



2023

# ANNUAL REPORT

MIRAMAR HOTEL AND  
INVESTMENT COMPANY, LIMITED

Stock code 71

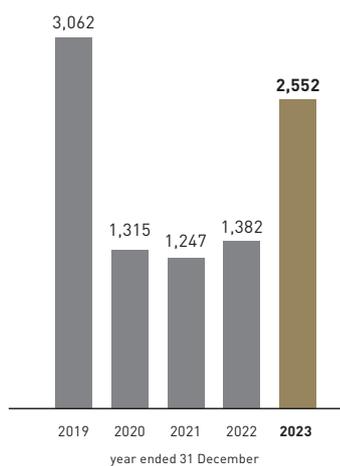


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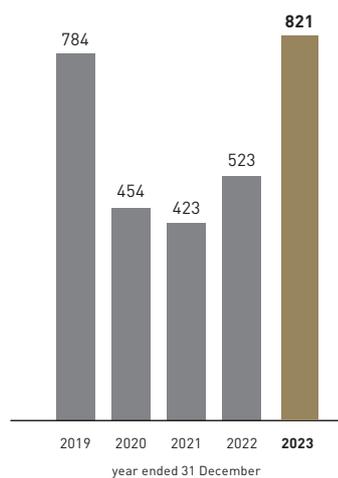
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**Consolidated revenue**

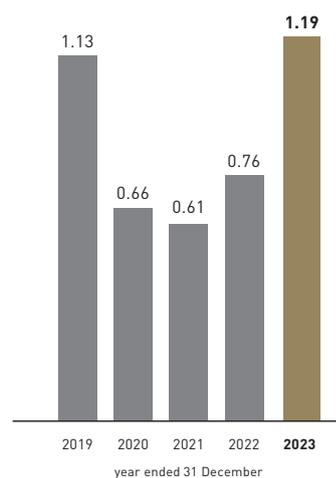
HK\$'million

**Underlying profit attributable to shareholders of the Company**

HK\$'million

**Underlying earnings per share**

HK\$

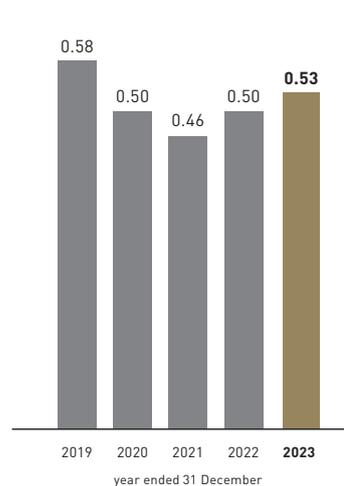
**For the year ended 31 December**

	2023	2022
	HK\$'million	HK\$'million
<b>Revenue</b>		
Property rental	795	800
Hotels and serviced apartments	582	318
Food and beverage operation	279	173
Travel operation	896	91
<b>Consolidated revenue</b>	<b>2,552</b>	1,382
<b>Profit attributable to shareholders of the Company</b>	<b>977</b>	480
<b>Underlying profit attributable to shareholders of the Company (note)</b>	<b>821</b>	523

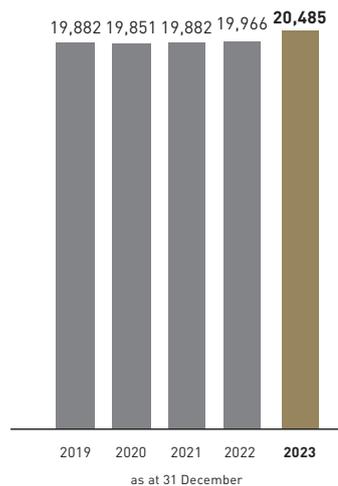
*Note:* Underlying profit attributable to shareholders and underlying earnings per share excluded the post-tax effects of the investment properties revaluation movements and other non-recurring items.

**Dividend per share**

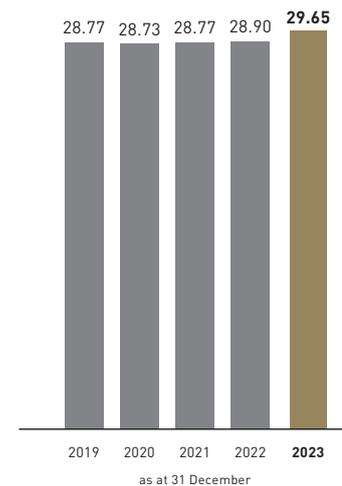
HK\$

**Consolidated net assets attributable to shareholders of the Company**

HK\$ million

**Consolidated net assets value attributable to shareholders of the Company per share**

HK\$

**Earnings per share****Underlying earnings per share (note)****Dividend per share****For the year ended 31 December**

	2023	2022
	HK\$	HK\$
Earnings per share	1.41	0.69
Underlying earnings per share (note)	1.19	0.76
Dividend per share	0.53	0.50

**At 31 December**

	2023	2022
	HK\$ million	HK\$ million

**Consolidated net assets attributable to shareholders of the Company**

	20,485	19,966
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HK\$

HK\$

**Consolidated net assets value attributable to shareholders of the Company per share**

	29.65	28.90
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28.90

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



# Steady Progress Striving Forward

## Dear shareholders

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

# Chairman and CEO's Statement

## Consolidated Results

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

## Final Dividend

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

## Overview

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

In terms of the food and beverage business, the Group quickly seized the opportunities presented in the post-pandemic rebound after the full removal of pandemic control measures. We stepped up our promotional efforts and focused on developing e-commerce to enhance the user experience



of our online shops. As a result of these measures, the food and beverage business rebounded successfully and recorded a revenue of HK\$279.4 million during the year.

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

## Outlook

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

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

## Tribute

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

## Acknowledgement

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

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

## Lee Ka Shing

*Chairman and CEO*

Hong Kong, 19 March 2024





# Urban Oasis

## Hotels and Serviced Apartments Business

During the year, the overall revenue from the hotel and serviced apartment business amounted to HK\$581.9 million, an increase of 82.8% compared with HK\$318.4 million for the same period last year; and earnings before interest, taxes, depreciation and amortization (EBITDA) recorded a profit of HK\$153.5 million, representing an increase of 763.6% compared with HK\$17.8 million for the same period last year.

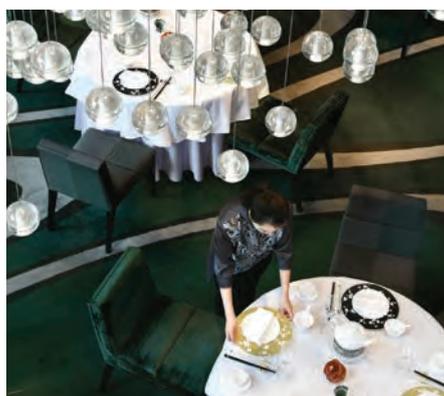




# Hotels and Serviced Apartments Business

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

Thanks to the properly formulated business and operational strategies mentioned above, the occupancy rate of The Mira Hong Kong and Mira Moon reached 90% and 95% in 2023, respectively, representing a significant growth of 22 percentage points and 54 percentage points compared with the occupancy rate of 68% and 41% in 2022, respectively, while the average room rate also reached HK\$1,432 and HK\$1,706, increasing by 61% and 40%, respectively. As a result, the revenue from the room rental business of The Mira Hong Kong recorded a significant increase of 126.2%, and the revenue from room rental business of Mira Moon also climbed by 215.2% due to the asset quality enhancement project carried out last year. Revenue from the food and beverage business under the hotel segment of the Group also recorded an increase of 49.6% compared with the same period last year.



