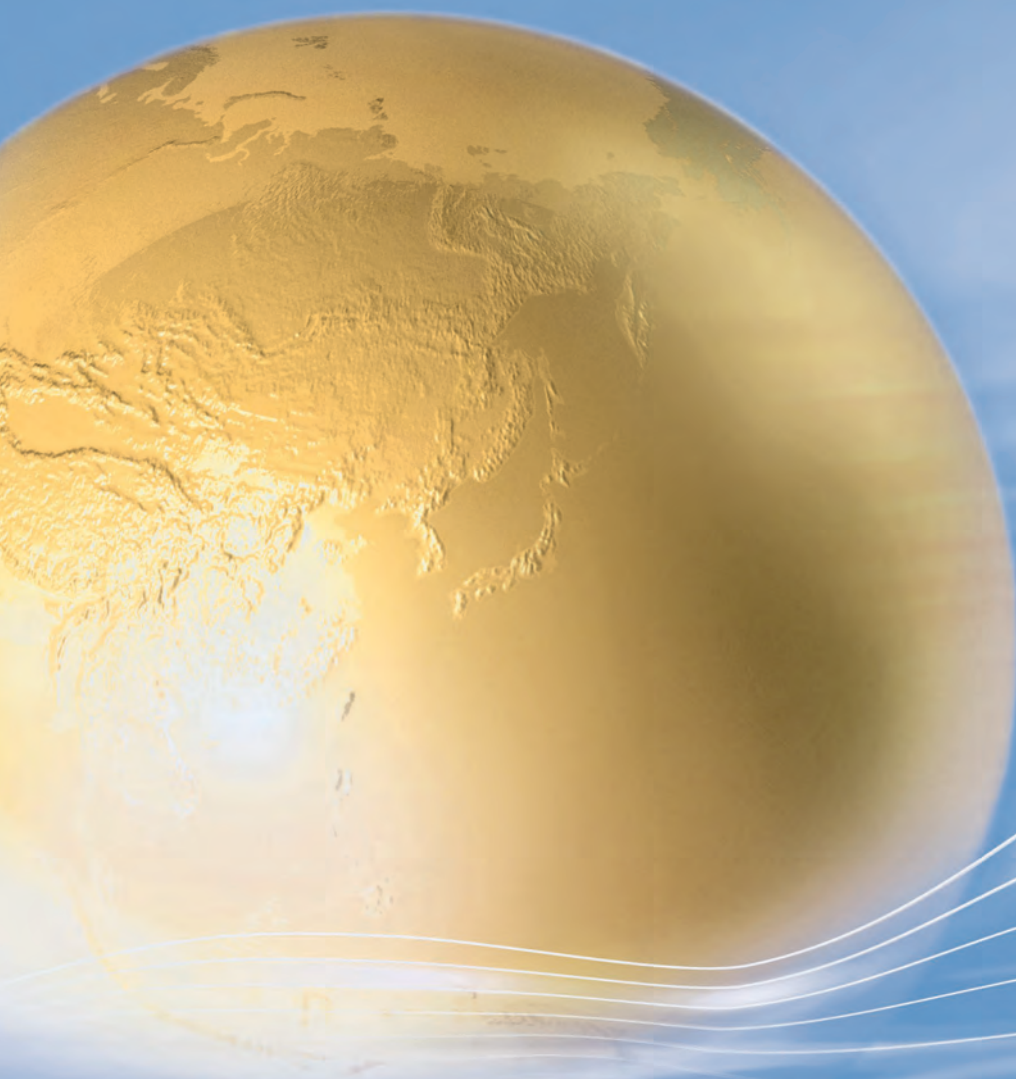


Strong Resilience in Challenging Times



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 2022

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)					
	2018	2019	2020	2021	2022
Group revenue (Note 1)	50,368	82,382	59,825	62,094	56,341
Share of revenue of joint ventures (Note 1)	14,113	13,937	14,327	21,147	23,210
Total	64,481	96,319	74,152	83,241	79,551
Profit attributable to shareholders	40,117	29,134	16,332	21,241	21,683
Consolidated Statement of Financial Position (HK\$ million)					
	2018	2019	2020	2021	2022
Fixed assets	37,660	97,519	95,101	76,444	70,267
Investment properties	123,478	119,832	128,683	132,324	125,186
Joint ventures	59,842	59,371	62,467	80,752	74,685
Associates	7,256	7,000	7,077	7,054	7,058
Other non-current assets	26,784	33,820	34,640	26,016	27,746
Net current assets	166,478	140,757	121,912	155,606	154,899
Non-current liabilities	421,498	458,299	449,880	478,196	459,841
80,470	97,067	82,662	91,921	66,134	
Net assets	341,028	361,232	367,218	386,275	393,707
Representing:					
Share capital and share premium	245,639	245,639	245,639	242,619	240,102
Reserves	77,881	98,614	109,000	128,609	139,529
Shareholders' funds	323,520	344,253	354,639	371,228	379,631
Perpetual capital securities	11,670	11,670	6,200	7,929	7,929
Non-controlling interests	5,838	5,309	6,379	7,118	6,147
Total equity	341,028	361,232	367,218	386,275	393,707
	2018	2019	2020	2021	2022
Shareholders' funds					
– book value per share (HK\$) (Note 2)	87.59	93.21	96.02	101.89	105.30
Earnings per share (HK\$) (Note 3)	10.85	7.89	4.42	5.77	5.98
Dividends per share (HK\$)					
Interim dividend	0.47	0.52	0.34	0.41	0.43
Final dividend	1.43	1.58	1.46	1.79	1.85

Note 1: The revenue of aircraft leasing, a discontinued operation, was not accounted for in 2021 and 2022.

Note 2: Book value per share is calculated based on the number of shares issued at the year end dates.

Note 3: 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
 - 2
 - 3
- 1 & 2. Release of the Group's annual results
3. 163 member companies of the CK Group were named "Caring Companies"

1-3

CK Asset's properties participated in a lights out event "Earth Hour 2022" which was organised by World Wide Fund For Nature of Hong Kong, showing their commitment towards addressing the climate crisis and the rapid loss of biodiversity on Earth.

163 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 19 consecutive years.

THE YEAR AT A GLANCE (CONTINUED)



- | | |
|---|---|
| 1 | 3 |
| 2 | 4 |
- 1 & 2. 2022 Annual General Meeting of the Group
 - 3. Donation to The Community Chest of Hong Kong
 - 4. Launch of Grand Jeté Phase 1

4-6

CA The Group's 2022 Annual General Meeting was convened as a hybrid meeting. Shareholders were encouraged to attend the meeting and exercise their voting rights via online platform for their sake of health.



4-6

- CA The CK Group and Li Ka Shing Foundation made contributions to "The Community Chest Pandemic Rainbow Fund" to support individuals and families who faced economic difficulties inflicted by the pandemic.
- CA Sale of Grand Jeté Phase 1 in Tuen Mun was launched.

THE YEAR AT A GLANCE (CONTINUED)



1. The Grand Officer of the Order of the Star of Italy
2. Sale of a portion of 21 BORRETT ROAD by entering into a Sale and Purchase Agreement
3. Ceremony of Corporate Brand Awards of Excellence 2022
4. Greater China Super Brands Awards 2022
5. Leadership Business Award 2022
6. Named as Top Ten Developers 2022 in BCI Asia Awards 2022 Singapore

7-9

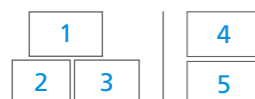
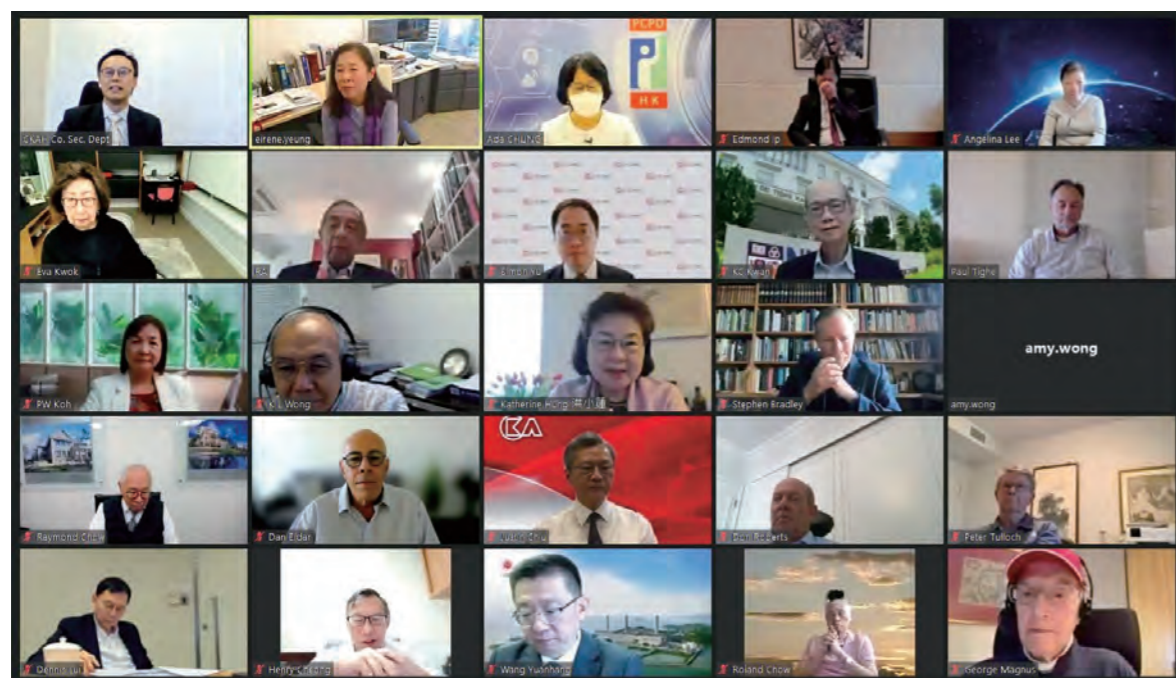
- CA Mr. Victor T K Li, the Chairman of the Group, was awarded the Grand Officer of the Order of the Star of Italy.
- CA The Group entered into a Sale and Purchase Agreement in relation to the sale of a portion of "21 BORRETT ROAD".
- CA Member companies of the Group were awarded the 2021-2022 "Good MPF Employer", "MPF Support Award" and "e-Contribution Award" by the Mandatory Provident Fund Schemes Authority.
- CA The Group was awarded "Corporate Brand Awards of Excellence 2022 – Award of Excellence in Diversity in Property Development (顯卓多元地產業務大獎)" by Hong Kong Economic Journal.
- CA The CK Group was awarded "HKSAR 25th Anniversary Excellence Awards" by Oriental Daily News and on.cc.



7-9

- CA The Group received "HKSAR 25th Anniversary Enterprises Outstanding Contribution Awards (Property Developers) (香港回歸25周年企業貢獻大獎(地產商))" from Metro Broadcast.
- CA The Group was named "Top Ten Developers 2022" in BCI Asia Awards 2022 Singapore.
- CA The CK Group was awarded "Greater China Super Brands Awards 2022" by East Week Magazine.
- CA The Group's subsidiary, Citybase Property Management Limited ("Citybase"), received "Heart Caring Charter" from Occupational Safety and Health Council.
- CA The Group's #LYOS and Grand Jeté received "Your Own Living Style Award of Excellence" and "Low Density Residence Award of Excellence" respectively from Now (Finance) Leadership Business Award 2022.

THE YEAR AT A GLANCE (CONTINUED)



1. Online Directors' training
2. Perfect Ten won awards in 2022 PropertyGuru Asia Property Awards
3. Ceremony of The Community Chest of Hong Kong
4. ListCo Excellence Awards 2022
5. Listed Company Awards of Excellence 2022

10-12

- CA Online Directors' training was held on an interactive online platform with distinguished professionals on data privacy, global financial and investment issues.
- CA Perfect Ten, a property project of the Group in Singapore, won "Best Luxury Condo Development" and "Best Luxury Condo Interior Design", and was awarded "Best Luxury Condo Architectural Design" in "2022 PropertyGuru Asia Property Awards".
- CA Sale of the lakeside residential project, Lake Como, in Shanghai was launched with good market response.
- CA The CK Group has been named one of The Community Chest's Top 3 Donors for 23 consecutive years.

10-12

- CA The CK Group was awarded "The Award for Corporations with Outstanding Contribution in Guangdong-Hong Kong-Macao Greater Bay Area (領航粵港澳大灣區傑出貢獻企業)" 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 third "Greater Bay Area Developing Forum cum Award Presentation Ceremony" organised by Hong Kong Ta Kung Wen Wei Media Group.
- CA The CK Group received "ListCo Excellence Awards 2022" from am730 and PR Asia.
- CA The Group was awarded the "Listed Company Awards of Excellence 2022" by Hong Kong Economic Journal.
- CA Citybase organised "Better Love Better Me" charity sale. Proceeds from the sale were donated to 5 social welfare organisations.

CHAIRMAN'S STATEMENT

Strong Resilience in Challenging Times



HIGHLIGHTS

Year ended 31 December	2022 HK\$ million	2021 HK\$ million	2022 HK\$ per share	2021 HK\$ per share	Change
Profit attributable to shareholders	21,683	21,241	5.98	5.77	+3.6%
Final dividend			1.85	1.79	+3.4%
Full year dividend			2.28	2.20	+3.6%

PROFIT FOR THE YEAR

The Group's profit attributable to shareholders for the year ended 31 December 2022 amounted to HK\$21,683 million (2021 – HK\$21,241 million). Earnings per share were HK\$5.98 (2021 – HK\$5.77), an increase of 3.6% when compared with last year.

The Group's profit attributable to shareholders amounted to HK\$21,683 million.

DIVIDEND

The Directors recommend the payment of a final dividend of HK\$1.85 per share in respect of 2022 to shareholders whose names appear on the Register of Members of the Company at the close of business on Wednesday, 24 May 2023. This together with the interim dividend of HK\$0.43 per share paid on 16 September 2022 gives a total of HK\$2.28 per share for the year (2021 – HK\$2.20 per share). The proposed final dividend will be paid on Thursday, 8 June 2023 following approval at the 2023 Annual General Meeting.

PROSPECTS

Business Review

In 2022, the high-inflation environment and rapid interest rate hikes raised mounting concerns worldwide. The Group remained resilient and demonstrated adaptability to market fluctuations in this challenging environment by leveraging on its financial strength, quality assets and solid foundation. The Group disposed of its investment in aircraft assets and completed a few divestments to unlock the value of its assets for satisfactory gains and enhanced returns to shareholders. Following its strategic exit from the aircraft leasing sector for investments in real estate, the Group also seized an opportune window during the year to replenish its land bank with premium sites to reinforce its core position in the local property market and strengthen its fundamentals.

CHAIRMAN'S STATEMENT (CONTINUED)

Property Sales

The property market in Hong Kong lost momentum in 2022 due to the lingering pandemic, rising interest rates and the prevailing cautious sentiment of investors and homebuyers. The Group pursued a proactive sales strategy with determination and visionary foresight to offset this market impact. Contribution from the Group's property sales in Hong Kong in 2022 was in line with expectations. The sale of Grand Jeté Phase 1, a joint venture residential development project, progressed well and Phase 2 has been launched in March 2023. The Group sold various retail shops and public car park lots of Stars of Kovan in Singapore to Fortune REIT. The Group also entered into an agreement to dispose of its interest in the development company which owns the unsold units of 21 BORRETT ROAD in Mid-Levels West, Hong Kong. Details of the sale were stated in the Company's announcement dated 28 September 2022.

In the years of 2021 and 2022, the Group invested over HK\$30 billion to acquire four sites at reasonable prices through government tenders and to secure two redevelopment projects. These include a residential and retail development site at Kai Tak Area 4E Site 2; a residential development site at Lau Yip Street, Yuen Long; residential and retail redevelopment projects in To Kwa Wan; a residential development site in Tai Lam, Tuen Mun; a redevelopment project at Queen's Road West/In Ku Lane in Sai Ying Pun; and a residential and retail development site in Kai Tak Area 2A Site 4, Site 5(B) and Site 10.

On the Mainland, the Central Government has announced a mechanism for the stable development of the real estate market. Policies and city-specific measures to accommodate housing demand and promote financing in the real estate sector have been implemented. The new guidance encourages the provision of equity financing for real estate projects, monitoring of pre-sale proceeds to ensure completion, and improvement of home loans for buyers. The sale of City Link in Shanghai was completed in the first half of 2022 and the related contribution was recognised. The Group recorded a decrease in contribution from property sales on the Mainland in 2022 when compared with 2021 due to market conditions.

Property Rental

The Group remains confident in the demand for premium buildings in the city's core business districts although the office leasing momentum was relatively soft in 2022 due to unfavourable market sentiment. Cheung Kong Center II is approaching completion and will bear a striking resemblance to the iconic design of the Cheung Kong Center. It is expected to provide a steady recurring rental income stream and an asset appreciation opportunity for the Group. Contribution from property rental in 2022 recorded a decrease when compared with 2021, partly owing to the rental income loss from the disposal of 5 Broadgate in London in March 2022. Nonetheless, the disposal allowed the Group to realise a gain and reallocate its capital to other investment opportunities. The Group will continue to enhance its investment property portfolio and optimise its tenant mix in order to strengthen recurring income.

Hotel and Serviced Suite Operation

The adversity faced by the sector during the pandemic sparked creativity within the Group as it sought to improve the performance of the hotel and serviced suite operation. The Group continued to reposition its market segments to capture additional domestic market share. Some of the Group's hotels joined the designated quarantine hotel scheme during the year. The Group achieved an improvement in occupancy rate following the gradual relaxation of travel restrictions and increase in visitor arrivals. The Group's serviced suite operation remained stable and maintained a high occupancy rate by strategically targeting the long term stay business. A substantial increase in contribution was recorded for the Group's overall hotel and serviced suite operation in 2022 when compared with 2021.

Pub Operation

The pub and hospitality sector in the UK gradually recovered following the lifting of COVID-related restrictions. Greene King returned to profit with a positive contribution of HK\$835 million in 2022, a marked improvement when compared with the negative contribution in 2021. The overall business environment remains challenging due to myriad headwinds including unprecedented inflation, increasing energy prices, labour shortages and reduction in government support. Nevertheless, pub culture is an integral part of the British way of life and the sector has demonstrated its resilience to economic downturns in the past few years. Greene King is equipped to weather the storm and lay a strong foundation for long-term success, given the backing of the Group together with a significant high-quality freehold asset base, premium brands and great team members.

Infrastructure and Utility Asset Operation

The infrastructure and utility assets operation stayed resilient due to its stable nature, and recorded an increase in contribution in 2022 when compared with 2021. CK William Group, Reliance Home Comfort and ista contributed HK\$1,419 million, HK\$1,408 million and HK\$1,179 million respectively. Other infrastructure and utility assets made a total contribution of HK\$3,480 million. The Group will continue to source investment opportunities in high quality global infrastructure and utility assets. During the year, an experienced infrastructure investor Kohlberg Kravis Roberts & Co. L.P. was brought in to Northumbrian Water. The transaction, which closed in December 2022, allowed the Group to realise a portion of its shareholding in Northumbrian Water with a reasonable level of capital gain and net proceeds.

CHAIRMAN'S STATEMENT (CONTINUED)

Sustainability Initiatives

Climate risk and the way of response is an important area of focus in the Group's ongoing effort to manage its carbon footprint. The Group's standalone Sustainability Report for 2022 provides greater transparency on greenhouse gas emissions disclosures by adopting the framework recommended by the Task Force on Climate-related Financial Disclosures. This report details the Group's key sustainability accomplishments and initiatives in 2022, and progress towards its target to reduce GHG emissions, electricity and water consumption and paper waste by 2030. As part of the Group's decarbonisation efforts, Greene King has pledged to become carbon net zero by 2040, while individual companies in the Group's existing infrastructure and utility asset investment portfolio have committed to net zero targets in various timeframes from 2027 to 2050. The Group will continue to consider the ESG performance of potential targets as one of the core factors in its investment process. Throughout the sustainability journey, the Group has strived to integrate ESG principles into its operations and to build an ethical corporate culture at all levels.

The Group received an MSCI ESG rating of A in 2022 in recognition of its green buildings and corporate governance. Its residential developments, Seaside Sonata in Cheung Sha Wan and Sea to Sky in Tseung Kwan O, were both awarded the "Final Gold" rating under BEAM Plus New Buildings. In addition, various existing properties managed by the Group achieved the "Excellent" rating for management aspect under BEAM Plus Existing Buildings. As a Carbon Neutrality partner of the HKSAR Government, the Group will continue to engage stakeholders in its green vision and perform its fair share in the city's transition to carbon neutrality by 2050. In 2022, the Group was awarded "Employer of the Year" and "Grand Category of Mission" by JobsDB – Hong Kong HR Awards. The Group will continue to invest in its employees and their wellbeing and safety to foster a good environment for them to advance and prosper.

Outlook

The growth trajectory for the majority of the global economies is anticipated to slow due to a matrix of downside risks including geopolitical tensions, central bank monetary policies, inflationary pressure and elevated interest rates, which continue to weigh on investment sentiment. At the same time, the prospect of economic recovery is expected to remain challenging in a shifting economic landscape.

Anti-pandemic measures on the Mainland have been relaxed, and economic and social activities have gradually resumed. Fiscal and monetary policies implemented by the Central Government continue to play a role in promoting steady economic and social development. New measures have been launched to support the continuous development of the real estate market as a pillar industry and are expected to have a stimulating effect on the economy.

Notwithstanding the contraction of Hong Kong real GDP in 2022 amid the deteriorating economic environment and various external challenges, the unique advantage of Hong Kong as a gateway between the Mainland and the rest of the world remains. Hong Kong is poised to safeguard its long-term stability and prosperity by reinforcing its distinctive status as an international financial centre, an innovation and technology centre, and an international trade and shipping centre by leveraging the continuing support of the Mainland in line with the blueprint of national development. The resumption of quarantine-free travel around the world is expected to revive the growth momentum of Hong Kong in 2023 by providing more opportunities for economic activities. While the Hong Kong property market has been under pressure due to rate hikes, the sector is still underpinned by solid demand. Housing policies and interest rate movements will continue to be determining factors.

