,226
Net cash from (used in) investing activities		(4,021)	47,467
Financing activities			
Borrowing of bank and other loans		11,332	26,384
Repayment of bank and other loans		(9,869)	(71,291)
Settlement of lease liabilities		(330)	(344)
Buy-back of issued shares		(1,969)	(2,470)
Costs for share buy-back		(6)	(8)
Distribution of perpetual capital securities		(286)	(283)
Dividend paid to non-controlling interests		(154)	(58)
Dividend paid to shareholders		(8,171)	(8,080)
Decrease in funding from non-controlling interests		(145)	(478)
Interest and other finance costs paid		(2,391)	(1,837)
Net cash used in financing activities		(11,989)	(58,465)
Net decrease in cash and cash equivalents		(15,632)	(4,424)
Translation differences		(39)	(1,486)
Cash and cash equivalents at 1 January		56,657	62,567
Cash and cash equivalents at 31 December	(b)	40,986	56,657

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Notes:

(a) Cash generated from (used in) operations

	2023	2022
	\$ Million	\$ Million
Profit before taxation – continuing operations	20,326	22,683
– discontinued operation	–	2,259
Interest income	(3,348)	(3,172)
Interest and other finance costs	1,583	1,342
Dividend/distribution from investments	(458)	(602)
Depreciation	1,927	2,045
(Gain) loss on financial instruments	(164)	148
Increase in fair value of investment properties	(3,238)	(967)
Gain on bargain purchase of Civitas	(1,486)	–
Goodwill impairment	1,963	–
Impairment loss on fixed assets	535	994
Surplus on disposal of investment properties	–	(738)
Gain on disposal of interest in utility joint venture	–	(606)
Gain on disposal of aircraft assets	–	(1,542)
Share of profit of joint ventures	(2,436)	(2,477)
Share of profit of associates	(55)	(178)
Others	203	(232)
Changes in operating working capital		
(Increase) decrease in properties for sale	(150)	(14,308)
(Increase) decrease in debtors, prepayments and others	(18)	(282)
(Increase) decrease in loan receivables	(259)	740
(Increase) decrease in restricted bank balances	286	53
Increase (decrease) in creditors, accruals and others	(15,535)	14,318
Increase (decrease) in customers' deposits received	(1,396)	(7,973)
	(17,072)	(7,452)
	(1,720)	11,505

(b) Cash and cash equivalents

	2023	2022
	\$ Million	\$ Million
Bank balances and deposits	42,481	61,198
Less: restricted bank balances	(459)	(745)
bank deposits maturing over three months	(1,036)	(3,796)
	40,986	56,657

Restricted bank balances represent property sale proceeds placed with banks in accordance with the requirements of property development on the Mainland and are restricted for use until certain conditions are fulfilled.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

The Company is an exempted company with limited liability incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited. The addresses of its registered office and principal place of business are set out on page 196 of the annual report.

The consolidated financial statements set out on pages 130 to 173 were reported in Hong Kong dollars and approved by the Board of Directors on 21 March 2024.

2. Material Accounting Policies

(a) Basis of preparation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRSs") under the historical cost convention except for investment properties, investments and derivative financial instruments which are stated at fair values as described in (g), (h) and (i).

The International Accounting Standards Board has issued a number of new and revised IFRSs. The application of those IFRSs effective for annual accounting periods beginning on 1 January 2023 has no significant impact on the Group's results and financial position. For the following IFRSs which are not yet effective, the Group is in the process of assessing their impact on the Group's results and financial position. Based on preliminary assessment, no significant impact is anticipated for those IFRSs scheduled to be effective in 2024.

Effective for annual accounting periods beginning on 1 January 2024

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

Effective for annual accounting periods beginning on 1 January 2025

Amendments to IAS 21	Lack of Exchangeability
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Effective date not yet determined

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Material Accounting Policies (continued)

(b) Consolidation

The consolidated financial statements include the financial statements of the Company and its direct and indirect subsidiaries made up to the year end date, and incorporate the Group's interests in joint ventures and associates as described in (d) and (e).

Results of subsidiaries, joint ventures and associates acquired or disposed of during the year are included for the periods from the effective dates of acquisition to the year end date, or up to the dates of disposal, as the case may be. Goodwill on acquisition of subsidiaries is carried at cost and reviewed for impairment annually. Impairment, if any, is charged to consolidated income statement.

(c) Subsidiaries

A subsidiary is an entity which the Group has (i) power over the entity; (ii) exposure, or rights, to variable returns from involvement with the entity; and (iii) ability to use its power over the entity to affect the amount of returns.

(d) Joint ventures

A joint venture is an entity of which the Group shares joint control under contractual arrangements with other parties on decisions that significantly affect its returns.

Investments in joint ventures are carried in the consolidated financial statements at cost plus share of post-acquisition results less dividends received and provision for impairment.

Results of joint ventures are incorporated in the consolidated financial statements to the extent of the Group's share of total comprehensive income based on their financial statements made up to 31 December 2023 and where necessary, adjusted to ensure consistency with the Group's accounting policies.

(e) Associates

An associate is an entity, other than a subsidiary or a joint venture, of which the Group has significant influence over its financial and operating policy decisions.

Investments in associates are carried in the consolidated financial statements at cost plus share of post-acquisition results less dividends/distributions received and provision for impairment.

Results of associates are incorporated in the consolidated financial statements to the extent of the Group's share of total comprehensive income based on their financial statements made up to 31 December 2023 and where necessary, adjusted to ensure consistency with the Group's accounting policies.

2. Material Accounting Policies (continued)

(f) Fixed assets

Fixed assets are stated at cost less depreciation, except for freehold land, and provision for impairment. Impairment, if any, is provided for after taking into consideration the fair value of fixed asset and its value in use.

For properties held for operation, leasehold land is amortised over the remaining term of the lease and buildings are depreciated over the shorter of 50 years or the remaining term of the underlying land lease, both on a straight-line basis after deducting estimated residual values.

Other fixed assets are depreciated over the useful lives on a straight-line basis.

(g) Investment properties

Investment properties held for rental are stated at fair value. Investment properties under development are stated at fair value when fair values become reliably determinable or upon completion of construction, whichever is the earlier, otherwise at cost less provision for impairment. Changes in fair value are recognised through profit or loss.

(h) Investments

Investments are stated at fair value. Depending on the nature and characteristics of the investments, changes in fair value are recognised either through other comprehensive income, or through profit or loss.

(i) Derivative financial instruments

Derivative financial instruments are stated at fair value and changes in fair value are recognised through profit or loss.

For derivative financial instruments that qualify for hedging as (i) fair value hedges – changes in fair value are recognised through profit or loss with the associated changes in fair value of the hedged assets or liabilities; (ii) net investment hedges – changes in fair value are recognised through other comprehensive income and the cumulated changes in fair value are reclassified to income statement upon disposal of the hedged investments; and (iii) cash flow hedges – changes in fair value are recognised through other comprehensive income and the relevant fair value gain or loss is reclassified to income statement when the hedged cash flow affects profit or loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Material Accounting Policies (continued)

(j) Leased assets

Leased assets, which the Group has the right to use for a lease term, are stated initially at the present value of the minimum future lease payments and are depreciated over the term of lease on a straight-line basis.

(k) Properties for sale

Properties for sale are stated at the lower of cost and net realisable value. Net realisable value is determined with reference to sale proceeds received after the year end date less costs incurred, or by management estimates based on prevailing market conditions.

Costs of properties include acquisition costs, development expenditure, interest and other costs attributable to the properties. Costs of properties of subsidiaries are adjusted in the consolidated financial statements to reflect the Group's actual costs incurred where appropriate.

(l) Debtors and receivables

Debtors and receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method less provision for impairment.

(m) Bank and other loans

Bank and other loans are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(n) Creditors

Creditors are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(o) Lease liabilities

Lease liabilities are initially recognised at the present value of the minimum future lease payments and subsequently carried at amortised cost using the effective interest method.

(p) Pension obligations

Defined benefit obligations are stated at the present value of the estimated future cash outflows after taking into account the fair value of pension scheme assets. Gain or loss on remeasurement of defined benefit obligations is recognised through other comprehensive income.

Costs of defined benefit schemes are charged to income statement using the projected unit credit method to spread the costs over the service lives of employees. Contributions to defined contribution schemes are charged to income statement when services are provided by employees.

2. Material Accounting Policies (continued)

(q) Revenue recognition

Revenue of property sale is recognised when control of the property is transferred with the associated risks and rewards to purchaser. Payments received from purchasers prior to revenue recognition are accounted for as customers' deposits received.

Revenue of property rental is recognised over the lease term on a straight-line basis. Revenue of hotel and serviced suite operation is recognised upon provision of services. Revenue of property and project management is recognised when services are rendered. Revenue of pub operation and infrastructure and utility asset operation are recognised upon provision of goods and services.

(r) Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the year end date. Transactions in foreign currencies are converted at the rates of exchange ruling at the transaction dates. Exchange differences are recognised through profit or loss.

For translation of financial statements of subsidiaries and joint ventures denominated in foreign currencies for consolidation, assets and liabilities are translated at the rates of exchange ruling at the year end date and results are translated at the average rates of exchange during the year. Exchange differences are recognised through other comprehensive income.

(s) Taxation

Profits tax is provided for, using the applicable enacted rates at the year end date, on estimated taxable profits less available tax relief for losses of each individual company comprising the Group.

Deferred tax liabilities are provided for, using the applicable enacted rates, on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets are recognised, using the applicable enacted rates, to the extent that deductible temporary differences and unexpired tax losses can be utilised to offset future available taxable profits.

(t) Borrowing costs

Borrowing costs incurred are charged to income statement unless they are capitalised as being directly attributable to property acquisition and development which necessarily take a substantial period of time to complete.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Revenue and Profit Contribution

The principal activities of the Group are property development and investment, hotel and serviced suite operation, property and project management, pub operation and investment in infrastructure and utility asset operation.

Revenue by principal activities is as follows:

	Group		Joint ventures		Total	
	2023 \$ Million	2022 \$ Million	2023 \$ Million	2022 \$ Million	2023 \$ Million	2022 \$ Million
Property sales	13,146	25,706	7	50	13,153	25,756
Property rental	5,759	5,700	150	143	5,909	5,843
Hotel and serviced suite operation	4,361	3,214	22	14	4,383	3,228
Property and project management	760	782	140	114	900	896
Pub operation	23,217	20,939	–	–	23,217	20,939
Infrastructure and utility asset operation	–	–	23,520	22,889	23,520	22,889
	47,243	56,341	23,839	23,210	71,082	79,551

and is summarised by location as follows:

	Group		Joint ventures		Total	
	2023 \$ Million	2022 \$ Million	2023 \$ Million	2022 \$ Million	2023 \$ Million	2022 \$ Million
Hong Kong	14,836	22,711	50	48	14,886	22,759
The Mainland	7,565	10,806	116	103	7,681	10,909
The United Kingdom	24,635	21,866	7,739	7,919	32,374	29,785
Others	207	958	15,934	15,140	16,141	16,098
	47,243	56,341	23,839	23,210	71,082	79,551

3. Revenue and Profit Contribution (continued)

Profit contribution by principal activities after allocation of operating costs and other income is as follows:

	Group		Joint ventures		Total	
	2023 \$ Million	2022 \$ Million	2023 \$ Million	2022 \$ Million	2023 \$ Million	2022 \$ Million
Property sales						
Sale contribution	4,485	10,303	(10)	36	4,475	10,339
Forfeiture of deposit	2,077	–	–	–	2,077	–
Property rental	4,522	4,580	113	110	4,635	4,690
Hotel and serviced suite operation	1,525	573	–	(6)	1,525	567
Property and project management	293	308	66	54	359	362
Pub operation	997	835	–	–	997	835
Infrastructure and utility asset operation	160	272	7,613	7,214	7,773	7,486
	14,059	16,871	7,782	7,408	21,841	24,279
Bank and other loan finance costs	(1,388)	(991)	(2,568)	(2,379)	(3,956)	(3,370)
	12,671	15,880	5,214	5,029	17,885	20,909
Gain on financial instruments					928	1,606
Interests in real estate investment trusts					325	451
Change in fair values						
Real estate investment trusts					(890)	(1,178)
Investment properties					3,238	967
Gain on bargain purchase of Civitas					1,486	–
Goodwill impairment					(1,963)	–
Surplus on disposal of investment properties					–	738
Gain on disposal of interest in utility joint venture					–	606
Others					275	(402)
Taxation						
Group					(2,802)	(2,860)
Joint ventures					(958)	(1,014)
Profit attributable to non-controlling interests and perpetual capital securities					(184)	(196)
Continuing operations					17,340	19,627
Discontinued operation						
Aircraft leasing – post tax profit contribution					–	588
– post tax gain on disposal of assets					–	1,468
Profit attributable to shareholders					17,340	21,683

Information on profit contribution by principal activities is set out in management discussion and analysis on pages 16 to 27 of the annual report.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Profit before Taxation

	2023 \$ Million	2022 \$ Million
Profit before taxation is arrived at after charging:		
Interest and other finance costs		
Bank and other loans	2,163	1,333
Less: amount capitalised (note (a))	(775)	(342)
	1,388	991
Lease liabilities	195	182
Directors' emoluments (note (b))	324	347
Auditors' remuneration	45	36
Costs of properties sold	7,103	13,272
Costs of pub products sold	6,676	5,983
Commission for property sale	348	697
Decrease in fair value of investments	885	1,834
Loan receivables write off	544	630
Loss on derivative financial instruments	83	–
Exchange differences	54	846
and after crediting:		
Interest income		
Bank balances and deposits	1,588	875
Loan receivables	61	141
Dividend/distribution from investments	458	602
Gain on derivative financial instruments for hedging	1,132	781
Gain on derivative financial instruments	–	905

Notes:

- (a) Interest and other finance costs on bank and other loans were capitalised to property development projects at rates which approximated to the weighted average cost of 4.2% (2022 – 2.3%) for general borrowings.

