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MIRAMAR GROUP

MIRAMAR HOTEL AND INVESTMENT COMPANY, LIMITED

美麗華酒店企業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 71)

2023 FINAL RESULTS ANNOUNCEMENT

ANNUAL RESULTS

The Board of Directors of Miramar Hotel and Investment Company, Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2023 together with the comparative figures for the corresponding year in 2022.

Highlights

- The Group’s revenue increased by 84.7% to HK\$2,552.6 million (2022: HK\$1,382.2 million)
- Profit attributable to shareholders increased by 103.5% to HK\$977.1 million (2022: HK\$480.1 million)
- Underlying profit attributable to shareholders* rose by 56.8% to HK\$820.5 million (2022: HK\$523.3 million)
- Earnings per share and underlying earnings per share* were HK\$1.41 (2022: HK\$0.69) and HK\$1.19 (2022: HK\$0.76) respectively
- Final dividends per share proposed are HK30 cents (2022: HK29 cents), which makes a total annual dividend of HK53 cents per share (2022: HK50 cents), and are payable in cash

* *Underlying profit attributable to shareholders and underlying earnings per share excluded the post-tax effects of the investment properties revaluation movements and other non-recurring items*

CHAIRMAN AND CEO'S STATEMENT

Dear shareholders,

On behalf of the Board of Directors of Miramar Hotel and Investment Company, Ltd. (the "Company"), I would like to present the report on the financial and operational performances of the Company and its subsidiaries (the "Group") for the year ended 31 December 2023 (the "year").

Consolidated Results

The Group's revenue for the year 2023 amounted to HK\$2,552.6 million (2022: HK\$1,382.2 million), an increase of 84.7% against last year. Profit attributable to shareholders for the year was HK\$977.1 million (2022: HK\$480.1 million) with a year-on-year increase of 103.5%. The aforesaid outcome is mainly attributable to the increase in revenue from the Group's three business segments (including hotel and serviced apartments, food and beverage and travel business) compared with last year and the fair value appreciation of investment properties over last year. The underlying profit attributable to shareholders (excluding the net increase in the fair value of investment properties by HK\$159.5 million (2022: net decrease of HK\$23.2 million)) increased by 56.8% to HK\$820.5 million compared with last year (2022: HK\$523.3 million). The underlying earnings per share is HK\$1.19 (2022: HK\$0.76).

Final Dividend

The Board recommends a final dividend of HK30 cents per share to the shareholders listed on the Register of Members at the close of business on 18 June 2024 (Tuesday). The proposed final dividend is expected to be distributed to shareholders on 11 July 2024 (Thursday). Adding up with an interim dividend of HK23 cents per share paid on 12 October 2023, the total dividend payment for the whole year will be HK53 cents per share.

Overview

After more than three years of efforts to combat the COVID-19 outbreak, the pandemic finally came to an end. The Hong Kong Government lifted all pandemic prevention measures and resumed full border opening in early 2023, bringing significant improvement to the tourism and hospitality industries in Hong Kong. Nevertheless, the passenger volume of Hong Kong's aviation industry had only recovered to 80% of the pre-pandemic level by the end of 2023, and the cross-border coach services in the Pearl River Delta had only recovered by 30% to 50%, posing a direct impact on the growth of occupancy rate of the hotel industry in terms of both long-haul and short-haul visitors. Fortunately, the Hong Kong section of the high-speed rail resumed operation in early 2023, and its passenger volume reached 17 million in November of the same year, exceeding the annual passenger volume in 2019. The Group seized the opportunity and shifted its marketing focus from international travelers at the airport to medium- and long-haul mainland visitors using the high-speed rail. A series of sales initiatives targeting Individual Visit Scheme ("IVS") travelers and high-speed rail passengers were also launched at The Mira Hong Kong and Mira Moon Hotel. These efforts successfully attracted visitors from various provinces in mainland China, including business tours and IVS travelers, resulting in a steady growth in occupancy rates and banquet business for both hotels in 2023.

In terms of the food and beverage business, the Group quickly seized the opportunities presented in the post-pandemic rebound after the full removal of pandemic control measures. We stepped up our promotional efforts and focused on developing e-commerce to enhance the user experience of our online shops. As a result of these measures, the food and beverage business rebounded successfully and recorded a revenue of HK\$279.4 million during the year.

The property rental business of the Group remained stable during the year, benefiting from the retail market recovery and our solid customer traffic. As early as last year, we adjusted our strategies and prepared for the post-pandemic market recovery. This included launching a number of activities targeting the active young customer segment, such as themed decorations, inviting various brands to set up pop-up stores in our malls and organizing special weekend markets. In addition, the Group actively responded to the HKSAR Government's economic stimulus measures and organized district events to boost footfall. We also continued to enhance the quality of our properties for rental, including improvement works in the mall and office tower lift lobbies, thereby enhancing the appeal of the properties and improving the tenant experience. In terms of travel business, revenue increased significantly to HK\$896.1 million during the period, thanks to the full recovery and border reopening in Hong Kong.

Outlook

With the gradual recovery of global air capacity and increased connectivity between Hong Kong and China, we are confident in the diversity of development opportunities and growth potential of the market. Recently, the HKSAR Government announced the inclusion of two cities, namely Xi'an and Qingdao, in the "Individual Visit Scheme". This will further increase the influx of tourists from the Mainland, benefiting the hospitality, food and beverage, retail and tourism sectors of Hong Kong. In addition, the Group plans to intensify its promotional efforts in the food and beverage business and strengthen the e-commerce development continuously. By offering more diversified food and beverage options and improving the online shopping experience, the Group expects to attract more customers and boost its revenue.