Despite the global pandemic and market turbulence in recent years, the Group has navigated through difficulties and captured timely opportunities in different economic phases of market cycles, which is a testament to the Group's privilege to select its investments among a world of possibilities. As at 31 December 2022, the Group maintained a net cash position of HK\$12.6 billion after deducting bank and other borrowings. The Group's solid foundation, high quality assets and recurring income streams are the bedrock of its resilience. With a strong financial position and ample cash on hand coupled with its prudent financial management philosophy, the Group is able to respond swiftly to changes in the market while proactively pursuing new opportunities and large investments worldwide to generate recurring income and create shareholder value. The property development business remains at the heart of the Group's global operations and has been a cornerstone of its success over the years. The Group will continue to contribute to the prosperity of the community through its core competence in green and sustainable buildings for homes and workplaces.

The Group has maintained "A/Stable" and "A2 Stable" credit ratings from Standard & Poor's and Moody's respectively, demonstrating its stable outlook.

ACKNOWLEDGEMENT

Our intelligent, creative, experienced and loyal employees are the Group's most valuable asset in this competitive and challenging global environment. My colleagues on the Board join me in thanking our team of diligent employees around the world for their hard work, adaptability, services and contributions during the year. Our employees strived to maintain the stability of our operations notwithstanding the difficult and uncertain environment. I also take this opportunity to express my sincere gratitude to our board members for their unwavering dedication and our stakeholders for their continued support.

Victor T K Li
Chairman

Hong Kong, 16 March 2023

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Major Business Activities

1. Developments Completed during 2022:

Name	Location	Gross Floor Area (sq.ft.)	Group's Interest
El Futuro	Sha Tin Town Lot No. 614	244,084	100%
Laguna Verona Phase G1b/G2a Zone 4	Hwang Gang Lake, Dongguan	932,186	99.8%
Noble Hills Phase 3B	Zengcheng, Guangzhou	224,851	100%
Emerald Cove Phase 1	Daya Bay, Huizhou	1,288,417	100%
Regency Cove Phase 2B	Caidian District, Wuhan	649,552	100%

2. Developments in Progress and Scheduled for Completion in 2023:

Name	Location	Gross Floor Area (sq.ft.)	Group's Interest
Borrett Road Project 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%
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%
Regency Hills Land No. 11B	Yangjiashan, Nanan District, Chongqing	207,485	95%
Laguna Verona Phase F	Hwang Gang Lake, Dongguan	459,866	99.8%
Noble Hills Phase 3C	Zengcheng, Guangzhou	123,570	100%
Emerald Cove Phase 2	Daya Bay, Huizhou	1,216,988	100%
Regency Garden Phase 5B-2a	Pudong New District, Shanghai	265,868	85%
Regency Cove Phase 3A	Caidian District, Wuhan	282,003	100%
Chelsea Waterfront Metropolitan Building, The Rotunda, East Tower, Block KC4 and Block KC2A	Chelsea/Fulham, London	262,164	95%

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

- (1) March 2022: A wholly owned subsidiary of the Group was awarded a tender by the Urban Renewal Authority for the combined development of four projects covering two adjoining sites at Hung Fook Street/Kai Ming Street and Wing Kwong Street/Kai Ming Street, To Kwa Wan, Kowloon. With a total area of approximately 58,534 sq.ft. (approximately 5,438 sq.m.), the sites are designated for residential/retail/government accommodation development and estimated to have a total developable gross floor area of approximately 526,807 sq.ft. (approximately 48,942 sq.m.).
- (2) March 2022: An indirect wholly owned subsidiary of the Group agreed and completed the sale to an independent third party the entire issued share capital of Bluebutton Holdco 5 Broadgate (Jersey) Limited (the "Broadgate Target") which held 100% beneficial interest in the Grade-A office building, 5 Broadgate in London, the United Kingdom (the "UK Property") at the consideration of GBP729.17 million (equivalent to approximately HK\$7,466.70 million) in cash (subject to adjustments), which had taken into account the value ascribed to the UK Property of GBP1,210 million (equivalent to approximately HK\$12,390 million) and the other assets and liabilities of the Broadgate Target and its subsidiaries. Details of the sale were set out in the announcement of 11 March 2022.
- (3) April 2022: An indirect wholly owned subsidiary of the Group and an indirect 90% owned subsidiary of the Group (the "Aircraft Sellers") entered into a sale and purchase agreement in December 2021 with Maverick Aviation Holdings Ltd. (as purchaser) and the Company (as guarantor for each of the Aircraft Sellers) in relation to the disposals of all of the issued ordinary shares in the capital of Accipiter Finance S.à r.l. and Manchester Aviation Finance S.à r.l. at the respective total consideration of approximately US\$2,441 million (equivalent to approximately HK\$18,921 million) and US\$1,840 million (equivalent to approximately HK\$14,258 million) in cash (subject to adjustments). The said disposals involved the sale of aircraft together with the leases with respect to such aircraft, and other aircraft in the order book. Details of the disposals were set out in the announcement of 24 December 2021. The transaction was completed on 12 April 2022.
- (4) July 2022: An indirect wholly owned subsidiary of the Company ("CKA Sub I"), an indirect wholly owned subsidiary of CK Infrastructure Holdings Limited ("CKI") ("CKI Sub I") and Brockhill Investments Corporation ("Brockhill", an indirect wholly owned subsidiary of CK Hutchison Holdings Limited ("CKHH"), together with CKA Sub I and CKI Sub I, the "Northumbrian Sellers") entered into a share purchase agreement in July 2022 with Nimbus UK Bidco Limited (as purchaser, owned and controlled by Kohlberg Kravis Roberts & Co. L.P.) in relation to the purchaser's acquisition from each Northumbrian Seller, on a several basis, such Northumbrian Seller's pro rata share in 25% of the fully diluted ordinary share capital of each of Northumbrian Water Group Limited ("NWG") and Northumbrian Services Limited ("NSL") (the "KKR Investment") at an aggregate consideration of GBP867 million (equivalent to approximately HK\$8,072.8 million) in cash (subject to adjustments). The issued share capital of each of NWG and NSL was owned as to 20%, 40% and 40% by CKA Sub I, CKI Sub I and Brockhill. Upon the completion of the KKR Investment, the issued share capital of each of NWG and NSL would be owned as to 15%, 30%, 30% and 25% by CKA Sub I, CKI Sub I, Brockhill and the purchaser, respectively.

In respect of the 30% of the issued share capital of each of NWG and NSL which would be owned by Brockhill upon completion of the KKR Investment, pursuant to the economic benefits agreements dated 31 August 2018 (as amended and supplemented from time to time) entered into between CKHH and Henley Riches Limited (a wholly owned subsidiary of CKHH) on the one hand and the relevant subsidiaries of the Company, CKI and Power Assets Holdings Limited ("PAH") on the other hand, the Group, the CKI group, the PAH group and the CKHH group (other than the CKI group which is part of the CKHH group) would respectively have effective economic benefits of 12%, 9%, 6% and 3% in NWG and NSL. The aggregate economic benefits of the Group, the CKI group, the PAH group and the CKHH group (other than the CKI group which is part of the CKHH group) respectively in NWG and NSL would become 27%, 39%, 6% and 3%.

Details of the KKR Investment were set out in the joint announcement of 14 July 2022. The transaction was completed in December 2022.

- (5) August 2022: An indirect wholly owned subsidiary of the Group entered into a sale and purchase agreement with an indirect wholly owned subsidiary of Fortune Real Estate Investment Trust (the "Purchaser") to sell to the Purchaser the leasehold interest in 37 strata lots comprising 36 retail strata lots and one public car park strata lot (together with all the plant and equipment affixed thereto) located at 988 Upper Serangoon Road, Singapore (the "Singapore Property"), being part of the development known as "Stars of Kovan". The consideration (exclusive of goods and services tax) for the Singapore Property was SGD88 million (equivalent to approximately HK\$501 million) payable by the Purchaser in cash on completion. The transaction was completed on 30 September 2022.
- (6) September 2022: Two indirect wholly owned subsidiaries of the Company as share vendor and loan vendor entered into a sale and purchase agreement (the "Borrett SPA") with ORIC-Borrett Limited (as purchaser) in relation to the disposal of the one and only issued share in the capital of Aim Clever Holdings Limited (the "Target Company") and the assignment of all the loans (owing by the Target Company and its subsidiary to the loan vendor) to the purchaser, at the consideration of HK\$20,766,186,000 (subject to adjustments pursuant to the Borrett SPA). The Target Company, through its direct wholly owned subsidiary, namely Bristow Investments Limited, indirectly owns 152 residential units, 242 residential car parking spaces and 31 motor cycle parking spaces in the development known as "21 BORRETT ROAD" situated at No. 21 Borrett Road, Hong Kong. Completion of the disposal is subject to fulfilment of certain terms and conditions under the Borrett SPA as described in the Company's announcement dated 28 September 2022.
- (7) October 2022: A wholly owned subsidiary of the Group was awarded a Government tender for a site, Tuen Mun Town Lot No. 561 at Castle Peak Road – Tai Lam, Tuen Mun, New Territories. With an area of approximately 362,883 sq.ft. (approximately 33,713 sq.m.), the site is designated for residential development and estimated to have a developable gross floor area of approximately 1,306,380 sq.ft. (approximately 121,366.8 sq.m.).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

- (8) May to December 2022: The Company bought back a total of 49,342,500 Shares from May to December 2022 on The Stock Exchange of Hong Kong Limited ("Stock Exchange") with the aggregate consideration paid (before expenses) amounting to HK\$2,470,484,493.05. All the Shares bought back were subsequently cancelled.
- (9) December 2022: A wholly owned subsidiary of the Group was awarded a tender by the Urban Renewal Authority for the development of the Queen's Road West/ In Ku Lane development project in Sai Ying Pun, Hong Kong. With an area of approximately 16,864 sq.ft. (approximately 1,566.7 sq.m.), the site is designated for residential/commercial/government accommodation development and estimated to have a developable gross floor area of approximately 128,230 sq.ft. (approximately 11,913 sq.m.).
- (10) December 2022: A wholly owned subsidiary of the Group was awarded a Government tender for a site, New Kowloon Inland Lot No. 6649, Kai Tak Area 2A Site 4, Site 5(B) and Site 10, Kai Tak, Kowloon. With an area of approximately 214,406 sq.ft. (approximately 19,919 sq.m.), the site is designated for residential/commercial/government accommodation development and estimated to have a maximum developable gross floor area (excluding the government accommodation) of approximately 1,417,950 sq.ft. (approximately 131,732 sq.m.).
- (11) December 2022: On 14 December 2022, an indirect wholly owned subsidiary of the Company ("CKA Sub II") and an indirect wholly owned subsidiary of CKI ("CKI Sub II") entered into a contribution agreement with Sarvana S.à r.l. ("Sarvana", a joint venture of the Company and CKI in the respective consolidated financial statements of the Company and CKI) and Lamarillo S.à r.l. ("Lamarillo", a wholly owned subsidiary of Sarvana), pursuant to which CKA Sub II and CKI Sub II, each acting independently and severally, agreed to contribute to Sarvana their respective rights to receive EUR1,637,712,283.66 (equivalent to approximately HK\$13,540,441,390.07) and EUR881,845,075.82 (equivalent to approximately HK\$7,291,006,902.37) (being the principal amount of loans made available by CKA Sub II and CKI Sub II to Lamarillo), in consideration for Sarvana issuing 65 new shares in its share capital to CKA Sub II and 35 new shares in its share capital to CKI Sub II (the "Contributions"). The Contributions were completed in December 2022, and the ownership of CKA Sub II and CKI Sub II in the issued share capital of Sarvana remained 65% and 35% respectively. Details of the Contribution were set out in the joint announcement of 14 December 2022.

Property Sales

Revenue of property sales (including share of joint ventures) recognised for the year was HK\$25,756 million (2021 – HK\$37,798 million), comprising mainly (i) sales of residential units and carparks of Sea to Sky and 21 Borrett Road Phase 1 in Hong Kong; (ii) sale of City Link, a commercial property development in Shanghai; and (iii) sales of residential units of Noble Hills in Guangzhou and La Grande Ville in Beijing, and is summarised by location as follows:

Location	2022 HK\$ Million	2021 HK\$ Million
Hong Kong	14,511	15,724
The Mainland	9,916	21,722
Overseas	1,329	352
	25,756	37,798

Contribution for the year was HK\$10,339 million (2021 – HK\$18,146 million) and is summarised by location as follows:

Location	2022 HK\$ Million	2021 HK\$ Million
Hong Kong	6,374	6,995
The Mainland	3,799	11,141
Overseas	166	10
	10,339	18,146

Property sales and contribution on the Mainland for the year decreased when compared with last year amid tight pandemic controls and weak sentiment for property markets.

The presales of residential units of Grand Jeté Phase 1, El Futuro and #LYOS in Hong Kong are progressing steadily and property sales will be recognised upon completion scheduled for 2023.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Property sales contracted but not yet recognised at 31 December 2022 are as follows:

Location	Schedule for Sale Recognition		
	2023 HK\$ Million	After 2023 HK\$ Million	Total HK\$ Million
Hong Kong	6,157	2,025	8,182
The Mainland	3,215	295	3,510
Overseas	53	3,141	3,194
	9,425	5,461	14,886

In September 2022, the Group entered into an agreement for the sale of its wholly owned subsidiary – Bristow Investments Limited, the developer of 21 Borrett Road in Hong Kong and owner of the remaining unsold residential units and carparks. Subject to the terms and conditions of the agreement, the transaction is expected to be completed in 2025.

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 75 million sq.ft., of which 7 million sq.ft., 64 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\$5,843 million (2021 – HK\$6,693 million), a decrease of HK\$850 million when compared with last year, as leasing of retail and office properties continued to be affected by the pandemic. Rental income was derived from leasing of retail, office, industrial and other properties as follows:

Use of Property	2022 HK\$ Million	2021 HK\$ Million
Retail	2,204	2,618
Office	2,148	2,644
Industrial	757	727
Others	734	704
	5,843	6,693

The Group's investment properties are primarily located in Hong Kong including Cheung Kong Center, Cheung Kong Center II (under redevelopment) and China Building in Central, 1881 Heritage in Tsimshatsui, The Whampoa in Hunghom, OP Mall in Tsuen Wan, Hutchison Logistics Centre in Kwai Chung and others.

Contribution for the year was HK\$4,690 million (2021 – HK\$5,661 million), a decrease of HK\$971 million when compared with last year, mainly due to the rental income loss of 5 Broadgate in London upon its disposal and adverse impacts of the pandemic, and is summarised by location as follows:

Location	2022 HK\$ Million	2021 HK\$ Million
Hong Kong	3,923	4,352
The Mainland	371	571
Overseas	396	738
	4,690	5,661

During the year, a surplus of HK\$738 million was recognised on the disposal of the investment property at 5 Broadgate in London.

At the year end date, the Group had an investment property portfolio of approximately 17.1 million sq.ft. (including share of joint ventures but excluding car parking spaces) as follows:

Location	Retail Million sq.ft.	Office Million sq.ft.	Industrial Million sq.ft.	Others Million sq.ft.	Total Million sq.ft.
Hong Kong	3.3	3.9	5.9	–	13.1
The Mainland	1.5	0.4	–	–	1.9
Overseas	0.1	0.2	–	1.8	2.1
	4.9	4.5	5.9	1.8	17.1

An increase of HK\$967 million (2021 – HK\$1,513 million) in fair value of investment properties was recorded at 31 December 2022 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.

During the year, the hotel operation continued to be affected by border restrictions and quarantine measures, and some of the hotel properties, including The Kowloon Hotel and Rambler Garden Hotel in Hong Kong and Harbour Plaza Metropolitan Shanghai recently completed on the Mainland, had been engaged as quarantine hotels.

Revenue of hotel and serviced suite operation (including share of joint ventures) for the year was HK\$3,228 million (2021 – HK\$2,711 million), an increase of HK\$517 million when compared with last year. The average hotel occupancy rate increased to 58% from 37% in 2021 and the average occupancy rate of about 90% for the serviced suites was maintained with long stay guests.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Contribution for the year was HK\$567 million (2021 – HK\$399 million) and is summarised by location as follows:

Location	2022 HK\$ Million	2021 HK\$ Million
Hong Kong	764	482
The Mainland	(197)	(83)
	567	399

With the recent relaxation of border restrictions and quarantine measures in Hong Kong and on the Mainland, return to normal operation of the hotels and serviced suites is anticipated.

Property and Project Management

Revenue of property and project management (including share of joint ventures) for the year was HK\$896 million (2021 – HK\$888 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\$362 million (2021 – HK\$355 million) and is summarised by location as follows:

Location	2022 HK\$ Million	2021 HK\$ Million
Hong Kong	250	256
The Mainland	59	58
Overseas	53	41
	362	355

At the year end date, approximately 266 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. Pub businesses in the United Kingdom are back to normal following the lifting of all Covid restrictions. However, the local economy is experiencing high inflation, interest rate and cost of living, and the trading environment remains uncertain.

Revenue of pub operation for the year was HK\$20,939 million (2021 – HK\$14,284 million), an increase of HK\$6,655 million when compared with last year, mainly driven by price increases when sales volumes were still below the pre-Covid-19 level.

Profit contribution for the year amounted to HK\$835 million (2021 – operating loss of HK\$55 million), after provision of HK\$994 million (2021 – HK\$144 million) for asset impairment, and the result by division of pub operation is as follows:

Division	2022		2021	
	Revenue HK\$ Million	Profit Contribution HK\$ Million	Revenue HK\$ Million	Operating Loss HK\$ Million
Pub Company – operates food-led and drink-led destination pubs and restaurants and community-focused local pubs	17,274	199	11,486	(350)
Pub Partners – owns a portfolio of mainly drink-led pubs which are run as franchised or leased pubs	1,661	470	1,167	363
Brewing & Brands – sells and distributes a wide range of beers including ale brands brewed in own breweries	2,004	166	1,631	(68)
	20,939	835	14,284	(55)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Infrastructure and Utility Asset Operation

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%
Sarvana 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%

and the Group had interests in the economic benefits of infrastructure and utility asset businesses as follows:

	Principal Activity	Interest in Economic Benefit
Park'N Fly	An off-airport car park provider in Canada	20%
UK Rails	A rolling stock operating company in the United Kingdom	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:

	2022 HK\$ Million	2021 HK\$ Million
CK William JV	4,387	4,181
CKP (Canada) JV	4,481	4,217
Sarvana JV	5,606	5,820
UK Power Networks JV	3,403	2,757
Northumbrian Water JV	3,102	2,581
Dutch Enviro Energy JV	687	554
Wales & West Utilities JV	1,223	757
	22,889	20,867

Profit contribution for the year amounted to HK\$7,486 million (2021 – HK\$6,934 million), and is summarised by location as follows:

	Australia HK\$ Million	Europe HK\$ Million	North America HK\$ Million	2022 Total HK\$ Million	2021 Total HK\$ Million
CK William JV	1,438	45	(64)	1,419	1,332
CKP (Canada) JV	–	–	1,408	1,408	1,379
Sarvana JV	–	1,179	–	1,179	1,338
UK Power Networks JV	–	2,010	–	2,010	1,530
Northumbrian Water JV	–	619	–	619	617
Dutch Enviro Energy JV	–	126	–	126	78
Wales & West Utilities JV	–	453	–	453	255
Others	108	164	–	272	405
	1,546	4,596	1,344	7,486	6,934

In December 2022, the Group completed the disposal of a 9% equity interest in Northumbrian Water JV and a gain of HK\$606 million was recognised on the disposal.

During the year, cash distributions from UK Power Networks, Northumbrian Water, Wales & West Utilities and Dutch Enviro Energy comprising dividends and interest in the aggregate amount of HK\$988 million were received by the subsidiaries which acquired these investments from Li Ka Shing Foundation Limited in 2021.

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	33.5%
Fortune REIT	Investment in retail properties in Hong Kong and Singapore	26.5%
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 rental for the year of HK\$178 million (2021 – HK\$288 million) and received distributions of HK\$174 million (2021 – HK\$311 million).

Distributions received from Fortune REIT and Prosperity REIT during the year amounted to HK\$273 million (2021 – HK\$310 million) and were recognised as investment income. A decrease of HK\$1,178 million (2021 – increase of HK\$508 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 2022.

Discontinued Operation

In April 2022, the Group completed the disposal of its investment in aircraft assets and discontinued the operation of aircraft leasing business. During the year, a post-tax profit of HK\$2,056 million was recognised for aircraft leasing, including a gain of HK\$1,468 million on the disposal of aircraft assets.

FINANCIAL REVIEW

Liquidity and Financing

The Group monitors its liquidity requirements on a short to medium term basis and arranges its financing accordingly. During the year, the Group redeemed notes of HK\$1,450 million matured in August 2022, and early redeemed notes of GBP97 million and GBP183 million with final maturities in 2032 and 2033 respectively.

At the year end date, the Group's bank and other loans amounted to HK\$48.6 billion, a decrease of HK\$47.9 billion when compared with bank and other loans at 31 December 2021. The maturity profile was spread over a period of 14 years, with HK\$2.5 billion repayable within 1 year, HK\$36.9 billion within 2 to 5 years and HK\$9.2 billion beyond 5 years.

Taking into account the bank balances and deposits of HK\$61.2 billion at 31 December 2022, the Group had a net cash surplus of HK\$12.6 billion at the year end date.

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 maintains a conservative approach on foreign exchange risk management and borrows principally on a floating rate basis. 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 40% in HK\$ or US\$, and 60% 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. 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 local currencies is maintained for operational requirements.