## Property Rental Business

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

# Uncover the Uniqueness





# Property Rental Business

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

## Change in Fair Value of Investment Properties

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





# The World at Your Table

## **Food and Beverage Business**

During the year, the Group's food and beverage business recorded revenue of HK\$279.4 million and an EBITDA profit of HK\$29.9 million, compared with revenue of HK\$173.3 million and EBITDA loss of HK\$1.9 million in the same period last year.





# Food and Beverage Business

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

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



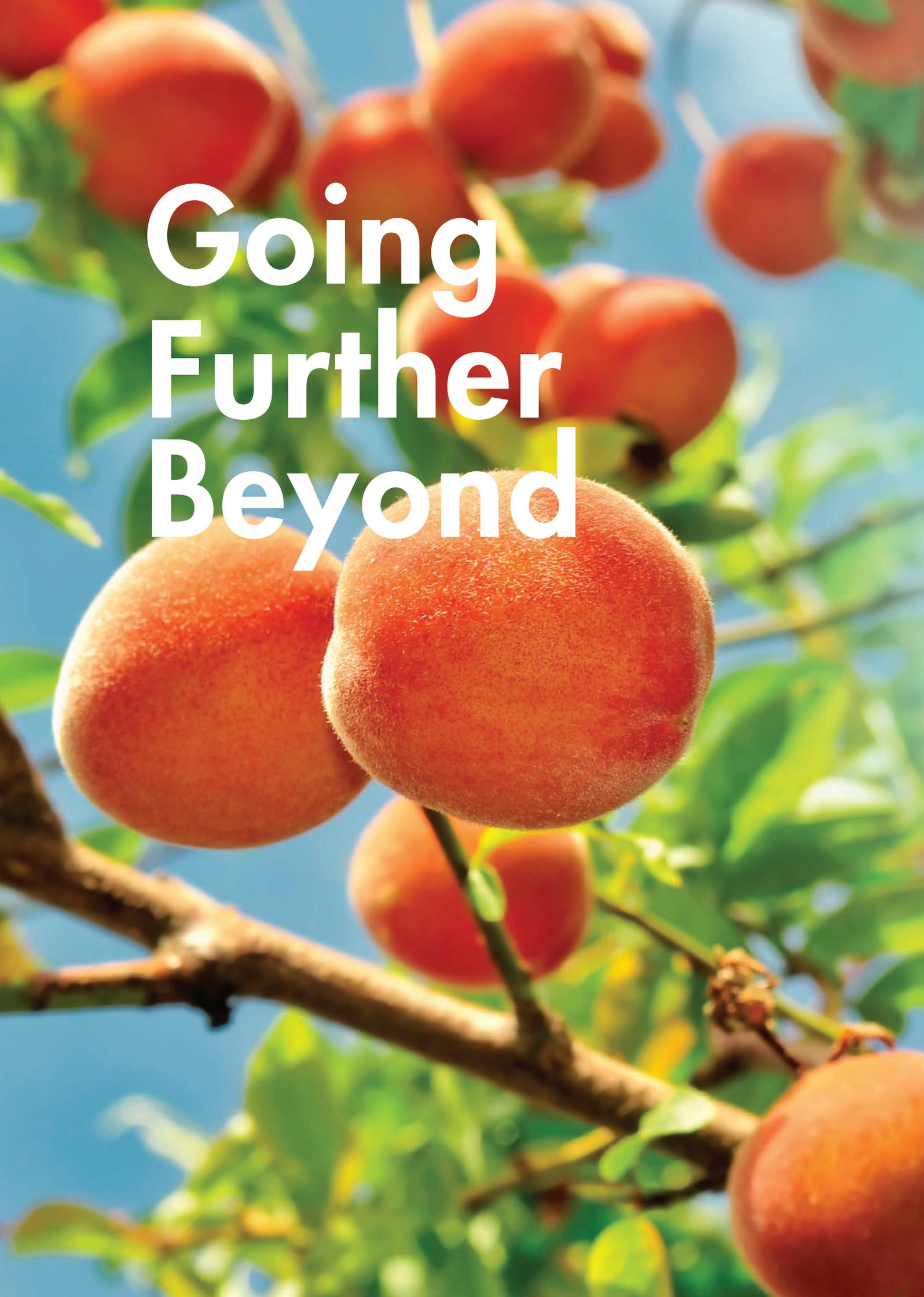
# A Journey of Happiness

## Travel Business

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



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



**Going  
Further  
Beyond**

## Operating and Other Expenses

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

## Treasury Management and Financial Condition

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

# Relentless Effort Remarkable Achievements

## Miramar Group

- The 3rd Greater China Hotel Business Sustainability Index - Top 10 Companies, Centre for Business Sustainability, CUHK Business School
- GBA ESG Sustainable Corporate Development Award 2023, 100% HK Branding Award, Greater-China Association of Branding Industry
- Outstanding Corporate Governance Awards, GBA ESG Achievement Awards 2023, Metro Broadcast
- Outstanding Green Award in Corporation / Organisation Cup, The 30th Green Power Hike, Green Power
- Good MPF Employer Award/ e-Contribution Award/ MPF Support Award, Good MPF Employer Award, Mandatory Provident Fund Schemes Authority
- 15 Years Plus Caring Company, The Hong Kong Council of Social Service
- Super MD 2023-2028, ERB Manpower Developer Award Scheme, ERB Manpower Developer
- Breastfeeding Friendly Workplace, Hong Kong Committee for UNICEF



## Hotels and Serviced Apartments

### Mira Moon

- Certificate of Appreciation, Carbon Neutrality (Waste Reduction) Charter, Environmental Protection Department

### The Mira Hong Kong

- 3 Star Food Made Good Sustainability Award, Sustainable Restaurant Association
- Certificate of Appreciation, Carbon Neutrality (Waste Reduction) Charter, Environmental Protection Department
- Superb Wedding Banquet – Best Themed Wedding Venue, Wedding Award 2023
- My Favourite Wedding Banquet Venue, Wedding Award 2023
- Hong Kong's Best Day Spa 2023, World Spa Awards
- Graduate Recruitment Recognition Award 2023, JobMarket

### Cuisine Cuisine The Mira

- Recommended Restaurant, MICHELIN Guide Hong Kong & Macau 2023
- 100 Top Tables, South China Morning Post
- Favourite Hotel Chinese Restaurant, U Favourite Food Awards 2023, U Magazine
- Best of Award of Excellence, Wine Spectator

### WHISK

- 100 Top Tables, South China Morning Post
- Favourite Western Restaurant, U Favourite Food Awards 2023, U Magazine
- Best of Award of Excellence, Wine Spectator

### Yamm

- Favourite Buffet Restaurant, U Favourite Food Awards 2023, U Magazine

### COCO

- Favourite Dessert and Pastries, U Favourite Food Awards 2023, U Magazine

### ZOUL

- Brides Favourite Decoration - Best Idea, Wedding Award 2023

## Property Rental

### Mira Place 1, Mira Place 2 & Mira Place Tower A

- My Favorite Shopping Mall Awards 2022-23, Hong Kong Economic Times Limited
  - Top 10 of My Favorite Shopping Malls
  - Top 20 of My Favorite Shopping Mall Events, Winning project: Mira Place Gimme LiVe music festival 10th anniversary "Colour My LiVe"
- Kowloon West Best Security Services Award 2022, Hong Kong Police Force
  - Honorable Managed Property Award – Mira Place 1/Mira Place Tower A
  - Outstanding Managed Public Carpark Award – Mira Place Carpark
  - Best Managed Public Carpark Award – H-Zentre Carpark
  - Outstanding Security Personnel Award