Overall, the Group is optimistic about its future business outlook. It is estimated that the hospitality and tourism industries and food and beverage businesses will continue to grow as the economy recovers and the market picks up. The Group will continue to actively adapt to market changes, seek new development opportunities and provide quality services and experience to meet customer demands.

TRIBUTE

Dr David Sin Wai Kin, a Vice Chairman and an Independent Non-Executive Director of the Company, passed away during the year. Dr Sin had given invaluable contributions to the Company during his long service to the Board of Directors over the past 49 years. The Board of Directors deeply regrets his passing.

ACKNOWLEDGMENT

I would like to express a warm welcome to Mr Benedict Sin Nga Yan for joining the Board of Directors as an Independent Non-Executive Director with effect from 26 June 2023.

I would like to take this opportunity to thank the Board of Directors for their support of the Group. On behalf of all the shareholders and members of the Board of Directors, I would like to express my sincere gratitude to our management team and every employee for their contributions to the Group.

Lee Ka Shing

Chairman and CEO

Hong Kong, 19 March 2024

MANAGEMENT DISCUSSION AND ANALYSIS

Hotels and Serviced Apartments Business

The COVID-19 pandemic, which lasted for more than three years, finally came to an end. The Hong Kong Government lifted all pandemic prevention measures and resumed full border opening in 2023. The number of visitor arrivals and overnight visitors to Hong Kong exceeded 34 million and 17 million, respectively, representing a significant growth of 55.7 times and 28.8 times compared with the same period last year. The tourism and hospitality industries of Hong Kong significantly improved accordingly. With foresight into the opportunities, the Group has early prepared itself for the return to normalcy in Hong Kong. In terms of manpower, we jointly organized the “From Retraining to Direct Employment Program” with the HKFTU Study Centre and Hotels, Food & Beverage Employees Association to provide professional training for those who aspire to become hotel room attendants. Starting from February 2023, the Group collaborated with the Federation of Hong Kong and Kowloon Labour Unions to co-organize the “Certificate Program in Housekeeping”. The program response has been positive, with close to 90% of the students applying to become room attendants at the Group’s hotels upon completion of the course. In respect of the employment of ethnic minorities, the Group cooperated with Yau Tsim Mong District Council members and Hong Kong Nepalese Federation to host the “Recruitment Day for Ethnic Minorities”. With satisfactory response on the recruitment, the Group will continue to organize similar activities to promote an inclusive society in the future. In terms of hotel accommodation, we launched a number of accommodation plans targeting mainland business travelers, IVS travelers, high-speed rail passengers, and overseas tourists. These plans included offering customized 24-hour FlexiStay plans and flexible check-in and check-out schedules, all of which have successfully attracted mainland business tours, IVS tourists, and overseas visitors to stay at our hotels and use our banquet services. The Group’s food and beverage business also actively introduced various seasonal thematic menus and partnered with different local brands and restaurants from around the world to launch food and beverage events. This not only enhanced our international competitiveness but also brought a richer dining experience to local customers and travelers.

Thanks to the properly formulated business and operational strategies mentioned above, the occupancy rate of The Mira Hong Kong and Mira Moon reached 90% and 95% in 2023, respectively, representing a significant growth of 22 percentage points and 54 percentage points compared with the occupancy rate of 68% and 41% in 2022, respectively, while the average room rate also reached HK\$1,432 and HK\$1,706, increasing by 61% and 40%, respectively. As a result, the revenue from the room rental business of The Mira Hong Kong recorded a significant increase of 126.2%, and the revenue from room rental business of Mira Moon also climbed by 215.2% due to the asset quality enhancement project carried out last year. Revenue from the food and beverage business under the hotel segment of the Group also recorded an increase of 49.6% compared with the same period last year. During the year, the overall revenue from the hotel and serviced apartment business amounted to HK\$581.9 million, an increase of 82.8% compared with HK\$318.4 million for the same period last year; and earnings before interest, taxes, depreciation and amortization (EBITDA) recorded a profit of HK\$153.5 million, representing an increase of 763.6% compared with HK\$17.8 million for the same period last year.

Property Rental Business

Hong Kong's retail market has gradually recovered following the full reopening of the border at the beginning of the year, leading to overall improvements in business conditions. To capitalize on the rebound in consumer spending, the Group launched a number of distinctive themed decorations and promotional campaigns during the year, which attracted footfall and enhanced the customer shopping experience successfully. These campaigns included the Rabbit Shrine-themed Chinese New Year campaign, annual music event "Gimme LiVe Music Festival 2023", "Mira After 8" Night Fever campaign, and "Find Your Santa Zo-mate" Christmas event, which successfully garnered market attention. In addition, we invited a number of local and international brands to set up pop-up stores and organize special weekend markets in our malls during the year, diversifying the mall's offerings and resulting in a steady growth in footfall at Mira Place. Internally, the Group continued to enhance the quality of its properties for rental, including the improvement works in the mall and office tower lift lobbies that incorporated green and sustainable elements to promote the concepts of "Mi Go Green" and sustainable development. These enhancements aimed to increase the appeal of its properties and enrich the tenant experience while contributing to a green Earth and the efficient use of resources.

Benefiting from the above measures and the steady customer traffic of the property rental business of the Group, the revenue from the Group's property rental business remained stable at HK\$795.2 million during the year, while EBITDA recorded a profit of HK\$670.1 million, compared with revenue of HK\$800 million and EBITDA of HK\$676.6 million last year, representing a slight decrease of 0.6% and 1.0% over last year, respectively.