Charges on Assets

At the year end date, (i) properties amounting to HK\$3,825 million (2021 – HK\$6,159 million) were charged to secure bank loans arranged for property development and investment; and (ii) properties amounting to HK\$24,526 million (2021 – HK\$32,754 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\$474 million (2021 – HK\$490 million); and (ii) mortgage loans provided by banks to purchasers of properties developed by the Group on the Mainland amounting to HK\$822 million (2021 – HK\$1,528 million).

Employees

At the year end date, the Group employed approximately 55,000 employees. The related employees' costs for the year (excluding directors' emoluments), before employment support subsidies from governments and other reimbursements, amounted to approximately HK\$12,090 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,
EzraWOO Chia Ching,
Grace

LI Tzar Kuoi, Victor, aged 58, joined the CK Group in 1985, and has been the Chairman since May 2018, the Managing Director since February 2015, and the Chairman of the Executive Committee of the Company since June 2015. He has been a member of the Remuneration Committee of the Company since May 2018, and also a member of the Nomination Committee of the Company since January 2019. Mr. Li has been a Director since January 2015 and an Executive Director of the Company since February 2015. He acted as the Deputy Chairman of the Company from February 2015 to May 2018. Mr. Li is the Chairman and Group Co-Managing Director of CK Hutchison Holdings Limited. He is also 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, the Member Deputy Chairman of Li Ka Shing (Canada) Foundation, and a Director of The Hongkong and Shanghai Banking Corporation Limited. 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 76, 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 SFO, 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 70, joined the CK Group in 1993, and has been a Director since January 2015, Deputy Managing Director and an Executive Director of the Company since February 2015, 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 SFO.

CHUNG Sun Keung, Davy, aged 71, 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 a company controlled by a substantial shareholder of the Company within the meaning of Part XV of the SFO.

CHIU Kwok Hung, Justin, aged 72, 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 (formerly known as ESR Cayman Limited) (listed in Hong Kong); and an Independent Non-executive Director of 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 Council Member and a Fellow of The Hong Kong Institute of Directors, a Fellow of Hong Kong Institute of Real Estate Administrators, a Vice Chairman 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, an Adjunct Professor and a member of the Advisory Committee 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 SFO.

CHOW Wai Kam, Raymond, JP, aged 75, 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 67, 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 SFO, and a director of certain companies controlled by certain substantial shareholders of the Company.

WOO Chia Ching, Grace, aged 66, joined the CK Group in 1987, and has been an Executive Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. She holds a Bachelor of Arts degree from the University of Pennsylvania, U.S.A. and a Master's degree in City and Regional Planning from Harvard University, U.S.A. Ms. Woo is a director of certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the SFO.

DIRECTORS' BIOGRAPHICAL INFORMATION (CONTINUED)



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

CHEONG Ying Chew, Henry, aged 75, 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 73, 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 75, 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, 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 71, 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 64, 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 80, 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 SFO. In addition, she was an Independent Director of Bank of Montreal, a listed company, and previously sat on the Compensation Committee, 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 81, 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 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"), and 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 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 CapitaLand 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 59, has been an Independent Non-executive Director of the Company since October 2022 and a member of the Audit Committee 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.

KEY PERSONNEL'S BIOGRAPHICAL INFORMATION

Accounts Department

Man Ka Keung, Simon, aged 65, 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 42 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 59, Deputy Chief Manager, joined the CK Group in October 1987. He has over 40 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 74, Deputy Chief Manager, joined the CK Group in September 1993. She has over 50 years of experience in accounting and treasury. She holds a Bachelor of Business Administration degree in Accounting.

Lau Chi Ho, Elton, aged 42, Senior Manager, joined the CK Group in September 2013. He has over 20 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 39, Senior Manager, joined the CK Group in June 2014. She has over 17 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 54, Manager, joined the CK Group in October 2005. She has over 30 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 40, Manager, joined the CK Group in February 2013. 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 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 39, Manager, joined the CK Group in April 2015. He has over 17 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 39, Manager, joined the Group in June 2022. She has over 16 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 61, Senior Manager, joined the CK Group in November 1993. He has over 38 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 60, Chief Manager, joined the CK Group in December 1991. She has over 34 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 56, Contracts Manager, joined the CK Group in March 1998. He has over 37 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 57, Contracts Manager, joined the CK Group in April 1996. She has over 33 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 54, Contracts Manager, joined the CK Group in October 2000. He has over 32 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 and a BEAM Professional of Hong Kong Green Building Council.

Chairman's Office

Li Tuen Yee, Bianca, aged 59, Manager, joined the CK Group in May 1987. She has over 39 years of experience in secretarial and office management.

China Department

Beijing Office

Wong K, James, aged 59, Manager, Business Development, joined the CK Group in September 1991. He has over 30 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 60, 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 61, 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 63, 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 36 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 54, 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 29 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 56, 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 30 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.

Lam Chung For, Paul, aged 59, Leasing Manager, joined the Group in November 2019. He is also the Chief Leasing Manager of our project Company in Shanghai. He has over 23 years of experience in real estate. He holds a Bachelor of Business Administration degree with Honours in Public Administration and a Master of Arts degree in Business – Real Estate Management. He is a professional member of the Royal Institution of Chartered Surveyors and a member of Hong Kong Institute of Real Estate Administrators.

Shum Kam Yiu, Richard, aged 47, Finance Manager, joined the Group in September 2017. He is also the Financial Controller of our project Companies in Shanghai. He has over 22 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 62, 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, Deputy Chairperson of the General Committee of The Chamber of Hong Kong Listed Companies and a member of the Personal Data (Privacy) Advisory Committee. 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 53, Deputy Chief Group General Counsel, joined the CK Group in October 2010. He has over 30 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 47, Deputy Chief Group General Counsel, joined the Group in June 2022. He has over 23 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 Law 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 43, 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 18 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 51, Assistant General Manager, joined the CK Group in September 2004. She has over 27 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 51, Senior Group General Counsel, joined the Group in July 2017. She has over 17 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 41, Senior Group General Counsel, joined the Group in November 2018. She has over 16 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 54, Senior Manager, joined the CK Group in November 2003. She has over 30 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.

So Yee Kwan, Carrie, aged 41, Senior Manager, joined the Group in September 2021. She has over 18 years of experience in the company secretarial field. She holds a Bachelor of Arts degree with Honours in International Business Management and Master of Arts degree in Professional Accounting and Information Systems. She is a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute, holding Chartered Secretary and Chartered Governance Professional due designations.

Chow Hoi Wah, Justin, aged 38, Group General Counsel, joined the Group in November 2019. He has over 12 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.

Lee Hok Yee, Natalie, aged 52, Manager, joined the CK Group in May 2009. She has over 28 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.

Szeto Mei Sim, Veronica, aged 51, Manager, joined the CK Group in May 2004. She has over 24 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 35, Manager, joined the CK Group in May 2013. She has over 13 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.

Wong Wai Sing, Wilson, aged 58, Manager, joined the Group in July 2022. He has over 17 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.

Construction Audit & Quality Assurance Department

Chen Siu Hung, Wilson, aged 50, Manager, joined the CK Group in April 2001. He has over 26 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 70, Executive Committee Member & General Manager, Construction Management Department, joined the CK Group in September 1989. She has over 41 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 47, Senior Executive Manager, joined the CK Group in July 2009. He has over 24 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 61, Senior Executive Manager, joined the CK Group in January 1994. He has over 40 years of experience in construction management. He holds a Postgraduate Diploma in Construction Management.

Au Yu Lam, Ken, aged 56, Manager, joined the CK Group in May 2012. He has over 30 years of experience in construction management. He holds a Master of Science degree in Construction Management and Economics.

Chan Wai Shing, Vincent, aged 50, Manager, joined the CK Group in September 2007. He has over 25 years of experience in construction management. He holds a Bachelor of Engineering degree with Honours in Building Services Engineering. 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.

Chiu Chin Pang, aged 53, Manager, joined the CK Group in March 1994. He has over 31 years of experience in construction management. He holds a Higher Diploma in Mechanical Engineering.

Siu Chun Yim, Vincent, aged 51, Manager, joined the CK Group in September 2009. He has over 28 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 Institution of Building and a member of The Hong Kong Institution of Construction Managers.

Tam Sin Hang, Alan, aged 46, Manager, joined the CK Group in June 2005. He has over 26 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.

Yeung Sim Fong, aged 53, Manager, joined the CK Group in August 2004. She has over 28 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 Institution of Building and a member of Hong Kong Institute of Construction Managers.

Corporate Affairs Department

Tong Barnes Wai Che, Wendy, aged 62, 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 59, Deputy Chief Manager, Marketing Communications, joined the CK Group in August 2005. She has over 30 years of experience in advertising and marketing communications. She holds a Diploma in Journalism.

Cheong Yuen Mei, Winnie, aged 54, 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 52, Senior Corporate Affairs Manager, joined the CK Group in April 2014. She has over 25 years of experience in public relations and corporate affairs. She holds a Bachelor of Arts degree with Honours.

Ngai Ching, Angie, aged 37, 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 55, 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 33 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 Hospitality Services Committee of Caritas Hong Kong. He is also a member of the President's Circle, the Dean's Advisory Board for the Faculty of Arts and the Faculty Advisory Board of the UBC Sauder School of Business of the University of British Columbia, Canada.

Lee Kwong Wang, Francis, aged 52, Chief 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 30 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 51, Deputy Chief Manager, joined the CK Group in July 2000. He has over 28 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.

KEY PERSONNEL'S BIOGRAPHICAL INFORMATION (CONTINUED)

Chow Ping Leung, Ruskin, aged 53, Deputy Chief Manager, joined the Group in July 2016. He has over 27 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 43, Deputy Chief Manager, joined the CK Group in August 2000. She has over 22 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.

Luk Ting Chung, Mike, aged 50, Senior Manager, Group Risk Management and Project Administration, joined the CK Group in February 1998. He has over 32 years of experience in sales & marketing. He holds a Bachelor's degree with Honours in Management Studies.

Yu Lok Lun, Lawrence, aged 33, Senior Manager, joined the CK Group in January 2015. He has over 11 years of experience in investment banking and business development. He holds a Bachelor of Science degree in Economics.

Au Chi Pun, Esmond, aged 56, Manager, Group Risk Management and Project Administration, joined the Group in July 2016. He has over 27 years of experience in mortgage underwriting. He holds a Master's degree in Business Administration.

Chan Chuen Kit, Dickie, aged 51, Manager, Engineering, joined the CK Group in August 1995. He has over 27 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 37, Manager, joined the CK Group in November 2011. She has over 15 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 52, Manager, Engineering, joined the CK Group in May 2001. He has over 27 years of experience in networking & system engineering. He holds a Bachelor of Arts degree in Economics.

Lau Wai Kuen, Aden, aged 56, Manager, Group Risk Management and Project Administration, joined the Group in July 2016. He has over 29 years of experience in insurance. He holds a Master's degree and a Doctor's degree in Business Administration. He is a Senior Associate of Australian and New Zealand Institute of Insurance and Finance.

Leigh Zen Way, Eric, aged 53, Manager, Group Risk Management and Project Administration, joined the CK Group in April 2003. He has over 25 years of experience in sales & marketing. He holds a Bachelor of Science degree.

Leung Wai Ping, Ricky, aged 59, Manager, Project Management, joined the CK Group in June 1993. He has over 36 years of experience in project management. He holds a Diploma in Electrical Engineering.

Li Michelle, aged 27, Manager, joined the CK Group in August 2016. She has over 6 years of experience in finance, accounting and business development. She holds a Bachelor of Laws degree.

Wu Cheuk Ying, Ivy, aged 46, Manager, Finance & Administration, joined the CK Group in April 2008. She has over 23 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 44, Manager, Finance & Administration, joined the CK Group in May 2008. She has over 22 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 37, Manager, Finance & Administration, joined the Group in August 2015. He has over 13 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 54, Deputy Chief Manager, joined the CK Group in July 1995. She has over 29 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 44, Senior Promotion Manager, joined the CK Group in March 2006. She has over 20 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 50, Senior Project Manager, joined the CK Group in June 2003. He has over 24 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 61, Senior Project Manager, joined the CK Group in December 1995. He has over 36 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 55, Senior Project Manager, joined the CK Group in May 1997. He has over 29 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, a member of The Hong Kong Institute of Architects, and a member of The Chartered Institute of Arbitrators.

Lam Pui Yu, Eric, aged 50, Senior Project Manager, joined the CK Group in November 2004. He has over 24 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 55, Senior Project Manager, joined the CK Group in November 2003. He is a Director of Property Enterprises Development (Singapore) Pte Limited. He has over 27 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 59, Senior Project Manager, Structural, joined the CK Group in September 1999. He has over 35 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 48, Project Manager, joined the CK Group in November 2004. He has over 24 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 35, Senior Manager, joined the Group in May 2017. He has over 12 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 61, Senior Manager, joined the CK Group in April 2003. He has over 36 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 55, Deputy Senior Manager, joined the CK Group in July 2003. He has over 31 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 58, Manager, joined the CK Group in October 1999. She has over 35 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 59, Senior Manager, joined the CK Group in November 2003. He has over 33 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 54, Senior Manager, joined the CK Group in April 2002. He has over 30 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.

Information Technology Department

Lum Man Fai, Brian, aged 55, Deputy Chief Manager, joined the CK Group in August 2000. He has over 32 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 53, Senior Manager, System Development, joined the Group in July 2016. He has over 27 years of experience in information technology management. He holds a Bachelor of Arts degree with Honours in Computing Studies.

Lau Yau Keung, Sam, aged 57, Manager, Networking & Operations, joined the CK Group in July 2005. He has over 31 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 50, Manager, System Development, joined the CK Group in July 1997. He has over 26 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 67, Senior Manager, joined the CK Group in November 1987. He has over 45 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.

KEY PERSONNEL'S BIOGRAPHICAL INFORMATION (CONTINUED)

Tse Chun Wai, Richard, aged 56, Senior Manager, joined the CK Group in January 2009. He is the Internal Audit Manager of Hui Xian Asset Management Limited. He has over 31 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 68, Manager, joined the CK Group in November 1994. He has over 43 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 60, Manager, joined the CK Group in August 1995. He has over 34 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 52, Manager, joined the CK Group in March 2001. He has over 30 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 59, 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 36 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 62, Assistant Chief Manager, Leasing, joined the CK Group in October 2003. She has over 41 years of experience in property leasing. She holds a Diploma in Business.

Wong Ling Fei, Mable, aged 60, Assistant Chief Manager, Leasing, joined the CK Group in September 2002. She has over 34 years of experience in property leasing.

Fung Kam Sun, Kam, aged 62, Senior Leasing Manager, joined the CK Group in June 2007. He has over 36 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 61, Senior Manager, E-Park, joined the CK Group in October 2007. He has over 29 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.

Chan Chun Kwok, Boris, aged 50, Leasing Manager, joined the CK Group in March 2007. He has over 27 years of experience in property leasing. He holds a Bachelor of Business Administration degree with Honours in Finance and a Postgraduate Diploma in Surveying (Real Estate Development). He is an associate member of Hong Kong Institute of Real Estate Administrators and a senior professional member of The Hong Kong Institute of Real Estate.

Cheuk Wai Yin, Selina, aged 47, Manager, Leasing Administration, joined the Group in February 2021. She has over 20 years of experience in leasing administration and auditing. She holds a Bachelor of Arts degree with Honours in Information Systems and a Postgraduate Certificate in Professional Accounting. She is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Deng Chi Yung, Jonathan, aged 52, Leasing Manager, joined the CK Group in April 2008. He has over 26 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.

Leung Ho Shan, Susana, aged 54, Leasing Manager, joined the CK Group in March 1996. She has over 33 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.

Leung Wai Chung, Martin, aged 51, Leasing Manager, joined the Group in November 2022. He has over 24 years of experience in property leasing. He holds a Bachelor of Science degree with Honours in Property Development & Asset Management. He is a member of The Hong Kong Institute of Surveyors, a professional member of Royal Institute of Chartered Surveyors and a member of Institute of Shopping Centre Management.

Tjer Hung Fu, Frederick, aged 55, Manager, Technical Support, joined the CK Group in May 1996. He has over 31 years of experience in building surveying, repair and maintenance. He holds a Bachelor of Science degree in Building Surveying.

Wong On Kei, Angela, aged 53, Leasing Manager, joined the Group in July 2018. She has over 19 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 70, Executive Committee Member & General Manager, Legal Department, joined the CK Group in July 1985. He has over 39 years of experience in the legal field. He holds a Diploma in Economics.

Wong Fung King, Amy, aged 63, Deputy Chief Manager, joined the CK Group in June 1998. She has over 37 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 54, Deputy Chief Manager, joined the CK Group in December 2002. She has over 31 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 54, Senior Legal Manager, joined the CK Group in June 2006. She has over 31 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 60, Chief Manager, joined the CK Group in January 1994. He has over 33 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.

Ho Kwong Ngai, Eric, aged 59, Assistant Chief Manager, joined the CK Group in July 2005. He has over 32 years of experience in property development & investment, land management and property valuation. He holds a Bachelor of Science degree with Honours in Estate Management and a Master of Science degree in International Real Estate. 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.

Leung Hon Man, Alex, aged 51, Assistant Chief Manager, joined the CK Group in May 1996. He has over 28 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 49, Senior Manager, joined the CK Group in January 2008. He has over 27 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 50, Manager, joined the CK Group in August 2011. She has over 27 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 46, Manager, joined the CK Group in March 1994. He has over 26 years of experience in property development, research and analysis.

Sales Department

Kwok Tze Wai, William, aged 57, Chief Manager, Sales, joined the CK Group in May 1989. He is a Director of Cheung Kong Real Estate Limited. He has over 34 years of experience in property sales. He holds a Bachelor of Science degree in Business Administration Marketing.

Lau Kai Man, Joseph, aged 64, 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 44 years of experience in property sales.

Yeung Kwai Ling, Moni, aged 52, Assistant Chief Manager, Sales, joined the CK Group in February 2013. She has over 22 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 57, Senior Sales Manager, joined the Group in April 2022. He has over 22 years of experience in property sales. He holds a Master's Degree in Business Administration.

Ng Chui Ha, Fiona, aged 59, Senior Manager, Sales Administration, joined the CK Group in December 1990. She has over 36 years of experience in sales administration. She holds a Bachelor of Arts degree in History.

Tai Mei Ling, Marinda, aged 64, Senior Manager, Customer Service, joined the CK Group in August 1985. She has over 37 years of experience in customer service.

Chan Wing Chi, Kristy, aged 32, Sales Manager, joined the CK Group in September 2014. She has over 8 years of experience in property sales. She holds a Master of Arts degree with Honours in Business Studies.

Chim Fan Wing, Jim, aged 34, Sales Manager, joined the Group in November 2022. He has over 10 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 51, Sales Manager, joined the CK Group in September 1995. He has over 27 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 56, Assistant Chief Manager, Building Management, joined the Group in January 2020. He is the General Manager of Goodwell Property Management Limited. He has over 34 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.

KEY PERSONNEL'S BIOGRAPHICAL INFORMATION (CONTINUED)

Tse Ka Li, Gary, aged 61, 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 33 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 63, 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-Prosperty Property Services Limited. He has over 40 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 62, Manager & Secretary to Senior Advisor, joined the CK Group in March 1993. She has over 43 years of experience in secretarial and office management. She holds a Bachelor of Social Sciences degree.

Special Projects

Chiu Yue Seng, aged 46, 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 63, 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 69, 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 Master's degree in Business Administration. 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 Taxation Institute of Hong Kong and a fellow member of Institute of Chartered Accountants in England and Wales.

Tsui Ching Sang, Stephen, aged 62, 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 52, 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 62, 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 57, Director – Projects, Hutchison Property Group Limited, joined the CK Group in October 2004. He has over 30 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 74, 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 42 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 2022.

Principal Activities

The Group has diverse capabilities with activities encompassing property development and investment, hotel and serviced suite operation, property and project management, pub operation and investment in infrastructure and utility asset operation. The Group completed the disposal of its investment in aircraft assets and discontinued the operation of aircraft leasing in April 2022.

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 29 of this Annual Report. A description of the principal risks and uncertainties facing the Group are set out in the Risk Factors on pages 188 to 199 of this Annual Report. In addition, particulars of important events affecting the Group that have occurred since the end of the year 2022, 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. The Group's property development projects "Sea to Sky" and "Seaside Sonata" have received BEAM Plus Final Gold rating. The Group's existing properties "Fortune Metropolis", "Laguna Plaza" and "Caribbean Square" are ranked Excellent in Management under BEAM Plus Existing Building version 2.0 Selective Scheme certified by Hong Kong Green Building Council.

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.

REPORT OF THE DIRECTORS (CONTINUED)

The Group treasures its employees and strives to provide employees with a safe workplace and a positive work environment. During the COVID-19 pandemic, for the purposes of maintaining the stability of the operations whilst protecting the health and safety of our employees, the Group implemented various precautionary measures, including utilisation of digital communication facilities, establishment of contingency offices, "A-B-C Teams" working arrangements, and provision of personal protective equipment to employees. The Group also provided special paid leave to employees so as to encourage COVID-19 vaccination.

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 also serves quality food and gives customers a wide range of options that support a healthy balanced diet. Many of the menus at Greene King offer at least ten dishes that are under 500 calories.

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 2022. 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.

In 2022, Greene King established an ESG board, which has governance over all aspects of environmental, social and governance and reports to Greene King's group executive board. A regulatory transformation team was also established in 2022 to help implement and manage Greene King's group wide projects that ensure compliance with regulation and legislation applicable to Greene King. Current projects include preparations for the deposit return scheme in Scotland (which is currently scheduled to start operating in August 2023), the deposit return scheme in England and Wales (which is currently scheduled to start operating in October 2025) and the Extended Producer Responsibility regulations (which will come into force in 2023). Furthermore, Greene King has engaged Ernst & Young to conduct a full review of ESG regulation and legislation impacting the company and to produce a monthly horizon scan report on new, amended or consultation stage legislation.