4. Profit before Taxation (continued)

- (b) Directors' emoluments paid to directors (including the five highest paid individuals in the Group) in connection with the management of affairs of the Company and its subsidiaries are as follows:

	Director's Fees \$ Million	Salaries, Allowances and Benefits in Kind \$ Million	Pension Scheme Contribution \$ Million	Discretionary Bonus \$ Million	Inducement or Compensation Fee \$ Million	2023 Total \$ Million	2022 Total \$ Million
Victor T K Li	0.31	63.98	6.40	29.17	–	99.86	99.87
Kam Hing Lam	0.22	27.39	2.74	0.35	–	30.70	30.02
Ip Tak Chuen, Edmond	0.25	25.40	2.54	2.58	–	30.77	29.64
Chung Sun Keung, Davy	0.22	14.21	1.42	20.65	–	36.50	37.40
Chiu Kwok Hung, Justin	0.22	14.45	1.44	22.66	–	38.77	37.66
Chow Wai Kam, Raymond	0.22	6.29	0.56	27.92	–	34.99	36.00
Pau Yee Wan, Ezra	0.22	16.13	1.61	16.39	–	34.35	34.81
Woo Chia Ching, Grace	0.07	6.73	0.53	7.54	–	14.87	39.32
Cheong Ying Chew, Henry	0.44	–	–	–	–	0.44	0.44
Chow Nin Mow, Albert	0.35	–	–	–	–	0.35	0.35
Hung Siu-lin, Katherine	0.41	–	–	–	–	0.41	0.41
Donald Jeffrey Roberts	0.38	–	–	–	–	0.38	0.38
Stephen Edward Bradley	0.41	–	–	–	–	0.41	0.38
Kwok Eva Lee	0.22	–	–	–	–	0.22	0.14
Sng Sow-mei	0.22	–	–	–	–	0.22	0.14
Lam Siu Hong, Donny	0.35	–	–	–	–	0.35	0.04
Colin Stevens Russel	–	–	–	–	–	–	0.23
Total for 2023	4.51	174.58	17.24	127.26	–	323.59	
Total for 2022	4.39	175.23	17.44	150.17	–		347.23

All Directors received an annual fee of \$220,000 each. For those acting as members of the Audit Committee, Remuneration Committee, Nomination Committee and Sustainability Committee, additional annual fees of \$130,000, \$60,000, \$30,000 and \$30,000 were paid to each member of the respective Committees.

5. Taxation

	2023 \$ Million	2022 \$ Million
Current tax		
Hong Kong	827	1,534
Outside Hong Kong	2,046	2,286
Deferred tax	(71)	(960)
	2,802	2,860

Profits tax is provided for at the rate of 16.5% (2022 – 16.5%) on the estimated taxable profits in Hong Kong. Tax outside Hong Kong is provided for at the local enacted rates on the estimated taxable profits of the individual company concerned.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Taxation (continued)

Profit before results of joint ventures and associates is reconciled with taxation as follows:

	2023 \$ Million	2022 \$ Million
Profit before taxation	20,326	22,683
Less: share of profit of joint ventures	(2,436)	(2,477)
share of profit of associates	(55)	(178)
	17,835	20,028
Tax calculated at the tax rate in Hong Kong, the principal place of business	2,943	3,305
Tax differences for place of business outside Hong Kong	1,628	988
Dividend/distribution income	(48)	(53)
Fair value changes of investment properties	(540)	(193)
Gain on bargain purchase of Civitas	(245)	–
Goodwill impairment	324	–
Tax losses and deductible temporary differences	114	(82)
Non-assessable/deductible items	(771)	(347)
Adjustments for prior years	(604)	(759)
Others	1	1
Taxation	2,802	2,860

Pillar Two legislation has been enacted in the United Kingdom, one of the jurisdictions in which the Group operates, and it will become effective from 1 January 2024. It is understood that the legislation will not have significant impact to the Group's taxation in the United Kingdom due to its current high corporate income tax rate. Other jurisdictions in which the Group operates, including Hong Kong and the Mainland, have not yet enacted any Pillar Two legislation, therefore its impact to the Group's taxation cannot be determined at the time being.

6. Earnings Per Share

The calculation of earnings per share is based on profit attributable to shareholders and on the weighted average of 3,570,941,266 shares (2022 – 3,628,235,965 shares) in issue during the year.

7. Dividends

Dividends paid and proposed for the year by the Company are as follows:

	2023 \$ Million	2022 \$ Million
Interim dividend paid at \$0.43 (2022 – \$0.43) per share	1,527	1,559
Final dividend proposed at \$1.62 (2022 – \$1.85) per share	5,749	6,644
	7,276	8,203

The final dividend of \$1.85 per share proposed for 2022 was approved by shareholders on 18 May 2023 and paid on 8 June 2023. At the year end date, the Company's reserves available for distribution to shareholders amounted to \$275,163 million (2022 – \$283,699 million).

8. Fixed Assets

	Land and building \$ Million	Leased properties \$ Million	Other assets \$ Million	Total \$ Million
Cost				
At 1 January 2022	74,504	8,030	9,970	92,504
Additions	548	331	1,960	2,839
Acquisition of pub businesses	174	337	140	651
Remeasurement	–	(285)	–	(285)
Disposals/terminations	(57)	(182)	(129)	(368)
Translation differences	(5,241)	(826)	(744)	(6,811)
At 31 December 2022	69,928	7,405	11,197	88,530
Additions	525	234	1,929	2,688
Remeasurement	–	201	–	201
Disposals/terminations	(1,185)	(188)	(286)	(1,659)
Translation differences	2,325	280	396	3,001
At 31 December 2023	71,593	7,932	13,236	92,761
Accumulated depreciation/impairment				
At 1 January 2022	9,982	1,281	4,797	16,060
Depreciation	728	392	925	2,045
Impairment	907	51	36	994
Disposals/terminations	(4)	(127)	(105)	(236)
Translation differences	(189)	(138)	(273)	(600)
At 31 December 2022	11,424	1,459	5,380	18,263
Depreciation	413	454	1,060	1,927
Impairment	422	57	56	535
Disposals/terminations	(939)	(133)	(241)	(1,313)
Translation differences	117	63	142	322
At 31 December 2023	11,437	1,900	6,397	19,734
Net book value				
At 31 December 2023	60,156	6,032	6,839	73,027
At 31 December 2022	58,504	5,946	5,817	70,267

At the year end date, land and building included freehold land and leasehold land amounting to \$15,035 million (2022 – \$14,365 million) and \$7,902 million (2022 – \$7,940 million) respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Fixed Assets (continued)

Fixed assets are summarised by geographical location as follows:

	2023 \$ Million	2022 \$ Million
Hong Kong	16,692	16,660
The United Kingdom	54,879	51,767
Other locations	1,456	1,840
	73,027	70,267

Depreciation and impairment for the year by principal activities are as follows:

	2023		2022	
	Depreciation \$ Million	Impairment \$ Million	Depreciation \$ Million	Impairment \$ Million
Property sales	25	–	27	–
Property rental	26	–	91	–
Hotel and serviced suite operation	420	–	623	–
Property and project management	19	–	20	–
Pub operation	1,437	535	1,284	994
	1,927	535	2,045	994

Impairment loss was recognised for pub assets mainly as a result of high inflation rate in the United Kingdom and was determined based on the assessment of their fair value and value in use, where appropriate by independent valuer, using projected cash flow, relevant discount and growth rates applicable to the location.

9. Investment Properties

	Under		Total \$ Million
	Completed \$ Million	development \$ Million	
At 1 January 2022	116,034	16,290	132,324
Additions	3,386	614	4,000
Disposals	(11,533)	–	(11,533)
Increase (decrease) in fair value	(919)	1,886	967
Transfer from properties for sale	738	–	738
Translation differences	(1,310)	–	(1,310)
At 31 December 2022	106,396	18,790	125,186
Additions	1,126	893	2,019
Acquisition of Civitas	9,370	–	9,370
Increase in fair value	731	2,507	3,238
Transfer from properties for sale	7,016	–	7,016
Translation differences	394	–	394
At 31 December 2023	125,033	22,190	147,223

9. Investment Properties (continued)

Gross rental income and direct operating expenses of investment properties for the year amounted to \$5,312 million (2022 – \$5,105 million) and \$332 million (2022 – \$229 million) respectively.

At the year end date:

- investment properties with carrying amounts of \$119,012 million (2022 – \$113,994 million) and \$28,211 million (2022 – \$11,192 million), based on independent professional valuation, were located in Hong Kong and outside Hong Kong respectively;
- investment properties in Hong Kong were fair valued by Cushman & Wakefield Limited, independent professional valuers, using the valuation methods and inputs described in (c) and (d); and valuations were dependent on the determination of inputs which involved judgements and estimates after considering the information available;
- fair values of completed investment properties were derived using the income capitalisation method and by adopting appropriate capitalisation rates ranging from 4% to 8% after the current rental income and reversionary income potential of the investment properties were considered;
- investment properties under development were fair valued as if they had been completed using the income capitalisation method and a capitalisation rate of 4%, and then costs to completion and profit margins were deducted to arrive at their fair values using the residual method; and
- capitalisation rates were adopted after analysis of relevant observable market transactions and interpretation of indirectly observable market information; and capitalisation rates adopted would be inversely related to the values derived.

10. Joint Ventures

	2023 \$ Million	2022 \$ Million
Investments in joint ventures – unlisted	52,745	49,124
Share of results less dividends	4,167	2,722
Translation differences	(1,600)	(3,206)
	55,312	48,640
Loans to joint ventures		
Interest bearing loans – repayable within 5 years	8,638	8,684
Interest bearing loans – repayable after 5 years	59	59
Subordinated interest bearing loans – repayable within 5 years	7,029	7,318
Subordinated interest bearing loans – repayable after 5 years	8,433	9,479
Non-interest bearing loans – no fixed repayment terms	521	505
	79,992	74,685

Loans to joint ventures are made on a pro rata basis and interest bearing loans carry interest at rates ranging from 3% to 10%.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Joint Ventures (continued)

At the year end date, the particulars of major joint ventures are as follows:

Joint venture	Equity interest of the Group	Principal activities and places of businesses
CK William UK Holdings Limited – incorporated in the United Kingdom for investment in the DUET Group (“CK William JV”)	40%	An owner and operator of energy utility assets in Australia, the United States, Canada and the United Kingdom
CKP (Canada) Holdings Limited – incorporated in Canada for investment in the Reliance Group (“CKP (Canada) JV”)	75%	A building equipment and service provider under the consumer brand identity of “Reliance Home Comfort” in Canada
ista Luxembourg S.à r.l. (formerly held by Sarvana S.à r.l.) – incorporated in Luxembourg for investment in the ista Group (“ista JV”)	65%	A fully integrated energy management service provider operated by ista Group in Europe
UK Power Networks Holdings Limited – incorporated in the United Kingdom for investment in the UK Power Networks Group (“UK Power JV”)	20%	A power distributor that serves London, the South East and East of England

During the year, dividend received from CK William JV and UK Power JV amounted to \$1 million (2022 – \$163 million) and \$465 million (2022 – \$573 million) respectively, and no dividend was received from CKP (Canada) JV (2022 – \$228 million) and ista JV.