Change in Fair value of Investment Properties

The Group's investment properties are stated at fair value and are reviewed on a semi-annual basis. The fair value of investment properties is determined with reference to the opinions obtained by the Group from an external professional surveyor firm (Cushman & Wakefield Limited). The fair value of the Group's total investment properties increased by HK\$159.5 million (2022: a decrease of HK\$23.2 million) during the year. The book value of the overall investment properties as at 31 December 2023 was HK\$15.3 billion. The investment properties of the Group are held for the long term with the purpose of earning recurring income. The revaluation gain was non-cash in nature and had no substantive impact on the cash flow of the Group.

Food and Beverage Business

During the year, the business environment of the food and beverage industry has greatly improved as the Hong Kong Government lifted the social distancing measures for restaurants and banquets. In addition, thanks to the full border reopening between Hong Kong and the Mainland on 6 February this year, the food and beverage sector and consumer market both saw a positive sentiment. In 2022, with its insight into opportunities on the post-pandemic rebound, the Group launched two new brands: “Chinesology” (唐述), offering modernized Chinese cuisine, and “JAJA”, offering innovative vegetarian options. In late 2023, the Group continued to seize opportunities by opening “Mue Mue”, a restaurant that offers modernized Thai cuisine with a Chinese twist in Mira Place 1. This expansion has further diversified the food and beverage business portfolio, allowing for the development of a wider customer base.

According to the statistics of total receipts of restaurants from the Census and Statistics Department of the Hong Kong Government, the performance of the food and beverage sector in Hong Kong for 2023 recorded a growth of 26.1% over the same period last year, while the food and beverage business of the Group also performed strongly with significant growth in both restaurant cover and spending per person, resulting in an overall revenue growth of 61.3%, which notably outperformed the peer average in Hong Kong. In addition, the Group continued to strengthen sales promotions for dine-in, takeaway, and Mira eShop during the period, catering to the diverse needs of customers. In terms of festival food, revenue for the year also grew by 49.1%, with the sales of Chinese New Year pudding reaching a record high. During the year, the Group’s food and beverage business recorded revenue of HK\$279.4 million and an EBITDA profit of HK\$29.9 million, compared with revenue of HK\$173.3 million and EBITDA loss of HK\$1.9 million in the same period last year.

Travel Business

During the year, the business environment of the global cross-border tourism industry witnessed a gradual recovery. The Group launched outbound tours to different countries and cruise tours to capture the exuberant demand for outbound travel among locals as normalcy returned. Given the orderly increase in air capacity of Hong Kong after the resumption of normal operation, as at the end of 2023, the air capacity was about 80% of the pre-pandemic level and it is estimated that it will completely return to the pre-pandemic level by the end of 2024, fostering a promising and bright outlook for the travel business.

During the period, revenue from the travel business of the Group rebounded strongly to HK\$896.1 million with EBITDA profit of HK\$46.7 million, compared with revenue of HK\$90.6 million and EBITDA loss of HK\$13.3 million in the same period last year.

Operating and Other Expenses

The Group continued to strictly control costs and improve its operating efficiency. Overall operating costs increased by 34.5% to HK\$228.7 million (2022: HK\$170.0 million) over the same period last year. The extent of increase in operating costs was much less than the extent of increase in revenue due to strict cost control.

Treasury Management and Financial Condition

The Group manages the exposure to exchange rate, interest rate, liquidity and financing risks arising from the course of its daily operations in accordance with its established policies, and closely monitors its own financial position and requirements, to ensure solvency and commitment. In terms of exchange rate risk, as the Group mainly operates in Hong Kong with its related cash flows, assets and liabilities denominated in HKD, the primary exposure arises from assets and business operations in Mainland China and UK, and bank deposits in RMB, GBP and USD. In terms of interest rate and liquidity risks, as the Group's capital is mainly denominated in HKD with no borrowings, the main interest rate risk of the Group is the interest rate risk of HKD deposit. There is no interest rate risk associated with financing and borrowing. As at 31 December 2023, the Group had a consolidated cash position of HK\$5.6 billion (31 December 2022: HK\$5.4 billion) and no loans (31 December 2022: nil). In terms of financing risk, as at 31 December 2023, the total amount of credit facilities available to the Group was HK\$0.9 billion (31 December 2022: HK\$1 billion), none of them have been utilized (31 December 2022: nil). Accordingly, the gearing ratio (calculated by dividing the total consolidated borrowings by the total consolidated shareholders' equity) of the Group was nil (31 December 2022: nil). During the year, the Group has seized the purpose opportunities continuously and made more investment on financial assets mainly for long-term purpose. As at 31 December 2023, long term equity investment and current financial assets were HK\$332.2 million (31 December 2022: HK\$28.1 million) and HK\$89.5 million (31 December 2022: HK\$58.4 million) respectively. The Group adopts a stable and healthy financial policy with more than sufficient funds and credit lines secured, which would enable the Group to cope with economic uncertainties in the foreseeable future, invest in any securities and bonds and execute investment-effective business development plans when appropriate.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

| | | 2023 | 2022 |
|--|------|-------------------------|-----------------|
| | Note | HK\$'000 | HK\$'000 |
| Revenue | 3 | 2,552,594 | 1,382,231 |
| Cost of food and beverage | | (150,743) | (102,689) |
| Staff costs | 4(a) | (512,427) | (411,606) |
| Utilities, repairs and maintenance and rent | | (132,190) | (111,319) |
| Tour and ticketing costs | | <u>(790,753)</u> | <u>(77,419)</u> |
| Gross profit | | 966,481 | 679,198 |
| Other revenue and non-operating net (loss)/gain | | 300,134 | 153,934 |
| Operating and other expenses | | (228,698) | (170,037) |
| Depreciation | | <u>(67,212)</u> | <u>(57,783)</u> |
| | | 970,705 | 605,312 |
| Finance costs | 4(b) | (2,268) | (2,140) |
| Share of profits less losses of associates | | <u>176</u> | <u>178</u> |
| | | 968,613 | 603,350 |
| Net increase/(decrease) in fair value of investment properties | 8(a) | <u>159,532</u> | <u>(23,159)</u> |
| Profit before taxation | 4 | 1,128,145 | 580,191 |
| Taxation | 5 | | |
| Current | | (86,209) | (72,885) |
| Deferred | | <u>(24,629)</u> | <u>(18,766)</u> |
| Profit for the year carried forward | | <u>1,017,307</u> | <u>488,540</u> |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)*For the year ended 31 December 2023*