REPORT OF THE DIRECTORS (CONTINUED)

In 2022, Greene King also launched mandatory training for all non-pub staff to raise their awareness and competency on matters such as compliance with the Bribery Act and the Equalities Act in the UK.

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 2022 are set out in the consolidated income statement on page 134.

The Directors recommend the payment of a final dividend of HK\$1.85 per share which, together with the interim dividend of HK\$0.43 per share paid on 16 September 2022, makes a total dividend of HK\$2.28 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 200. The Directors' biographical information is set out on pages 30 to 33.

With effect from 1 September 2022, Mr. Colin Stevens Russel retired as an Independent Non-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. Victor T K Li, Dr. Chiu Kwok Hung, Justin, Mr. Chow Wai Kam, Raymond, Mr. Cheong Ying Chew, Henry and Mr. Stephen Edward Bradley will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Mrs. Kwok Eva Lee and Mrs. Sng Sow-mei alias Poon Sow Mei were appointed as Independent Non-executive Directors of the Company by the Board of Directors with effect from 20 May 2022, and Mr. Lam Siu Hong, Donny with effect from 27 October 2022. In accordance with the Amended and Restated Articles of Association of the Company, they hold office until forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election at the annual general meeting.

Each of the Independent Non-executive Directors has made an annual confirmation of independence pursuant to 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 and 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 2022 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 2022, 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	422,372,448 (Note 1)	1,265,743,445 (Note 2)	1,688,741,093	46.84%
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	-	-	-	167,396 (Note 3)	167,396	0.0046%
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 422,372,448 shares of the Company comprise:
 - (a) 56,177,350 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 1,265,743,445 shares of the Company comprise:
 - (a) 1,108,928,479 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 167,396 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 2022, 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 2022, 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:

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	1,108,928,479	1,108,928,479 (Note 1)	30.75% (Note 3)
Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust	Trustee & beneficiary of a trust	1,108,928,479	1,108,928,479 (Note 1)	30.75% (Note 3)
Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust	Trustee & beneficiary of a trust	1,108,928,479	1,108,928,479 (Note 1)	30.75% (Note 3)
Li Ka-shing	(i) Interest of controlled corporations (ii) Founder of discretionary trusts	429,148,398) 1,265,743,445)	1,694,891,843 (Note 2)	47.01% (Note 3)
Li Ka Shing Foundation Limited	Beneficial owner	366,195,098	366,195,098	10.15% (Note 3)

Notes:

- (1) The three references to 1,108,928,479 shares relate to the same block of shares in the Company. Of these 1,108,928,479 shares of the Company, 913,378,704 shares of the Company are held by TUT1 as trustee of UT1 and 195,549,775 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 1,108,928,479 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) 429,148,398 shares of the Company of which:
- (i) 62,953,300 shares held by certain companies of which Mr. Li Ka-shing is entitled to exercise or control the exercise of one-third or more of the voting power at the general meetings.
- (ii) 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.

REPORT OF THE DIRECTORS (CONTINUED)

- (b) 1,265,743,445 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 1,265,743,445 shares of the Company after his retirement from the directorship of the Company.
- (3) The approximate percentages of shareholding were based on the issued share capital of the Company as at 31 December 2022 (i.e. 3,605,190,333 shares).

Save as disclosed above, as at 31 December 2022, 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 and 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.

1. Continuing Connected Transactions

The following transactions constituted continuing connected transactions of the Company (“Continuing Connected Transactions”) under the Listing Rules during the financial year ended 31 December 2022:

(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 for 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 an arm’s length basis, and shall be 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 and 31 December 2022, and for the year ending 31 December 2023 respectively. During the year ended 31 December 2022, HK\$675 million has been paid/payable by the CK Hutchison Group to the Group for the Leasing Transactions.

(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 for 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 an arm’s length basis, and shall be 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 and 31 December 2022, and for the year ending 31 December 2023 respectively. During the year ended 31 December 2022, HK\$53 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 of Directors of the Company, 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 2022 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.

REPORT OF THE DIRECTORS (CONTINUED)

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 of Directors of the Company and confirmed that for the year ended 31 December 2022 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 of Directors of the Company; (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.

2. Connected Transactions

The following transaction constituted connected transaction of the Company under the Listing Rules during the financial year ended 31 December 2022 and up to the date of this Report:

On 14 July 2022 (after trading hours), Mara Development Inc., an indirect wholly owned subsidiary of the Company ("CKA Sub"), CKI UK Co 5 Limited, an indirect wholly owned subsidiary of CK Infrastructure Holdings Limited ("CKI") ("CKI Sub") and Brockhill Investments Corporation ("Brockhill", an indirect wholly owned subsidiary of CK Hutchison, together with CKA Sub and CKI Sub, the "Northumbrian Sellers") entered into a share purchase agreement with Nimbus UK Bidco Limited (as purchaser, owned and controlled by Kohlberg Kravis Roberts & Co. L.P.) in relation to the purchaser's acquisition from each Northumbrian Seller, on a several basis, such Northumbrian Seller's pro rata share in 25% of the fully diluted ordinary share capital of each of Northumbrian Water Group Limited ("NWG") and Northumbrian Services Limited ("NSL") (the "KKR Investment") at an aggregate consideration of GBP867 million (equivalent to approximately HK\$8,072.8 million) in cash (subject to adjustments).

The KKR Investment was completed in December 2022. The issued share capital of each of NWG and NSL is owned as to 15%, 30%, 30% and 25% by CKA Sub, CKI Sub, Brockhill and the purchaser, respectively. In respect of the 30% of the issued share capital of each of NWG and NSL owned by Brockhill, pursuant to the economic benefits agreements dated 31 August 2018 (as amended and supplemented from time to time) entered into between CK Hutchison and Henley Riches Limited (a wholly owned subsidiary of CK Hutchison) on the one hand and the relevant subsidiaries of the Company, CKI and Power Assets Holdings Limited ("PAH") on the other hand, the Group, the CKI group, the PAH group and the CK Hutchison Group (other than the CKI group which is part of the CK Hutchison Group) hold respectively effective economic benefits of 12%, 9%, 6% and 3% in NWG and NSL. The aggregate economic benefits of the Group, the CKI group, the PAH group and the CK Hutchison Group (other than the CKI Group which is part of the CK Hutchison Group) respectively in NWG and NSL have become 27%, 39%, 6% and 3%.

At completion of the KKR Investment, the Northumbrian Sellers and the purchaser entered into (i) the NWG shareholders' agreement with NWG to govern the rights and obligations of NWG and its shareholders ("NWG Shareholders' Agreement") and (ii) the NSL shareholders' agreement with NSL to govern the rights and obligations of NSL and its shareholders ("NSL Shareholders' Agreement"). Another agreement was also entered into between the Northumbrian Sellers at completion of the KKR Investment to regulate how the rights of the respective Northumbrian Sellers under the NWG Shareholders' Agreement and NSL Shareholders' Agreement, including but not limited to the appointment of directors of NWG and NSL, shall be exercised (the "Sellers' Agreement").

The KKR Investment allowed the Northumbrian Sellers to bring in an experienced infrastructure investor and to realise a portion of their shareholdings in NWG and NSL at a reasonable level of capital gain and net proceeds. On the other hand, the Group, the CKI group and the CK Hutchison Group, together with the PAH group, continue to own, in aggregate, 75% economic benefits of NWG and NSL. The KKR Investment has had minimal impact on the day-to-day management of both NWG and NSL.

CK Hutchison has been deemed by The Stock Exchange of Hong Kong Limited a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into of the NWG Shareholders' Agreement, the NSL Shareholders' Agreement and the Sellers' Agreement constituted connected transactions of the Company under the Listing Rules, which were subject to the announcement and reporting requirements but not subject to the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. An announcement in respect of these connected transactions was published on 14 July 2022.

Major Customers and Suppliers

During the year, 51% of the Group's purchases were attributable to the Group's five largest suppliers with the largest supplier accounted for 34% 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%.

To the best knowledge of the Company, none of the Directors, their close associates or 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) Ownership and leasing of movable assets*
 - (6) Pub operation
 - (7) Investment in infrastructure and utility asset operation
- * The Group completed the disposal of its investment in aircraft assets and discontinued the operation of aircraft leasing business in April 2022.

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 Group Co-Managing Director	(5) & (7)
	CK Infrastructure Holdings Limited	Chairman	(5) & (7)
	CK Life Sciences Int'l., (Holdings) Inc.	Chairman	(1)
	HK Electric Investments and HK Electric Investments Limited	Non-executive Director and Deputy Chairman	(7)
	Power Assets Holdings Limited	Non-executive Director	(7)
Kam Hing Lam	CK Hutchison Holdings Limited	Deputy Managing Director	(5) & (7)
	CK Infrastructure Holdings Limited	Group Managing Director	(5) & (7)
	CK Life Sciences Int'l., (Holdings) Inc.	President	(1)
	Hui Xian Asset Management Limited	Chairman and Non-executive Director	(1), (2), (3) & (4)
Ip Tak Chuen, Edmond	CK Hutchison Holdings Limited	Deputy Managing Director	(5) & (7)
	CK Infrastructure Holdings Limited	Deputy Chairman	(5) & (7)
	CK Life Sciences Int'l., (Holdings) Inc.	Senior Vice President and Chief Investment Officer	(1)
	Hui Xian Asset Management Limited	Non-executive Director	(1), (2), (3) & (4)
Chiu Kwok Hung, Justin	ARA Asset Management (Fortune) Limited	Non-executive Director	(3) & (4)
	ARA Asset Management (Prosperity) Limited	Chairman and Non-executive Director	(3) & (4)
	ESR Group Limited	Non-executive Director	(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.

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

On 10 January 2022, CKA Holdings UK Limited ("CKAUK"), an indirect wholly owned subsidiary of the Company, partially redeemed the GBP850,000,000 3.34% fixed rate unsecured loan note due 2025 issued by CKAUK and listed on the Official List of the International Stock Exchange in Jersey ("TISE") ("CKAUK Loan Note"), for a redemption amount of GBP420,000,000 ("Redeemed Portion") together with accrued but unpaid interest on the Redeemed Portion on 10 January 2022. With effect from 11 January 2022, the Redeemed Portion was delisted and GBP430,000,000 of the CKAUK Loan Note remained listed on the TISE. On 31 March 2022, CKAUK redeemed in full the GBP430,000,000 principal amount outstanding of the CKAUK Loan Note together with accrued but unpaid interest on the principal amount outstanding on 31 March 2022. Upon completion of the redemption of the CKAUK Loan Note, the listing of the CKAUK Loan Note was cancelled with effect from 4 April 2022.

On 25 August 2022, CK Property Finance (MTN) Limited ("CPFM"), a wholly owned subsidiary of the Company, redeemed the HK\$1,450,000,000 2.25% notes due 2022 under the US\$5 billion Euro Medium Term Note Programme. As at 31 December 2022, CPFM had outstanding (i) HK\$4,746 million principal amount of notes due 2026-2028 with fixed rates of 2.29%-3.57% and HK\$3,790 million principal amount of notes due 2024 with a floating rate of HIBOR plus 0.47%; and (ii) US\$600 million principal amount of notes due 2024-2026 with fixed rates of 0.75%-1.375% (listed on the Stock Exchange).

On 28 September 2022, Spirit Issuer plc ("SIP"), an indirect subsidiary of the Company, redeemed in full the GBP96,700,000 principal amount outstanding of the GBP300,000,000 Class A5 secured notes with a fixed rate at 5.47% due 2032 issued by SIP and listed on the Luxembourg Stock Exchange at a clean price of 106.0%, together with accrued but unpaid interest on the principal amount outstanding on 28 September 2022. As at 31 December 2022, SIP had no outstanding notes in issue.

On 15 December 2022, Greene King Finance plc ("GKF"), an indirect subsidiary of the Company, redeemed in full the principal amount outstanding of the Class A5 secured floating rate notes due 2033 issued by GKF (with an original principal amount of GBP290,000,000 and listed on the Irish Stock Exchange) at par for a redemption amount of GBP182,743,500 (excluding accrued interest). As at 31 December 2022, GKF had outstanding (i) GBP862.2 million principal amount of notes which are listed on the Irish Stock Exchange, with fixed rates ranging from 3.59% to 5.32% and final repayment from 2031 to 2035 and (ii) GBP220.8 million principal amount of notes which are listed on the Irish Stock Exchange, with interest rate of SONIA plus credit adjustment spread and margins between 1.80% to 2.08% and final repayment from 2034 to 2036. These notes are secured by charges over the pledged properties including their future income stream.

REPORT OF THE DIRECTORS (CONTINUED)

During the year ended 31 December 2022, the Company bought back a total of 49,342,500 Shares on the Stock Exchange for an aggregate consideration of HK\$2,470,484,493.05 (before expenses). All the Shares bought back were subsequently cancelled. As at 31 December 2022, the total number of Shares in issue was 3,605,190,333⁽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\$)	
May 2022	1,025,000	53.80	50.50	53,486,250.00
June 2022	5,536,500	53.25	50.95	287,896,600.00
August 2022	11,012,500	54.40	52.85	591,300,530.35
September 2022	19,619,500	53.55	46.75	984,337,090.80
October 2022	8,714,000	48.25	43.00	398,145,146.90
November 2022	1,320,000	45.50	43.10	58,372,550.00
December 2022	2,115,000	46.50	45.30	96,946,325.00
	49,342,500			2,470,484,493.05

Note:

- (1) This does not reflect the 10,949,000 Shares repurchased from 7 October 2022 to 15 December 2022 which were cancelled on 2 February 2023. As at the date of this Annual Report, the total number of Shares in issue is 3,594,241,333.

Save as disclosed above, during the year ended 31 December 2022, 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 2022, 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 2022.

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\$6 million were made by the Group to various charitable organisations.

Audit Committee

The Group's Annual Report for the year ended 31 December 2022 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 78 to 81.

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 2023 annual general meeting.

On behalf of the Board

Victor T K Li

Chairman and Managing Director

Hong Kong, 16 March 2023

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, as further elucidated below) and, where applicable, the recommended best practices of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 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 2022.

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, 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.

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 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. It will continue to advance its transition to carbon neutrality and work proactively towards a sustainable future.

CORPORATE GOVERNANCE REPORT (CONTINUED)

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 the highest standards of corporate governance and business ethics, and conducts its businesses with uncompromising 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 and Whistleblowing 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.

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. During COVID-19 outbreaks, the Group prioritised and implemented measures to protect the health and safety of employees, and offered support to affected employees as part of its well-being initiatives. 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 2022. 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 2022, the Board considers that the culture and the purpose, values and strategy of the Group are aligned.

CORPORATE GOVERNANCE REPORT (CONTINUED)

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 ensure 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 their actions or inactions, and where appropriate, the Board takes the shareholders' and stakeholders' view into account in their 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 2022 and as at the date of this Annual Report, the Board consists of 16 Directors, comprising eight Executive Directors (including the Chairman and Managing Director, two Deputy Managing Directors and five Executive Directors) and eight Independent Non-executive Directors. Details of the composition of the Board are set out on page 200 of this Annual Report. Throughout the year ended 31 December 2022 and up to the date of this Annual Report, more than one-third 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.

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. Mrs. Kwok Eva Lee and Mrs. Sng Sow-mei alias Poon Sow Mei were appointed as Independent Non-executive Directors with effect from 20 May 2022;
2. Mr. Colin Stevens Russel retired as an Independent Non-executive Director with effect from 1 September 2022; and
3. Mr. Lam Siu Hong, Donny was appointed as an Independent Non-executive Director with effect from 27 October 2022.

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 the 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 30 to 33 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 2022 and as at the date of this Annual Report, the Board comprises eight Independent Non-executive Directors with diverse background, experience and areas of expertise who 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. Furthermore, Mr. Li Ka-shing, who has been the Senior Advisor of the Company since his retirement as Chairman, has in that capacity continued to share his wisdom and insights on significant matters of the Group.

CORPORATE GOVERNANCE REPORT (CONTINUED)

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.

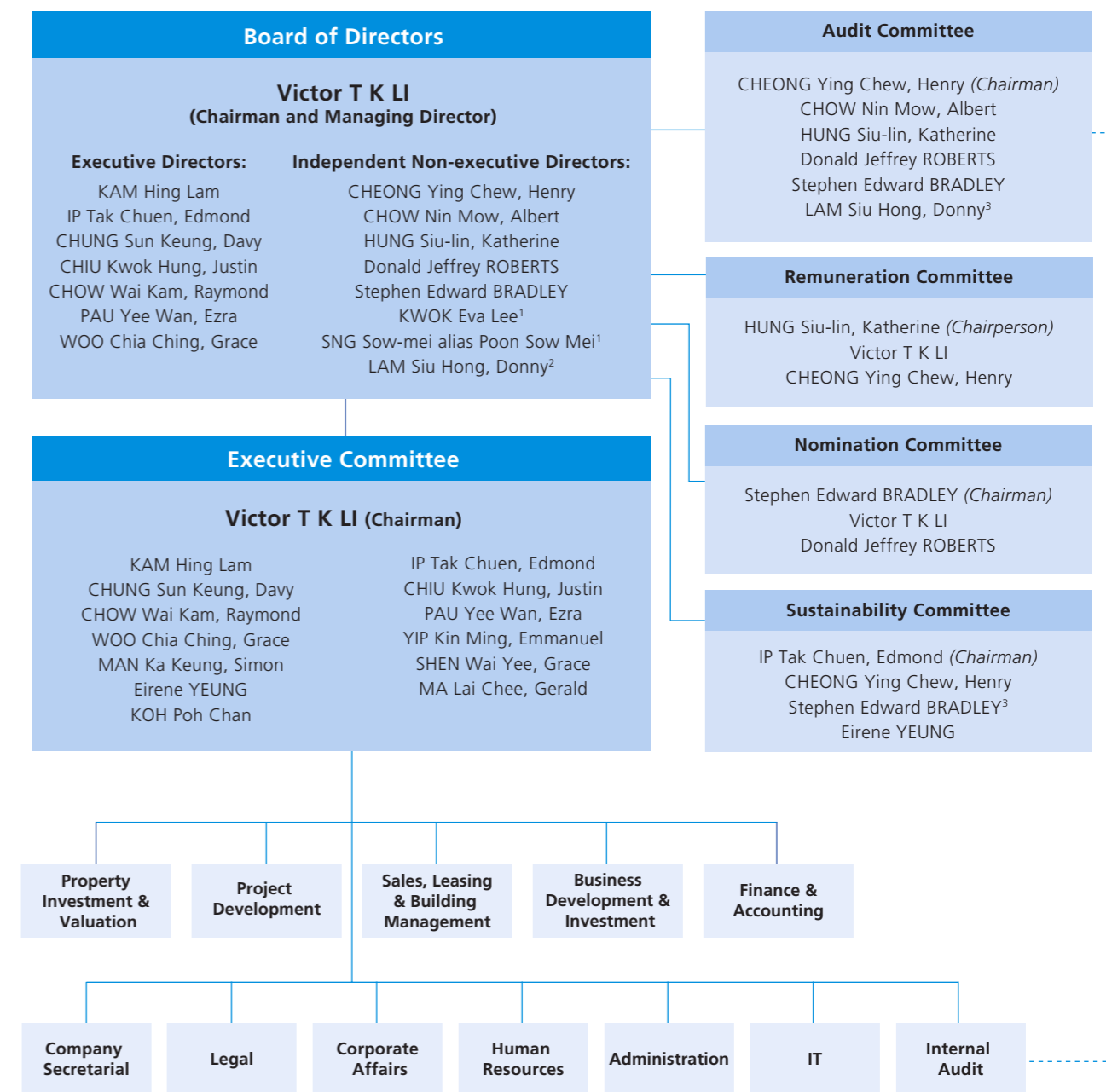
The Chairman leads the Board in fostering the Group's corporate culture in alignment with its purpose, values and strategy set by the Board, to reinforce the Group's vision and pursuit of success.

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 business 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 six general managers 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 business 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.

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



Notes:

1. Appointed on 20 May 2022
2. Appointed on 27 October 2022
3. Appointed on 31 December 2022

CORPORATE GOVERNANCE REPORT (CONTINUED)

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.

In the year ended 31 December 2022, the Company held four regular Board meetings (in March, May, August and November of 2022). All Directors attended the annual general meeting of the Company held on 19 May 2022. The attendance record is set out below:

Members of the Board	Board Meeting(s) Attended/Eligible to Attend	Attendance at 2022 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 Managing Director</i>)	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	4/4	1/1
Independent Non-executive Directors		
CHEONG Ying Chew, Henry	4/4	1/1
CHOW Nin Mow, Albert	2/4	1/1
HUNG Siu-lin, Katherine	4/4	1/1
Colin Stevens RUSSEL ¹	3/3	1/1
Donald Jeffrey ROBERTS	4/4	1/1
Stephen Edward BRADLEY	4/4	1/1
KWOK Eva Lee ²	2/2	N/A
SNG Sow-mei alias Poon Sow Mei ²	2/2	N/A
LAM Siu Hong, Donny ³	1/1	N/A

Notes:

- Retired as an Independent Non-executive Director with effect from 1 September 2022.
- Appointed as Independent Non-executive Directors with effect from 20 May 2022.
- Appointed as an Independent Non-executive Director with effect from 27 October 2022.

The Directors have the options 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 2022. English and Chinese versions of the Company's Articles are available on the websites of the Company and HKEX.

The Directors also consider and approve affairs and matters of the Company by way of written resolutions during the year ended 31 December 2022 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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

In the year ended 31 December 2022, 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 2022). 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
HUNG Siu-lin, Katherine	2/2
Colin Stevens RUSSEL ¹	1/1
Donald Jeffrey ROBERTS	2/2
Stephen Edward BRADLEY	2/2
KWOK Eva Lee ²	1/1
SNG Sow-mei alias Poon Sow Mei ²	1/1
LAM Siu Hong, Donny ³	1/1

Notes:

1. Retired as an Independent Non-executive Director with effect from 1 September 2022.
2. Appointed as Independent Non-executive Directors with effect from 20 May 2022.
3. Appointed as an Independent Non-executive Director with effect from 27 October 2022.