Summarised financial information of the major joint ventures is as follows:

For the year ended	CK William JV		CKP (Canada) JV		ista JV		UK Power JV	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
Revenue	11,173	10,967	6,252	5,975	9,685	8,625	17,976	17,018
Operating profit before net interest, taxation, depreciation and amortisation	6,628	6,666	3,404	3,316	3,732	3,459	12,926	13,799
Interest income	45	17	–	–	26	4	311	260
Interest and other finance costs	(2,856)	(2,218)	(1,246)	(1,198)	(924)	(1,598)	(3,519)	(3,531)
Depreciation and amortisation	(2,759)	(2,620)	(1,452)	(1,432)	(1,756)	(1,637)	(2,820)	(2,489)
Taxation	(334)	(620)	(177)	(180)	(372)	(376)	(1,826)	(1,617)
Net profit (loss)	724	1,225	529	506	706	(148)	5,072	6,422
Other comprehensive income	(513)	1,805	(33)	102	(19)	278	401	1,787
Non-controlling interests	(107)	(142)	–	–	–	–	–	–
Total comprehensive income	104	2,888	496	608	687	130	5,473	8,209

10. Joint Ventures (continued)

At year end date	CK William JV		CKP (Canada) JV		ista JV		UK Power JV	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
Non-current assets	89,668	89,798	33,754	32,577	59,376	57,883	146,232	124,592
Current assets								
Cash and cash equivalents	1,315	1,436	235	164	451	1,360	1,339	1,252
Other current assets	3,411	2,961	1,069	1,035	2,670	2,157	5,590	3,484
	4,726	4,397	1,304	1,199	3,121	3,517	6,929	4,736
Current liabilities								
Bank and other loans	(9,455)	(8,423)	(1,824)	–	(227)	–	(4,211)	(2,832)
Creditors, provisions and others	(3,749)	(3,516)	(859)	(727)	(2,275)	(3,315)	(10,770)	(9,968)
Other financial liabilities	(245)	(333)	(88)	(55)	(153)	(134)	(53)	(70)
Other non-financial liabilities	(620)	(403)	(223)	(347)	(1,738)	(1,609)	–	–
	(14,069)	(12,675)	(2,994)	(1,129)	(4,393)	(5,058)	(15,034)	(12,870)
Non-current liabilities								
Shareholders' loan	(21,427)	(21,427)	(9,543)	(9,925)	(9,842)	(9,533)	(7,695)	(7,308)
Bank and other loans	(25,328)	(26,355)	(11,046)	(12,087)	(12,068)	(12,233)	(47,188)	(42,897)
Creditors, provisions and others	(3,907)	(3,994)	(127)	(93)	(69)	(87)	(12,263)	(9,112)
Other financial liabilities	(1,105)	(1,630)	(163)	(137)	(422)	(399)	(4,093)	(3,546)
Other non-financial liabilities	(4,375)	(4,637)	(3,604)	(3,500)	(8,935)	(8,839)	(15,077)	(13,249)
	(56,142)	(58,043)	(24,483)	(25,742)	(31,336)	(31,091)	(86,316)	(76,112)
Net assets	24,183	23,477	7,581	6,905	26,768	25,251	51,811	40,346
Non-controlling interests	(685)	(110)	–	–	–	–	–	–
Shareholders' equity	23,498	23,367	7,581	6,905	26,768	25,251	51,811	40,346
Shareholders' equity shared by the Group	9,399	9,347	5,686	5,179	17,399	16,413	10,362	8,069
Capitalised costs	55	55	–	–	72	72	–	–
Carrying amount	9,454	9,402	5,686	5,179	17,471	16,485	10,362	8,069

At the year end date, the aggregated carrying amount of other joint ventures was \$12,339 million (2022 – \$9,505 million) and the Group's share of results of those joint ventures are as follows:

For the year ended	2023 \$ Million	2022 \$ Million
Net profit	319	476
Other comprehensive income	67	(92)
Total comprehensive income	386	384

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Associates

	2023 \$ Million	2022 \$ Million
Investment in an associate – listed in Hong Kong	8,571	8,571
Share of results less distributions	(1,610)	(1,513)
	6,961	7,058
Market value on quoted market price	2,163	2,478

At the year end date, the particulars of associate are as follows:

Name	Equity interest of the Group	Principal activities and places of businesses
Hui Xian Real Estate Investment Trust ("Hui Xian REIT")	34.0%	Investment in hotels and serviced suites, office and retail properties on the Mainland

Summarised financial information of Hui Xian REIT is as follows:

For the year ended	2023 RMB Million	2022 RMB Million
Revenue	2,345	2,202
Loss attributable to unitholders	(562)	(1,307)

At the year end date	2023 RMB Million	2022 RMB Million
Non-current assets	32,656	33,494
Current assets	3,604	4,906
Current liabilities	(4,634)	(4,170)
Non-current liabilities	(9,408)	(11,153)
Non-controlling interests	(126)	(151)
Net assets before distribution payable	22,092	22,926

The Group's share of net assets before distribution payable amounted to \$8,262 million (2022 – \$8,679 million) at the year end exchange rate. During the year, distribution received from Hui Xian REIT amounted to \$152 million (2022 – \$174 million).

12. Investments

	2023 \$ Million	2022 \$ Million
Investments measured at fair value through profit or loss		
Equity securities listed in Hong Kong	2,990	5,575
Equity securities unlisted	172	172
Debt securities listed in Hong Kong	400	493
Investments in infrastructure businesses	2,031	3,471
Investment in a hotel project	829	725
	6,422	10,436

13. Goodwill

	2023 \$ Million	2022 \$ Million
Pub operation in the United Kingdom		
At 1 January	4,308	4,609
Acquisition of pub businesses	–	176
Impairment	(1,963)	–
Translation differences	228	(477)
At 31 December	2,573	4,308

At the year end date, the goodwill of pub operation in the United Kingdom was assessed for impairment and under the circumstances of high inflation and high interest rate, an impairment of \$1,963 million was recognised. When assessing goodwill impairment, the recoverable amount of pub operation was determined on a value in use basis using a 5 year projected cash flow from operation, a long term growth rate of 1% and a terminal value based on Gordon Growth Model. A pre-tax discount rate of 8.6% (2022 – 7.6%) was applied to derive the present value of the recoverable amount.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Derivative Financial Instruments

	Assets		Liabilities	
	2023 \$ Million	2022 \$ Million	2023 \$ Million	2022 \$ Million
Currency swaps and forward contracts	4,229	9,161	1,781	1,086
Interest rate swaps	1,059	1,324	308	230
	5,288	10,485	2,089	1,316
Less: maturities within 1 year (note 17, 18)	(303)	(2,326)	(1,194)	(593)
	4,985	8,159	895	723

At the year end date:

- (a) the following currency swaps and forward contracts were in place to hedge the net foreign exchange exposure of investments and operations outside Hong Kong:

Pay	Receive	Maturities
AUD1,450 million	US\$978 million	2024
CAD2,145 million	US\$1,730 million	2027 – 2033
EUR3,066 million	US\$3,622 million	2024 – 2030
GBP6,274 million	US\$8,368 million	2024 – 2032
SGD400 million	US\$299 million	2024 – 2025
RMB2,531 million	US\$400 million	2032

- (b) the following interest rate swaps were in place to manage the exposure to interest rate fluctuations:

Notional amount	Pay fixed interest rate	Receive floating interest rate	Maturities
GBP981 million	0.55% – 5.16%	SONIA plus credit adjustment spread	2024 – 2036
GBP144 million	1.95% – 3.34%	SONIA	2037 – 2042

15. Other Non-Current Assets

	2023 \$ Million	2022 \$ Million
Loan receivables	1,283	1,142
Deferred tax assets (note 20)	2,677	2,522
Pension assets (note 22)	642	521
Other long term assets	634	658
	5,236	4,843

16. Properties for Sale

	2023 \$ Million	2022 \$ Million
Properties for/under development	72,184	74,220
Joint development projects under development	26,381	25,420
Completed properties	31,325	36,602
Commission for property sale	211	204
	130,101	136,446

At the year end date:

- (a) properties for sale amounting to \$80,543 million (2022 – \$79,969 million) and \$49,347 million (2022 – \$56,273 million) were located in Hong Kong and outside Hong Kong respectively; and
- (b) properties for/under development and joint development projects under development amounting to \$66,399 million (2022 – \$84,256 million) were not scheduled for completion within twelve months.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Debtors, Prepayments and Others

	2023 \$ Million	2022 \$ Million
Debtors	1,550	1,417
Derivative financial instruments (note 14)	303	2,326
Deposits for derivative financial instruments	836	665
Prepayments and others	4,802	5,560
	7,491	9,968

Deposits for derivative financial instruments are deposits paid for unrealised fair value loss and are subject to set-off provisions in the contracts for derivative financial instruments as described in note 14.

Ageing analysis of debtors with reference to terms of agreements is as follows:

	2023 \$ Million	2022 \$ Million
Current to one month	1,291	1,197
Two to three months	128	90
Over three months	131	130
	1,550	1,417

18. Creditors, Accruals and Others

	2023 \$ Million	2022 \$ Million
Creditors	4,176	14,207
Accruals and other payables	13,437	14,160
Lease liabilities (note 21)	296	280
Derivative financial instruments (note 14)	1,194	593
Deposits for derivative financial instruments	4,459	9,064
	23,562	38,304

Deposits for derivative financial instruments are deposits received for unrealised fair value gain and are subject to set-off provisions in the contracts for derivative financial instruments as described in note 14.

Ageing analysis of creditors with reference to invoice dates and credit terms is as follows:

	2023 \$ Million	2022 \$ Million
Current to one month	4,107	14,121
Two to three months	36	49
Over three months	33	37
	4,176	14,207

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Bank and Other Loans

	2023 \$ Million	2022 \$ Million
Bank loans repayable		
within 1 year	11,373	1,801
after 1 year but not exceeding 2 years	9,022	9,013
after 2 years but not exceeding 5 years	10,779	14,099
	31,174	24,913
Other loans repayable		
within 1 year	6,426	634
after 1 year but not exceeding 2 years	786	6,307
after 2 years but not exceeding 5 years	9,744	7,478
after 5 years	6,739	9,205
	23,695	23,624
Less: amounts classified under current liabilities	(17,799)	(2,435)
Amounts classified under non-current liabilities	37,070	46,102

Movements of bank and other loans are as follows:

	2023 \$ Million	2022 \$ Million
At 1 January	48,537	96,468
Borrowing of bank and other loans	11,332	26,384
Repayment of bank and other loans	(9,869)	(71,291)
Acquisition of Civitas	3,570	–
Acquisition of pub businesses	–	199
Amortisation of costs and fair value adjustments	3	(13)
Translation differences	1,296	(3,210)
At 31 December	54,869	48,537

19. Bank and Other Loans (continued)

At the year end date:

- (a) bank loans amounting to \$3,346 million (2022 – \$556 million) were secured by assets as described in note 26;
- (b) bank loans in RMB carried interest at rates based on loan prime rates quoted by banks on the Mainland plus a margin of approximately 1%; bank loans in other currencies carried interest at rates based on market benchmark rates of the relevant currency plus a margin of less than 1%;
- (c) other loans included the following notes issued by CK Property Finance (MTN) Limited in Hong Kong and guaranteed by the Company:

HK\$750,000,000	2.29% due September 2026 (issued in 2016)
HK\$1,100,000,000	3% due April 2027 (issued in 2017)
HK\$896,000,000	2.69% due September 2027 (issued in 2017)
HK\$2,000,000,000	3.57% due September 2028 (issued in 2018)
HK\$3,790,000,000	HIBOR+0.47% due April 2024 (issued in 2021)
US\$250,000,000	0.75% due June 2024 (issued in 2021 and listed in Hong Kong)
US\$350,000,000	1.375% due June 2026 (issued in 2021 and listed in Hong Kong)

- (d) other loans included the following bonds issued by Greene King Finance plc and listed on the Irish Stock Exchange:

Aggregate principal sum	Interest rate	Final repayment
GBP807 million	Fixed rates between 3.59% and 5.32%	2031 – 2035
GBP221 million	SONIA plus credit adjustment spread and margins between 1.8% and 2.1%	2034 – 2036

The above bonds were repayable by quarterly instalments and were secured by properties as described in note 26 and by charges over the future income stream of pledged properties;

- (e) other loans listed in Hong Kong and Ireland with an aggregate carrying amount of \$15,163 million had a fair value of \$13,619 million based on quoted prices;
- (f) the following bank loans were designated as hedging instruments for investments and operations outside Hong Kong:

Principal amount	Nature of hedge	Carrying amount
AUD1,510 million	Net investment hedge	\$8,033 million
GBP200 million	Net investment hedge	\$1,988 million

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Deferred Tax

	2023 \$ Million	2022 \$ Million
Deferred tax assets	2,677	2,522
Deferred tax liabilities	(14,041)	(13,940)
Net deferred tax liabilities	(11,364)	(11,418)

Analysis of net deferred tax liabilities is as follows:

	2023 \$ Million	2022 \$ Million
Accelerated tax depreciation	(5,267)	(5,215)
Fair value changes of investment properties	(171)	(149)
Appreciation in value of properties	(5,985)	(5,766)
Retained earnings of subsidiaries	(946)	(929)
Tax losses	516	463
Other temporary differences	489	178
	(11,364)	(11,418)

Movements of net deferred tax liabilities are as follows:

	2023 \$ Million	2022 \$ Million
At 1 January	(11,418)	(13,121)
Net credit (charge) to profit or loss		
Accelerated tax depreciation	46	(71)
Fair value changes of investment properties	8	40
Appreciation in value of properties	(286)	652
Retained earnings of subsidiaries	(17)	(18)
Tax losses	55	(320)
Other temporary differences	265	564
Net credit (charge) to other comprehensive income		
Cash flow hedges	26	(149)
Remeasurement of defined benefit obligations	(17)	205
Acquisition of Civitas	(51)	–
Acquisition of pub businesses	–	(91)
Upon derecognition/obtaining control of subsidiaries	–	121
Translation differences	25	770
At 31 December	(11,364)	(11,418)

At the year end date, no deferred tax asset was recognised for deductible temporary differences and unused tax losses amounting to \$4,510 million (2022 – \$3,962 million) and \$4,072 million (2022 – \$3,972 million) respectively, and unused tax losses amounting to \$897 million (2022 – \$902 million) had expiry dates within 1 to 5 years.