| | <i>Note</i> | 2023 HK\$'000 | 2022 <i>HK\$'000</i> |
|--|-------------|--------------------------------|-------------------------|
| Profit for the year brought forward | | <u>1,017,307</u> | <u>488,540</u> |
| Attributable to: | | | |
| Shareholders of the Company | | 977,136 | 480,104 |
| Non-controlling interests | | <u>40,171</u> | <u>8,436</u> |
| | | <u>1,017,307</u> | <u>488,540</u> |
| Dividends attributable to the year: | | | |
| Interim Dividend | 6(a) | 158,921 | 145,102 |
| Final Dividend | | <u>207,288</u> | <u>200,378</u> |
| | | <u>366,209</u> | <u>345,480</u> |
| Earnings per share | | | |
| Basic | 7(a) | <u>HK\$1.41</u> | <u>HK\$0.69</u> |
| Diluted | 7(a) | <u>HK\$1.41</u> | <u>HK\$0.69</u> |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

| | 2023 HK\$'000 | 2022 HK\$'000 |
|---|------------------|------------------|
| Profit for the year | <u>1,017,307</u> | <u>488,540</u> |
| Other comprehensive income for the year (after tax and reclassification adjustments): | | |
| <i>Item that will not be reclassified to profit or loss:</i> | | |
| Equity securities designated at fair value through other comprehensive income (“FVOCI”): | | |
| — changes in fair value | (85,348) | (6,898) |
| <i>Item that may be reclassified subsequently to profit or loss:</i> | | |
| Exchange differences on translation of the financial statements of subsidiaries outside Hong Kong | (26,919) | (77,985) |
| Release of reserve upon disposal of a subsidiary | <u>7,570</u> | <u>—</u> |
| | <u>(104,697)</u> | <u>(84,883)</u> |
| Total comprehensive income for the year | <u>912,610</u> | <u>403,657</u> |
| Attributable to: | | |
| Shareholders of the Company | 878,433 | 409,225 |
| Non-controlling interests | <u>34,177</u> | <u>(5,568)</u> |
| Total comprehensive income for the year | <u>912,610</u> | <u>403,657</u> |

There is no tax effect relating to the above component of other comprehensive income.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

| | <i>Note</i> | 2023 <i>HK\$'000</i> | 2022 <i>HK\$'000</i> |
|---|-------------|--------------------------------|-------------------------|
| Non-current assets | | | |
| Investment properties | 8(a) | 15,314,929 | 15,159,392 |
| Other property, plant and equipment | 8(b) | <u>244,134</u> | <u>243,053</u> |
| | | 15,559,063 | 15,402,445 |
| Interests in associates | | 1,247 | 1,074 |
| Equity securities designated at FVOCI | | 332,235 | 28,140 |
| Deferred tax assets | | <u>16,598</u> | <u>33,122</u> |
| | | <u>15,909,143</u> | <u>15,464,781</u> |
| Current assets | | | |
| Inventories | | 120,532 | 119,655 |
| Trade and other receivables | 9 | 282,384 | 214,747 |
| Financial assets measured at fair value through profit or loss (“FVPL”) | | 89,484 | 58,443 |
| Cash and bank balances | | 5,568,703 | 5,385,923 |
| Tax recoverable | | <u>857</u> | <u>1,461</u> |
| | | <u>6,061,960</u> | <u>5,780,229</u> |
| Current liabilities | | | |
| Trade and other payables | 10 | (469,564) | (363,974) |
| Rental deposits received | | (76,693) | (129,223) |
| Contract liabilities | | (125,069) | (80,567) |
| Lease liabilities | | (34,845) | (42,005) |
| Tax payable | | <u>(35,774)</u> | <u>(9,643)</u> |
| | | <u>(741,945)</u> | <u>(625,412)</u> |
| Net current assets | | <u>5,320,015</u> | <u>5,154,817</u> |
| Total assets less current liabilities carried forward | | <u>21,229,158</u> | <u>20,619,598</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)*At 31 December 2023*

| | <i>Note</i> | 2023 <i>HK\$'000</i> | 2022 <i>HK\$'000</i> |
|---|-------------|--------------------------------|-------------------------|
| Total assets less current liabilities brought forward | | <u>21,229,158</u> | <u>20,619,598</u> |
| Non-current liabilities | | | |
| Deferred liabilities | | (181,322) | (111,818) |
| Lease liabilities | | (40,675) | (57,055) |
| Deferred tax liabilities | | <u>(335,334)</u> | <u>(329,633)</u> |
| | | <u>(557,331)</u> | <u>(498,506)</u> |
| NET ASSETS | | <u>20,671,827</u> | <u>20,121,092</u> |
| CAPITAL AND RESERVES | | | |
| Share capital | | 2,227,024 | 2,227,024 |
| Reserves | | <u>18,258,274</u> | <u>17,739,140</u> |
| Total equity attributable to shareholders of the Company | | 20,485,298 | 19,966,164 |
| Non-controlling interests | | <u>186,529</u> | <u>154,928</u> |
| TOTAL EQUITY | | <u>20,671,827</u> | <u>20,121,092</u> |

NOTES:

1. BASIS OF PREPARATION

The financial information relating to the years ended 31 December 2023 and 31 December 2022 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap.622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap.622) and will deliver the financial statements for the year ended 31 December 2023 in due course.