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 2022 and as at the date of this Annual Report, eight out of the 16 members of the Board are Independent Non-executive Directors accounting for 50% 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.

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 2022, 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 as required by 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 wide spectrum of skills and experience, and financially independent. The Independent Non-executive Directors are able to provide independent, constructive views and challenges to the management and other Directors as circumstances require. During the year ended 31 December 2022, three new Independent Non-executive Directors were 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 in accordance with the requirements of the Listing Rules.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Chairman encourages Directors with different views to voice their concerns, to promote diversity of thought and independence of judgement. To facilitate 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 provides 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 2022, 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 2022. 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 and 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.

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 before the appointment is effective. 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 pro-actively 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 2022, 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 reading materials.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The CPD training received by the Directors in the year ended 31 December 2022 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 Managing Director</i>)	(1), (2) & (3)
CHUNG Sun Keung, Davy	(1)
CHIU Kwok Hung, Justin	(1), (2) & (3)
CHOW Wai Kam, Raymond	(1) & (2)
PAU Yee Wan, Ezra	(1) & (2)
WOO Chia Ching, Grace	(1) & (2)
Independent Non-executive Directors	
CHEONG Ying Chew, Henry	(1) & (2)
CHOW Nin Mow, Albert	(1) & (2)
HUNG Siu-lin, Katherine	(1) & (2)
Colin Stevens RUSSEL ¹	N/A
Donald Jeffrey ROBERTS	(1) & (2)
Stephen Edward BRADLEY	(1), (2) & (3)
KWOK Eva Lee ²	(1) & (2)
SNG Sow-mei alias Poon Sow Mei ²	(1), (2) & (3)
LAM Siu Hong, Donny ³	(1) & (2)

Notes:

- Retired as an Independent Non-executive Director with effect from 1 September 2022.
- Appointed as Independent Non-executive Directors with effect from 20 May 2022.
- Appointed as an Independent Non-executive Director with effect from 27 October 2022.

The Directors have provided the Company with their CPD records for the year ended 31 December 2022.

Compliance with Model Code

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix 10 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 10 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 2022.

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 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 Independent Non-executive Directors serve during the year ended 31 December 2022:

Board Committees	Board Committees				
	Independent Non-executive Directors	Audit Committee	Remuneration Committee	Nomination Committee	Sustainability Committee
CHEONG Ying Chew, Henry		C	M	–	M
CHOW Nin Mow, Albert		M	–	–	–
HUNG Siu-lin, Katherine		M	C	–	–
Colin Stevens RUSSEL ¹		M	–	–	–
Donald Jeffrey ROBERTS		M	–	M	–
Stephen Edward BRADLEY ²		M	–	C	M
LAM Siu Hong, Donny ³		M	–	–	–

Notes:

- C Chairperson of the relevant Board Committees
- M Member of the relevant Board Committees

- Retired as an Independent Non-executive Director and ceased to be a member of the Audit Committee with effect from 1 September 2022.
- Appointed as a member of the Sustainability Committee with effect from 31 December 2022.
- Appointed as an Independent Non-executive Director and a member of the Audit Committee with effect from 27 October 2022 and 31 December 2022 respectively.

CORPORATE GOVERNANCE REPORT (CONTINUED)

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 shareholders' expectations.

The Company Secretary is responsible for keeping the Board abreast of any 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 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.

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 2022.

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 and 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 178 to 181.

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 Company Secretarial Department together with the Accounts Department and Corporate Business Development Department 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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

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, headed by an Independent Non-executive Director, comprises six 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 and Mr. Lam Siu Hong, Donny (appointed on 31 December 2022) as members. The Audit Committee held 4 meetings in March, May, August and November of 2022. The Company's external auditor was invited to attend the meetings held in March, August and November of 2022. During the year ended 31 December 2022, 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 2022 is as follows:

Members of the Audit Committee	Audit Committee Meetings Attended/ Eligible to Attend
CHEONG Ying Chew, Henry (<i>Chairman</i>)	4/4
CHOW Nin Mow, Albert	2/4
HUNG Siu-lin, Katherine	4/4
Colin Stevens RUSSEL ¹	3/3
Donald Jeffrey ROBERTS	4/4
Stephen Edward BRADLEY	4/4
LAM Siu Hong, Donny ²	N/A

Notes:

- Retired as an Independent Non-executive Director and ceased to be a member of the Audit Committee with effect from 1 September 2022.
- Appointed as a member of the Audit Committee with effect from 31 December 2022.

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.

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 system, 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, 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 2022, 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 2022:

- Reviewed the financial reports for 2021 annual results and 2022 interim results, and unaudited financial results for the first quarter and the third quarter of 2022;
- 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;
- Reviewed the effectiveness of the risk management and internal control systems;
- Reviewed the external auditor's audit findings;
- Reviewed the external auditor's remuneration;
- Reviewed the risks of different business units and analysis thereof provided by the relevant business units and the Internal Audit Department;
- Reviewed the control mechanisms for such risks and the action plans for improvement of the situations;
- Reviewed the arrangements employees can use, in confidence and anonymity, to raise concerns about possible improprieties in financial reporting, internal control or other matters; and

CORPORATE GOVERNANCE REPORT (CONTINUED)

9. Reviewed the following corporate governance policies (“Corporate Governance Policies”) and practices:
- (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.

At the meeting of the Audit Committee held in March 2023, the Audit Committee:

1. After due and careful consideration of reports from the management and the internal and external auditors, the Audit Committee noted 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;
2. Reviewed the Group’s 2022 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 auditor and external auditor, 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 2022 complied with the applicable accounting standards and Appendix 16 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 2022;

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 2022 amounted to approximately HK\$36 million, HK\$3 million and HK\$27 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 2023 and that the related resolution be put forth for shareholders’ consideration and approval at the 2023 annual general meeting;
5. Reviewed the Annual Report 2022;
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 and adopted revisions of the following Corporate Governance Policies:
 - (a) Shareholders Communication Policy;
 - (b) Anti-Money Laundering Policy;
 - (c) Sanctions Compliance Policy; and
 - (d) Whistleblowing 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 into the Company’s Employee Handbook and available on the Company’s website.

CORPORATE GOVERNANCE REPORT (CONTINUED)

RISK MANAGEMENT AND INTERNAL CONTROL

The Group strives to maintain high standards of corporate governance. During 2022, 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 controls system that is designed to provide reasonable assurance regarding 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. It also contains the established protocols for the communication of risks and measures to address them. The Board is ultimately responsible for determining and evaluating the risks it is willing to take in achieving the Group’s objectives, ensuring it establishes and maintains effective risk management and internal control systems, and overseeing these systems on an ongoing basis. The Group’s management is responsible for designing, implementing and monitoring its risk management and internal control systems. They also consider the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group’s accounting, internal audit, financial reporting functions, as well as those relating to the Group’s ESG performance and reporting.

Other than achieving compliance with the CG Code, the Group strives to enhance the communication of information on risk and controls between different levels and departments/functions/overseas subsidiaries within the Group for the purpose of enhancing accountability in the business operations.

In addition, the RM Policy provides direction to management within the Group for applying consistent risk management practices in which its 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 transitioning as turnover of staff may take place.

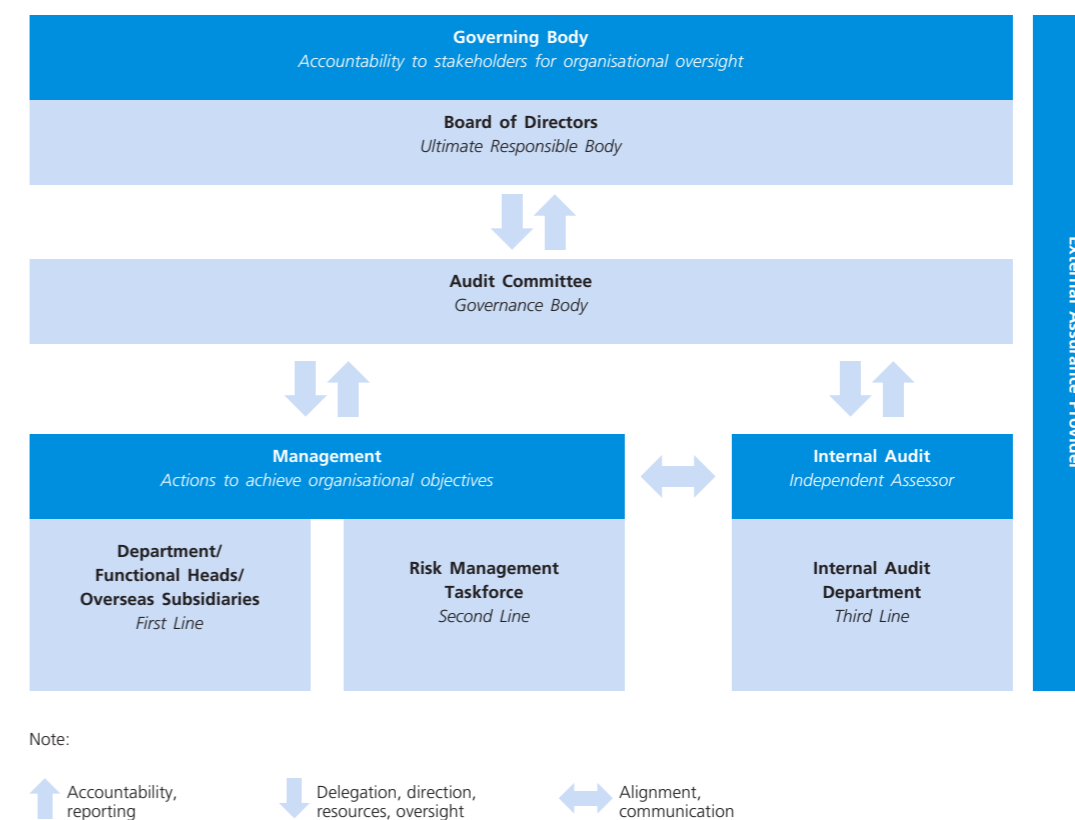
Overall, risk management activity is a key element of our corporate governance practices. We recognise that effective risk management is essential to the financial and operational success of the Group. The Group is committed to the continuous improvement of its risk management and internal control systems 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 for 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 shown below:



CORPORATE GOVERNANCE REPORT (CONTINUED)

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

- Setting and communicating the Group's strategies and objectives;
- Overseeing the Group's ERM System and activity, including internal controls, on an ongoing basis, having overall accountability for the effectiveness of these;
- Evaluating and providing direction to the Group on the nature and extent of the risks that shall be taken to achieve its 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 significant failings or weaknesses identified in relation to these, 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 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 the following:

- Reviewing and approving the RM Policy and changes to this that are requested or required;
- On behalf of the Board, reviewing, on at least an annual basis, the Group's ERM System and internal controls with the RMTF and the Internal Audit Department 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, 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 the effectiveness of the ERM System, as well as 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 that it performs on its own initiative, and management's responses to the findings of such investigations;
- Identifying key risk issues that might require the Board's attention and reporting these accordingly;
- Performing an annual review on the adequacy of its budget and resources, the qualifications and experience of its management and staff, and the quality of its 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.

The RMTF is the decision-making body of the ERM System. It is chaired by an Executive Director of the Group 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 activity 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 to the Audit Committee for its own review; and
- Proposing enhancements to the ERM System, including those required to fulfill any changes in regulatory requirements, and submitting these 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 on such matters 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 relevant management regarding actions necessary to address any areas for improvement.

CORPORATE GOVERNANCE REPORT (CONTINUED)

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 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 responsibility;
- Supporting and participating in the implementation of the ERM System;
- Attending meetings on risk assessment 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 for and seeking the approval of the responsible Executive Director for operational budgets, 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 for which systems, processes and controls are assessed as being ineffective.

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 process, including with regards to the formulation of strategic objectives, business planning and development and daily operations.

The Group's methodology for its risk assessment comprises four core stages that are shown below.



It mainly involves:

a) Risk Identification

Department/Functional Heads/Overseas Subsidiaries identify risks in the operations they are responsible for as well as risks 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 for the significant risks identified and relating to their areas of responsibility.

CORPORATE GOVERNANCE REPORT (CONTINUED)

When determining appropriate risk mitigation plans, four types of risk response 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 it, 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 reducing 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 takes 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 it 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 are responsible for monitoring the implementation and effectiveness of the risk mitigation plans they are responsible for. They provide periodic updates to the RMTF regarding the progress of the implementation of their 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 made subjects of review 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 written procedures relating to the handling of confidential and inside information, including Price Sensitive Information in accordance with Hong Kong regulations, that meet many of 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.

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, senior management, the Corporate Affairs Department, etc., as appropriate. Group personnel refer to their functional/departmental leadership if they require further information or guidance relating to the crisis management practices and protocols that are relevant to them.

Review of the Effectiveness of 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 for reviewing their effectiveness.

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 to the Audit Committee. The Audit Committee also reviewed the effectiveness of the Group's risk management and internal control systems and reported on these to the Board for the financial year.

For the year ended 31 December 2022, the Board has received a 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 budget of its 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 captioned period.

CORPORATE GOVERNANCE REPORT (CONTINUED)

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 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 2022, 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

The Nomination Committee comprises a majority of Independent Non-executive Directors and is chaired by an Independent Non-executive Director.

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 2022. Attendance record of the members of the Nomination Committee in 2022 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 2022:

1. Reviewed the structure, size, diversity profile and skills matrix of the Board and the needs of the Board, and made recommendations to the Board on the appointment of Mrs. Kwok Eva Lee, Mrs. Sng Sow-mei alias Poon Sow Mei and Mr. Lam Siu Hong, Donny as Independent Non-executive Directors;
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 2022 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 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 May 2022, two new female Independent Non-executive Directors were appointed to the Board. There are currently 5 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 2022 is balanced (approximately 49% female:51% 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 in the Company's annual general meeting.

Where a retiring Independent Non-executive Director, being eligible, offers himself/herself for re-election at the annual general meeting, the Nomination Committee will consider and, if appropriate, recommend such retiring Independent Non-executive Director to stand for re-election by the shareholders at the forthcoming annual general meeting for the Board's consideration. 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 the Independent Non-executive Director's 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 pursuant to Rule 3.13 of the Listing Rules. The Board has opined in its circular for 2023 annual general meeting that the retiring Independent Non-executive Directors, eligible for re-election, namely Mr. Cheong Ying Chew, Henry, Mr. Stephen Edward Bradley, Mrs. Kwok Eva Lee, Mrs. Sng Sow-mei alias Poon Sow Mei and Mr. Lam Siu Hong, Donny, 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.

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 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. 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.

The nomination of the retiring Directors was 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 their re-appointments would enhance the Board's diversity and performance, and accordingly recommends them for re-elections 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 contribution to the Company and the shareholders as a whole, and has accepted the nomination by the Nomination Committee and recommends the retiring Directors stand for re-elections 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.

There is currently no Independent Non-executive Director who has served 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 Mr. Cheong Ying Chew, Henry, another Independent Non-executive Director 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 2022. Since the publication of the Annual Report 2021 in April 2022, a meeting of the Remuneration Committee was held in January 2023. 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 Remuneration Committee reviewed the terms of reference of the Remuneration Committee and made recommendations to the Board in March 2023 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 of Directors and the senior management, making recommendations on the remuneration packages of Independent Non-executive Directors and, with delegated responsibility, determining the remuneration packages of individual Executive Directors and senior 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 senior management, including, without limitation, succession plan 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 2023:

1. Reviewed the remuneration policy for 2022/2023;
2. Recommended to the Board the Company's policy and structure for the remuneration of Directors and the management;
3. Reviewed and determined the remuneration packages of Executive Directors and the management with reference to the established system of the Company for determining the remuneration review;
4. Reviewed the remuneration of Independent Non-executive Directors; and
5. Reviewed the annual bonus policy.

The Remuneration Committee is satisfied that there is in place a clear system for determining remuneration, 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 2023. The recommendations made by the Remuneration Committee were endorsed by the Board in March 2023.

Remuneration Policy

The remuneration packages of Executive Directors and senior 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 data and the prevailing market conditions during that year. A significant proportion of Executive Directors' remuneration 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 Managing Director. 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; and
- 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.

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 2022. Attendance record of the members of the Sustainability Committee in 2022 is as follows:

Members of the Sustainability Committee	Sustainability Committee Meetings Attended/ Eligible to Attend
IP Tak Chuen, Edmond (<i>Chairman</i>)	2/2
CHEONG Ying Chew, Henry	2/2
Stephen Edward BRADLEY ^{Note}	N/A
Eirene YEUNG	2/2

Note: Appointed as a member of the Sustainability Committee with effect from 31 December 2022.

The following is a summary of the major work of the Sustainability Committee during the year of 2022:

1. Reviewed the Group's sustainability objectives, strategies, priorities, goals, targets, management approach and work progress and highlights for the year of 2021, in consultation with the external professional consultant;
2. Reviewed the Company's standalone sustainability report for the year of 2021, prepared in consultation with the external professional consultant;
3. Considered adoption of 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. Reviewed the Company's sustainability policies and practices;
5. Considered rating agencies' analyses of the Group's sustainability performance;
6. Considered the plan and preparatory work for the sustainability report for the year of 2022;
7. Reviewed the progress of the Group in 2022 towards the ESG targets set by the Company;
8. Considered potential climate-related financial risks, i.e. physical risk and transition risk, that might affect the Group;
9. Considered an introductory overview of the exposure drafts of the International Sustainability Standards released by the International Sustainability Standards Board (ISSB) in March 2022; and
10. Appointed a new ESG officer who would discharge the responsibilities and activities and take care of the Company's ESG matters as directed by the Sustainability Committee.

At the meeting of the Sustainability Committee held in March 2023, the Sustainability Committee discussed the feasibility of setting Science-Based Targets (SBTs) for carbon neutrality, reviewed the sustainability report for the year 2022 and adopted revisions of the following policies of the Company, among other agenda items: (a) Information Security Policy; (b) Environmental Policy; (c) Human Rights Policy; and (d) Supplier Code of Conduct.

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 2022, 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) printed copies of corporate communications (including but not limited to annual, interim and other reports, notices, announcements, circulars and other regulatory disclosures) required under the Listing Rules, which shareholders can choose to receive through the Company's website instead; (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 at 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 2022. In March 2023, the Shareholders Communication Policy was amended to include an introduction to the Company's whistleblowing mechanism and contact details and provide further elaborations on the aims and functions of various channels available for shareholders' communications.

No changes have been made to the Company's Articles during the year ended 31 December 2022 and thereafter until the date of this Annual Report.

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 requisitionist(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 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.

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. Shareholders have the right to receive corporate communications issued by the Company in accordance with the manner as specified in the Articles. Shareholders whose shares are held in the Central Clearing and Settlement System (CCASS) may notify the Company from time to time through Hong Kong Securities Clearing Company Limited if they wish to receive the Company's corporate communications. Enquiries may be sent in written form to the Board by addressing them to the Company Secretary at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong. 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 the communications.

CORPORATE GOVERNANCE REPORT (CONTINUED)

In 2022, 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 attended the 2022 annual general meeting held in May 2022 and were available to answer questions. The Company's external auditor attended the 2022 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 2022 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 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 2022 annual general meeting.

The percentage of votes cast in favour of the resolutions at the 2022 annual general meeting as disclosed in the announcement of the Company dated 19 May 2022 are set out below:

Resolutions proposed at the 2022 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 2021	99.8259%
2	To declare a final dividend	100.0000%
3(1)	To elect Mr. Kam Hing Lam as Director	93.6443%
3(2)	To elect Mr. Chung Sun Keung, Davy as Director	95.4790%
3(3)	To elect Ms. Pau Yee Wan, Ezra as Director	96.7118%
3(4)	To elect Ms. Hung Siu-lin, Katherine as Director	99.6297%
3(5)	To elect Mr. Colin Stevens Russel as Director	99.7610%
4	To appoint Messrs. Deloitte Touche Tohmatsu as Auditor and authorise Directors to fix their remuneration	99.5513%
5(1)	To give a general mandate to the Directors to issue additional shares of the Company	99.5027%
5(2)	To give a general mandate to the Directors to buy back shares of the Company	99.7723%

Accordingly, all resolutions put to shareholders at the 2022 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' date are set out in the "Corporate Information and Key Dates" section of this Annual Report.

As at 31 December 2022, the Company had 10,772 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	4,187	38.87%	2,349,174	0.06%
1,001 – 5,000	3,957	36.73%	10,476,641	0.29%
5,001 – 10,000	1,118	10.38%	8,513,918	0.24%
10,001 – 100,000	1,335	12.39%	37,324,401	1.04%
Above 100,000	175	1.63%	3,546,526,199	98.37%
Total	10,772	100.00%	3,605,190,333^{Note}	100.00%

Note: As at 31 December 2022, 1,804,760,250 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 52.72%.

HIGHLIGHTS OF DEVELOPMENT PROPERTIES

El Futuro

Shatin

Situated in the sought after location of Kau To and embraced by hills and peaks with spectacular seaview. As an enviable mingling of luxury and elegance, the project offers 244 residential units and 22 houses.



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.



HIGHLIGHTS OF DEVELOPMENT PROPERTIES (CONTINUED)

GRAND JETÉ PHASE 1

Tuen Mun

Surrounding by natural scenery, the development 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. This project will be developed into two phases with 4 residential buildings, offering a total of 800 residential flats.



WONG CHUK HANG STATION PACKAGE 3

Wong Chuk Hang

Situated above the Wong Chuk Hang MTR Station of the South Island Line, the project enjoys leisure seaview and greenery. It is conveniently connected to the CBD and other regions of Hong Kong. Around 1,200 residential units will be offered.