## Food and Beverage

### Chinesology

- Favorite Cantonese Restaurant, Favourite Food Award, U Magazine
- Outstanding Performance in Environmental Responsibility, ESG Achievement Awards 2023, Institute of ESG & Benchmark

### Cuisine Cuisine (ifc)

- Highly Recommended Restaurant, Top 100+ Asian Restaurants 2023, Opinionated About Dining
- Best Chinese Restaurant Wedding Banquet – HK Island (Western District), ESD Bridal Award 2023
- GBA ESG Sustainable Corporate Development Award 2023, 100% HK Branding Award, Greater-China Association of Branding Industry

### Tsui Hang Village

- Recommended Restaurant - Tsui Hang Village (Tsim Sha Tsui), MICHELIN Guide Hong Kong & Macau 2023
- GBA ESG Sustainable Corporate Development Award 2023, 100% HK Branding Award, Greater-China Association of Branding Industry
- Outstanding Performance in Environmental Responsibility, ESG Achievement Awards 2023, Institute of ESG & Benchmark

### JAJA

- Favorite Cantonese Restaurant, Favorite New Restaurant, U Magazine
- GBA ESG Sustainable Corporate Development Award 2023, 100% HK Branding Award, Greater-China Association of Branding Industry
- Outstanding Performance in Environmental Responsibility, ESG Achievement Awards 2023, Institute of ESG & Benchmark

## Travel

### Miramar Travel

- Emission Mitigation Certificate, Compensaid by Lufthansa Innovation Hub
- Supporting and Promoting Sustainable Travel Certificate, Lufthansa Group
- Best Group Agent Award 2023, Hong Kong Airlines
- Top Agency Award 2023, Qantas
- Top Destination Know-How 2023, Air New Zealand
- Gold award, Excellent Sales Award (Group Tours), MTR Corporation Limited
- Partner Employer Award 2022-2023, The Hong Kong General Chamber of Small and Medium Business
- 15 Years Plus Caring Company, The Hong Kong Council of Social Service



# Join Hands for a Sustainable Future

## Environmental, Social and Governance Report

Miramar Group believes that a sustainable business provides not only financial returns to investors, but also substantial benefits to stakeholders and the community we serve. The Group has honored its commitment as a responsible corporate citizen by actively engaging in environmental, social and livelihood issues.



**20 items**  
under recycling programs

**>90%**  
active suppliers are  
local suppliers

Consolidated revenue  
**HK\$2,553 million**

↑84.7% from 2022

Profit attributable to shareholders

**HK\$977 million**

↑103.5% from 2022

## Performance Highlights in 2023

**>10,800**  
training hours  
(online and offline)  
given to our employees

**Around 1,000 meals**  
donated to  
Foodlink Foundation Ltd.

## Reporting Scope and Principles

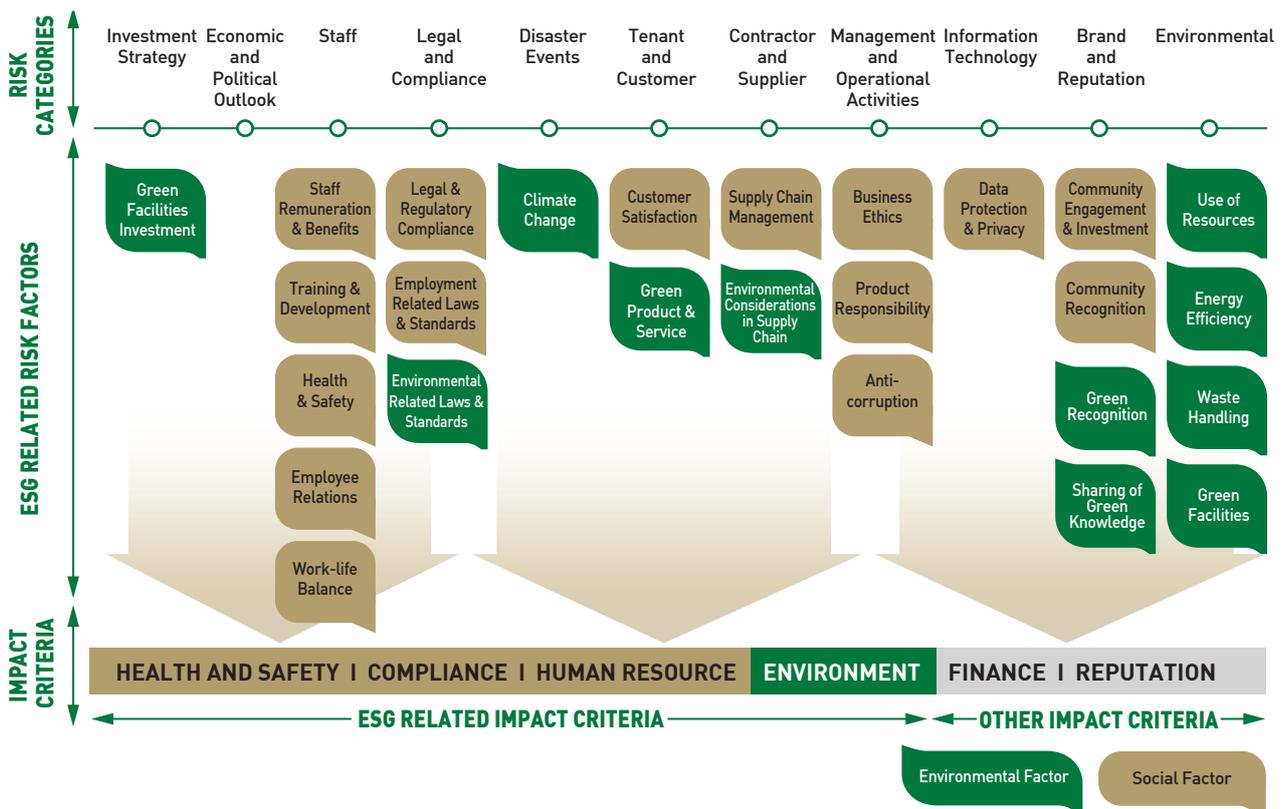
The scope of this Environmental, Social and Governance (“ESG”) Report covers material areas of our business, which we have reviewed and assessed with consideration of our various stakeholders, through materiality and self-assessment exercises. This report mainly focuses on our Group’s Hong Kong business and provides an overview of our Group’s efforts made in the areas of ESG during the year 2023.

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The report aligns with the ESG Guide reporting principles of Materiality<sup>1</sup>, Quantitative<sup>2</sup>, Balance and Consistency<sup>3</sup> set a guide to underpin the development of this report, which aims to provide a balanced and meaningful presentation on our ESG performance to the stakeholders.

## ESG Risk Assessment

We embrace a comprehensive approach that recognizes the significance of material ESG opportunities in driving our long-term economic success. Throughout the reporting year, we conducted an ESG risk assessment for the Group to enhance our risk mitigation and response.

As described below, assessments of ESG-related risks, such as compliance, health and safety, human resources and environment, have been embedded into our risk management processes which include risk identification, risk assessment, risk treatment, monitoring and review processes. The result of the overall ESG performance and ESG-related risk assessment would be at least annually reported to the Board for review to ensure that the Group’s ESG strategy and goals are achieved.



<sup>1</sup> Materiality of ESG topics was identified based on the materiality assessment, which engaged key stakeholders and was determined by the Board. For details, refer to page 31.