The Company's auditor has reported on the financial statements of the Group for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance (Cap.622).

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. CHANGES IN ACCOUNTING POLICIES

(i) New and amended HKFRSs

The Group has applied the following new and amended HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 1, *Presentation of financial statements* and HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform — Pillar Two model rules*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2. CHANGES IN ACCOUNTING POLICIES (continued)

(ii) New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In June 2022 the Hong Kong SAR Government (the “Government”) gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “Amendment Ordinance”), which will come into effect from 1 May 2025.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism.

Upon the enactment of the Amendment Ordinance in June 2022, it is no longer permissible to apply the practical expedient in paragraph 93(b) of HKAS 19 that previously allowed such deemed contributions to be recognised as reduction of service cost (negative service cost) in the period the contributions were made; instead these deemed contributions should be attributed to periods of service in the same manner as the gross long service payment benefit.

To better reflect the substance of the abolition of the offsetting mechanism, the Group has changed its accounting policy in connection with its long service payment liability and has applied the above HKICPA guidance. There is no material financial impact to the Group’s consolidated financial statements.

3. REVENUE AND SEGMENT REPORTING

The Group manages its businesses by segments which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group’s board and senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following five reportable segments.

| | | |
|--------------------------------|---|--|
| Property rental | : | The leasing of office and retail premises to generate rental income and to gain from the appreciation in properties’ values in the long term |
| Hotels and serviced apartments | : | The operating of hotels and serviced apartments and provision of hotel management services |
| Food and beverage operation | : | The operation of restaurants |
| Travel operation | : | The operation of travel agency services |
| Others | : | Other businesses |

The principal activities of the Group are property rental, hotels and serviced apartments, food and beverage operation and travel operation. Revenue represents income from property rental, hotels and serviced apartments, food and beverage, travel and other operations.

3. REVENUE AND SEGMENT REPORTING (continued)

(a) Segment results

Revenue and expense are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. The measure used for reporting segment results is “adjusted EBITDA”, i.e. “adjusted earnings before interest, taxes, depreciation and amortisation”. To arrive at adjusted EBITDA, the Group’s earnings are further adjusted for items not specifically attributed to individual segments, such as share of profits less losses of associates, other non-operating items and other net corporate income/expenses.

Information regarding the Group’s reportable segments as provided to the Group’s board and senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2023 and 2022 is set out below.

| | 2023 | | | | | |
|---|---------------------------------------|---|--|--|---------------------------|--------------------------|
| | Property rental <i>HK\$'000</i> | Hotels and serviced apartments <i>HK\$'000</i> | Food and beverage operation <i>HK\$'000</i> | Travel operation <i>HK\$'000</i> | Others <i>HK\$'000</i> | Total <i>HK\$'000</i> |
| Reportable segment revenue (revenue from external customers) (<i>Note</i>) | <u>795,187</u> | <u>581,884</u> | <u>279,443</u> | <u>896,080</u> | <u>—</u> | <u>2,552,594</u> |
| Reportable segment results (adjusted EBITDA) | 670,092 | 153,523 | 29,947 | 46,696 | (501) | 899,757 |
| Unallocated net corporate income | | | | | | <u>70,948</u> |
| | | | | | | 970,705 |
| Finance costs | | | | | | (2,268) |
| Share of profits less losses of associates | | | | | | 176 |
| Net increase in fair value of investment properties | 159,532 | — | — | — | — | <u>159,532</u> |
| Consolidated profit before taxation | | | | | | <u>1,128,145</u> |

3. REVENUE AND SEGMENT REPORTING (continued)

| | 2022 | | | | | |
|--|---------------------------------------|---|--|--|---------------------------|--------------------------|
| | Property rental <i>HK\$'000</i> | Hotels and serviced apartments <i>HK\$'000</i> | Food and beverage operation <i>HK\$'000</i> | Travel operation <i>HK\$'000</i> | Others <i>HK\$'000</i> | Total <i>HK\$'000</i> |
| Reportable segment revenue (revenue from external customers) (<i>Note</i>) | <u>800,033</u> | <u>318,356</u> | <u>173,280</u> | <u>90,562</u> | <u>—</u> | <u>1,382,231</u> |
| Reportable segment results (adjusted EBITDA) | 676,604 | 17,778 | (1,936) | (13,343) | (387) | 678,716 |
| Unallocated net corporate expenses | | | | | | <u>(73,404)</u> |
| | | | | | | 605,312 |
| Finance costs | | | | | | (2,140) |
| Share of profits less losses of associates | | | | | | 178 |
| Net decrease in fair value of investment properties | (23,159) | — | — | — | — | <u>(23,159)</u> |
| Consolidated profit before taxation | | | | | | <u>580,191</u> |

Note: Revenue for the property rental segment comprised rental income of HK\$649,285,000 (2022: HK\$652,068,000) and rental-related income of HK\$145,902,000 (2022: HK\$147,965,000), which in aggregate amounted to HK\$795,187,000 (2022: HK\$800,033,000). Except for property rental income which falls within the scope of HKFRS 16, *Leases*, all of the remaining revenue falls within the scope of HKFRS 15, *Revenue from contracts with customers*. Rental-related income in property rental segment is recognised at the point in time when relevant services are provided. Hotel revenue from room rental in hotels and serviced apartments segment of HK\$332,617,000 (2022: HK\$159,807,000) is recognised over time during the period of stay for the hotel guests. Food and beverage sales and other ancillary services in hotels and serviced apartments segment and food and beverage operation segment are recognised at the point in time when services are rendered. Revenue from travel operation is recognised at a point in time of tour departure or when ticket sold out.