21. Lease Liabilities

	2023 \$ Million	2022 \$ Million
Lease liabilities	5,851	5,556
Less: amounts classified under current liabilities (note 18)	(296)	(280)
Amounts classified under non-current liabilities	5,555	5,276

Movements of lease liabilities are as follows:

	2023 \$ Million	2022 \$ Million
At 1 January	5,556	6,513
New leases	234	331
Acquisition of pub businesses	–	137
Lease payment	(525)	(526)
Interest accretion	195	182
Terminations	(55)	(122)
Remeasurement	201	(285)
Translation differences	245	(674)
At 31 December	5,851	5,556

22. Pension

	2023		2022	
	Greene King Schemes \$ Million	Schemes A and B \$ Million	Greene King Schemes \$ Million	Schemes A and B \$ Million
Present value of defined benefit obligations	(5,612)	(677)	(5,455)	(691)
Less: fair value of scheme assets	6,254	589	5,976	598
Pension assets (liabilities)	642	(88)	521	(93)

Employees pension schemes include defined benefit schemes which are closed to new entrants and defined contribution schemes. Assets of the employees pension schemes are held independently of the Group's assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Pension (continued)

Defined benefit schemes include: (i) provision of benefits based on employer and employee vested contributions plus interest at 6% per annum, or a sum derived by a formula using the final salary and years of service, whichever is greater ("Scheme A"); and (ii) provision of benefits based on employer vested contributions only plus interest at 5% per annum ("Scheme B").

For Scheme A's funding purpose, an independent actuarial valuation as at 31 December 2021 reported a funding level of 114% of the accrued actuarial liabilities on an ongoing basis. The valuation was performed by Tian Keat Aun, a Fellow of The Institute and Faculty of Actuaries, of Towers Watson Hong Kong Limited using the attained age valuation method which adopted an investment return of 2% per annum and a salary increment of 3.5% per annum as the main assumptions. For Scheme B, the vested benefits were fully funded.

For pub operation in the United Kingdom, two other defined benefit schemes ("Greene King Schemes") are maintained for employees whose benefits relating to salary and years of service are closed to future accruals. The independent actuarial valuation as at 5 April 2021 for one of the schemes reported a funding shortfall of GBP13 million and the valuation was performed by Lisa Whitby, a Fellow of The Institute and Faculty of Actuaries using the defined accrued benefit method. The independent actuarial valuation as at 30 June 2021 for the other scheme reported a funding surplus of GBP23 million and the valuation was performed by Roger Moring, a Fellow of The Institute and Faculty of Actuaries using the projected unit method.

Costs of defined benefit schemes amounting to \$10 million (2022 – \$19 million) were charged to income statement and a gain of \$79 million (2022 – loss of \$862 million) on remeasurement of defined benefit obligations was recognised in other comprehensive income. Employers' contributions to defined benefit schemes amounted to \$29 million (2022 – \$57 million) for the year and no forfeited contributions (2022 – \$1 million) had been used to reduce the employers' contributions.

Defined contribution schemes include occupational retirement schemes and mandatory pension schemes. For occupational retirement schemes, contributions are made either by employer only or by both employer and employees based on employees' salary. For mandatory pension schemes, contributions are made by both employer and employees based on the employees' relevant monthly income at rates in compliance with statutory requirements. Employers' contributions to defined contribution schemes amounted to \$428 million (2022 – \$454 million) for the year and no forfeited contributions (2022 – \$3 million) had been used to reduce the employers' contributions.

23. Share Capital and Share Premium

	Number of shares	Share capital \$ Million	Share premium \$ Million	Total \$ Million
Authorised share capital				
Shares of \$1 each	8,000,000,000	8,000		
Shares of \$1 each issued				
At 1 January 2022	3,643,583,833	3,644	238,975	242,619
Buy-back in 2022 and cancelled	(38,393,500)	(39)	(1,973)	(2,012)
Buy-back in 2022 and not yet cancelled	–	–	(497)	(497)
Costs for share buy-back	–	–	(8)	(8)
At 31 December 2022	3,605,190,333	3,605	236,497	240,102
Buy-back in 2022 and cancelled	(10,949,000)	(11)	–	(11)
Buy-back in 2023 and cancelled	(45,357,000)	(45)	(1,962)	(2,007)
Buy-back in 2023 and not yet cancelled	–	–	(7)	(7)
Costs for share buy-back	–	–	(6)	(6)
At 31 December 2023	3,548,884,333	3,549	234,522	238,071

During the year, the Company bought back 45,557,000 shares on The Stock Exchange of Hong Kong Limited with an aggregate consideration of \$1,969 million and the particulars are as follows:

Month	Number of shares bought back	Purchase price per share		Aggregate consideration
		Highest	Lowest	
March 2023	1,570,000	\$47.00	\$45.65	\$72,511,450
April 2023	989,000	\$46.00	\$45.25	\$45,162,650
May 2023	12,600,000	\$44.90	\$42.10	\$541,026,925
June 2023	15,941,000	\$45.20	\$42.80	\$699,500,025
August 2023	12,286,500	\$43.85	\$41.55	\$523,838,750
September 2023	1,970,500	\$40.70	\$39.70	\$79,582,025
November 2023	100,000	\$37.10	\$37.05	\$3,707,500
December 2023	100,000	\$37.10	\$37.00	\$3,705,000
	45,557,000			\$1,969,034,325

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Perpetual Capital Securities

	2023 \$ Million	2022 \$ Million
Listed in Hong Kong		
US\$300 million issued in 2020 (note (a))	2,325	2,325
US\$500 million issued in 2020 (note (b))	3,875	3,875
SGD300 million issued in 2021 (note (c))	1,729	1,729
	7,929	7,929

The perpetual capital securities have no fixed maturity. Distribution to holders of perpetual capital securities may be deferred at the Group's discretion and in which event, the Company and the issuer will not declare/pay any dividends or distributions, redeem, reduce, cancel or buy-back any of the Company's share capital, the issuer's share capital and/or the perpetual capital securities issued.

Notes:

- The US\$300 million perpetual capital securities were issued in September 2020 with an annual distribution rate of 3.8% and are redeemable at the Group's option on or after 17 September 2023.
- The US\$500 million perpetual capital securities were issued in December 2020 with an annual distribution rate of 3.5% and are redeemable at the Group's option on or after 22 December 2023.
- The SGD300 million perpetual capital securities were issued in September 2021 with an annual distribution rate of 3.38% and are redeemable at the Group's option on or after 30 September 2024.

25. Operating Leases

Operating leases are generally contracted with a 2 to 6 year term for property rental. Some operating leases for property rental in the United Kingdom have longer terms up to 35 years. Analysis of future minimum lease payment receivable under non-cancellable operating leases after the year end date is as follows:

	2023 \$ Million	2022 \$ Million
Future minimum lease payment receivable		
in the first year	5,404	5,005
in the second year	4,188	3,473
in the third year	3,281	2,351
in the fourth year	2,256	1,897
in the fifth year	1,969	1,404
thereafter	23,755	11,931
	40,853	26,061

26. Charges on Assets

At the year end date, (i) properties amounting to \$9,420 million (2022 – \$3,825 million) were charged to secure bank loans arranged for property development and investment; and (ii) properties amounting to \$25,978 million (2022 – \$24,526 million) were charged to secure other loans arranged for pub operation.

27. Commitments

At the year end date, the Group had capital commitments for (i) development of investment properties amounting to \$1,871 million (2022 – \$3,248 million); and (ii) addition of fixed assets amounting to \$154 million (2022 – \$360 million).

28. Contingent Liabilities

At the year end date, the Group provided guarantees for (i) revenue shared by land owner of a hotel project amounting to \$458 million (2022 – \$474 million); and (ii) mortgage loans provided by banks to purchasers of properties developed by the Group on the Mainland amounting to \$646 million (2022 – \$822 million).

29. Financial Risks and Management

The Group's financial assets and financial liabilities include investments, bank balances and deposits, debtors and loan receivables, loans to joint ventures, creditors, bank and other loans, derivative financial instruments and lease liabilities. Treasury policies and management of risks and liquidity are described below:

(a) Treasury policies

The Group adopts a conservative approach on foreign exchange risk management and maintains an appropriate mix of floating and fixed rate borrowings to mitigate interest rate risk. The Group's exposure to foreign exchange fluctuations and interest rate changes are reviewed regularly. For investments in foreign currencies and at times of financial uncertainty or volatility, hedging instruments including swaps and forwards are used in the management of exposure to foreign exchange and interest rate fluctuations.

At the year end date, the Group's borrowings were 37% in HK\$ or US\$, and 63% in other currencies (including AUD, GBP and RMB) which had been arranged for investments and operations in Australia, the United Kingdom and on the Mainland; and about 54% of the Group's borrowings were on floating rate basis and 46% on fixed rate basis, after taking into account of effective swaps in place. The Group derives its revenue mainly from property businesses in HK\$ and RMB, and maintains bank balances and deposits substantially in HK\$, RMB and US\$. Income in foreign currencies is generated by overseas investments and operations, and cash in these currencies is maintained for business requirements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Financial Risks and Management (continued)

(b) Risk management

The outstanding amounts of debtors, loan receivables and loans to joint ventures are the main exposure to credit risks. Collaterals including properties and other assets are arranged as much as possible to minimise credit risks. Bank balances and deposits are placed with a number of banks to mitigate bank default risk.

Credit risks of debtors and loan receivables are assessed generally on a collective basis, unless collection of outstanding amounts from specific debtors become doubtful. Credit risks of loans to joint ventures and other significant transactions are assessed separately. Outstanding balances are reviewed regularly and follow-up actions are carried out promptly on overdue amounts to minimise credit losses.

Allowance for expected credit losses is measured based on the probability of default after taking into account past experience, impact of market conditions and the realisable value of collaterals. When recoveries of outstanding debtors and loan receivables become unrealistic, the outstanding amounts are written off. As a result of debtor's default in loan repayment, loan receivables of \$544 million were written off during the year after considering the realisable value of the collaterals.

At the year end date, allowance for expected credit losses of debtors and loan receivables amounted to \$99 million (2022 – \$94 million) and \$31 million (2022 – \$34 million) respectively, and were mainly provided for the pub operation in the United Kingdom. Loans to joint ventures were fully recoverable based on the current financial positions of joint ventures.

The exposure of investments to price changes is managed by closely monitoring changes in market conditions that may have an impact on prices or factors affecting their fair value. If the fair value of investments was 5% higher/lower at the year end date, profit for the year would increase/decrease by \$321 million (2022 – \$522 million).

The Group's borrowings are exposed to interest rate fluctuation. An increase/decrease of 1% in interest rates would increase/decrease interest costs for the year by \$302 million (2022 – \$251 million), assuming the change in interest rates had been applied to the Group's borrowings at the year end date which were kept constant throughout the year, and interest amount capitalised would increase/decrease by \$108 million (2022 – \$64 million) using the proportion of interest amount capitalised during the year. Interest rates offered by banks are subject to interest rate benchmark reform. The Group is closely monitoring the development of new benchmark rates under the reform and will make arrangements with banks to facilitate the transition to new benchmark rates for the relevant borrowings and interest rate swaps when appropriate.

29. Financial Risks and Management (continued)

(c) Liquidity management

The Group monitors its liquidity requirements on a short to medium term basis and arranges its financing accordingly. With plenty of cash on hand as well as available banking facilities, the Group's liquidity position remains strong and the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

At the year end date, the undiscounted contractual cash outflows (including interest payments after interest rate swaps where applicable) of the Group's borrowings by maturities were as follows:

	2023 \$ Million	2022 \$ Million
Within 1 year	19,966	4,229
After 1 year but not exceeding 2 years	11,255	17,011
After 2 years but not exceeding 5 years	23,129	23,794
After 5 years	8,024	10,467
	62,374	55,501

At the year end date, the undiscounted contractual cash outflows (including interest payments) of the Group's lease liabilities by maturities were as follows:

	2023 \$ Million	2022 \$ Million
Within 1 year	501	501
After 1 year but not exceeding 2 years	480	453
After 2 years but not exceeding 5 years	1,265	1,210
After 5 years	7,097	6,860
	9,343	9,024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Financial Risks and Management (continued)

(c) Liquidity management (continued)

At the year end date, the undiscounted contractual cash inflows and outflows of the currency swaps and forward contracts designated to hedge the net foreign exchange exposure of overseas investments and operations by maturities were as follows:

	2023	2022
	\$ Million	\$ Million
Cash inflows		
Within 1 year	36,157	34,257
After 1 year but not exceeding 2 years	13,608	20,551
After 2 years but not exceeding 5 years	34,356	28,957
After 5 years	36,331	31,443
	120,452	115,208
Cash outflows		
Within 1 year	36,790	32,213
After 1 year but not exceeding 2 years	13,215	19,721
After 2 years but not exceeding 5 years	31,329	26,017
After 5 years	32,971	26,758
	114,305	104,709

30. Fair Value of Financial Assets and Financial Liabilities

Investments and derivative financial instruments are measured at fair value using value inputs in the following categories:

Level 1: quoted prices in active markets

Level 2: inputs other than quoted prices that are observable either directly or indirectly

Level 3: inputs which are not observable market data including discounted cash flow on projections and estimates based on assumptions

The fair values of investments and derivative financial instruments are summarised by level as follows:

	Level 1		Level 2		Level 3	
	2023	2022	2023	2022	2023	2022
	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
Investments						
Listed securities	3,390	6,068	–	–	–	–
Unlisted securities	–	–	–	–	172	172
Investments in infrastructure businesses	–	–	–	–	2,031	3,471
Investment in a hotel project	–	–	–	–	829	725
Derivative financial instruments						
– assets	–	–	5,288	10,485	–	–
– liabilities	–	–	(2,089)	(1,316)	–	–

30. Fair Value of Financial Assets and Financial Liabilities (continued)

For fair value measurement of investments using level 3 value inputs, fair value is determined using valuation techniques with reference to projected cash flow, price of recent transaction and other specific inputs relevant to the particular investment. Change of value inputs reasonably to possible alternatives would not have material effect on the Group's results and financial position.