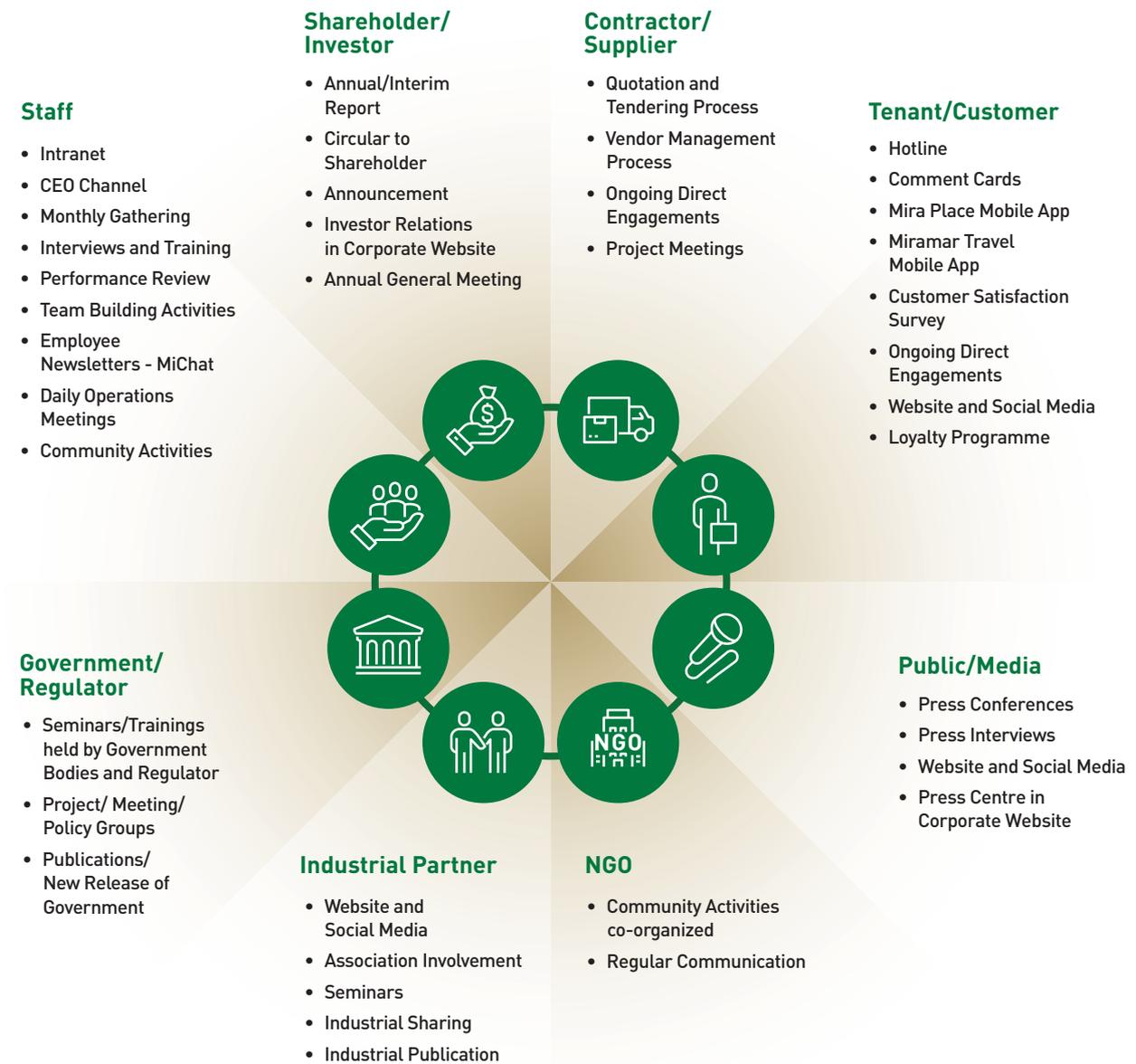
<sup>2</sup> A range of quantitative measurements were designed as indicators for evaluation and comparison of performance. Relevant information on the standards, methodologies, assumptions, and sources of conversion factors used for reporting emissions/energy consumption has been disclosed.

<sup>3</sup> Methodologies adopted for the preparation of this report are consistent with those adopted last year, unless otherwise clearly stated.

## Stakeholder Engagement

Recognizing the importance of actively collaborating with diverse stakeholders to address their concerns and expectations about the Group’s ESG performance, the Group regularly engages with stakeholders through different channels, to gather their valuable views and comments on ESG matters.

These channels are summarized below.



### Materiality Assessment

To effectively manage the risks and opportunities of the Group, we execute a material assessment to identify and prioritize the social and environmental topics that matter most to our stakeholders. This process creates the output of a more comprehensive ESG strategic framework that centers around material matters.

Based on the various communication channels with stakeholders, the Group has identified 13 ESG topics that are relevant and important to our business and stakeholders:



Material Topics Identified

#### Our Environment

- 1. Waste management
- 2. Energy Efficiency
- 3. Recycling

#### Our People

- 5. Occupational Safety and Health
- 6. Investment in Employees
- 7. Diversity and Equal Opportunity

#### Our Product and Service

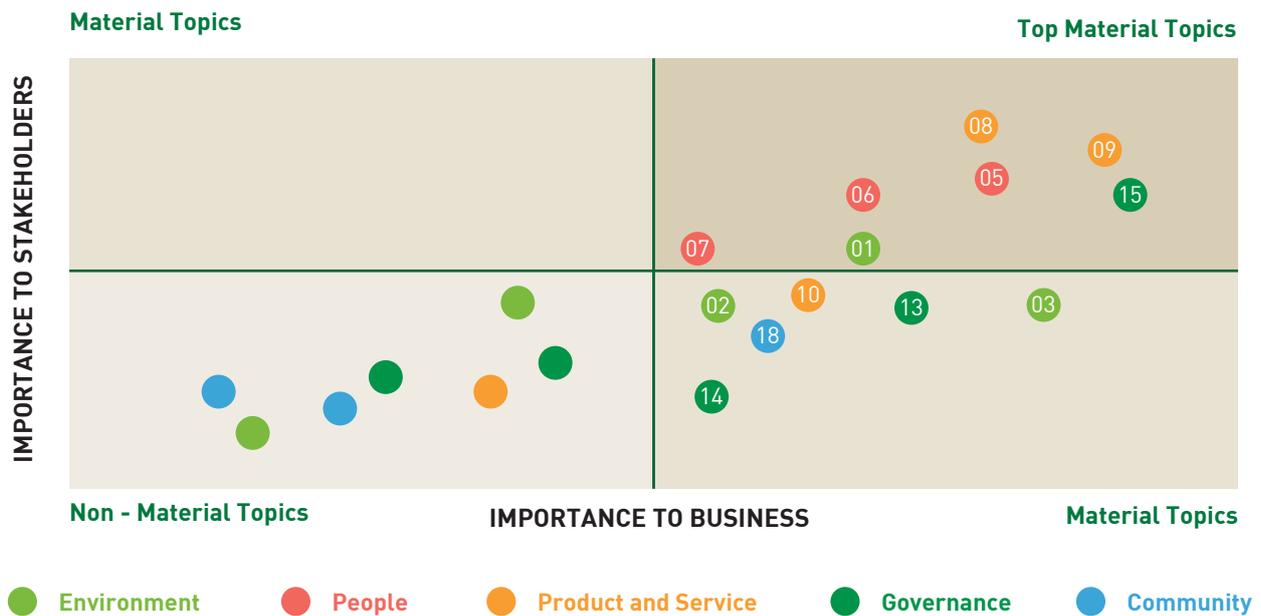
- 8. Customer Privacy and Data Security
- 9. Product Safety and Service Quality
- 10. Continuous improvement

#### Our Governance

- 13. Internal Control System
- 14. Stakeholder Engagement
- 15. Regulatory compliance

#### Our Community

- 18. Sustainable Development



# Governance

We believe effective sustainability governance serves as a guiding force, steering our actions, enabling us to overcome challenges, and capitalize on opportunities. As such, we place great importance on accountability, roles and responsibilities, ethical conduct and the pursuit of long-term values for our stakeholders.