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 such that it does not disclose the (i) aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period, and (ii) information about when the Group expects to recognise as revenue, as the Group's contracts with customers generally have an original expected duration of one year or less.

3. REVENUE AND SEGMENT REPORTING (continued)

(b) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets other than financial instruments and deferred tax assets. The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of non-current assets is based on the physical location of the asset, in case of interests in associates, the location of operations.

| | Revenue from external customers | | Non-current assets | |
|---|---------------------------------|------------------|--------------------|-------------------|
| | 2023 HK\$'000 | 2022 HK\$'000 | 2023 HK\$'000 | 2022 HK\$'000 |
| The Hong Kong Special Administrative Region | 2,486,954 | 1,316,599 | 14,845,632 | 14,689,850 |
| The PRC | 65,640 | 65,632 | 678,433 | 680,769 |
| The United Kingdom | — | — | 36,245 | 32,900 |
| | <u>2,552,594</u> | <u>1,382,231</u> | <u>15,560,310</u> | <u>15,403,519</u> |

4. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

| | 2023 HK\$'000 | 2022 HK\$'000 |
|---|------------------|------------------|
| (a) Staff costs | | |
| Contributions to defined contribution retirement plan | 19,585 | 15,918 |
| Salaries, wages and other benefits | <u>492,842</u> | <u>395,688</u> |
| | <u>512,427</u> | <u>411,606</u> |
| (b) Finance costs | | |
| Interest on lease liabilities | <u>2,268</u> | <u>2,140</u> |
| (c) Other items | | |
| Dividend income from listed securities | (14,033) | (1,925) |
| Bank interest income | (255,789) | (94,312) |
| Interest income from other financial instruments | (5,651) | — |
| Net realised and unrealised losses/(gains) on financial assets measured at FVPL | 2,852 | (988) |
| Reversal of provision for properties held for resale | (59) | (85) |
| Government subsidies (<i>Note</i>) | — | (36,613) |
| Loss allowance for trade receivables | 236 | 598 |
| Net gain on liquidation of a subsidiary | <u>(1,033)</u> | <u>—</u> |

Note: Being the subsidies received from the COVID-19 Anti-epidemic Fund under the Employment Support Scheme and other subsidy schemes as promulgated by the Government of the Hong Kong Special Administrative Region of the People's Republic of China which are included in "Other revenue" during the prior year.

5. TAXATION

Taxation in the consolidated statement of profit or loss represents:

| | 2023 <i>HK\$'000</i> | 2022 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Current tax — Hong Kong Profits Tax | | |
| Provision for the year | 80,969 | 65,743 |
| Over-provision in respect of prior years | <u>(2,728)</u> | <u>(192)</u> |
| | 78,241 | 65,551 |
| Current tax — Taxation outside Hong Kong | | |
| Provision for the year | <u>7,968</u> | <u>7,334</u> |
| | <u>86,209</u> | <u>72,885</u> |
| Deferred tax | | |
| Change in fair value of investment properties | 2,907 | 38 |
| Effect on deferred tax balance resulting from a change in tax rate | — | 20,046 |
| Origination and reversal of temporary differences | <u>21,722</u> | <u>(1,318)</u> |
| | <u>24,629</u> | <u>18,766</u> |
| | <u>110,838</u> | <u>91,651</u> |

Provision for Hong Kong Profits Tax is calculated at 16.5% (2022: 16.5%) of the estimated assessable profits for the year.

Taxation outside Hong Kong is calculated at rates of tax applicable in the jurisdictions in which the Group is assessed for tax.

Share of associates' taxation for the year ended 31 December 2023 of HK\$19,000 (2022: HK\$22,000) is included in the share of profits less losses of associates.

6. DIVIDENDS

(a) Dividends attributable to the year

| | 2023 <i>HK\$'000</i> | 2022 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Interim dividend declared and paid of HK23 cents per share (2022: HK21 cents per share) | 158,921 | 145,102 |
| Final dividend proposed after the end of the reporting period of HK30 cents per share (2022: HK29 cents per share) | <u>207,288</u> | <u>200,378</u> |
| | <u>366,209</u> | <u>345,480</u> |

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

6. DIVIDENDS (continued)

(b) Dividends attributable to the previous financial year, approved and paid during the year

| | 2023 <i>HK\$'000</i> | 2022 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Final dividend in respect of the previous financial year, approved and paid during the year, of HK29 cents per share (2022: HK26 cents per share) | <u>200,378</u> | <u>179,649</u> |

7. EARNINGS PER SHARE

(a) Basic and diluted earnings per share

For the year ended 31 December 2023, the calculation of earnings per share is based on the profit attributable to shareholders of the Company of HK\$977,136,000 (2022: HK\$480,104,000) and 690,959,695 shares (2022: 690,959,695 shares) in issue during the year.

There were no potential ordinary shares in existence during the current and prior years, hence diluted earnings per share is the same as the basic earnings per share.

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, underlying earnings per share is additionally calculated based on the profit attributable to shareholders of the Company after excluding the effects of changes in fair value of investment properties and other non-recurring items. A reconciliation of profit is as follows:

| | 2023 <i>HK\$'000</i> | 2022 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Profit attributable to shareholders of the Company | 977,136 | 480,104 |
| Changes in fair value of investment properties during the year | (159,532) | 23,159 |
| Effect on deferred tax balance resulting from a change in tax rate | — | 20,046 |
| Effect of deferred tax on changes in fair value of investment properties | <u>2,907</u> | <u>38</u> |
| Underlying profit attributable to shareholders of the Company | <u>820,511</u> | <u>523,347</u> |
| Underlying earnings per share | <u>HK\$1.19</u> | <u>HK\$0.76</u> |

8. INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT

(a) Investment properties

Investment properties of the Group were revalued at 31 December 2023 and 2022. The valuations were carried out by an external firm of surveyors, Cushman & Wakefield Limited, who have among its staff Members of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. The fair value of investment properties is based on income capitalisation approach which capitalised the net income of the properties under the existing tenancies and upon reversion after expiry of current leases. During the year, the net increase in fair value of investment properties was HK\$159,532,000 (2022: net decrease in fair value of HK\$23,159,000).