HIGHLIGHTS OF DEVELOPMENT PROPERTIES (CONTINUED)

YAU TONG PROJECT

Yau Tong

Located along the Victoria Harbour in Kowloon East, the project offers a panoramic seaview and enjoys the traffic convenience along the MTR lines stretching from the Island Line, Kwun Tong Line and Tseung Kwan O Line. Its prestigious clubhouse provides the residents with magnificent leisure space and a wide range of facilities.



CHELSEA WATERFRONT – POWERHOUSE

London

The rejuvenated Lots Road Power Station, Powerhouse represents the latest addition to Chelsea Waterfront development on the north bank of River Thames. Tailored to the needs of different individuals and family units, the 199 exclusive apartments offer a variety of layouts, ranging from one bedroom to six bedrooms.



HIGHLIGHTS OF DEVELOPMENT PROPERTIES (CONTINUED)

LAGUNA VERONA

Dongguan

Situated on the waterfront of Hwanggang Lake in Houjie Town and adjacent to the renowned Harbour Plaza Golf Club, Laguna Verona enjoys an esteemed, low-density golf villa community in Dongguan. This opulent residence provides dwellers with an aspirational and premium living experience.



REGENCY GARDEN

Shanghai

Located on Zhou Kang Road at Pudong New District, Regency Garden is composed of townhouses and apartments, embraced by educational, retail, commercial and recreational amenities. Regency Garden is conveniently located adjacent to Metro Line 18 (Fanrong Road Station) and Metro Line 16 (East Zhoupu Station) that allows easy access to Shanghai Disney Resort and Pudong International Airport, offering prestige living experience in Shanghai.



HIGHLIGHTS OF DEVELOPMENT PROPERTIES (CONTINUED)

REGENCY PARK

Beijing

Beijing Regency Park comprises 18 blocks of townhouses and 8 high-rise luxurious residential buildings. It is located in the international residential area within the 5th Ring Road of Chaoyang District, surrounded by numerous shopping areas such as Guomao district, Yansha district, and Sanlitun district. Meanwhile Yaojiayuan Park, Chaoyang Sports Center and Jiangfu Park are adjacent to the project, which enable the enjoyment of convenience and tranquil living.



REGENCY HILLS

Chongqing

Regency Hills is situated in the core region of Chongqing Nanan Region, adjacent to Nanbin Road and next to Nanshan, enjoying both prosperity and tranquility. The new phase, Festive Town, is located beside Chongqing Metro Line Luojiaba Station that enables convenience of living. It has been launched in 2023.



HIGHLIGHTS OF INVESTMENT PROPERTIES



1. Cheung Kong Center
2. The Harbourfront
3. China Building

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 & 2. Cheung Kong Center II*

* Previously known as Hutchison House (under redevelopment)



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.



- | | | |
|---|---|-------------------------------|
| 1 | 3 | 1. Harbour Grand Kowloon |
| 2 | 4 | 2. Hotel Alexandra |
| | | 3. Ma On Shan Horizon Suites |
| | | 4. Harbourfront Horizon Suite |

HIGHLIGHTS OF INFRASTRUCTURE AND UTILITY ASSET OPERATION

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

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.



1 2
3 4

1. United Energy works closely with our delivery partner Zinfra to communicate our high standards and expectations of health and safety management. The Zinfra Health, Safety and Environment Index is tracking well against target for no significant incidents.
2. Dampier Bunbury Pipeline is Western Australia's principal gas transmission pipeline.
3. Multinet Gas operates a regulated network which covers approximately 1,860 square kilometres in the eastern and south-eastern suburbs of Melbourne, the Yarra Ranges and South Gippsland.
4. Energy Developments specialises in producing electricity from safe, clean, low greenhouse gas emissions sources such as landfill gas (LFG), waste coal mine gas (WCMG), wind, and solar; upgrading LFG and WCMG to green gas or renewable natural gas; as well as providing energy solutions in remote regions.

ista



Reliance Home Comfort



5 6
7 8

5. ista is a leading global provider of sub-metering and related services. With its products and services, residents and owners can save energy and together contribute to climate protection. ista adds sustainable value to buildings for their residents and owners.
6. Headquartered in Essen, Germany, ista's operations range from hardware development, manufacturing, installation and maintenance to meter reading, data collection and processing, individual billing, as well as energy data management.
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 services, plumbing services, electrical services, comfort protection plans and other related services.
8. Reliance Home Comfort serves over 2 million customers in Canada and select areas in the USA.

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. It operates approximately 26,000 kilometres of water mains and 30,000 kilometres of sewers, providing water and wastewater services to 2.7 million people in North East England; and supplies drinking water to 1.8 million people in South East England.
- In addition to regulated businesses, Northumbrian Water's operations include leisure operations around Kielder Reservoir, the largest man-made reservoir in northwestern Europe; as well as a portfolio of long-term wastewater contracts in Scotland.

Dutch Enviro Energy



- AVR specialises in the processing of various types of residual waste: wastewater, paper pulp residue, household and commercial waste, waste wood and hazardous waste. In 2022, AVR has treated 2,100,000 tonnes of residual waste and converted it into energy and new resources.
- Since August 2019, AVR's facility in Duiven has included a unique CO₂ capture plant for the large-scale capture of the CO₂ in the Waste-to-Energy Plant's flue gases. AVR supplies the captured CO₂ to the greenhouse horticulture sector, which needs the CO₂ to grow their plants, fruit and vegetables. In 2022 AVR has supplied 43,000 Ton of CO₂.

Wales & West Utilities



- Wales & West Utilities is one of eight regulated gas distribution networks in the UK owning and operating the principal gas distribution network in Wales and the South West of England consisting of some 35,000 kilometres of mains pipeline.
- Wales & West Utilities has 2.5 million supply points and the network serves the communities of 7.5 million people over an area of 42,000 square kilometres.
- Wales & West Utilities has an industry leading safety record and has won 9 successive Gold Medals from the prestigious Royal Society for the Prevention of Accidents (RoSPA) Awards.
- Its 2000-strong team respond to gas emergencies to keep families safe, connect new homes and businesses, and upgrade the gas network to ensure it is safe, fit for the future and ready to transport green gas like hydrogen and biomethane.
- Since 2021, Wales & West Utilities got the green light from the Health & Safety Executive (HSE) to inject gas containing up to 1% hydrogen into its gas network in Swindon, the first time that they have permitted natural gas with an elevated hydrogen level to be used in the national distribution network.

UK Power Networks

- UK Power Networks is Great Britain's biggest electricity distributor, keeping people's lives running smoothly in 8.4 million homes and businesses across London, the South East and the East of England.

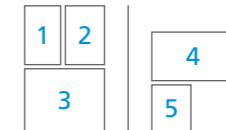


- The company upgraded power capacity for new EV charging infrastructure, including high-power chargers at motorway services, as part of its £66 million Green Recovery Investment. A total of 86 schemes are being fast-tracked to also support fleets of electric buses, community energy schemes and heat pumps.
- London's electricity network is mostly underground, and this award-winning spur cable tunnel in the Nine Elms district provides the capital with an extra 400 megawatts to power about 130,000 homes. It took nearly two years to construct with a specialist boring machine burrowing up to 23 metres a day.

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. The Blue Posts, just off Carnaby Street, which dates back to the 17th century.
2. The Coach and Horses is one of Mayfair's oldest surviving unreconstructed taverns from the 17th century.
3. Drinkers gather outside The Kings Arms in Shepherd Market, just a stone's throw from Green Park.
4. A freshly-poured pint of Flint Eye, a crisp, refreshing dry-hopped lager brewed at the Greene King brewery in Bury St Edmunds.
5. The famous Sherlock Holmes pub in London's Northumberland Street which receives visitors from around the world.

HIGHLIGHTS OF ECONOMIC BENEFITS OF INFRASTRUCTURE BUSINESSES

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



1	2
3	

1 & 2. Park’N Fly, an off-airport car park provider in Canada
 3. UK Rails, a rolling stock operating company in the United Kingdom

1	2
3	

1, 2 & 3. Australian Gas Networks, a distributor of natural gas in Australia

SCHEDULE OF MAJOR PROPERTIES

As at 31 December 2022

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							
#LYOS, Hung Shui Kiu	Lot 4328 in D.D. 124	100.0%	110,222	138,876	Residential	Interior finishing	January, 2023
21 Borrett Road Phase 2, Mid-level	I.L. 8949	100.0%	112,892	149,123	Residential	Interior finishing	June, 2023
Grand Jeté, Tuen Mun	T.M.T.L. 463 R.P.	40.9%	266,945	70,221	Residential	Interior finishing	June, 2023
				71,852	Residential	Interior finishing	March, 2024
Two adjoining sites at Yau Tong	Y.T.I.L. 45	100.0%	83,669	418,343	Residential	Superstructure in progress	June, 2024
A site at Kwun Tong	Lot 1069 in Survey District No. 3	100.0%	217,076	1,089,145	Residential	Foundation work	September, 2025
A site at Yuen Long	Lot 1677 in D.D. 115	100.0%	163,697	78,574	Residential	Site formation	April, 2026
A site at Kai Tak	N.K.I.L. 6604	100.0%	117,843	218,087	Residential/Commercial	Foundation work	April, 2026
				238,421	Residential	Foundation work	October, 2026
				191,629	Residential	Foundation work	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	Planning	–
A site at Sung Wong Toi, Kai Tak	N.K.I.L. 6649	100.0%	214,406	1,291,065	Residential/Commercial	Planning	–
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%	1,205,697	–	Agricultural land	Planning	–
Various sites at Yuen Long	Various lots	100.0%	1,718,919	–	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	March, 2024
Noble Hills	Changsha	100.0%	345,500	1,057,112	Residential	Planning	March, 2025
Regency Hills	Chongqing	95.0%	8,923,607	197,111	Commercial	Superstructure completed	January, 2023
				3,295,704	Residential/Commercial	Superstructure in progress	September, 2024
				4,889,953	Residential/Commercial	Superstructure in progress	June, 2025
				3,584,590	Residential/Commercial	Superstructure in progress	March, 2026
				15,320,325	Residential/Commercial	Planning	–
The South Bay	Dalian	100.0%	3,007,111	969,537	Residential	Foundation work	June, 2024
				1,855,707	Residential	Planning	June, 2025
				762,568	Commercial	Planning	–
Laguna Verona	Dongguan	99.8%	5,463,196	459,052	Residential	Superstructure in progress	December, 2023
				635,450	Residential	Site formation	September, 2024
				2,497,640	Residential	Site formation	December, 2025
				2,139,568	Residential/Commercial	Planning	December, 2027
Noble Hills	Guangzhou	100.0%	2,509,097	123,570	Residential	Interior finishing	March, 2023
				190,693	Residential	Superstructure in progress	March, 2024
				897,182	Residential	Planning	December, 2025
				268,667	Residential	Planning	–
Yuhu Mingdi	Guangzhou	80.0%	287,038	479,603	Residential	Superstructure in progress	May, 2026
Emerald Cove	Huizhou	100.0%	248,775	1,216,988	Residential/Commercial	Superstructure in progress	September, 2023
Upper West Shanghai	Shanghai	60.0%	199,624	989,211	Commercial	Superstructure completed	June, 2023
Regency Garden	Shanghai	85.0%	235,697	225,988	Residential	Superstructure in progress	December, 2023
				329,360	Residential	Planning	June, 2025

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 1,865,050 11,526,835	Residential Residential/Commercial Residential/Commercial/Hotel	Superstructure in progress Foundation work Planning	December, 2023 September, 2025 –
Horizon Costa	Zhuhai	100.0%	2,152,780	1,202,801 1,354,314	Residential/Commercial Residential	Planning Planning	June, 2026 June, 2027
Overseas							
Chelsea Waterfront, Chelsea	London, the United Kingdom	95.0%	237,979	111,173 137,883 234,555	Residential Residential/Commercial Residential/Commercial	Facade & interior finishing Interior finishing Facade & interior finishing	July, 2023 October, 2023 February, 2024
A site at Convoys Wharf	London, the United Kingdom	100.0%	1,737,293	7,320 332,293 548,542 409,718	Commercial Residential/Commercial Residential/Commercial Residential/Commercial	Site formation Foundation completed Planning Planning	April, 2024 September, 2025 December, 2026 June, 2027
A site at Teversham Road, Fulbourn	Cambridgeshire, the United Kingdom	100.0%	737,327	1,657,248 91,200	Residential/Commercial/Hotel Residential	Planning Planning	– March, 2026
Perfect Ten	Singapore	100.0%	104,532	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						
Wong Chuk Hang Station Package 3, Aberdeen	A.I.L. 467, Site C	240,928	505,903 999,966	Commercial Residential	Superstructure in progress Superstructure in progress	March, 2023 March, 2025
Two adjoining sites at To Kwa Wan	K.I.L. 11275 & K.I.L. 11277	58,534	518,196	Residential/Commercial	Planning	March, 2026
A site at Sai Ying Pun	I.L. 9089	16,864	115,852	Residential/Commercial	Planning	September, 2027

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
Westgate Mall	Shanghai	60.0%	659,611	Retail/Office	Short Lease
Kerry Everbright City	Shanghai	24.8%	112,978	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 Great Wall Hotel Beijing	Beijing	49.8%	437,393	Hotel	Short Lease
Sofitel Shenyang Lido	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%	1,645,019	Residential	Freehold
			51,591	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 2022

	Note	2022 \$ Million	2021 \$ Million
Continuing operations			
Group revenue		56,341	62,094
Share of revenue of joint ventures		23,210	21,147
	(3)	79,551	83,241
Group revenue		56,341	62,094
Interest from joint ventures		2,097	2,152
Investment and others		708	1,964
Operating costs			
Property and related costs		(15,905)	(19,848)
Pub operation and related costs		(10,745)	(7,392)
Salaries and related expenses		(9,830)	(8,056)
Interest and other finance costs		(1,173)	(1,190)
Depreciation		(2,045)	(2,186)
Other expenses		(589)	(661)
		(40,287)	(39,333)
Gain (loss) on financial instruments		(148)	2,495
Change in fair value of investment properties		967	1,513
Surplus on disposal of investment properties		738	–
Gain on disposal of interest in utility joint venture		606	–
Impairment loss on fixed assets		(994)	(144)
Goodwill impairment		–	(2,005)
Share of profit of joint ventures		2,477	1,037
Share of profit of associates		178	288
Profit before taxation	(4)	22,683	30,061
Taxation	(5)	(2,860)	(8,533)
Profit for the year		19,823	21,528
Discontinued operation			
Profit for the year	(32)	2,140	415
Profit for the year		21,963	21,943
Non-controlling interests – continuing operations		87	(464)
– discontinued operation		(84)	2
Perpetual capital securities – continuing operations		(283)	(240)
Profit attributable to shareholders		21,683	21,241
Profit attributable to shareholders			
Continuing operations		19,627	20,824
Discontinued operation		2,056	417
		21,683	21,241
Earnings per share	(6)		
Continuing operations		\$5.41	\$5.66
Discontinued operation		\$0.57	\$0.11
		\$5.98	\$5.77

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	2022 \$ Million	2021 \$ Million
Profit for the year	21,963	21,943
Other comprehensive income to be reclassified to income statement		
Exchange loss on translation of financial statements of operations outside Hong Kong	(15,158)	(2,021)
Exchange gain on translation of bank loans for hedging	570	513
Gain on derivative financial instruments		
Net investment hedges	9,636	3,645
Cash flow hedges	1,974	1,060
Share of other comprehensive income of joint ventures	805	525
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	(657)	821
Share of other comprehensive income of joint ventures	439	528
Other comprehensive income, net of tax	(3,158)	5,071
Total comprehensive income	18,805	27,014
Non-controlling interests – continuing operations	534	(640)
– discontinued operation	(99)	(8)
Perpetual capital securities – continuing operations	(283)	(240)
Total comprehensive income attributable to shareholders	18,957	26,126
Total comprehensive income attributable to shareholders		
Continuing operations	16,715	25,328
Discontinued operation	2,242	798
	18,957	26,126

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 \$ Million	2021 \$ Million
Non-current assets			
Fixed assets	(8)	70,267	76,444
Investment properties	(9)	125,186	132,324
Joint ventures	(10)	74,685	80,752
Associates	(11)	7,058	7,054
Investments	(12)	10,436	12,104
Goodwill	(13)	4,308	4,609
Derivative financial instruments	(14)	8,159	3,542
Other non-current assets	(15)	4,843	5,761
		304,942	322,590
Current assets			
Properties for sale	(16)	136,446	127,482
Aircraft assets for sale		–	31,748
Debtors, prepayments and others	(17)	9,968	8,086
Loan receivables		2,267	3,440
Bank balances and deposits		61,198	63,365
		209,879	234,121
Current liabilities			
Creditors, accruals and others	(18)	38,304	24,612
Bank and other loans	(19)	2,435	28,812
Customers' deposits received		9,215	17,613
Liabilities associated with aircraft for sale		–	2,482
Provision for taxation		5,026	4,996
		54,980	78,515
Net current assets		154,899	155,606
Non-current liabilities			
Bank and other loans	(19)	46,102	67,656
Deferred tax liabilities	(20)	13,940	15,974
Lease liabilities	(21)	5,276	6,099
Derivative financial instruments	(14)	723	2,152
Pension liabilities	(22)	93	40
		66,134	91,921
Net assets		393,707	386,275
Representing:			
Share capital and share premium	(23)	240,102	242,619
Reserves		139,529	128,609
Shareholders' funds		379,631	371,228
Perpetual capital securities	(24)	7,929	7,929
Non-controlling interests		6,147	7,118
Total equity		393,707	386,275

Victor T K Li
Director

Ip Tak Chuen, Edmond
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	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 2021	3,694	241,945	109,000	354,639	6,200	6,379	367,218
Profit for the year	–	–	21,241	21,241	240	462	21,943
Exchange loss on translation of financial statements of operations outside Hong Kong	–	–	(2,203)	(2,203)	–	182	(2,021)
Exchange gain on translation of bank loans for hedging	–	–	513	513	–	–	513
Gain on derivative financial instruments	–	–	–	–	–	–	–
Net investment hedges	–	–	3,645	3,645	–	–	3,645
Cash flow hedges	–	–	1,050	1,050	–	10	1,060
Share of other comprehensive income of joint ventures	–	–	1,053	1,053	–	–	1,053
Gain on remeasurement of defined benefit obligations	–	–	827	827	–	(6)	821
Other comprehensive income	–	–	4,885	4,885	–	186	5,071
Change in non-controlling interests	–	–	–	–	–	228	228
Issue of shares	333	16,667	–	17,000	–	–	17,000
Buy-back and cancellation of issued shares	(383)	(19,543)	383	(19,543)	–	–	(19,543)
Costs for share issue and buy-back	–	(94)	–	(94)	–	–	(94)
Issue of perpetual capital securities	–	–	–	–	1,729	–	1,729
Costs for issue of perpetual capital securities	–	–	(14)	(14)	–	–	(14)
Distribution of perpetual capital securities	–	–	–	–	(240)	–	(240)
Dividend paid to non-controlling interests	–	–	–	–	–	(137)	(137)
Dividend paid to shareholders	–	–	–	–	–	–	–
2020 final dividend \$1.46 per share	–	–	(5,392)	(5,392)	–	–	(5,392)
2021 interim dividend \$0.41 per share	–	–	(1,494)	(1,494)	–	–	(1,494)
Balance at 31 December 2021	3,644	238,975	128,609	371,228	7,929	7,118	386,275
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	–	–	–	–	–	–	–
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	–	–	–	–	–	–	–
Net investment hedges – foreign operations disposed	–	–	(412)	(412)	–	–	(412)
Cash flow hedges – cash flows terminated	–	–	(892)	(892)	–	–	(892)
Share of other comprehensive income of joint ventures	–	–	1,244	1,244	–	–	1,244
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	–	–	–	–	–	–	–
2021 final dividend \$1.79 per share	–	–	(6,521)	(6,521)	–	–	(6,521)
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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Note: Reserves

	Business combination reserve	Capital redemption reserve	Exchange reserve	Hedging reserve	Retained profits	Total equity
	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
Balance at 1 January 2021	(69,014)	166	(1,616)	(476)	179,940	109,000
Profit attributable to shareholders	-	-	-	-	21,241	21,241
Other comprehensive income	-	-	2,033	1,497	1,355	4,885
Buy-back and cancellation of issued shares	-	383	-	-	-	383
Costs for issue of perpetual capital securities	-	-	-	-	(14)	(14)
Dividend paid to shareholders						
2020 final dividend \$1.46 per share	-	-	-	-	(5,392)	(5,392)
2021 interim dividend \$0.41 per share	-	-	-	-	(1,494)	(1,494)
Balance at 31 December 2021	(69,014)	549	417	1,021	195,636	128,609
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

At the year end date, the cumulated gain included in exchange reserve on net investment hedges amounted to \$9,545 million (31 December 2021 – loss of \$395 million, 1 January 2021 – loss of \$4,553 million).