## Our Sustainability Governance Structure

The Board of Directors (the “Board”) has the overall responsibility for the Group’s ESG strategy and reporting. This includes assessing and evaluating ESG-related risks and ensuring that appropriate and effective risk management and internal control systems are in place.

We have the following key management and governance working groups:

Monitoring Departments and Groups	Key Roles and Responsibilities
<b>Regular management meetings</b>	<ul style="list-style-type: none"> <li>Responsible for identifying and managing risks and opportunities related to sustainability that fall within their respective areas.</li> </ul>
<b>Occupational Safety and Health Committee</b>	<ul style="list-style-type: none"> <li>Comprising senior management and representatives from all relevant business units, the committee is responsible for identifying, recommending, and continuously reviewing measures aimed at preventing work injuries and complying with all applicable legal and requirements.</li> <li>Develop and review the OSH management system and its effectiveness.</li> </ul>
<b>Quality Assurance Department</b>	<ul style="list-style-type: none"> <li>Implement rigorous food safety protocols, conduct regular inspections, and maintain high-quality standards to protect consumer health and safety in our restaurant outlets.</li> <li>Organize regular trainings to promote food safety practices and maintain compliance with regulatory standards.</li> </ul>
<b>Engineering and Technical Units</b>	<ul style="list-style-type: none"> <li>Identify and implement energy-saving measures and technologies within facilities and operations.</li> <li>Incorporate sustainable design principles into new projects and facility upgrades. Integrate smart technologies for energy monitoring and management.</li> </ul>
<b>Risk Management and Corporate Services Department</b>	<ul style="list-style-type: none"> <li>Identify and evaluate potential ESG risks and opportunities that may impact operations and reputation of the Group.</li> <li>Collaborate with relevant stakeholders to ensure compliance with ESG reporting standards and disclosure requirements.</li> </ul>

Please refer to our risk management framework under the Corporate Governance Report.

During the reporting period, we formed two governance teams, namely the “ESG Working Group” and the “Hazard Analysis and Critical Control Points (HACCP)” Team, to strengthen our practices in the areas of ESG, and to achieve sustainable development goals. The members of these teams possess extensive expertise in current and emerging ESG matters and are responsible for guiding and implementing ESG initiatives within the Group, while receiving support from the Risk Management and Corporate Services Department for coordinating the implementation of these initiatives. The primary roles and responsibilities of these two teams are as follows:

Governance Teams	Key Roles and Responsibilities
<b>ESG Working Group</b>	<ul style="list-style-type: none"> <li>Comprising senior management and representatives from key business units, the team assists in the development of ESG strategies for the Group and aligns them with the overall business objectives and stakeholder expectations.</li> <li>Drive initiatives to achieve the ESG goals and targets of the Group and monitor ESG performance.</li> </ul>
<b>Hazard Analysis and Critical Control Points (HACCP) Team</b>	<ul style="list-style-type: none"> <li>Comprising senior management, the Quality Assurance Department, and team leaders related to hygiene and food safety issues, the team plays a crucial role in upholding the highest standards of food safety within the food and beverage operations.</li> <li>Hold monthly meetings to monitor food safety and hygiene performance and verify the effectiveness of control measures to mitigate identified risks.</li> </ul>

## Quality Assurance Framework on Food Safety

The Group maintains a dedicated Quality Assurance Department to ensure the quality and safety of our food throughout the supply chain. Our food hygiene control system is applied throughout the processes of food purchases, production, preservation, and catering. During the reporting period, there were no significant product recalls for safety or health reasons, and there was no notification received from government regulatory authorities regarding non-compliance with food safety laws and regulations.



Operating independently under the direct supervision of the Deputy Chief Operations Officer, the Quality Assurance Department upholds both impartiality and a steadfast commitment to maintaining the highest standards throughout our entire food supply chain.

A team of highly skilled experts with extensive knowledge and experience in the hotel industry possess the professional requirements and are required to effectively enforce our comprehensive food hygiene control system across all stages of our operations.

### (I) Food Safety Management System

Our standard operating procedures are aligned with food safety regulations. We adhere to industry best practices, such as ISO standards and Hazard Analysis Critical Control Point (“HACCP”), to ensure effective food and safety management and control.

As part of our regular operations, we conduct monthly hygiene inspections in all of our restaurants. These inspections cover kitchen facilities, equipment, production lines, products, and dining areas. Any identified issues must be addressed within three days of receiving the inspection report. To provide additional assurance to our customers, we have contracted with Hong Kong Laboratory Accreditation Scheme (“HOKLAS”) accredited food and environmental testing laboratories to conduct microbiological tests at our food factory and kitchens every month, further ensuring the safety and quality of our food products.

We have an established quality assurance framework that monitors the complete food handling process:

<b>Supply chain</b>	<ul style="list-style-type: none"> <li>- Implement a rigorous process of vendor selection.</li> <li>- Trace the origin and quality of our ingredients.</li> <li>- Involve experienced chefs in a well-controlled blind tasting process.</li> </ul>
<b>Goods receiving process</b>	<ul style="list-style-type: none"> <li>- Follow strict guidance to inspect and verify the quality, freshness, and safety of all incoming foods.</li> <li>- Inspect and verify hygiene-related documents before accepting all deliveries.</li> </ul>
<b>Facilities management</b>	<ul style="list-style-type: none"> <li>- Follow strict hygiene protocols to maintain the cleanliness of our food preparation areas, storage spaces, and dining areas.</li> <li>- Conduct regular inspections and audits to promptly identify and rectify any potential hazards, as well as to address repair and maintenance needs.</li> </ul>
<b>Staff training and inspection</b>	<ul style="list-style-type: none"> <li>- Implement training programs on food safety standards.</li> <li>- Conduct refresher courses to keep our employees updated on the latest industry standards.</li> </ul>
<b>Complaint handling</b>	<ul style="list-style-type: none"> <li>- Conduct thorough investigations to understand the nature and scope of the complaint and to address the complaint in a timely manner.</li> <li>- Implement corrective actions and preventive measures to prevent similar incidents from occurring in the future.</li> </ul>

### (II) Supplier Monitoring Program

To uphold the Group's food safety standards, we have established a supplier monitoring mechanism that considers different levels of food safety risks and consumption volume.

The Quality Assurance Department conducts regular food safety assessments to monitor the performance of suppliers. These evaluations include hygiene inspections, follow-up on corrective actions, and maintenance of a comprehensive complaint log and warning system. We also verify the validity of supplier licenses and put a deregistration mechanism in place for cases where suppliers do not meet our safety standards.

To stay updated on food hygiene announcements issued by the authorities, we diligently monitor daily news updates from the Centre for Food Safety. This enables us to promptly suspend the procurement of any problematic foods from our suppliers.

### (III) Food Safety Training

We place great importance on strengthening awareness among our food and beverage staff to ensure compliance with our food safety management system. Regular food safety trainings and assessments are provided to our staff. In 2023, a new series of food safety training sessions was launched to reinforce our commitment to maintaining high food safety standards.

Moreover, we conduct monthly meetings to facilitate communication on food safety issues, hazards and hygiene performance across all our F&B outlets. These meetings involve root cause analysis to identify the underlying causes of any issues and ensure the implementation of preventive measures and corrective actions.