Movement of investments using level 3 value inputs is as follows:

	2023	2022
	\$ Million	\$ Million
At 1 January	4,368	6,950
Investments made	104	68
Fair value gain (loss) recognised through income statement	281	(331)
Disposal	–	(2,319)
Transfer of investments in infrastructure businesses to joint ventures	(1,721)	–
At 31 December	3,032	4,368

At the year end date, the carrying amounts of other financial assets and financial liabilities (except for lease liabilities) would approximate their fair values, unless otherwise disclosed.

31. Capital Management

The Group manages its capital to ensure that it will continue as a going concern while maximising returns to shareholders through the optimisation of debt and equity balances. The Group's capital structure consists of bank and other loan borrowings, shareholders' funds, perpetual capital securities and non-controlling interests as set out in the consolidated statement of financial position. The Group reviews its capital structure on a regular basis.

Net debt to net total capital ratio is calculated as follows:

	2023	2022
	\$ Million	\$ Million
Bank and other loans	54,869	48,537
Less: bank balances and deposits	(42,481)	(61,198)
Net debt (cash)	12,388	(12,661)
Total equity	399,436	393,707
Net debt	12,388	–
Net total capital	411,824	393,707
Net debt to net total capital ratio	3.0%	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Acquisition of Civitas

In July 2023, the Group acquired Civitas listed in the United Kingdom for a total consideration of \$4,841 million. Civitas is a social care housing provider with a portfolio of 697 investment properties generating recurrent rental income in the United Kingdom.

The fair values of identifiable assets acquired and liabilities assumed are as follows:

	\$ Million
Investment properties	9,370
Derivative financial instruments	115
Debtors, prepayments and others	365
Bank balances and deposits	249
Creditors, accruals and others	(151)
Bank and other loans	(3,570)
Deferred tax liabilities	(51)
Net assets acquired	6,327

Gain on bargain purchase of Civitas is measured as follows:

	\$ Million
Net assets acquired	6,327
Less: consideration paid	(4,841)
	1,486

Cash flow effect of acquisition of Civitas is as follows:

	\$ Million
Consideration paid	4,841
Less: bank balances and deposits acquired	(249)
Net cash outflow	4,592

The revenue and profit of Civitas taken up by the Group for the period from acquisition date to year end date were \$277 million and \$11 million respectively. If acquisition had taken place on 1 January 2023, the revenue and profit of Civitas to be taken up would be \$535 million and \$25 million respectively.

33. Statement of Financial Position of the Company

	As at 31 December	
	2023	2022
	\$ Million	\$ Million
Non-current assets		
Fixed assets	9	9
Subsidiaries (note (a))	256,921	247,558
	256,930	247,567
Current assets		
Debtors, prepayments and others	54	116
Bank balances and deposits	22,710	40,554
	22,764	40,670
Current liabilities		
Creditors, accruals and others	308	340
Provision for taxation	30	5
	338	345
Net current assets	22,426	40,325
Net assets	279,356	287,892
Representing:		
Share capital and share premium	238,071	240,102
Reserves (note (b))	41,285	47,790
Shareholders' funds	279,356	287,892

Notes:

(a) Particulars regarding the principal subsidiaries are set out in the Appendix.

(b) Movements of reserves are as follows:

	Capital redemption reserve \$ Million	Retained profits \$ Million	Total \$ Million
At 1 January 2022	549	23,222	23,771
Profit for the year	–	32,056	32,056
Buy-back and cancellation of issued shares	39	–	39
Unclaimed dividends reverted	–	4	4
Dividend paid	–	(8,080)	(8,080)
At 31 December 2022	588	47,202	47,790
Profit for the year	–	1,605	1,605
Buy-back and cancellation of issued shares	56	–	56
Unclaimed dividends reverted	–	5	5
Dividend paid	–	(8,171)	(8,171)
At 31 December 2023	644	40,641	41,285

Victor T K Li
Director

Ip Tak Chuen, Edmond
Director

PRINCIPAL SUBSIDIARIES

Appendix

The Directors are of the opinion that a full list of subsidiaries will result in particulars of excessive length. Therefore the following list contains only the particulars of subsidiaries which principally affect the revenue, results, net assets or business aspects of the Group. The place of incorporation and/or the principal place of operation of the following subsidiaries were in Hong Kong, unless otherwise stated.

Name	Paid up share/ registered capital	Effective percentage held by the Group	Principal activities
Art Champion Investment Limited	HK\$ 1	100	Property development
Art Rich Investment Limited	HK\$ 1	100	Property development
Beijing Chang Le Real Estates Development Co., Ltd. ¹	US\$ 29,000,000	100	Property development
Beijing Po Garden Real Estates Development Co., Ltd. ¹	US\$ 29,000,000	100	Property development
Bermington Investment Limited	HK\$ 2	100	Hotel & serviced suite operation
Bradford Investments Limited	HK\$ 1	80	Property development
Bristow Investments Limited	HK\$ 1	100	Property development
Centenary Investments Limited	HK\$ 1	100	Property development
Cheung Kong Property Development Limited	HK\$ 2	100	Project management
CHP Property Holdings Limited ³	GBP 27,842,556	100	Property investment
Circadian Limited ²	GBP 100	95	Property development
City Champion Investments Limited	HK\$ 1	100	Property development
Citybase Property Management Limited	HK\$ 100,000	100	Property management
Citypoint Investment Limited	HK\$ 1	100	Property development
Civitas Social Housing PLC ²	GBP 6,224,614	100	Property investment
CK Global Holdings Limited ⁵	US\$ 2,000	100	Property investment
CK Property Finance Limited ⁴	US\$ 1	100	Finance
CK Property Finance (MTN) Limited ⁶	US\$ 1,000	100	Finance
Consolidated Hotels Limited	HK\$ 78,000,000	39	Hotel & serviced suite operation
Crown Gain Investments Limited	HK\$ 1	100	Property development
Delight World Limited	HK\$ 2	100	Property development
Dongguan Asia Commercial Hwang Gang Lake Development Company Limited ¹	US\$ 49,510,000	99.82	Property development
Elbe Office Investments Limited	HK\$ 2	100	Property investment
Flying Snow Limited	HK\$ 2	100	Property investment
Galaxy Power Investment Limited	HK\$ 2	100	Property development
Global Coin Limited	HK\$ 2	100	Property investment
Goodwell Property Management Limited	HK\$ 100,000	100	Property management
Great Rainbow Investments Limited	HK\$ 1	100	Property development
Greene King Finance plc ²	GBP 12,502	100	Finance
Greene King Limited ²	GBP 39,008,943	100	Pub operation
Harbour Grand Hong Kong Limited	HK\$ 2	100	Hotel & serviced suite operation
Harbour Plaza 8 Degrees Limited	HK\$ 2	100	Hotel & serviced suite operation
Harbour Plaza Hotel Management Limited	HK\$ 2	100	Hotel management
Harbour Plaza Metropolis Limited ⁴	US\$ 1	100	Hotel & serviced suite operation
Harbour Plaza Resort City Limited ⁴	US\$ 10,000	98.47	Hotel & serviced suite operation
Hongville Limited	HK\$ 2	100	Property investment
Hutchison Estate Agents Limited	HK\$ 50,000	100	Property agency
Hutchison Hotel Hong Kong Limited	HK\$ 2	100	Hotel & serviced suite operation
Hutchison Property Group Limited ⁴	US\$ 1	100	Project management
Hutchison Whampoa Properties (Beijing Chaoyang) Limited ¹	US\$ 81,579,000	100	Property development
Hutchison Whampoa Properties (Chongqing Nanan) Limited ¹⁰	RMB 3,300,000,000	95	Property development
Hutchison Whampoa Properties (Nanjing) Limited ⁷	HK\$ 215,200,000	100	Property development
Hutchison Whampoa Properties (Qingdao) Limited ⁷	US\$ 75,000,000	90	Property development

Name	Paid up share/ registered capital	Effective percentage held by the Group	Principal activities
Hutchison Whampoa Properties (Wuhan Jiangnan South) Limited ⁷	US\$ 178,700,000	100	Property development
Japura Development Pte Ltd ⁸	SGD 3,000,000	100	Property development
Jubilee Year Investments Limited	HK\$ 1	100	Property development & investment
Kingsmark Investments Limited	HK\$ 1	100	Property development & investment
Korn Reach Investment Limited	HK\$ 1	100	Property development
Matrica Limited	HK\$ 20	100	Hotel & serviced suite operation
Ocean Century Investments Limited	HK\$ 1	100	Property development & hotel & serviced suite operation
Panther Ventures Limited ⁴	US\$ 1	100	Finance
Pearl Wisdom Limited	HK\$ 2	100	Hotel & serviced suite operation
Queen Investments Limited	HK\$ 1	100	Property development
Randash Investment Limited	HK\$ 110	100	Hotel & serviced suite operation
Rhine Office Investments Limited	HK\$ 2	100	Property investment
Rich View Investments Limited	HK\$ 1	100	Property development
Sai Ling Realty Limited	HK\$ 10,000	100	Property development
Shanghai Changrun Jianghe Property Development Co., Ltd. ¹⁰	RMB 2,645,560,000	60	Property development & investment
Shanghai Heya Property Development Co., Ltd. ⁹	RMB 700,000,000	100	Property development
Shenzhen Century Place Shopping Mall Limited ¹	RMB 620,000,000	80	Property development & investment
SHP Holding Limited ³	GBP 554,611,722	100	Property investment
Sino China Enterprises Limited	HK\$ 2	100	Hotel & serviced suite operation
Sky Oasis Enterprises Limited	HK\$ 1	100	Property development
Swiss Investments Limited	HK\$ 1	100	Property development
Team Ace Enterprises Limited ¹¹	US\$ 1	100	Investment holding
The Kowloon Hotel Limited ¹²	US\$ 5	100	Hotel & serviced suite operation
Towerich Limited	HK\$ 2	100	Hotel & serviced suite operation
Turbo Top Limited	HK\$ 2	100	Property investment
Ultimate Sino Investments Limited ⁴	US\$ 41,118	100	Finance
Vember Lord Limited	HK\$ 2	100	Property investment
Winchesto Finance Company Limited	HK\$ 15,000,000	100	Finance

- 1 Cooperative joint venture registered and operated on the Mainland
- 2 Incorporated and operated in the United Kingdom
- 3 Incorporated in Jersey and operated in the United Kingdom
- 4 Incorporated in the British Virgin Islands
- 5 Incorporated in the Cayman Islands and operated in Ireland
- 6 Incorporated in the Cayman Islands
- 7 Wholly foreign owned enterprise registered and operated on the Mainland
- 8 Incorporated and operated in Singapore
- 9 Registered and operated on the Mainland
- 10 Equity joint venture registered and operated on the Mainland
- 11 Incorporated in the British Virgin Islands and invested overseas
- 12 Incorporated in The Bahamas

INDEPENDENT AUDITOR'S REPORT

Deloitte.

德勤

TO THE MEMBERS OF CK ASSET HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of CK Asset Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 130 to 173, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

How our audit addressed the key audit matter

Valuation of investment properties

We identified the valuation of investment properties as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the judgements involved in determining the inputs used in the valuation.

As at 31 December 2023, the Group's investment properties amounted to HK\$147,223 million and represented 29% of the Group's total assets. As disclosed in note 9 to the consolidated financial statements, the Group's investment properties were stated at fair values based on valuation performed by independent professional valuers ("Valuers"). For the completed investment properties, the fair values were derived using income capitalisation method; and for the investment properties under development, they were fair valued as if they had been completed using the income capitalisation method, and then costs to completion and profit margins were deducted to arrive at their fair values using the residual method. The valuations were dependent on certain significant inputs that involve judgements, including reversionary income, appropriate capitalisation rates, costs to completion and profit margins.

Our procedures in relation to the valuation of the investment properties included:

- Evaluating the competence, capabilities and objectivity of the Valuers;
- Assessing the appropriateness and reasonableness of the valuation methodology and significant inputs of a selection of investment properties used in the valuations; and
- Checking the reasonableness of source data of significant inputs, including reversionary income, capitalisation rates, costs to completion and profit margins used by the Valuers in the valuations of a selection of investment properties.