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Note	2022 \$ Million	2021 \$ Million
Operating activities			
Cash generated from operations	(a)	11,505	29,984
Increase in bank deposits maturing over three months		(3,796)	-
Interest received		2,456	2,453
Profit tax paid		(3,591)	(7,079)
Net cash from operating activities		6,574	25,358
Investing activities			
Investment in/loan advance to joint ventures		(9)	(697)
Dividend/loan repayment from joint ventures		1,712	1,337
Disposal of interest in utility joint venture		2,930	-
Cash distribution from associates		174	311
Dividend/distribution from investments		404	776
Acquisition of investments		(436)	(378)
Acquisition of investment properties		(3,724)	(2,245)
Acquisition of fixed assets		(2,460)	(3,188)
Acquisition of pub businesses	(c)	(317)	-
Disposal of aircraft assets		31,155	-
Disposal of investment properties		12,309	-
Disposal of fixed assets		195	-
Disposal/redemption of investments		308	71
Net cash received (paid) on hedging instruments		5,226	(1,181)
Net cash upon obtaining control of subsidiaries		-	1,423
Net cash from (used in) investing activities		47,467	(3,771)
Financing activities			
Borrowing of bank and other loans		26,384	43,547
Repayment of bank and other loans		(71,291)	(33,274)
Settlement of lease liabilities		(344)	(551)
Buy-back of issued shares		(2,470)	(19,543)
Costs for share issue and buy-back		(8)	(94)
Issue of perpetual capital securities		-	1,715
Distribution of perpetual capital securities		(283)	(225)
Dividend paid to non-controlling interests		(58)	(137)
Dividend paid to shareholders		(8,080)	(6,886)
Decrease in funding from non-controlling interests		(478)	(459)
Interest and other finance costs paid		(1,837)	(1,900)
Net cash used in financing activities		(58,465)	(17,807)
Net increase (decrease) in cash and cash equivalents		(4,424)	3,780
Translation differences		(1,486)	573
Cash and cash equivalents at 1 January		62,567	58,214
Cash and cash equivalents at 31 December	(b)	56,657	62,567

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Notes:

(a) Cash generated from operations

	2022 \$ Million	2021 \$ Million
Profit before taxation – continuing operations	22,683	30,061
– discontinued operation	2,259	432
Interest income	(3,172)	(2,668)
Interest and other finance costs	1,342	1,553
Dividend/distribution from investments	(602)	(740)
Depreciation	2,045	3,516
(Gain) loss on financial instruments	148	(2,499)
Change in fair value of investment properties	(967)	(1,513)
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)	–
Impairment loss on fixed assets	994	192
Goodwill impairment	–	2,005
Share of profit of joint ventures	(2,477)	(955)
Share of profit of associates	(178)	(288)
Others	(232)	107
Changes in operating working capital		
(Increase) decrease in properties for sale	(14,308)	(5,330)
(Increase) decrease in debtors, prepayments and others	(282)	3,975
(Increase) decrease in loan receivables	740	1,802
(Increase) decrease in restricted bank balances	53	507
Increase (decrease) in creditors, accruals and others	14,318	4,957
Increase (decrease) in customers' deposits received	(7,973)	(5,130)
	(7,452)	781
	11,505	29,984

(b) Cash and cash equivalents

	2022 \$ Million	2021 \$ Million
Bank balances and deposits	61,198	63,365
Less: restricted bank balances	(745)	(798)
bank deposits maturing over three months	(3,796)	–
	56,657	62,567

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:

(c) Acquisition of pub businesses

During the year, the Group made further acquisition of pub businesses in the United Kingdom for a total consideration of \$485 million.

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

	\$ Million
Fixed assets	651
Other non-current assets	93
Debtors, prepayments and others	10
Bank balances and deposits	87
Creditors, accruals and others	(102)
Bank and other loans	(199)
Provision for taxation	(3)
Deferred tax liabilities	(91)
Lease liabilities	(137)
Net assets acquired	309

Goodwill on acquisition is measured as follows:

	\$ Million
Consideration paid	404
Consideration payable	81
Total consideration	485
Less: net assets acquired	(309)
	176

Cash flow effect of the acquisition is as follows:

	\$ Million
Consideration paid	404
Less: bank balances and deposits acquired	(87)
Net cash outflow	317

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 200 of the annual report.

The consolidated financial statements set out on pages 134 to 177 were reported in Hong Kong dollars and approved by the Board of Directors on 16 March 2023.

2. Principal 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 2022 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 the application of IFRSs scheduled to be effective in 2023.

Effective for annual accounting periods beginning on 1 January 2023

IFRS 17	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 IFRS 16	Lease Liability in a Sale and Leaseback

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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2. Principal 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 2022 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 2022 and where necessary, adjusted to ensure consistency with the Group’s accounting policies.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Principal 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.

2. Principal 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Principal 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.

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. The operation of aircraft leasing was discontinued during the year (note 32).

Revenue by principal activities (continuing operations) is as follows:

	Group		Joint ventures		Total	
	2022 \$ Million	2021 \$ Million	2022 \$ Million	2021 \$ Million	2022 \$ Million	2021 \$ Million
Property sales	25,706	37,760	50	38	25,756	37,798
Property rental	5,700	6,543	143	150	5,843	6,693
Hotel and serviced suite operation	3,214	2,691	14	20	3,228	2,711
Property and project management	782	816	114	72	896	888
Pub operation	20,939	14,284	–	–	20,939	14,284
Infrastructure and utility asset operation	–	–	22,889	20,867	22,889	20,867
	56,341	62,094	23,210	21,147	79,551	83,241

and is summarised by location as follows:

	2022 \$ Million	2021 \$ Million
Hong Kong	22,759	23,805
The Mainland	10,909	22,912
The United Kingdom	29,785	21,603
Others	16,098	14,921
	79,551	83,241

The Group's revenue of hotel and serviced suite operation included rental for hotel rooms and serviced suites amounting to \$2,576 million (2021 – \$1,994 million).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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	
	2022	2021 (Restated)	2022	2021 (Restated)	2022	2021 (Restated)
	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
Property sales	10,303	18,127	36	19	10,339	18,146
Property rental	4,580	5,541	110	120	4,690	5,661
Hotel and serviced suite operation	573	421	(6)	(22)	567	399
Property and project management	308	314	54	41	362	355
Pub operation	835	(55)	–	–	835	(55)
Infrastructure and utility asset operation	272	405	7,214	6,529	7,486	6,934
	16,871	24,753	7,408	6,687	24,279	31,440
Bank and other loan finance costs	(991)	(968)	(2,379)	(1,836)	(3,370)	(2,804)
	15,880	23,785	5,029	4,851	20,909	28,636
Gain on financial instruments					1,606	1,175
Interests in real estate investment trusts					451	598
Change in fair value						
Real estate investment trusts					(1,178)	508
Investment properties					967	1,513
Surplus on disposal of investment properties					738	–
Gain on disposal of interest in utility joint venture					606	–
Goodwill impairment					–	(2,005)
Others					(402)	481
Taxation						
Group					(2,860)	(8,533)
Joint ventures					(1,014)	(845)
Profit attributable to non-controlling interests and perpetual capital securities					(196)	(704)
Continuing operations					19,627	20,824
Discontinued operation						
Aircraft leasing – post tax profit contribution					588	417
– post tax gain on disposal of assets					1,468	–
Profit attributable to shareholders					21,683	21,241

Information on profit contribution by principal activities is set out in management discussion and analysis on pages 16 to 29 of the annual report.

4. Profit before Taxation

	2022 \$ Million	2021 \$ Million
Profit before taxation is arrived at after charging:		
Interest and other finance costs		
Bank and other loans	1,333	1,195
Less: amount capitalised (note (a))	(342)	(227)
	991	968
Lease liabilities	182	222
Directors' emoluments (note (b))	347	330
Auditors' remuneration	36	37
Costs of properties sold	13,272	16,955
Costs of pub products sold	5,983	3,896
Commission for property sale	697	894
Cost of hedging derivative financial instruments	(781)	(440)
Change in fair value of investments	1,834	–
Loan receivables write off	630	–
Exchange differences	846	–
and after crediting:		
Interest income		
Bank balances and deposits	875	344
Loan receivables	141	152
Dividend/distribution from investments	602	740
Gain on derivative financial instruments	905	500
Change in fair value of investments	–	1,556
Government subsidies – employment support	76	1,522
Reversal of allowance for expected credit losses	31	45
Exchange differences	–	90

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 2.3% (2021 – 1.5%) for general borrowings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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	2022 Total \$ Million	2021 Total \$ Million
Victor T K Li	0.31	60.93	6.09	32.54	-	99.87	94.23
Kam Hing Lam	0.22	26.09	2.61	1.10	-	30.02	28.57
Ip Tak Chuen, Edmond	0.25	24.18	2.42	2.79	-	29.64	31.17
Chung Sun Keung, Davy	0.22	13.53	1.35	22.30	-	37.40	35.05
Chiu Kwok Hung, Justin	0.22	13.76	1.37	22.31	-	37.66	35.28
Chow Wai Kam, Raymond	0.22	6.02	0.54	29.22	-	36.00	33.72
Pau Yee Wan, Ezra	0.22	15.36	1.53	17.70	-	34.81	32.70
Woo Chia Ching, Grace	0.22	15.36	1.53	22.21	-	39.32	36.88
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
Colin Stevens Russel	0.23	-	-	-	-	0.23	0.35
Donald Jeffrey Roberts	0.38	-	-	-	-	0.38	0.38
Stephen Edward Bradley	0.38	-	-	-	-	0.38	0.38
Kwok Eva Lee	0.14	-	-	-	-	0.14	-
Sng Sow-mei	0.14	-	-	-	-	0.14	-
Lam Siu Hong, Donny	0.04	-	-	-	-	0.04	-
Total for 2022	4.39	175.23	17.44	150.17	-	347.23	
Total for 2021	4.19	166.95	16.61	142.16	-		329.91

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

	2022 \$ Million	2021 \$ Million
Current tax		
Hong Kong	1,534	1,412
Outside Hong Kong	2,286	6,335
Deferred tax	(960)	786
	2,860	8,533

Profits tax is provided for at the rate of 16.5% (2021 – 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.

5. Taxation (continued)

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

	2022 \$ Million	2021 \$ Million
Profit before taxation	22,683	30,061
Less: share of profit of joint ventures	(2,477)	(1,037)
share of profit of associates	(178)	(288)
	20,028	28,736
Tax calculated at the tax rate in Hong Kong, the principal place of business	3,305	4,741
Tax differences for place of business outside Hong Kong	988	4,835
Change in tax rate for place of business outside Hong Kong	-	335
Dividend/distribution income	(53)	(54)
Fair value changes of investment properties	(193)	(169)
Goodwill impairment	-	331
Tax losses and deductible temporary differences	(82)	(275)
Non-assessable/deductible items	(347)	(784)
Adjustments for prior years	(759)	(438)
Others	1	11
Taxation	2,860	8,533

6. Earnings Per Share

The calculation of earnings per share is based on profit attributable to shareholders and on the weighted average of 3,628,235,965 shares (2021 – 3,677,489,596 shares) in issue during the year.

7. Dividends

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

	2022 \$ Million	2021 \$ Million
Interim dividend paid at \$0.43 (2021 – \$0.41) per share	1,559	1,494
Final dividend proposed at \$1.85 (2021 – \$1.79) per share	6,649	6,521
	8,208	8,015

The final dividend of \$1.79 per share proposed for 2021 was approved by shareholders on 19 May 2022 and paid on 9 June 2022. At the year end date, the Company's reserves, excluding capital redemption reserve, available for distribution to shareholders amounted to \$283,699 million (2021 – \$262,197 million).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Fixed Assets

	Land and building \$ Million	Leased properties \$ Million	Aircraft \$ Million	Other assets \$ Million	Total \$ Million
Cost					
At 1 January 2021	71,896	8,584	23,390	9,342	113,212
Additions	2,843	300	906	754	4,803
Upon obtaining control of subsidiaries	–	–	12,314	5	12,319
Remeasurement	–	611	–	–	611
Disposals/terminations	(60)	(1,410)	–	(119)	(1,589)
Transfer to aircraft assets for sale	–	–	(36,610)	–	(36,610)
Translation differences	(175)	(55)	–	(12)	(242)
At 31 December 2021	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
Accumulated depreciation/impairment					
At 1 January 2021	9,227	855	4,177	3,852	18,111
Depreciation	604	530	1,330	1,052	3,516
Impairment	83	41	48	20	192
Disposals/terminations	(10)	(138)	–	(131)	(279)
Transfer to aircraft assets for sale	–	–	(5,555)	–	(5,555)
Translation differences	78	(7)	–	4	75
At 31 December 2021	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
Net book value					
At 31 December 2022	58,504	5,946	–	5,817	70,267
At 31 December 2021	64,522	6,749	–	5,173	76,444

At the year end date, land and building included freehold land and leasehold land amounting to \$14,365 million (2021 – \$15,754 million) and \$7,940 million (2021 – \$8,103 million) respectively.

8. Fixed Assets (continued)

Fixed assets are summarised by geographical location as follows:

	2022 \$ Million	2021 \$ Million
Hong Kong	16,660	16,704
The United Kingdom	51,767	57,547
Other locations	1,840	2,193
	70,267	76,444

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

	2022		2021	
	Depreciation \$ Million	Impairment \$ Million	Depreciation \$ Million	Impairment \$ Million
Property sales	27	–	29	–
Property rental	91	–	91	–
Hotel and serviced suite operation	623	–	473	–
Property and project management	20	–	19	–
Pub operation	1,284	994	1,574	144
	2,045	994	2,186	144

Impairment loss was recognised for pub assets 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

	Completed \$ Million	Under development \$ Million	Total \$ Million
At 1 January 2021	113,883	14,800	128,683
Additions	1,816	400	2,216
Change in fair value	423	1,090	1,513
Translation differences	(88)	–	(88)
At 31 December 2021	116,034	16,290	132,324
Additions	3,386	614	4,000
Disposals	(11,533)	–	(11,533)
Change 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Investment Properties (continued)

Gross rental income and direct operating expenses of investment properties for the year amounted to \$5,105 million (2021 – \$5,905 million) and \$229 million (2021 – \$198 million) respectively.

At the year end date:

- investment properties with carrying amounts of \$113,994 million (2021 – \$110,458 million) and \$11,192 million (2021 – \$21,866 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

	2022 \$ Million	2021 \$ Million
Investments in joint ventures – unlisted	49,124	38,197
Share of results less dividends	2,722	366
Translation differences	(3,206)	(444)
	48,640	38,119
Loans to joint ventures		
Interest bearing loans – repayable within 5 years	8,684	9,267
Interest bearing loans – repayable after 5 years	59	59
Subordinated interest bearing loans – repayable within 5 years	7,318	14,510
Subordinated interest bearing loans – repayable after 5 years	9,479	18,291
Non-interest bearing loans – no fixed repayment terms	505	506
	74,685	80,752

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

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
Sarvana S.à r.l. – incorporated in Luxembourg for investment in the ista Group ("Sarvana 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, CKP (Canada) JV and UK Power JV amounted to \$163 million (2021 – \$194 million), \$228 million (2021 – \$229 million) and \$573 million (2021 – \$294 million) respectively, and no dividend was received from Sarvana JV.

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

For the year ended	CK William JV		CKP (Canada) JV		Sarvana JV		UK Power JV	
	2022 \$ Million	2021 \$ Million	2022 \$ Million	2021 \$ Million	2022 \$ Million	2021 \$ Million	2022 \$ Million	2021 \$ Million
Revenue	10,967	10,452	5,975	5,622	8,625	8,954	17,018	13,786
Operating profit before net interest, taxation, depreciation and amortisation	6,666	6,477	3,316	3,185	3,459	3,889	13,799	8,569
Interest income	17	9	–	–	4	8	260	213
Interest and other finance costs	(2,218)	(2,102)	(1,198)	(1,180)	(1,598)	(1,850)	(3,531)	(2,385)
Depreciation and amortisation	(2,620)	(2,766)	(1,432)	(1,340)	(1,637)	(1,826)	(2,489)	(2,086)
Taxation	(620)	(590)	(180)	(179)	(376)	(416)	(1,617)	(775)
Net profit (loss)	1,225	1,028	506	486	(148)	(195)	6,422	3,536
Other comprehensive income	1,805	1,188	102	34	278	16	1,787	19
Non-controlling interests	(142)	(33)	–	–	–	–	–	–
Total comprehensive income	2,888	2,183	608	520	130	(179)	8,209	3,555

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Joint Ventures (continued)

	CK William JV		CKP (Canada) JV		Sarvana JV		UK Power JV	
	2022	2021	2022	2021	2022	2021	2022	2021
At year end date	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
Non-current assets	89,798	93,517	32,577	34,307	57,883	61,669	124,592	130,445
Current assets								
Cash and cash equivalents	1,436	1,772	164	256	1,360	649	1,252	1,859
Other current assets	2,961	2,853	1,035	939	2,157	1,761	3,484	3,287
	4,397	4,625	1,199	1,195	3,517	2,410	4,736	5,146
Current liabilities								
Bank and other loans	(8,423)	(3,113)	–	(2,258)	–	–	(2,832)	–
Creditors, provisions and others	(3,516)	(3,964)	(727)	(803)	(3,315)	(1,784)	(9,968)	(9,765)
Other financial liabilities	(333)	(375)	(55)	(255)	(134)	(130)	(70)	(71)
Other non-financial liabilities	(403)	(722)	(347)	(215)	(1,609)	(1,712)	–	–
	(12,675)	(8,174)	(1,129)	(3,531)	(5,058)	(3,626)	(12,870)	(9,836)
Non-current liabilities								
Shareholders' loan	(21,427)	(22,827)	(9,925)	(10,767)	(9,533)	(32,439)	(7,308)	(8,168)
Bank and other loans	(26,355)	(35,791)	(12,087)	(10,188)	(12,233)	(12,857)	(42,897)	(51,007)
Creditors, provisions and others	(3,994)	(4,233)	(93)	(93)	(87)	(551)	(9,112)	(7,856)
Other financial liabilities	(1,630)	(1,264)	(137)	(107)	(399)	(460)	(3,546)	(4,929)
Other non-financial liabilities	(4,637)	(3,800)	(3,500)	(3,728)	(8,839)	(9,750)	(13,249)	(14,236)
	(58,043)	(67,915)	(25,742)	(24,883)	(31,091)	(56,057)	(76,112)	(86,196)
Net assets	23,477	22,053	6,905	7,088	25,251	4,396	40,346	39,559
Non-controlling interests	(110)	246	–	–	–	–	–	–
Shareholders' equity	23,367	22,299	6,905	7,088	25,251	4,396	40,346	39,559
Shareholders' equity shared by the Group	9,347	8,920	5,179	5,316	16,413	2,857	8,069	7,912
Capitalised costs	55	55	–	–	72	72	–	–
Carrying amount	9,402	8,975	5,179	5,316	16,485	2,929	8,069	7,912

At the year end date, the aggregated carrying amount of other joint ventures was \$9,505 million (2021 – \$12,987 million) and the Group's share of results of those joint ventures are as follows:

	2022	2021
For the year ended	\$ Million	\$ Million
Net profit (loss)	476	(306)
Other comprehensive income	(92)	436
Total comprehensive income	384	130

11. Associates

	2022	2021
	\$ Million	\$ Million
Investment in an associate – listed in Hong Kong	8,571	8,571
Share of results less distributions	(1,513)	(1,517)
	7,058	7,054
Market value on quoted market price	2,478	3,454

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”)	33.5%	Investment in hotels and serviced suites, office and retail properties on the Mainland

Summarised financial information of Hui Xian REIT is as follows:

	2022	2021
For the year ended	RMB Million	RMB Million
Revenue	2,202	2,560
Loss attributable to unitholders	(1,307)	(219)

	2022	2021
At the year end date	RMB Million	RMB Million
Non-current assets	33,494	35,057
Current assets	4,906	6,029
Current liabilities	(4,170)	(2,080)
Non-current liabilities	(11,153)	(14,186)
Non-controlling interests	(151)	(205)
Net assets before distribution payable	22,926	24,615

The Group's share of net assets before distribution payable amounted to \$8,679 million (2021 – \$9,900 million) at the year end exchange rate. During the year, distribution received from Hui Xian REIT amounted to \$174 million (2021 – \$311 million).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Investments

	2022 \$ Million	2021 \$ Million
Investments measured at fair value through profit or loss		
Equity securities listed in Hong Kong	5,575	5,058
Equity securities unlisted	172	2,344
Debt securities listed in Hong Kong	493	80
Investments in infrastructure businesses	3,471	3,949
Investment in a hotel development project	725	657
	10,436	12,088
Investments measured at fair value through other comprehensive income		
Debt securities listed in Hong Kong	–	16
	10,436	12,104

13. Goodwill

	2022 \$ Million	2021 \$ Million
Pub operation in the United Kingdom		
At 1 January	4,609	6,655
Acquisition of pub businesses	176	–
Impairment	–	(2,005)
Translation differences	(477)	(41)
At 31 December	4,308	4,609

At the year end date, the goodwill of pub operation in the United Kingdom was assessed for 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 1.5% and a terminal value based on Gordon Growth Model. A pre-tax discount rate of 7.6% (2021 – 6.9%) was applied to derive the present value of the recoverable amount which was worked out to be not less than the aggregate amount of the carrying costs of pub operation and goodwill recognised at 31 December 2022.

14. Derivative Financial Instruments

	Assets		Liabilities	
	2022 \$ Million	2021 \$ Million	2022 \$ Million	2021 \$ Million
Currency swaps and forward contracts	9,161	4,194	1,086	1,533
Interest rate swaps	1,324	223	230	1,542
Price index swaps	–	–	–	31
	10,485	4,417	1,316	3,106
Less: maturities within 1 year (note 17, 18)	(2,326)	(875)	(593)	(954)
	8,159	3,542	723	2,152

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\$1,050 million	2023 – 2024
CAD2,145 million	US\$1,672 million	2023 – 2027
EUR3,046 million	US\$3,536 million	2023 – 2028
GBP5,726 million	US\$7,727 million	2023 – 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
GBP921 million	0.83% – 5.16%	SONIA plus credit adjustment spread	2027 – 2036
GBP144 million	1.95% – 3.34%	SONIA	2037 – 2042

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Derivative Financial Instruments (continued)

During the year, the cumulated gain on derivative financial instruments was reclassified from hedging reserve and exchange reserve to the income statement as follows:

	2022	2021
	\$ Million	\$ Million
Net investment hedges – foreign operations disposed		
Gain on financial instruments	12	–
Surplus on disposal of investment properties	216	–
Gain on disposal of interest in utility joint venture	184	–
	412	–
Cash flow hedges – cash flows terminated		
Gain on financial instruments	685	–
Investment and others	207	–
	892	–

15. Other Non-Current Assets

	2022	2021
	\$ Million	\$ Million
Loan receivables	1,142	783
Deferred tax assets (note 20)	2,522	2,853
Pension assets (note 22)	521	1,443
Other long term assets	658	682
	4,843	5,761

16. Properties for Sale

	2022	2021
	\$ Million	\$ Million
Properties for/under development	74,220	63,511
Joint development projects	25,420	22,313
Completed properties	36,602	41,301
Commission for property sale	204	357
	136,446	127,482

At the year end date:

- properties for sale amounting to \$79,969 million (2021 – \$65,010 million) and \$56,273 million (2021 – \$62,115 million) were located in Hong Kong and outside Hong Kong respectively; and
- properties for/under development and joint development projects amounting to \$84,256 million (2021 – \$63,897 million) were not scheduled for completion within twelve months.