## Supply Chain Management

### (I) Ethical Procurement Process

Our procurement process is designed to ensure fairness and transparency. We employ a comprehensive vendor-selection system that includes prequalification, competitive quotation and tendering processes, and the contracts strictly adhere to compliance requirements outlined in local legislation, encompassing minimum wage regulations, environmental standards, competition law, and labour law. Any contractors or suppliers found to be in non-compliance with these requirements will be promptly removed from our registered vendor list.

Our robust risk management system also supports the company supply chain management by proactively identifying and assessing environmental and social risks. This includes risks associated with indirect emissions from shipping, food safety, data privacy, and corruption, which are being managed and monitored throughout the process.

### (II) Sustainable Procurement Policy

To advance sustainability and responsible sourcing, the Group has implemented a Sustainable Procurement Policy to govern our procurement decisions for goods and services, including governance on regulatory compliance, environmental and social considerations, and principles for collaboration with our suppliers in support of sustainability progress.

### (III) Supplier Code of Conduct

In line with our commitment to ethical and responsible practices, our suppliers are expected to adhere to our Supplier Code of Conduct Policy. This policy includes ESG criteria that cover compliance requirements, commitment to the environment, health and safety, labour rights, animal welfare, and other terms promoting ethical and responsible practices.

### (IV) Support Local Purchase

We place emphasis on green purchases and local procurement, arise from transportation. This approach not only supports local economy but also reduces carbon emissions. During the reporting period, the number of our active suppliers by geographical distribution is described below:

Region	Hong Kong	Outside of Hong Kong
No. of Active Suppliers in 2023	900+ 99%	<10 1%

## Property Management Services

The Group follows ISO9001 and ISO14001, ISO50001 standards to provide quality property management services in our office building and shopping malls (Mira Place 1 and Mira Place Tower A) in Hong Kong. Key service providers in such services as cleansing, water supply and sewerage maintenance are required to adhere to our standards as stipulated in the contract.

In September 2023, the Hong Kong Police Force organized the Kowloon West Best Security Services Awards ceremony, four members of our team were honored with the Outstanding Security Personnel Award, Mira Place 1 and Mira Place Tower A were awarded the Honorable Managed Property, while two carparks under our management received the Best Managed Public Carpark Award.



## Risk Management on Compliance

### (I) Intellectual Property Rights

We respect intellectual property rights and take proactive measures to prevent infringement. This includes registering and reviewing trademarks and domain registrations to protect our business interests. These registrations are maintained in a log for regular review and renewal.

The terms of intellectual property protection are included in our contracts with our business partners. Apart from that, the use of all copyrighted assets, such as songs, artworks, photos, and software, would be supported by valid agreements or license subscriptions. We have implemented system restrictions to prevent the unauthorized installation of pirated software on company computers.

During the reporting period, there was no confirmed case of non-compliance with laws and regulations in relation to intellectual property rights, such as the Trademarks Ordinance, Copyright Ordinance, and Patents Ordinance.

### (II) Data Protection and Privacy

The Group is committed to protecting the private data of employees and customers to ensure compliance with the requirements of relevant laws and regulations, such as the Personal Data (Privacy) Ordinance and General Data Protection Regulations. Information collected from job applicants will be kept for only 6 months with their consent.

Information collected from our sales and promotional activities is used only for business development and customer relationship management purposes. Customers are given the option to opt out of receiving any direct marketing messages. All personal data collected is treated as confidential and securely stored, accessible only to designated staff. Moreover, our staff also receives data protection compliance training that is specifically tailored to their roles and work environment.

In 2023, we engaged an external cybersecurity specialist to perform an information security assessment. In response to the recommendations, we promptly implemented measures to safeguard our hardware, software, and data against potential cyber threats.

During the reporting period, there were no substantiated complaints received concerning breaches of customer privacy or losses of customer data and there were not any significant incidents that might violate Data Protection and Privacy Regulations.

### (III) Anti-Corruption Policy

We uphold the highest standard of business ethics and integrity, strictly prohibiting all forms of corruption or malpractice such as bribery, money laundering, extortion, and fraud.

Our Group's Code of Conduct outlines the expected professional conduct at the workplace, emphasizing compliance with anti-corruption regulations in Hong Kong, and rules against soliciting or accepting any unfair advantages. Our employees would receive the Code of Conduct upon their employment and are required to acknowledge their understanding of and commitment to abide by the code requirement.

We incorporate risk assessment and controls against corruption and malpractice into our risk management processes. Segregation of duties is ensured in the design of sales and procurement approval processes. In addition, we provide regular trainings to directors and staff regarding anti-corruption practice, and work with the Independent Commission Against Corruption ("ICAC") to hold anti-corruption courses for key staff to enhance their understanding of anti-corruption drives and integrate relevant practices into our daily operations.

We also have a well-established whistleblowing policy and procedures for employees to report any malpractices within the business. The whistleblowing hotline goes directly to the Chairman and Chief Executive Officer to ensure the confidentiality of the complaints.

During the reporting period, there was no confirmed case of corruption and non-compliance with any rules and regulations as regards anti-corruption such as the Prevention of Bribery Ordinance.



### (IV) Legal and Regulatory Compliance

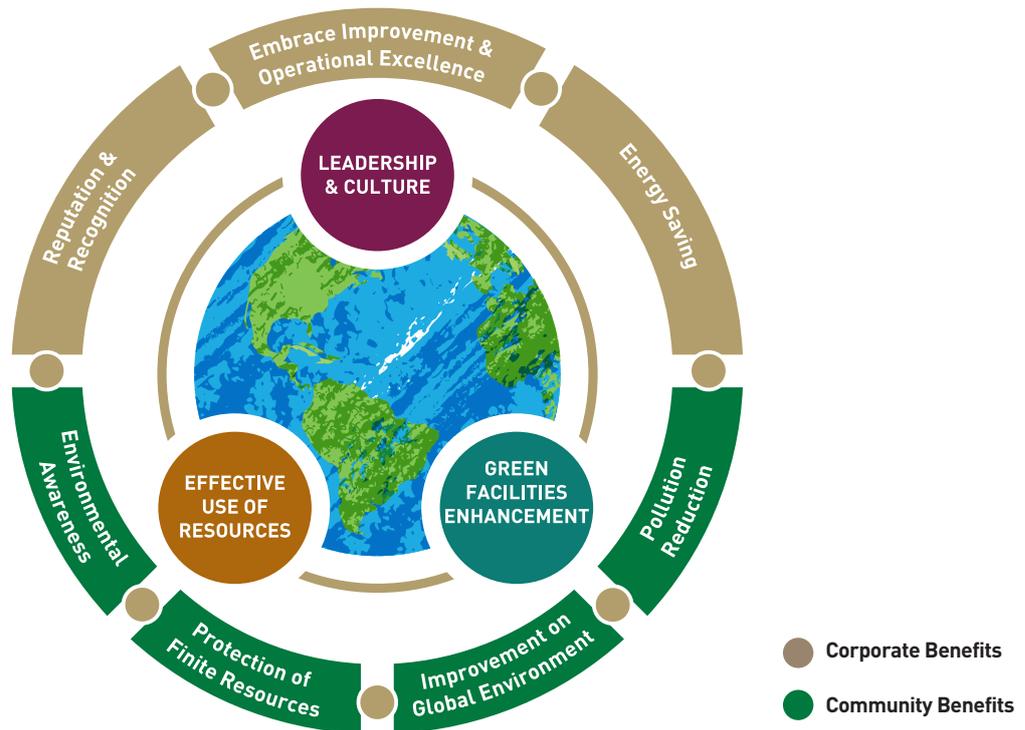
The Group is committed to achieving a high standard of professional ethics, good corporate governance and compliance with all applicable rules and regulations in conducting business. We have established effective risk management and internal control processes to identify and manage new legal and regulatory requirements. Major risks and internal controls in regard to business, financial, legal and regulatory compliance are periodically reviewed and assessed. We have integrated our control and risk mitigation measures into our daily operations through policies and procedures.