Determination of the net realisable value of the Properties

We identified the assessment of whether the properties for/under development, joint development projects under development and completed properties (the "Properties") were stated at the lower of cost and net realisable value ("NRV") as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole and the involvement of estimations in the assessment. As disclosed in note 2(k) to the consolidated financial statements, the Properties are stated at the lower of cost or NRV. As at 31 December 2023, the Properties amounted to HK\$129,890 million and represented 26% of the Group's total assets. The determination of the NRV involves estimates based on prevailing market conditions and also taking into account the estimated future costs to completion.

Our procedures in relation to assessing whether the Properties were stated at the lower of cost and NRV included:

- Assessing the management's process in estimating the future costs to completion of a selection of the Properties, by comparing them to the actual development cost of similar completed properties of the Group with the adjustments made according to current market data; and
- Assessing the appropriateness of the NRV of the Properties, on a sample basis, by comparing the estimated selling prices to market prices achieved in the same projects or comparable properties, based on the current market transactions.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other Information

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon ("Other Information").

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and the Audit Committee for the Consolidated Financial Statements

The Directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors, in particular the Audit Committee, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

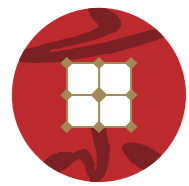
We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Keung To Wai, David.

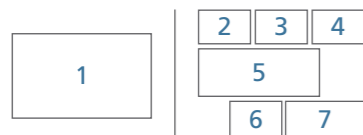
Deloitte Touche Tohmatsu
Certified Public Accountants
 Hong Kong
 21 March 2024

LISTED REAL ESTATE INVESTMENT TRUSTS



HUI XIAN REIT
匯賢產業信託

Hui Xian REIT is the first RMB-denominated REIT listed in Hong Kong. Its property portfolio spans retail, office, serviced apartment and hotel sectors on the Mainland. The assets are namely Beijing Oriental Plaza, Chongqing Metropolitan Oriental Plaza, The Westin Shenyang, Hyatt Regency Metropolitan Chongqing and Sheraton Chengdu Lido Hotel.



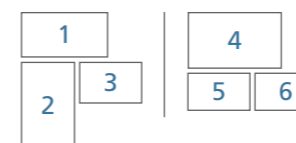
- 1. Beijing Oriental Plaza, Hui Xian REIT's flagship asset
- 2. Grand Hyatt Beijing at Beijing Oriental Plaza
- 3. The Westin Shenyang
- 4. Hyatt Regency Metropolitan Chongqing
- 5. The Malls at Beijing Oriental Plaza
- 6. The Tower Offices at Beijing Oriental Plaza
- 7. Chongqing Metropolitan Oriental Plaza

LISTED REAL ESTATE INVESTMENT TRUSTS (CONTINUED)

FORTUNE

置富產業信託 REIT

Fortune REIT was established in 2003 and is the first REIT to hold assets in Hong Kong. It is currently listed on the Main Board of The Stock Exchange of Hong Kong Limited and holds a portfolio of 17 retail properties, with 16 private housing estate retail properties in Hong Kong and 1 neighbourhood mall in Singapore, comprising 3 million sq. ft. of retail space and 2,793 car parking spaces.



1,2&3. +WOO, located in the heart of Tin Shui Wai. It is the largest mall within the district and next to the MTR Light Rail Ginza Station.

4. Ma On Shan Plaza, one of the largest malls along the MTR Tuen Ma line.

5. Fortune City One, the commercial constituent of the over 10,000-unit City One Shatin residential development.

6. Fortune Metropolis, located in the Kowloon transportation hub of Hung Hom. It is directly connected to Hung Hom MTR Station with the Cross Harbour Tunnel just minutes away.

LISTED REAL ESTATE INVESTMENT TRUSTS (CONTINUED)



Prosperity REIT is the first private sector REIT listed on the Main Board of The Stock Exchange of Hong Kong Limited. It owns a diverse portfolio of seven properties in the decentralised business districts of Hong Kong, with a total gross rentable area of 1,275,153 sq.ft., and a total of 498 car parking spaces.



1. The Metropolis Tower – Flagship property of Prosperity REIT at Hung Hom Station, interchange station hub of the MTR Tuen Ma Line and East Rail Line, enjoys convenient transportation access and panoramic sea views of the Victoria Harbour.
2. Prosperity Millennia Plaza – It is strategically located in the Island East office district and adjacent to Harbour Plaza North Point Hotel.
3. 9 Chong Yip Street – It is a Grade A office building located in Kwun Tong which is progressing to CBD2.
4. Prosperity Place – Located in Kwun Tong, within close vicinity of major shopping malls and commercial buildings, positioned as a vertical shopping spot with retail and service trade tenants. With a spacious main lobby with wide street frontage, plus a café and living green wall, it is the most eye catching building on Shing Yip Street.

RISK FACTORS

The Group's businesses, financial conditions, results of operations and growth prospects may be affected by risks and uncertainties directly or indirectly pertaining to the Group's businesses. The risk factors set out below are those that could result in the Group's businesses, financial conditions, results of operations or growth prospects differing materially from expected or historical results. Such factors are by no means exhaustive or comprehensive, and there may be other risks in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future. In addition, this Annual Report does not constitute a recommendation or advice to invest in the shares or other securities of the Company and investors are advised to make their own judgment or consult their own investment advisers before making any investment in the shares or other securities of the Company.

Global Economy

Continued trade protectionism, fluctuation of major currencies, increasing international geopolitical tensions, supply chain disruptions, high interest rates and persistent inflationary pressure in some countries, tightening fiscal policy and monetary policy, high commodity prices and energy costs, cost of living crisis and industrial actions have created uncertainties and volatility in the world economy and global financial markets. Slowdown in global economic growth could lead to economic contractions in certain markets, commercial and consumer delinquencies, weakened consumer confidence, increased market volatility and decline in the value of the assets.

The Group is a leading multinational corporation with businesses presently in Hong Kong, the Mainland, Singapore, Continental Europe, Australia, Canada and the United Kingdom ("UK"). Any adverse economic, social and/or political conditions in those countries and places in which the Group operates may potentially impact the Group's businesses, financial conditions, results of operations or growth prospects.

Industry Trends and Interest Rates

The trends in the industries in which the Group operates, including the market sentiment and conditions, asset values, the mark to market value of investment securities, the currency environment and interest rate cycles, may pose significant risks to the Group's businesses, financial conditions, results of operations or growth prospects. There can be no assurance that the combination of industry trends and interest rates the Group experiences in the future will not adversely affect its businesses, financial conditions, results of operations or growth prospects.

Inflation and interest rates remain high in many countries. The interest rate cycle has impact on the aggregate demand from all sectors, which may in turn affect the businesses of the Group. While the Group regularly reviews its exposure to interest rate fluctuations and may manage such exposure using hedging instruments, there can be no guarantee that the Group will not be affected by the interest rate exposure.

In particular, certain businesses of the Group are subject to regulatory regimes in which local interest rates are taken into account in the calculation of the regulated cost of capital, which flows through to allowed revenue. There can be no assurance that any changes in the regulated cost of capital can be fully mitigated by the businesses. Furthermore, income from finance and treasury operations is dependent upon the capital markets, interest rate and currency environment, and the worldwide economic and market conditions, and therefore there can be no assurance that changes in these conditions will not adversely affect the Group's businesses, financial conditions, results of operations or growth prospects. The volatility in the financial markets may also adversely affect the income to be derived by the Group from its finance and treasury activities.

Currency Fluctuations

The Group is a leading multinational corporation with businesses presently in Hong Kong, the Mainland, Singapore, Continental Europe, Australia, Canada and the UK, and is exposed to potential currency fluctuations in these countries and places in which the Group operates. The results of the Group are reported in Hong Kong dollars but its various subsidiaries, associates and joint ventures may receive revenue and incur expenses in other currencies. Any currency fluctuations on translation of the accounts of these subsidiaries, associates and joint ventures and also on the repatriation of earnings, equity investments and loans may therefore impact the Group's financial conditions, results of operations, asset values or liabilities.

To minimise currency risk exposure in respect of its investments in other countries, the Group generally hedges those investments with (a) currency swaps and (b) appropriate level of borrowings denominated in the local currencies. The Group has not entered into any speculative derivative transaction.

Although currency exposures have been managed by the Group, a depreciation or fluctuation of the currencies in which the Group conducts operations relative to the Hong Kong dollars could adversely affect its businesses, financial conditions, results of operations or growth prospects.

Impact of Local, National and International Regulations

The local business risks in different countries and cities in which the Group operates could have a material impact on the businesses, financial conditions, results of operations or growth prospects. The Group has investments in different countries and cities around the world and the Group is, and may increasingly become, exposed to different and changing political, social, legal, tax, regulatory and environmental requirements at the local, national or international level. Also, new guidelines, directives, policies or measures by governments, whether fiscal, tax, regulatory, environmental or other competitive changes, may lead to an increase in additional or unplanned operating expenses and capital expenditures, increase in market capacity, reduction in government subsidies, may pose a risk to the overall investment return of the Group's businesses and may delay or prevent the commercial operation of a business, which may result in loss of revenue and profit and adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

RISK FACTORS (CONTINUED)

Impact of Possible Economic Sanctions on Business Partners, Suppliers, Customers or Businesses in General

Governments and multinational organisations (including but not limited to the State Department and the Department of the Treasury's Office of Foreign Assets Control of the United States, His Majesty's Treasury, the Office of Financial Sanctions Implementation or other UK government agency, the EU or any member state thereof and the United Nations), from time to time administer certain laws and regulations that impose restrictions with respect to activities, transmission of funds or transactions with certain countries, governments, entities and individuals that are the subject of economic sanctions. There can be no assurance that such sanctions or other restrictions will not affect the jurisdictions in which the Group conducts its business, any of the Group's business partners, suppliers, customers or otherwise. To the extent that any such sanction or restriction is imposed in any jurisdictions where the Group's business operates, the Group may need to cease operations in those jurisdictions and suffer losses in that regard. If any of the Group's business partners or suppliers are impacted by sanctions or restrictions, provision of goods, services or support by them may be disrupted or discontinued, which may affect the Group's ability to continue to operate related businesses. If any of the Group's business partners is affected by sanctions or restrictions, the continuation or disruption of strategic alliance with such business partners may also affect the Group's ability to continue to operate related businesses and/or may result in suspension of operations. There can be no assurance that the Group will be able to obtain alternative goods, services, support or alliance it needs for the operation of its business, in a timely manner or at competitive terms, and no assurance that any compensation recoverable from business partners or suppliers for the discontinued or disrupted supply, service, support or alliance will be available or adequate. If any of the Group's customers are affected by sanctions or restrictions, the Group may be forced to discontinue the provision of services or goods to such customers and the Group will suffer losses in that regard. If any of the Group's assets are in the possession of such customers, there can be no assurance that such assets can be repossessed by the Group especially if such assets are located in countries or regions subject to sanctions or restrictions and no assurance that any compensation recoverable from such customers or insurers for the Group's failure to repossess such assets will be available. Any of these factors could have a material adverse effect on the Group's financial condition and results of operations.

Compliance with Personal Data Protection Legislation

In the ordinary course of its operations, various businesses of the Group collect, store and use data that is protected by personal data protection laws in the different countries in which they operate. As regulatory focus on privacy issues continues to increase and worldwide laws and regulations concerning the handling of personal information expand and become more complex, potential risks related to personal data collection and use within the Group's businesses are expected to intensify.

In the event that any relevant business of the Group is unable to meet its obligations under applicable data protection laws, it may be subject to regulatory actions or civil claims. The expenses on remediation, costs of regulatory or legal actions, and monetary damages and/or reputational damage suffered as a result of such action, could have a material adverse effect on the Group's financial conditions and results of operations.

Cybersecurity

With the fast expanding adoption of internet and networking operational technology, rapid development of artificial intelligence (AI) technology, cyber attacks and security breaches around the world are occurring at a higher frequency and intensity. The Group's critical utility and information assets are prone to attack, damage or unauthorised access in the cyberspace. Cybersecurity risks could have material adverse effect on the operational and business performance, as well as the business reputation of the Group. The Group continuously strives to enhance the cybersecurity protection of its business.

There can be no assurance that the Group will be free from cyber attacks or security breaches or that it will not experience any major damage to its assets or activities from cyber attacks. Cyber attacks or security breaches of the Group's system could result in significant impact on the Group's business reputation, businesses, financial conditions, results of operations or growth prospects.

Impact of New Accounting Standards

The International Accounting Standards Board has from time to time issued new and revised International Financial Reporting Standards ("IFRS"). As accounting standards continue to develop, the International Accounting Standards Board may in the future issue more new and revised IFRS and the Group may be required to adopt new accounting policies which might or could have a significant impact on the Group's financial position or results of operations.