(b) Right-of-use assets (included in “other property, plant and equipment”)

The Group has obtained the right to use other properties as its operating outlets through tenancy agreements. The leases typically run for an initial period of 1 to 11 years, with an option to renew the lease when all terms are renegotiated. Lease payments are usually increased annually to reflect market rentals.

During the year ended 31 December 2023, the Group recognised the additions to right-of-use assets of HK\$23,714,000 (2022: HK\$48,551,000). Depreciation charges related to the right-of-use assets of HK\$38,269,000 (2022: HK\$30,761,000) respectively are recognised during the year. The net book value of the Group’s right-of-use assets at the end of the reporting period is HK\$67,684,000 (at 31 December 2022: HK\$82,239,000).

8. INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Right-of-use assets (included in “other property, plant and equipment”) (continued)

The leases of operation outlets contain variable lease payment terms that are based on sales generated from the operating outlets and minimum annual lease payment terms that are fixed. These payment terms are common in operating outlets in Hong Kong where the Group operates. During prior year, the Group received rent concessions in the form of a discount on fixed payments during the period of severe social distancing and travel restriction measures introduced to contain the spread of COVID-19. The amounts of fixed and variable lease payments paid/payable to landlord and COVID-19 rent concessions received from landlord for the year are summarised below:

| | Year ended 31 December 2023 | | |
|-------------------|-----------------------------------|--------------------------------------|--|
| | Fixed payments <i>HK\$'000</i> | Variable payments <i>HK\$'000</i> | COVID-19 rent concessions <i>HK\$'000</i> |
| Operating outlets | <u>1,068</u> | <u>999</u> | <u>—</u> |
| | Year ended 31 December 2022 | | |
| | Fixed payments <i>HK\$'000</i> | Variable payments <i>HK\$'000</i> | COVID-19 rent concessions <i>HK\$'000</i> |
| Operating outlets | <u>881</u> | <u>150</u> | <u>(2,143)</u> |

The Group has adopted the Amendment to HKFRS 16 and has applied the practical expedient to all eligible rent concessions received by the Group.

9. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade debtors (net of loss allowance) with the following ageing analysis, based on the invoice date (or date of revenue recognition, if earlier), as at the end of the reporting period:

| | 2023 <i>HK\$'000</i> | 2022 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Within 1 month | 61,694 | 37,187 |
| 1 month to 2 months | 10,046 | 9,202 |
| Over 2 months | <u>29,601</u> | <u>42,948</u> |
| Trade receivables (net of loss allowance) | 101,341 | 89,337 |
| Other receivables, deposits and prepayments | <u>181,043</u> | <u>125,410</u> |
| | <u>282,384</u> | <u>214,747</u> |

9. TRADE AND OTHER RECEIVABLES (continued)

At 31 December 2023 and 2022, all of the trade and other receivables are expected to be recovered within one year, except for the amount of HK\$9,527,000 (2022: HK\$12,889,000) which is expected to be recovered after one year.

The Group has a defined credit policy. The general credit terms allowed range from 7 to 60 days from the date of billing. Debtors with balances that are more than 60 days overdue are generally required to settle all outstanding balances before any further credit is granted.

10. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables with the following ageing analysis, based on the invoice date, as at the end of the reporting period:

| | 2023 HK\$'000 | 2022 HK\$'000 |
|---|-----------------------|-----------------------|
| Due within 3 months or on demand | 65,090 | 27,676 |
| Due after 3 months but within 6 months | <u>48,897</u> | <u>20,235</u> |
| Trade payables | 113,987 | 47,911 |
| Other payables and accrued charges | 280,330 | 239,120 |
| Amounts due to holders of non-controlling interests of subsidiaries (<i>see note (i)</i>) | 70,993 | 72,682 |
| Amounts due to associates (<i>see note (ii)</i>) | <u>4,254</u> | <u>4,261</u> |
| | <u><u>469,564</u></u> | <u><u>363,974</u></u> |

Notes:

- (i) Amounts due to the holders of non-controlling interests of subsidiaries are unsecured, interest-free and have no fixed term of repayment.
- (ii) Amounts due to associates are unsecured, interest-free and repayable on demand.

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

11. EMPLOYEE RETIREMENT SCHEME

The Group's Hong Kong employees participate in a defined contribution provident fund scheme as defined in the Occupational Retirement Schemes Ordinance (Cap. 426) (the "ORSO Scheme") or in another defined contribution scheme registered under the Mandatory Provident Fund Scheme Ordinance (Cap. 485) ("MPFO") (the "MPF Scheme").

Contributions to the ORSO Scheme are made by the participating employers ranging from 5%-11% of, and by the employees at 5%-11% of the employees' basic monthly salaries. The portion of employers' contributions to which the employees are not entitled and which has been forfeited shall not be used to reduce the future contributions of the participating employers.

No employees of the Group were eligible to join the ORSO Scheme on or after 1 December 2000.

11. EMPLOYEE RETIREMENT SCHEME (continued)

The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately. In addition to the minimum benefits set out in the MPFO, the Group provides certain voluntary top-up benefits to employees participating in the MPF Scheme. The portion of employer's contributions to which the employees are not entitled and which has been forfeited can be used by the Group to reduce the future contributions. The total amount so utilised for the year ended 31 December 2023 was HK\$194,000 (2022: HK\$91,000) and the balance available to be utilised as at 31 December 2023 was nil (2022: nil).