During the reporting period, there was no non-compliance case in relation to the Prevention and Control of Disease Ordinance.



We lead the green culture and integrate environmental initiatives into our Group's strategy. With this approach, we not only raise environmental awareness as individuals but also help to promote green living in the community.

The diagram illustrates the objectives of our green approach, which serves as a direction for exploring, designing, implementing, and participating in every green activity.



### Advocating a Green Lifestyle

In 2023, Miramar launched “Mi Go Green”, a collaborative platform that advocates a green living style and paves the way for a sustainable future. The initiative aims to promote more environmentally friendly ways of living, such as reducing meat consumption and changing consumption and travel habits, allowing everyone to enjoy and practice a green lifestyle without sacrificing the quality of life.

# JAJA - A Tasty Plant- Based Diet

A plant-based diet massively reduces the damage to the environment caused by food production, requires significantly fewer resources and produces fewer greenhouse gases than a meat-based diet.

JAJA, the vegetarian restaurant under the Group, is dedicated to spreading positive energy and promoting a healthy lifestyle. It offers a variety of unique, innovative, and delicious vegetarian options for guests to enjoy both visually and gastronomically. This demonstrates that plant-based dishes are equally delicious and enticing as meat-based ones, while also taking a significant step forward in environmental protection for future generations.



## Food Made Good

The Mira Hong Kong and JAJA\* achieved an incredible 3-star rating in the Food Made Good Standard, which was a new and improved assessment criteria from the UK Sustainable Restaurant Association. The rating reflects the needs and abilities of the global hospitality section and the industry’s current sustainability footprint, including The World’s 50 Best Restaurants. The Mira Hong Kong and JAJA have earned the following recognition:

- ✔ **Responsible Sourcing:** dedicated to making responsible choices, incorporating seasonal ingredients and offering entirely plant-based menus.
- ✔ **Environmental Thought:** conduct a carbon footprint analysis for Scope 1 and 2 emissions, participate in food donations to reduce waste and compost to minimize their environmental impact.
- ✔ **Social Engagement:** impact extends far beyond their kitchen. We are actively contributing to society by launching the F&B Operation Trainee Programme, aimed at nurturing young talent and creating opportunities for the next generation.

\* JAJA obtained the “Food Made Good” recognition in early 2024.

# Sustainable Travel

Since the HKSAR government lifted travel and quarantine restrictions in late 2022, Hong Kongers have reported an exponential jump in outbound travel. However, transportation, such as planes, private coaches and hotel stays may not be environmentally friendly as these activities that result in a lot of greenhouse gas emission.

This year, Miramar Travel cooperated with The Lufthansa Group and launched “green tourism”, a pioneering mode of travel that aims to reduce the impact of tourism on environmental damage and preserve local ecology. For example, in the “Sustainable Travel to Switzerland” departing in August, our guests travelled on Swiss Air, the first commercial airline to use Sustainable Aviation Fuel (“SAF”). In addition, the tour leveraged on Switzerland’s excellent transportation infrastructure and allowed our guests to appreciate the country’s stunning lakes and mountains through trains, cycling paths and hiking trails. All these modes of transportation produced fewer carbon footprints than private coaches used on conventional tours. Guests also stayed at environmentally friendly hotels approved by Switzerland Tourism Board.

Miramar Travel is the first travel agency in Hong Kong that supports SAF offset. With this new sustainable form of travel, Miramar Travel was able to offset carbon dioxide emissions that are equivalent to over 33,000 plastic bottles.



*In 2023, Miramar Travel Limited has been awarded the Emission Mitigation Certificate by Compensaid by Lufthansa Innovation Hub, representing a result in an emission mitigation of at least 2,732kg CO<sub>2</sub>.*

## What is Sustainable Aviation Fuel (“SAF”)?

SAF is made from sustainable resources such as used cooking oil and other biogenic residues, and produces less carbon emissions than traditional jet fuels, which were primarily derived from crude oil and/or kerosene. In 2023, the Lufthansa Group was Europe’s largest SAF buyer.



## Recycling and Upcycling Initiatives in Daily Operations

We strive to manage our waste generation and promote up-cycling to minimize the environmental impact of our day-to-day operations.

### (I) Food Waste Management

We have placed a food waste eliminator at our Mira Place to collect food waste from our food and beverage tenants and staff canteen. The eliminator utilizes water and heat to biodegrade leftover food and converting the solidified leftovers into nutrient-rich water that can be disposed of or diluted for use on lawns and flowerbeds. In 2023, the eliminator processed over 126 tons of food waste.

The Mira Hong Kong and Mira Place 1 have participated in the Environmental Protection Department’s “Pilot Scheme on Food Waste Collection.” Under this scheme, food waste is sorted and transported to O-PARK1 for transformation into resources such as energy and compost. In 2023, The Mira Hong Kong and Mira Place 1 successfully diverted over 50 tons of food waste to O-PARK1, where it was effectively converted into renewable energy or compost.

Furthermore, during the reporting year, The Group had signed the Carbon Neutrality (Waste Reduction) Charter under the “FoodSmart Partnership Programme”. This commitment demonstrates the Group’s dedication to waste reduction, recycling, food waste management, and plastic reduction, all aimed at achieving carbon neutrality.

### (II) Cooking Oil

We have engaged a contractor certified with International Sustainability and Carbon Certification (ISCC) to handle used cooking oil at our two hotels and restaurants. We have also encouraged our food and beverage tenants to participate in this recycling program. The appointed contractor recycles the used cooking oil and converts it into biodiesel fuel for vehicle or industrial use at their plant. In 2023, we collected and converted over 16 tons of cooking oil into renewable fuel.

### (III) Computer Hardware

Throughout the reporting period, we donated over 200 pieces of computer equipment to Caritas Computer Workshop. The organization shares the same mission with the Group, which is to empower teenagers with vocational skills; they also offer voluntary computer repair and upgrading services to NGOs and families facing financial challenges.

### (IV) Recycling Statistics

During the year, we have launched a series of recycling initiatives with our tenants and customers. The recycling statistics for our Hong Kong operations in 2023 are summarized below:





## We are Ready for a Plastic-free Operation in 2024

In October 2023, the regulation of disposable plastic tableware and other plastic products was established with the passing of the Product Eco-Responsibility (Amendment) Bill 2023.

As a pioneer in promoting reusable materials, the Group has already implemented a series of programs over the past few years to reduce the use of single-use plastic in our operations. These initiatives include the adoption of paper-straws, the reduction of plastic takeaway boxes and bags, and the increased use of environmentally friendly containers and utensils. We are confident that we can fully comply with the new regulation on plastic products when it comes into effect on the implementation date of 2024.

## Smart Use of Energy

### (I) Chiller Plants

The chiller plant conversion project at our shopping mall and office buildings, Mira Place 1 and Mira Place Tower A, was completed in 2015. The project involved replacing the old chiller plants with more energy-efficient central water-cooled and air-cooled chillers. During the reporting period, we have achieved over 9 millions kWh electricity consumption saving. Moreover, all of our air conditioners have switched to the more environmentally friendly R410A refrigerant.