Social Incidents, Terrorist Threats and Geopolitical Tensions

The Group is a leading multinational corporation with businesses presently in Hong Kong, the Mainland, Singapore, Continental Europe, Australia, Canada and the UK. In recent years, a series of social incidents, terrorist activities and geopolitical tensions occurred across the globe that resulted in economic losses, multiple deaths, casualties, persistent supply chain disruptions and volatility in commodity markets. There can be no assurance that countries in which the Group operates will not have any social incidents or they will be immune from terrorist threats or geopolitical tensions, and if these events occur, they may have an adverse impact on the Group's businesses, financial conditions, results of operations or growth prospects.

Risks arising from Climate Change

Some of the Group's assets and businesses, and many of the Group's customers and suppliers are located in areas that would be affected in the medium to long term by climate change. Climate change may increase the frequency and intensity of extreme weather events, and some of which can result in natural disasters. It could disrupt supply chains, interrupt business operations and cause financial and physical damages. Alternation in weather patterns, such as typhoons, droughts, or rainfall amount may cause shortage of crops for food and other natural resources. The harsher temperatures in some locations may also pose an increased risk for staff working in those locations. Changes in microclimates for certain locations may render certain businesses obsolete. Some governments are also beginning to introduce legislation or requirements to restrict emissions and other environmental protective measures. Some regulators have issued new disclosure requirements in relation to climate-related financial risk disclosures and plan to mandate the disclosures. Regulations, new disclosure requirements, disruption and damage arising from climate change could have a material impact on the Group's businesses and adversely affect the Group's financial conditions and results of operations.

RISK FACTORS (CONTINUED)

Although the Group has not experienced any significant disruption or damage from climate change thus far, there can be no assurance that climate change and its impact including rising sea levels, prolonged droughts or heat waves and other extreme weather patterns will not occur and result in major disruption or damage to the Group's assets and businesses, which could materially and adversely affect the Group's businesses, financial conditions, results of operations and growth prospects.

Transition risks

Many countries where the Group has material business operations seek to transition to low carbon economies. Governments are introducing legislation and taking policy actions to restrict emissions and implementing measures which would incentivise environmental protection activities. There is increasing pressure on the Group's businesses to support transition to low-carbon economy.

In the journey to a low-carbon economy, the use of resources of low-carbon emission are encouraged or made compulsory over time, while the consumption of conventional resources of high carbon emission are progressively reduced, replaced or prohibited. Changes to governmental policy, legal and regulatory requirements, opinions of the investment community, financial markets, technology, supply chain and consumer behaviour as a result of the transition may occur in ways unexpected by or faster than the anticipation of the Group's businesses, which could have a material impact on the Group's businesses and adversely affect the Group's financial conditions, results of operations and business reputation.

Public Health Emergency

Although COVID-19 no longer constitutes a public health emergency of international concern, the repercussions of the pandemic continue to affect different economies around the world, including the places of businesses in which the Group operates. There can be no assurance that there will not be another significant global outbreak of a severe communicable disease, and if such an outbreak were to occur, it could have an adverse impact on the operations of the Group and its results of operations might suffer. The potential impact on the Group's businesses, financial conditions, results of operations or growth prospects will depend on a range of factors, including the duration, severity and scope of the pandemic, the impact of the pandemic on economic activity globally, the possibility of resurgence and variants, and the measures adopted by governments.

Natural Disasters

Some of the Group's assets and businesses, and many of the Group's customers and suppliers are located in areas at risk of damage from earthquakes, floods, storms, drought, bushfires, frost and similar disasters and the occurrence of any of these disasters could disrupt the Group's businesses and materially and adversely affect the Group's businesses, financial conditions, results of operations or growth prospects. There can be no assurance that earthquakes, floods, storms, drought, bushfires, extreme weather or other natural disasters will not occur and result in major damage to the Group's property development projects, infrastructure and utility assets, or assets or facilities or on the general supporting infrastructure facilities in the vicinity, which could adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

Potential Risks in relation to Brexit

The UK left the European Union ("EU") on 31 January 2020. The Trade and Cooperation Agreement made between the UK and the EU in December 2020 came into force in January 2021. It sets out preferential arrangements in various aspects such as trade, security, areas on ongoing collaboration/cooperation and governance. Brexit has created significant uncertainty about the new economic and social partnership between the UK and the EU, and has impacted trade intensity, labour availability, supply chain and exchange rates.

The Group has significant presence in the UK through investments in the property, infrastructure and pub businesses, and is, and may increasingly become, exposed to changes in the local political, economic, and regulatory conditions, especially the recent nationwide strikes due to high inflation and labour shortage. While the long term implication of Brexit remains to be seen, the continuing uncertainties following Brexit could adversely affect the UK economy and the strength of the British pound, which may in turn potentially impact the Group's businesses, asset values and reported profits derived from its operations in the UK.

Property Developments

There exist general risks inherent in property developments and in the ownership of properties, including, among other things, (a) rising construction costs; (b) financing for developments may not be available on favourable terms; (c) construction may not be completed on schedule or within budget especially due to issues such as inclement weather, aging workforce, labour shortage, skills mismatch and succession gap as well as the escalation of material prices; (d) long-term financing may not be available on completion of construction; (e) developed properties may not be sold or leased on profitable terms; (f) intense competition from other developers or property owners may lead to vacant properties or an inability to sell or rent properties on favourable terms; (g) purchasers or tenants may default; (h) products may face recall or loss in customer confidence due to contractor's failure in meeting product quality requirement; (i) properties held for rental purpose will need to be renovated, repaired and re-let on a periodic basis; (j) it may not be possible to renew leases or re-let spaces when existing leases expire; and (k) the property market conditions are subject to changes in environmental laws and regulations and zoning laws and other governmental rules and fiscal policies. Property values and rental values are also affected by factors such as the changes in the relationships between countries or sovereign states, the state of the local economy, political and societal developments, governmental regulations and changes in planning or tax laws, levels of interest rates and consumer prices, the overall supply of properties, and the imposition of governmental measures to dampen property prices. Taxes, levies, stamp duties and similar taxes or charges payable for the vacancy of first-hand private residential units, the property management services, the sale or transfer of residential properties, as well as policies and rules on profit repatriation may be imposed by the relevant authorities from time to time.

RISK FACTORS (CONTINUED)

Investment in property is generally illiquid, which may limit the ability of the Group to timely monetise property assets.

Supply of land is subject to the development of land policies in different markets. Acquisition of land in Hong Kong, the Mainland and overseas markets may be subject to various regulatory requirements or restrictions as well as changes in demand and supply dynamics. Future growth prospects of the property development business are therefore affected by the availability and price levels of prime sites in Hong Kong, the Mainland and overseas markets.

The Group may be subject to fines or sanctions if it does not pay land premiums or does not develop properties according to the terms of the land grant documents. Under the Mainland laws and regulations relating to idle land, if a developer fails to develop land according to the terms of the land grant contracts (including but not limited to, the payment of fees, the designated uses of land and the time for commencement and completion of development of the land), the relevant authorities may issue a warning to or impose a fine on the developer or require the developer to forfeit the land use rights. Any violation of the terms of the land grant contracts may also restrict a developer's ability to participate, or prevent it from participating, in future land bidding. Furthermore, there are specific requirements regarding idle land and other aspects of land use rights grant contracts in many cities on the Mainland, and the local authorities are expected to enforce such rules in accordance with the instructions from the central government of the Mainland.

Circumstances leading to the repossession of land or delays in the completion of a property development may arise, in particular, in view of the increasing complications in governmental approval process and if the Group's land is repossessed, the Group will not be able to continue its property development on the forfeited land, recover the costs incurred for the initial acquisition of the repossessed land or recover development costs and other costs incurred up to the date of the repossession. Furthermore, regulations relating to idle land or other aspects of land use rights may become more restrictive or punitive in the future. If the Group does not comply with the terms of any land use rights grant contracts as a result of delays in project development, or as a result of other factors, the Group may lose the opportunity to develop the project, as well as its past investments in the land, which may materially and adversely impact its businesses, financial conditions, results of operations or growth prospects.

Properties could suffer physical damage by fire or other causes and the Group may be exposed to potential risks associated with public liability claims, resulting in losses (including loss of rent and value of properties) which may not be fully compensated for by insurance proceeds, and such events may in turn affect the Group's financial conditions or results of operations. There is also the possibility of other losses for which the Group may not obtain insurance at a reasonable cost or at all. Should an uninsured loss or a loss in excess of insured limits occur, payment of compensation may be required and this may affect the returns on capital invested in that property. The Group would also remain liable for any debt or other financial obligation, such as committed capital expenditures, related to that property. In addition, insurance policies will have to be renewed every year and acceptable terms for coverage will have to be negotiated, thus exposing the Group to the volatility of the insurance markets, including the possibility of rate increases. Any such factors may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

The Hotel Industry

The hotel industry has been cyclical and may be affected by various factors which are beyond the Group's control, including (a) supply of and demand for accommodation properties; (b) the rate of economic growth; (c) interest rates; (d) political environment and economic developments; (e) seasonal factors; and (f) weather conditions. Furthermore, hotel guests are mostly short-term occupants of the hotel rooms and as a result, hotel occupancy rates and room rates are subject to a high degree of fluctuation. Consumer's confidence, desire, willingness and ability to travel may also be affected by the availability of transportation and travel disruptions caused by extreme weather conditions, natural disasters or epidemics. Any such factors may result in reduced demand for our hospitality services and downward pressure on the daily room rates, and may adversely affect the Group's business, financial conditions, results of operations or growth prospects.

Despite the Hong Kong government's lifting of the anti-epidemic controls, the pace of recovery of the industry depends on the global economy, tourism recovery, and consumer sentiment. The potential effects on the hotel industry remain unpredictable and may pose significant adverse impact on the Group's business, financial conditions, results of operations or growth prospects.

The UK Pub Industry

Market Conditions and Change of Consumer Demand

While all COVID-19 related restrictions in the UK have now been lifted by the government, the emergence of new COVID-19 variants is an ongoing concern. If COVID-19 variants of greater severity and/or infectiousness than the prevalent ones emerge, or if any similar pandemics or outbreaks occur in the future, further restrictive measures may be re-imposed by the government, which may have a significant and adverse impact on the UK pub industry and UK economy, and the Group's business, financial conditions, results of operations or growth prospects. The pace of recovery of the industry depends on the development of the COVID-19 situation, the recovery of local and international tourism and business travel, as well as consumer confidence.

The protracted Russia-Ukraine conflict and the instability in the Middle East have sharpened worries in the market over inflation and increasing prices and costs for consumers and businesses, particularly in energy, labour and food. There is no certainty in how long the conflicts may last and the full extent of the impact from the conflicts and their spill-over effects on inflation, interest rates and the cost of living in the UK. These effects have a negative bearing on consumer confidence and discretionary spending. Any escalation in the conflict may have a significant and adverse impact on the UK pub industry and UK economy, and the Group's business, financial conditions, results of operations or growth prospects.

The Group's business operates in a market where consumer behaviour may change from time to time. The use of digital media and the expanding food delivery market also add to the competition. Failure to respond to increased competition, to refine segmentation and adopt branding effectively, to price products appropriately, and to align the portfolio of product offerings to meet the demand of consumers could all lead to reduced revenue, profitability and lower than anticipated market share and growth rates.

RISK FACTORS (CONTINUED)

In relation to non-recourse debt financing, the Group obtained waivers from the relevant creditors in respect of historical covenant breaches as a result of COVID-19. There is no assurance that such waivers will be obtained in the future if the financial conditions deteriorate again.

Supply Chain and Distribution

The Group's pub operations cover England, Scotland and Wales. The Group manages the supply chain by a combination of internal logistic resources and relying on a number of key suppliers and third party distributors to supply and deliver goods, including food and drinks. These suppliers also provide raw materials to the breweries operated by the Group to produce and package beer under the brands owned by the Group. Short term or prolonged disruption of such supply chains and distributions caused by events such as epidemic and pandemic outbreaks, sanctions or strikes could lead to interruptions of the supply and delivery of goods or services to customers, resulting in a loss of revenue. Long term failure or withdrawal of key suppliers or distributors could also lead to significantly increased costs in procuring alternatives. Moreover, the failure to brew, package and distribute beer for extended periods of time could have a long term adverse effect on revenue and profitability.

Mounting Cost Pressures

The Group continues to face mounting cost pressures and significant increases in operating costs and expenditure for pubs managed by the Group, particularly in energy costs and food prices, employee wages and business rates. Many of these cost factors are beyond the control of the Group. Failure to mitigate effectively against them could lead to reduced revenue, profitability and lower growth rates. Aside from pubs managed by the Group, any difficulties faced by the licensees in tenanted pubs and franchisees in franchised pubs may also impact their ability to keep up with their payment obligations.

The sector has been particularly hit by labour shortages and pay inflation. Whilst the long term impact of Brexit is yet to be fully understood, there has been a reduction in the migration of workers from the EU to the UK. This could add to the cost and challenges in recruiting and retaining enough skilled and qualified employees and securing adequate resource from our contractors and other service providers. Similar issues are faced by the licensees in tenanted pubs and franchisees in franchised pubs.