Employees of subsidiaries in the People's Republic of China (the "PRC") are required to participate in defined contribution retirement schemes which are administered and operated by the local municipal government. Those subsidiaries contribute funds which are calculated on certain percentage of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees. The only obligation of the Group with respect to these retirement schemes is to make the required contributions under the defined contribution retirement schemes. No forfeited contributions was used by the employers to reduce the existing level of contributions for the year ended 31 December 2023 (2022: nil). The balance available to be utilised as at 31 December 2023 was nil (2022: nil).

ANNUAL GENERAL MEETING

The 2024 Annual General Meeting of the Company will be held on Thursday, 6 June 2024 at 12:00 noon. The Notice of the 2024 Annual General Meeting is expected to be published on or about Thursday, 25 April 2024.

CLOSURE OF REGISTER OF MEMBERS

- (1) For the purpose of ascertaining Shareholders' entitlement to attend and vote at the 2024 Annual General Meeting, the Register of Members will be closed from Friday, 31 May 2024 to Thursday, 6 June 2024, both days inclusive, during such period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2024 Annual General Meeting, Shareholders must lodge all transfer documents accompanied by the relevant share certificates (together the "Share Transfer Documents") for registration with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong ("Computershare"), no later than 4:30 p.m. on Thursday, 30 May 2024; and
- (2) For the purpose of ascertaining Shareholders' entitlement to the proposed final dividend, the Register of Members will be closed from Thursday, 13 June 2024 to Tuesday, 18 June 2024, both days inclusive, during such period no transfer of shares will be registered. In order to establish entitlements to the proposed final dividend, Shareholders must lodge the Share Transfer Documents for registration with Computershare no later than 4:30 p.m. on Wednesday, 12 June 2024.

DIVIDEND DESPATCH DATE

Subject to the approval to be obtained at the 2024 Annual General Meeting, the proposed final dividend is expected to be distributed to Shareholders on Thursday, 11 July 2024.

EMPLOYEES

As at 31 December 2023, the Group had a total of 1,301 full-time employees, including 1,269 employed in Hong Kong, 19 employed in The People's Republic of China and 13 employed in Overseas. The Group is the "Equal Opportunity Employer"; we value dedication and respect, and work hard to instill a sense of unity, ownership and professionalism for all of our employees that supports the achievement of the Group's Mission, Vision and Business Strategies. It is the policy of the Group to remunerate employees in a fair and equitable manner. The Group develops a performance-driven culture and adopts Total Rewards Management for talent attraction, employee recognition and retention. The Group reviews its Remuneration and Benefits Program on a regular basis to ensure the programme is in compliance with the latest laws, in line with market practice and keeps up with market conditions and levels of remuneration.

TRAINING AND DEVELOPMENT

The Group regards Employees as our most precious asset. We commit ourselves to providing a continuous learning environment and opportunities to our Employees at all levels to help them grow and excel in productivity.

The Group strives to continuously develop a comprehensive Learning and Development Road Map including the provision of in-house and external training programmes such as Management/Supervisory Skills, Business Knowledge, Technical Skills, Customer Services Skills, Language Ability, People Management and Personal Effectiveness, etc. for Employees at all levels to advance their career achievements within the Group.

Subsequent to continued deployment of resources towards employee training and development, the Group has been awarded “Manpower Developer” by the Employees Retraining Board every year since 2011, in recognition of the Group’s outstanding achievements in fostering an organisational culture conducive to manpower training and development as well as life-long learning.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) for the year ended 31 December 2023, with the exception that roles of the chairman and the chief executive officer of the Company have not been segregated as requested by the CG Code. Dr. Lee Ka Shing was re-designated as Chairman and Chief Executive Officer as from 12 June 2014. Dr. Lee has been the Chief Executive Officer since 1 August 2006 with in-depth experience and knowledge of the Group and its businesses. The Board is of the view that his appointment into the dual roles as Chairman and Chief Executive Officer is in the best interest of the Group ensuring continuity of leadership and efficiency in formulation and execution of corporate strategies, and that there is adequate balance of power and authority in place.

AUDIT COMMITTEE

The Audit Committee has reviewed the financial results of the Group for the year ended 31 December 2023 and discussed with the Director of Audit, Risk & Corporate Services and independent external auditors regarding matters on auditing, internal control, risk management and financial report of the Group.

SCOPE OF WORK OF KPMG

The financial figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been compared by the Group’s auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group’s consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not

constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") as set out in Appendix C3 of the Listing Rules as the code for dealing in securities of the Company by the directors. Having made specific enquiries, the Company confirmed that all directors had complied with the required standards set out in the Model Code throughout the year ended 31 December 2023.

FORWARD-LOOKING STATEMENTS

This announcement contains certain statements that are forward-looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board of Directors of the Company regarding the industry and markets in which it operates. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company's control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements.

By Order of the Board

LEE KA SHING

Chairman and CEO

Hong Kong, 19 March 2024

As at the date of this announcement, (i) the executive Directors are Dr. Lee Ka Shing, Dr. Colin Lam Ko Yin, Mr. Richard Tang Yat Sun, Mr. Eddie Lau Yum Chuen and Mr. Norman Ho Hau Chong; (ii) the non-executive Directors are Dr. Patrick Fung Yuk Bun and Mr. Dominic Cheng Ka On; and (iii) the independent non-executive Directors are Dr. Timpson Chung Shui Ming, Mr. Howard Yeung Ping Leung, Mr. Thomas Liang Cheung Bui, Mr. Wu King Cheong, Mr. Alexander Au Siu Kee and Mr. Benedict Sin Nga Yan.