17. Debtors, Prepayments and Others

	2022	2021
	\$ Million	\$ Million
Debtors	1,417	1,551
Derivative financial instruments (note 14)	2,326	875
Deposits for derivative financial instruments	665	602
Prepayments and others	5,560	5,058
	9,968	8,086

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:

	2022	2021
	\$ Million	\$ Million
Current to one month	1,197	1,240
Two to three months	90	125
Over three months	130	186
	1,417	1,551

Ageing analysis of debtors past due but not impaired is as follows:

	2022	2021
	\$ Million	\$ Million
Overdue within one month	201	191
Overdue for two to three months	90	125
Overdue over three months	130	186
	421	502

18. Creditors, Accruals and Others

	2022	2021
	\$ Million	\$ Million
Creditors	14,207	5,201
Accruals and other payables	14,160	14,911
Lease liabilities (note 21)	280	414
Derivative financial instruments (note 14)	593	954
Deposits for derivative financial instruments	9,064	3,132
	38,304	24,612

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Creditors, Accruals and Others (continued)

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

	2022 \$ Million	2021 \$ Million
Current to one month	14,121	5,156
Two to three months	49	17
Over three months	37	28
	14,207	5,201

19. Bank and Other Loans

	2022 \$ Million	2021 \$ Million
Bank loans repayable		
within 1 year	1,801	26,564
after 1 year but not exceeding 2 years	9,013	17,873
after 2 years but not exceeding 5 years	14,099	21,282
after 5 years	–	270
	24,913	65,989
Other loans repayable		
within 1 year	634	2,248
after 1 year but not exceeding 2 years	6,307	842
after 2 years but not exceeding 5 years	7,478	12,051
after 5 years	9,205	15,338
	23,624	30,479
	48,537	96,468
Less: amounts classified under current liabilities	(2,435)	(28,812)
Amounts classified under non-current liabilities	46,102	67,656

Movements of bank and other loans are as follows:

	2022 \$ Million	2021 \$ Million
At 1 January	96,468	77,893
Borrowing of bank and other loans	26,384	43,547
Repayment of bank and other loans	(71,291)	(33,274)
Acquisition of pub businesses	199	–
Upon obtaining control of subsidiaries	–	8,895
Amortisation of costs and fair value adjustments	(13)	(65)
Translation differences	(3,210)	(528)
At 31 December	48,537	96,468

19. Bank and Other Loans (continued)

At the year end date:

- (a) bank loans amounting to \$556 million (2021 – \$6,333 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
GBP862 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) 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	\$1,888 million

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Deferred Tax

	2022 \$ Million	2021 \$ Million
Deferred tax assets	2,522	2,853
Deferred tax liabilities	(13,940)	(15,974)
Net deferred tax liabilities	(11,418)	(13,121)

Analysis of net deferred tax liabilities is as follows:

	2022 \$ Million	2021 \$ Million
Accelerated tax depreciation	(5,215)	(7,873)
Fair value changes of investment properties	(149)	(296)
Increase in value of properties	(5,766)	(6,903)
Retained earnings of subsidiaries	(929)	(998)
Tax losses	463	3,004
Other temporary differences	178	(55)
	(11,418)	(13,121)

Movements of net deferred tax liabilities are as follows:

	2022 \$ Million	2021 \$ Million
At 1 January	(13,121)	(11,836)
Net credit (charge) to profit or loss		
Accelerated tax depreciation	(71)	(888)
Fair value changes of investment properties	40	(147)
Increase in value of properties	652	600
Retained earnings of subsidiaries	(18)	(147)
Tax losses	(320)	33
Other temporary differences	564	(252)
Net credit (charge) to other comprehensive income		
Cash flow hedges	(149)	(106)
Remeasurement of defined benefit obligations	205	(202)
Acquisition of pub businesses	(91)	–
Upon derecognition/obtaining control of subsidiaries	121	81
Translation differences	770	(257)
At 31 December	(11,418)	(13,121)

At the year end date, no deferred tax asset was recognised for (i) deductible temporary differences amounting to \$3,962 million (2021 – \$4,641 million); and (ii) tax losses amounting to \$3,972 million (2021 – \$4,579 million), and tax losses of \$902 million (2021 – \$1,160 million) would expire within 5 years.

21. Lease Liabilities

	2022 \$ Million	2021 \$ Million
Lease liabilities	5,556	6,513
Less: amounts classified under current liabilities (note 18)	(280)	(414)
Amounts classified under non-current liabilities	5,276	6,099

Movements of lease liabilities are as follows:

	2022 \$ Million	2021 \$ Million
At 1 January	6,513	7,644
New leases	331	254
Acquisition of pub businesses	137	–
Lease payment	(526)	(773)
Interest accretion	182	222
Terminations	(122)	(1,390)
Remeasurement	(285)	611
Translation differences	(674)	(55)
At 31 December	5,556	6,513

22. Pension

	2022		2021	
	Greene King Schemes \$ Million	Schemes A and B \$ Million	Greene King Schemes \$ Million	Schemes A and B \$ Million
Present value of defined benefit obligations	(5,455)	(691)	(9,135)	(842)
Less: fair value of scheme assets	5,976	598	10,578	802
Pension assets (liabilities)	521	(93)	1,443	(40)

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 \$19 million (2021 – \$44 million) were charged to income statement and a loss of \$862 million (2021 – gain of \$1,023 million) on remeasurement of defined benefit obligations was recognised in other comprehensive income. Employers' contributions to defined benefit schemes amounted to \$57 million (2021 – \$83 million) for the year and forfeited contributions amounting to \$1 million (2021 – \$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 \$454 million (2021 – \$410 million) for the year and forfeited contributions amounting to \$3 million (2021 – \$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 2021	3,693,400,500	3,694	241,945	245,639
Issue of shares	333,333,333	333	16,667	17,000
Buy-back and cancellation	(383,150,000)	(383)	(19,543)	(19,926)
Costs for share issue and buy-back	–	–	(94)	(94)
At 31 December 2021	3,643,583,833	3,644	238,975	242,619
Buy-back (cancelled)	(38,393,500)	(39)	(1,973)	(2,012)
Buy-back (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

During the year, the Company bought back 49,342,500 shares on The Stock Exchange of Hong Kong Limited with an aggregate consideration of \$2,470 million, of which 38,393,500 shares were cancelled before the year end date and 10,949,000 shares were cancelled after the year end date. The particulars of share buy-backs are as follows:

Month	Number of shares bought back	Purchase price per share		Aggregate consideration
		Highest	Lowest	
May 2022	1,025,000	\$53.80	\$50.50	\$53,486,250
June 2022	5,536,500	\$53.25	\$50.95	\$287,896,600
August 2022	11,012,500	\$54.40	\$52.85	\$591,300,530
September 2022	19,619,500	\$53.55	\$46.75	\$984,337,091
October 2022	8,714,000	\$48.25	\$43.00	\$398,145,147
November 2022	1,320,000	\$45.50	\$43.10	\$58,372,550
December 2022	2,115,000	\$46.50	\$45.30	\$96,946,325
	49,342,500			\$2,470,484,493

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Perpetual Capital Securities

	2022 \$ Million	2021 \$ 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 30 years. Analysis of future minimum lease payment receivable under non-cancellable operating leases after the year end date is as follows:

	2022 \$ Million	2021 \$ Million
Future minimum lease payment receivable		
in the first year	5,005	5,776
in the second year	3,473	4,375
in the third year	2,351	2,956
in the fourth year	1,897	2,248
in the fifth year	1,404	2,099
thereafter	11,931	13,549
	26,061	31,003

26. Charges on Assets

At the year end date, (i) properties amounting to \$3,825 million (2021 – \$6,159 million) were charged to secure bank loans arranged for property development and investment; and (ii) properties amounting to \$24,526 million (2021 – \$32,754 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 \$3,248 million (2021 – \$3,252 million); and (ii) addition of fixed assets amounting to \$360 million (2021 – \$486 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 \$474 million (2021 – \$490 million); and (ii) mortgage loans provided by banks to purchasers of properties developed by the Group on the Mainland amounting to \$822 million (2021 – \$1,528 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 maintains a conservative approach on foreign exchange risk management and borrows principally on a floating rate basis. The Group's exposure to foreign exchange fluctuations and interest rates 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 40% in HK\$ or US\$, and 60% 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. 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 local currencies is maintained for operational 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 \$630 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 \$94 million (2021 – \$101 million) and \$34 million (2021 – \$86 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 \$522 million (2021 – \$604 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 \$251 million (2021 – \$574 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 \$64 million (2021 – \$84 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:

	2022 \$ Million	2021 \$ Million
Within 1 year	4,229	30,499
After 1 year but not exceeding 2 years	17,011	20,103
After 2 years but not exceeding 5 years	23,794	36,119
After 5 years	10,467	18,367
	55,501	105,088

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

	2022 \$ Million	2021 \$ Million
Within 1 year	501	594
After 1 year but not exceeding 2 years	453	473
After 2 years but not exceeding 5 years	1,210	1,253
After 5 years	6,860	7,086
	9,024	9,406

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:

	2022	2021
	\$ Million	\$ Million
Cash inflows		
Within 1 year	34,257	50,854
After 1 year but not exceeding 2 years	20,551	20,986
After 2 years but not exceeding 5 years	28,957	28,665
After 5 years	31,443	26,650
	115,208	127,155
Cash outflows		
Within 1 year	32,213	50,894
After 1 year but not exceeding 2 years	19,721	19,811
After 2 years but not exceeding 5 years	26,017	28,480
After 5 years	26,758	24,475
	104,709	123,660

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	
	2022	2021	2022	2021	2022	2021
	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
Investments						
Listed securities	6,068	5,154	–	–	–	–
Unlisted securities	–	–	–	–	172	2,344
Investments in infrastructure businesses	–	–	–	–	3,471	3,949
Investment in a hotel development project	–	–	–	–	725	657
Derivative financial instruments						
– assets	–	–	10,485	4,417	–	–
– liabilities	–	–	(1,316)	(3,106)	–	–

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:

	2022	2021
	\$ Million	\$ Million
At 1 January	6,950	12,070
Investments made	68	392
Fair value gain (loss) recognised through income statement	(331)	1,062
Disposal	(2,319)	–
Transfer of investments in infrastructure businesses to joint ventures	–	(6,574)
At 31 December	4,368	6,950

The carrying amounts of other financial assets and financial liabilities, except for lease liabilities, approximated their fair values at the year end date.

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.

Taking into account the bank balances and deposits of \$61,198 million, the Group had a net cash surplus of \$12,661 million at the year end date and net debt to net total capital ratio is calculated as follows:

	2022	2021
	\$ Million	\$ Million
Bank and other loans	48,537	96,468
Less: bank balances and deposits	(61,198)	(63,365)
Net (cash) debt	(12,661)	33,103
Total equity	393,707	386,275
Net debt	–	33,103
Net total capital	393,707	419,378
Net debt to net total capital ratio	–	7.9%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Discontinued Operation

In December 2021, the Group entered into an agreement for the disposal of its remaining investment in aircraft leasing business. The disposal transaction was completed in April 2022.

Profit for the year of the discontinued operation is as follows:

	2022 \$ Million	2021 \$ Million
Revenue	834	2,110
Other income	223	287
Operating costs	(340)	(1,839)
Gain on financial instruments	–	4
Impairment loss on fixed assets	–	(48)
Share of loss of joint venture	–	(82)
Profit before taxation	717	432
Taxation	(119)	(17)
Profit after taxation	598	415
Gain on disposal of assets	1,542	–
Profit for the year	2,140	415

Net cash flow for the year of the discontinued operation is as follows:

	2022 \$ Million	2021 \$ Million
Net cash from operating activities	507	2,225
Net cash from investing activities	31,155	363
Net cash used in financing activities	(22,795)	(327)
Net cash inflow	8,867	2,261

33. Comparative Information

Certain comparative information has been restated to conform with the presentation of the discontinued operation.

34. Statement of Financial Position of the Company

	As at 31 December	
	2022 \$ Million	2021 \$ Million
Non-current assets		
Fixed assets	9	5
Subsidiaries (note (a))	247,558	244,338
	247,567	244,343
Current assets		
Debtors, prepayments and others	116	54
Bank balances and deposits	40,554	22,313
	40,670	22,367
Current liabilities		
Creditors, accruals and others	340	320
Provision for taxation	5	–
	345	320
Net current assets	40,325	22,047
Net assets	287,892	266,390
Representing:		
Share capital and share premium	240,102	242,619
Reserves (note (b))	47,790	23,771
Shareholders' funds	287,892	266,390

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 2021	166	19,800	19,966
Profit for the year	–	10,308	10,308
Buy-back and cancellation of issued shares	383	–	383
Dividend paid	–	(6,886)	(6,886)
At 31 December 2021	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

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
Albany Investments Limited	HK\$ 1	100	Property development
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 ¹⁰	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
CK Global Holdings Limited ³	US\$ 2,000	100	Property investment
CK Property Finance Limited ⁴	US\$ 1	100	Finance
CK Property Finance (MTN) Limited ⁵	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
Great Wall Hotel Joint Venture of Beijing ⁶	US\$ 40,000,000	49.82	Hotel & serviced suite operation
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 ⁶	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
Shanghai Changrun Jianghe Property Development Co., Ltd. ⁶	RMB 2,645,560,000	60	Property development
Shanghai Heya Property Development Co., Ltd. ⁹	RMB 700,000,000	100	Property development
Shanghai Westgate Mall Co., Ltd. ¹	US\$ 40,000,000	60	Property investment
Shenzhen Century Place Shopping Mall Limited ¹	RMB 620,000,000	80	Property development & investment
SHP Holding Limited ¹⁰	GBP 1	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\$ 41,112	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 the Cayman Islands and operated in Ireland

⁴ Incorporated in the British Virgin Islands

⁵ Incorporated in the Cayman Islands

⁶ Equity joint venture registered and operated on the Mainland

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 Incorporated in Jersey and operated in the United Kingdom

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 134 to 177, which comprise the consolidated statement of financial position as at 31 December 2022, 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 a summary of significant accounting policies.

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 2022, 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
<p>Valuation of investment properties</p> <p>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.</p> <p>As at 31 December 2022, the Group's investment properties amounted to HK\$125,186 million and represented 24% 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.</p>	<p>Our procedures in relation to the valuation of the investment properties included:</p> <ul style="list-style-type: none"> 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.
<p>Determination of the net realisable value of the Properties</p> <p>We identified the assessment of whether the properties for/under development, joint development projects 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 2022, the Properties amounted to HK\$136,242 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.</p>	<p>Our procedures in relation to assessing whether the Properties were stated at the lower of cost and NRV included:</p> <ul style="list-style-type: none"> 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.

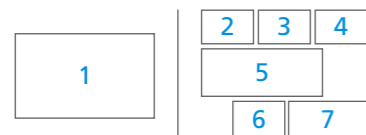
The engagement partner on the audit resulting in the independent auditor's report is Keung To Wai, David.

Deloitte Touche Tohmatsu
 Certified Public Accountants
 Hong Kong
 16 March 2023

LISTED REAL ESTATE INVESTMENT TRUSTS



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, Sofitel Shenyang Lido, Hyatt Regency Liberation Square Chongqing and Sheraton Chengdu Lido Hotel.



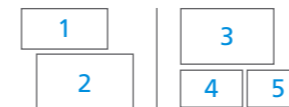
- 1. Beijing Oriental Plaza, Hui Xian REIT's flagship asset
- 2. Grand Hyatt Beijing at Beijing Oriental Plaza
- 3. Sofitel Shenyang Lido
- 4. Hyatt Regency Liberation Square Chongqing
- 5. The Malls at Beijing Oriental Plaza
- 6. The Tower Offices at Beijing Oriental Plaza
- 7. Chongqing Metropolitan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

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

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

5. 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

Intensification in trade protectionism, supply chain disruptions, fluctuation of major currencies, increasing geopolitical tensions, high and persistent inflation, tightening fiscal policy and monetary policy, interest rate hikes, rising commodity prices and energy costs as well as the ongoing COVID-19 pandemic have created uncertainties and volatility in the world economy and global financial markets. A severe 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 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.

Continuation of Highly Contagious Disease

Although the impact of the COVID-19 pandemic has moderated in many countries and their governments have removed entry restrictions and relaxed social distancing measures, the lingering waves of the pandemic continue to disrupt economic activities and global supply chains in different parts of the world, including the places of businesses in which the Group operates. The impact of the pandemic 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. Despite the situation of COVID-19 outbreak has now begun to stabilise following the rollout of vaccines, the pandemic remains highly volatile and unpredictable due to the potential emergence of new coronavirus variants. 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 may suffer.

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 has soared to multidecade highs, prompting central banks across the world to simultaneously hike interest rates. The interest rate hike 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.

Potential Risks in relation to Brexit

The UK left the European Union ("EU") on 31 January 2020 and the transition period ended on 31 December 2020, symbolising that the UK has completely separated from the EU and opened a new page in the relationship with the EU. 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 surging 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.

RISK FACTORS (CONTINUED)

Currency Fluctuations

The Group is a leading multinational corporation with businesses 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 with resulting loss of revenue and profit, which may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

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.

RISK FACTORS (CONTINUED)

Cybersecurity

With the fast expanding adoption of internet and networking operational 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 exposed 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 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.

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.

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 financial conditions and results of operations.

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 business 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 business, 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.

Natural Disasters

Some of the Group's assets and businesses, customers and suppliers are located in areas at risk of damage from earthquakes, floods, typhoons, drought, fire, 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, typhoons, drought 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.

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 variability. 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 businesses, financial conditions, results of operations or growth prospects.

Despite the Hong Kong government's lifting of most of the anti-epidemic controls, including but not limited to border restrictions, mandatory hotel quarantine stay, Vaccine Pass requirement and social distancing measures, the pace of recovery of the industry depends on the development of the COVID-19 situation, global economy and tourism recovery, as well as 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 COVID-19 situation, the recovery of local and international tourism and business travel, as well as consumer confidence.

The Russia-Ukraine conflict has sharpened worries over inflation and increasing prices and costs for consumers and businesses, particularly in energy and food. There is no certainty in how long the conflict may last and the full extent of the impact from the conflict and its spill-over effects, including rising inflation, higher interest rates and the cost of living crisis 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, including the expanding food delivery market, also adds 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 resources 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. Interest and inflation rates, high energy cost, energy windfall tax, cap on the energy retail price 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 brinkmanship, concerns being raised with regulators or the local or national Government directly, 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, outbreak of epidemics or 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. 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.

RISK FACTORS (CONTINUED)

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.

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. 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 of Hong Kong Limited ("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
WOO Chia Ching, Grace

Chairman and Managing Director
Deputy Managing Director
Deputy Managing Director
Executive Director
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

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

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	16 March 2023
Closure of Register of Members (for determination of shareholders who are entitled to attend and vote at Annual General Meeting)	15 to 18 May 2023 (both days inclusive)
Annual General Meeting	18 May 2023
Record Date (for determination of shareholders who qualify for the Final Dividend)	24 May 2023
Payment of Final Dividend	8 June 2023

Executive Committee

LI Tzar Kuoi, Victor (*Chairman*)
KAM Hing Lam
CHUNG Sun Keung, Davy
CHOW Wai Kam, Raymond
WOO Chia Ching, Grace
MAN Ka Keung, Simon
Eirene YEUNG
KOH Poh Chan

Company Secretary

Eirene YEUNG

Authorised Representatives

IP Tak Chuen, Edmond
Eirene YEUNG

General Manager, Accounts Department

MAN Ka Keung, Simon

Principal Bankers

DBS Bank Ltd., Hong Kong Branch
Sumitomo Mitsui Banking Corporation
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Mizuho Bank, Ltd.
The Bank of Nova Scotia, Hong Kong Branch
Citibank, N.A.
MUFG Bank, Ltd.
Canadian Imperial Bank of Commerce
China Construction Bank (Asia) Corporation Limited

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 2022 ("Annual Report") is available in both English and Chinese versions. Shareholders who have received either the English or the Chinese version of the Annual Report may request a copy in the other language by writing to the Company c/o the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong or by email to ckah.ecom@computershare.com.hk.

The Annual Report (both English and Chinese versions) has been posted on the Company's website at www.ckah.com. Shareholders who have chosen (or are deemed to have consented) to read the Company's corporate communications (including but not limited to the Annual Report) published on the Company's website in place of receiving printed copies thereof may request the printed copy of the Annual Report in writing to the Company c/o the Company's Hong Kong Share Registrar or by email to ckah.ecom@computershare.com.hk.

Shareholders who have chosen (or are deemed to have consented) to receive the corporate communications using electronic means through the Company's website and who for any reason have difficulty in receiving or gaining access to the Annual Report posted on the Company's website will upon request in writing to the Company c/o the Company's Hong Kong Share Registrar or by email to ckah.ecom@computershare.com.hk promptly be sent the Annual Report in printed form free of charge.

Shareholders may at any time choose to change their choice as to the means of receipt (i.e. in printed form or by electronic means through the Company's website) and/or the language of the Company's corporate communications by reasonable prior notice in writing to the Company c/o the Company's Hong Kong Share Registrar or sending a notice to ckah.ecom@computershare.com.hk.