Health, Safety, Employment and Data Protection Regulations

Failure to comply with food safety and health and safety legislation that results in the occurrence of serious injury or loss of life to any customers, employees or tenants in the pubs managed by the Group or pubs occupied by licensees and franchisees, offices or breweries, could have a significant and adverse impact on the business reputation of the Group. It could further lead to investigations by relevant authorities and potentially significant financial loss. Any issue in the food supply chain that leads to serious illness or loss of life to any customers, including the provision of incorrect allergen information, could also lead to a significant and adverse impact on the business reputation of the Group, restrictions in supply, potential increases in the cost of goods, reduced sales revenue and profitability.

Failure to comply with the requirements of employment-related legislation could lead to regulatory fines and penalties, additional expense, reduced profitability, and an adverse impact on the Group's business reputation and ability to recruit and retain skilled and qualified employees.

The Group's tenanted pubs business in the UK is subject to legislation known as the Pubs Code. Failure to comply with the Pubs Code could result in an adverse impact on the Group's business reputation and ability to retain and recruit good quality tenants.

A significant personal data breach and any other failure to comply with the requirements of data protection legislation could impact the Group's ability to do business and business reputation, and lead to loss of revenue and significant risk of financial damage from fines or compensation.

Infrastructure Market

Some of the investments owned by the Group (for example, water, gas and electricity) are subject to regulatory pricing and strict adherence must be made to the licence requirements, codes and guidelines established by the relevant regulatory authorities from time to time. Failure to comply with these licence requirements, codes or guidelines may lead to penalties, or, in extreme circumstances, amendment, suspension or cancellation of the relevant licences by the authorities. Many of these regulated businesses have recently been undergoing challenging regulatory resets with lower permitted return and restrictions on shareholders' distribution under certain circumstances. Interest and inflation rates, high energy cost, energy windfall tax, cap on the energy retail prices in certain markets as well as tougher stances adopted by regulators may affect the returns of the Group's infrastructure businesses. Any operational practices that are significantly out of step with community expectations can lead to concerns with regulators or local or national governments, and may ultimately lead to more stringent regulatory resets, regulatory oversight as well as negative publicity that could also have a reputational impact. Infrastructure projects are capital intensive, and, with only a few major players in the market, there can be no assurance of ready buyers on disposal.

The distribution and transmission networks of the Group's utilities investments are also exposed to supply interruptions. If a severe earthquake, storm, flood, fire, sabotage, terrorist attack, outbreaks of epidemics or any other unplanned event interrupts service, the loss of cash flow resulting from the interruption and the cost of recovery from network damage could be considerable and potentially cause poor customer perceptions and may also lead to claims and litigations. Moreover, some losses from events such as terrorist attacks may not be recoverable. The Russia-Ukraine conflict and the instability in the Middle East will continue to put energy supply at risk and cause substantial price volatility. Increases in the number or duration of supply interruptions could result in material increases in the costs associated with the operation of the distribution and transmission networks. All of these uncertain factors could have a material adverse effect on the businesses, financial conditions, results of operations or growth prospects of the Group.

Highly Competitive Markets

The Group's business operations face significant competition across the diverse markets in which they operate. New market entrants and intensified price competition among existing market players could adversely affect the Group's businesses, financial conditions, results of operations or growth prospects. Competition risks faced by the Group include (a) an increasing number of developers undertaking property investment and development in Hong Kong, the Mainland and in other overseas markets, which may affect the market share and returns of the Group; and (b) significant competition and pricing pressure from other competitors which may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

RISK FACTORS (CONTINUED)

New Business Ventures and Investments

To balance and mitigate the inherent risks associated with the cyclical nature of property development, or generally, the Group is committed to balancing and strengthening its business portfolio through global quality investments to enhance its recurrent income base and quality of earnings. The Group has taken steps to create and will continue to explore ways to create new sources of recurring revenue by investing into new business sectors and geographical regions if appropriate in respect of investments that meet its criteria. However, there can be no assurance that the Group will implement its business expansion strategies successfully or that its strategies will be able to deliver the results as anticipated. In pursuit of new business opportunities, the Group is experiencing more intense competition where competing bidders are more aggressive in the valuation of the assets on the back of abundant market liquidity and lower return requirements. Also, expansion into new sectors and markets may expose the Group to new uncertainties including but not limited to risks relating to insufficient operating experience in certain sectors and markets, changes in governmental policies and regulations and other adverse developments affecting such sectors and markets. There is also no assurance that all investors would favour the new ventures or investments that may be made by the Group.

Acquisitions

The Group has undertaken acquisition activities in the past and may continue to do so if there are appropriate acquisition opportunities in the market. Although due diligence and detailed analysis are conducted before acquisition activities are undertaken, there can be no assurance that these can fully expose all hidden problems, potential liabilities and unresolved disputes that the target company may have. In addition, valuations and analyses on the target company conducted by the Group and by professionals alike are based on numerous assumptions, and there can be no assurance that those assumptions are correct or appropriate or that they will receive universal recognition. Relevant facts and circumstances used in the analyses could have changed over time, and new facts and circumstances may come to light as to render the previous assumptions and the valuations and analyses based thereon obsolete.

Some of these acquisition activities are subject to regulatory approvals in overseas countries and there can be no assurance that such approvals will be obtained, and even if granted, that there will be no burdensome conditions attached to such approvals. There might be longer and more complicated foreign investment approval processes in particular for “sensitive” infrastructure assets such as electricity and gas networks. The increasing geopolitical tensions have accelerated these trends as governments have responded with additional foreign investment regulations to protect local enterprises from foreign acquisitions and also to protect strategic assets from foreign control. The Group may not necessarily be able to successfully integrate the target business into the Group and may not be able to derive any synergy from the acquisition, leading to an increase in costs, time and resources. For acquisition activities undertaken overseas, the Group may also be exposed to different and changing political, social, legal and regulatory requirements at the local, national and international level. The Group may also need to face different cultural issues when dealing with local employees, customers, governmental authorities and pressure groups.

Strategic Partners

Some of the businesses of the Group are conducted through non-wholly owned subsidiaries, associates and joint ventures in which the Group shares control (in whole or in part) and strategic alliances had been formed by the Group with other strategic or business partners. There can be no assurance that any of these strategic or business partners will continue their relationships with the Group in the future or that the Group will be able to pursue its stated strategies with respect to its non-wholly owned subsidiaries, associates and joint ventures and the markets in which they operate. Furthermore, the joint venture partners may (a) have economic or business interests or goals that are inconsistent with those of the Group; (b) take actions contrary to the Group’s policies or objectives; (c) undergo a change of control; (d) experience financial and other difficulties; or (e) be unable or unwilling to fulfil their obligations under the joint ventures, which may affect the Group’s businesses, financial conditions, results of operations or growth prospects.

Connected Transactions

CK Hutchison Holdings Limited (“CK Hutchison”) has been deemed by The Stock Exchange of Hong Kong Limited (“Stock Exchange”) to be a connected person of the Company under the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”). CK Hutchison is also listed on the Stock Exchange. Although the Group believes that its relationship with CK Hutchison provides it with significant business advantages, the relationship results in various connected transactions under the Listing Rules and accordingly any transactions entered into between the Group and CK Hutchison or its subsidiaries are connected transactions, which, unless one of the exemptions is available, will be subject to compliance with the applicable requirements of the Listing Rules, including the issuance of announcements, the obtaining of independent shareholders’ approval at general meetings and disclosure in annual reports and financial statements. Independent shareholders’ approval requirements may also lead to unpredictable outcomes causing disruptions to as well as an increase in the risks of the Group’s business activities. Independent shareholders may also take actions that are in conflict with the interests of the Group.

Past Performance and Forward-Looking Statements

The past performance and the results of operations of the Group as contained in this Annual Report are historical in nature and past performance can be no guarantee of future results of the Group. This Annual Report may contain forward-looking statements and opinions that involve risks and uncertainties. Actual results may 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 (a) any obligation to correct or update the forward-looking statements or opinions contained in this Annual Report; and (b) any liability in the event that any of the forward-looking statements or opinions does not materialise or turns out to be incorrect.

CORPORATE INFORMATION AND KEY DATES

Board of Directors

LI Tzar Kuoi, Victor
KAM Hing Lam
IP Tak Chuen, Edmond
CHUNG Sun Keung, Davy
CHIU Kwok Hung, Justin
CHOW Wai Kam, Raymond
PAU Yee Wan, Ezra

Chairman and Managing Director
Deputy Managing Director
Deputy Chairman
Executive Director
Executive Director
Executive Director
Executive Director

CHEONG Ying Chew, Henry
CHOW Nin Mow, Albert
HUNG Siu-lin, Katherine
Donald Jeffrey ROBERTS
Stephen Edward BRADLEY
KWOK Eva Lee
SNG Sow-mei alias POON Sow Mei
LAM Siu Hong, Donny
LEE Wai Mun, Rose

Independent Non-executive Director
Independent Non-executive Director
Independent Non-executive Director
Independent Non-executive Director
Independent Non-executive Director
Independent Non-executive Director
Independent Non-executive Director
Independent Non-executive Director

Senior Advisor

LI Ka-shing

Audit Committee

CHEONG Ying Chew, Henry (*Chairman*)
CHOW Nin Mow, Albert
HUNG Siu-lin, Katherine
Donald Jeffrey ROBERTS
Stephen Edward BRADLEY
LAM Siu Hong, Donny
LEE Wai Mun, Rose

Remuneration Committee

HUNG Siu-lin, Katherine (*Chairperson*)
LI Tzar Kuoi, Victor
CHEONG Ying Chew, Henry

Nomination Committee

Stephen Edward BRADLEY (*Chairman*)
LI Tzar Kuoi, Victor
Donald Jeffrey ROBERTS

Sustainability Committee

IP Tak Chuen, Edmond (*Chairman*)
CHEONG Ying Chew, Henry
Stephen Edward BRADLEY
Eirene YEUNG

Stock Codes

The Stock Exchange of Hong Kong Limited: 1113
Bloomberg: 1113 HK
Reuters: 1113.HK

Website

www.ckah.com

Key Dates

Annual Results Announcement	21 March 2024
Closure of Register of Members (for determination of shareholders who are entitled to attend and vote at Annual General Meeting)	20 to 23 May 2024 (both days inclusive)
Annual General Meeting	23 May 2024
Record Date (for determination of shareholders who qualify for the Final Dividend)	29 May 2024
Payment of Final Dividend	13 June 2024

Executive Committee

LI Tzar Kuoi, Victor (*Chairman*)
KAM Hing Lam
CHUNG Sun Keung, Davy
CHOW Wai Kam, Raymond
YIP Kin Ming, Emmanuel
SHEN Wai Yee, Grace
MA Lai Chee, Gerald
TONG BARNES Wai Che, Wendy

IP Tak Chuen, Edmond
CHIU Kwok Hung, Justin
PAU Yee Wan, Ezra
MAN Ka Keung, Simon
Eirene YEUNG
KOH Poh Chan
CHIU Yue Seng

Company Secretary

Eirene YEUNG

Authorised Representatives

IP Tak Chuen, Edmond
Eirene YEUNG

General Manager, Accounts Department

MAN Ka Keung, Simon

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
DBS Bank Ltd., Hong Kong Branch
Sumitomo Mitsui Banking Corporation
Hang Seng Bank Limited
Oversea-Chinese Banking Corporation Limited
Mizuho Bank, Ltd.
The Bank of Nova Scotia, Hong Kong Branch
Citibank, N.A
Canadian Imperial Bank of Commerce
Deutsche Bank AG

Auditor

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

Legal Advisers

Woo, Kwan, Lee & Lo

Registered Office

PO Box 309, Ugland House, Grand Cayman,
KY1-1104, Cayman Islands

Principal Place of Business

7th Floor, Cheung Kong Center,
2 Queen's Road Central, Hong Kong

Principal Share Registrar and Transfer Office

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall, Cricket Square,
Grand Cayman, KY1-1102, Cayman Islands

Hong Kong Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Rooms 1712-1716, 17th Floor, Hopewell Centre,
183 Queen's Road East, Hong Kong

This annual report 2023 ("Annual Report"), which is available in both English and Chinese versions, has been published on the Company's website (<https://www.ckah.com>) and the website of Hong Kong Exchanges and Clearing Limited (<https://www.hkexnews.hk>).

If a shareholder wishes to receive the Company's corporate communications (including but not limited to the Annual Report) from the Company in printed form, please follow the instructions set out in the "Dissemination of Corporate Communications" under the "Investor Relations" section of the Company's website, to complete the relevant Request Form and return the completed form to the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited.

Any such request from a shareholder will cease to be valid after one year, or such shorter period if the original request is revoked in writing, or superseded by a subsequent written request, by such shareholder, prior to the expiry date of the original request. A shareholder wishing to continue to receive corporate communications in printed form after expiry of the original request must complete and return a fresh Request Form.

Shareholders may at any time choose to change their choice as to the language of the Company's corporate communications (including but not limited to the Annual Report) by reasonable prior notice in writing to the Company c/o the Company's Hong Kong Share Registrar by email to ckah.ecom@computershare.com.hk or by post to 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

If a shareholder wishes to receive actionable corporate communications by email, please follow the relevant instructions set out in the "Dissemination of Corporate Communications" under the "Investor Relations" section of the Company's website, to complete the relevant Request Form and return the completed form to the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited.



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