### (II) Lighting

Our shopping malls, back-house areas and plant room primarily use LED lighting system which can save electricity by more than 50% compared to other lighting systems. In 2023, we also extended the use of LED replacement to common areas of The Mira Hong Kong and our corporate office. The replacement of LEDs will continue in the coming years.

### (III) Smart Use of Facilities

In addition to the hardware enhancement of green facilities in our major business operations, the Group recognizes the importance of smart facility usage for effective energy savings. We have signed up for

the “Energy Saving Charter” and maintained the temperature in open areas within our properties at 24°C to 26°C. We will temporarily suspend part of the lift services during non-peak hours. In Mira Moon, the chiller plant will be manually stopped when the outside temperature drops to below 13°C. Motion sensors have been installed in hotel corridors and back-of-house areas, and timers are set to control outdoor signage lights, all in line with our commitment to minimize light nuisance and energy waste under the “External Lighting Charter”.

#### (IV) Town Gas

To make more efficient use of town gas, our restaurants have installed energy-efficient kitchen equipment, such as high-efficiency food steamers, which would save both town gas and water consumption. We also maintained regular cleaning programs on our major town-gas-consuming installations, such as boiler plants, to help maintain their efficiency.

#### Efficient Use of Water

Water conservation is another area of focus for us. To minimize water consumption in our business operations, we have implemented water-efficient equipment in our various business operations. Most of the public toilets in our shopping centers have been equipped with automatic sensors at washing basins and urinals, and dual flush system devices for water closets. Water aerators have been installed in shower facilities to reduce water flow in all guest rooms of our hotels. We have also installed a 1,000-litre storage tank in the basement of Mira Place Carpark to collect discarded water from the fire-fighting system for future cleaning purposes.

#### Green Training

To enhance staff awareness regarding environmental sustainability in the workplace, we have organized online green training sessions for all office staff, aiming to foster an eco-friendlier work environment.

#### Green Recognition

ISO14001 certification has been followed by the management services of Mira Place 1, Mira Place Tower A, and The Mira Hong Kong. In 2023, Miramar Group has been honored with various green awards and certificates:

Institution	Award/Certificate
Hong Kong Quality Assurance Agency	Hong Kong Green Mark Certification Scheme
Water Supplies Department	Quality Water Supply Scheme for Buildings – Fresh Water (Management System) (Gold) Quality Water Supply Scheme for Buildings – Flushing Water (Gold)
Environment and Ecology Bureau	Charter on External Lighting - Platinum Award Energy Saving Charter 2023
Environmental Protection Department	Indoor Air Quality Certificate (Good Class) Certificate of Registration on Waste Cooking Oils Collector in Managing Communal Grease Trap Facility (ies) Program on Source Separation of Commercial and Industrial Waste Certificate Indoor Air Quality Certificate Award (In Recognition of 10 Year)
Environmental Campaign Committee	Hong Kong Green Organization Certificate Hong Kong Green Organization Certification – Energywise Certificate (Excellent Level) Hong Kong Green Organization Certification – Wastewise Certificate (Good Level) Hong Kong Green Organization Certification – IAQwise Certificate (Basic Level)
Federation of Hong Kong Industries	Corporate Environmental Leadership Awards 2022 – EcoChallenger
Greeners Action	Umbrella Bags Reduction Accreditation Program 2023 – Gold Level
Green Council	Enterprises Cherish Water Campaign - ECH2O Charter



As a people-centric company, giving back to the society is at the heart of the Group core business values. Through our platform “Mira Care”, we actively engage in volunteer services, charity events, donations, and the nurturing of our next generation, demonstrating our unwavering commitment to social progress.

**Nurturing Talents**

Young people hold the key to creating a better future, and Miramar Group is committed to providing a platform for our next generation to grow and flourish.

# Create Youth Development Opportunities

**R é n 人**

This year, The Group collaborated with an NGO “R é n 人” and provided students from the Hong Kong Students Aid Society (HKSAS) with an exciting opportunity to participate in a six-week summer internship program at The Mira Hong Kong.

Through this internship program, The Mira Hong Kong made a meaningful impact on the youth. Not only did we teach them valuable lifelong skills like teamwork and self-confidence, but we also exposed them to the dynamic environment of a bustling five-star hotel located in the heart of Tsim Sha Tsui.



*Find out what our Head of Hotels & Serviced Apartments, Alexander Wassermann, says about the program.*



“The ‘R é n Internship Program’ allowed me to gain in-depth experience in the details and actual operations of housekeeping. It has been very helpful for my future career.”

Rén intern Tyson ”

**MIRAcle Young Star Program**

In collaboration with the YMCA College of Careers, we have launched the MIRAcle Young Star Program. This program aims to provide an opportunity for fresh graduates who have turned 18, as well as mature students aged 21 or above, who wish to kickstart their career in the hospitality industry. Participants will have the chance to undergo a 2+1-year training and fast-tracked career development program at The Mira Hong Kong or Mira Moon.



Additionally, they will receive two years of education at YMCA College of Careers, culminating in a part-time diploma in Hospitality Studies (QF Level 3), which is fully subsidized by the Mira Hotel Collection. We have had two MIRAcle Young Stars enrolled in the program at our Food & Beverage Department since September 2023.

# Provide a Platform for Youngsters to Showcase their Talents

## “So LiVe So Good” – Gimme Live 2023

Miramar Group has been a longstanding supporter for local musicians and singer-songwriters. Celebrating its 11th anniversary, the Gimme LiVe Music Festival 2023 at Mira Place delivered an extraordinary show-watching experience, embracing the theme “So LiVe So Good”. This in-mall music festival spanned four consecutive Saturdays, featuring 20 local singers representing various genres. Attendees enjoyed electrifying performances and had the opportunity to get close to the singers, making it a very memorable and enjoyable experience for all.

Participants also enjoyed three local brews under the theme of “So Cheers So Good” and a captivating fragrance, creating a chilled and relaxed environment. Over HK\$1 million worth of cash vouchers were given away, adding excitement and rewards to the event. In addition, the festival included three “Busking Nights”, providing a platform for talented buskers to showcase their skills.





“FASHION THE FUTURE”  
Upcycling Fashion  
Design Competition

### Fashioning a Sustainable Future

The Group places sustainable development at the core of our operations, dedicated to leading a green lifestyle. We recognize that the fashion industry generates a significant amount of waste each year. Therefore, in 2023, through the “Mi Go Green” platform, we partnered with the School of Fashion and Textiles at the Hong Kong Polytechnic University, the Artificial Intelligence Design Lab (AiDLab), and Redress to co-organize the “FASHION THE FUTURE” Upcycling Fashion Design Competition, to promote sustainable development in the fashion industry. The competition aimed to encourage designers to choose sustainable materials and production techniques, reduce fashion design costs, and create new design methods and market opportunities. In addition, we also aimed to raise consumer awareness of sustainable fashion and encourage their participation in the industry’s sustainable transformation, driving the entire industry towards a more sustainable direction.

With the support of experts and innovative design technologies, designers upgraded and transformed fashionable garments using second-hand clothing or textile waste. Apart from that, they also received support from AiDLab and their innovative AI fashion design assistant, AiDA, successfully enhancing the diversity and originality of designs, making the fashion production process more efficient, and showcasing the integration of artificial intelligence technology in fashion design.

On the day of the competition, Mira Place transformed into a fashion runway, allowing the student designers to showcase their innovative upcycled fashion to the public and judges through a fashion show. These works were later exhibited in the atrium of Mira Place 1, allowing the public to appreciate the exquisite craftsmanship and environmental elements involved.



# Support Local Businesses

## Chinesology – Flavours of Hong Kong

The Group's contemporary Chinese restaurant "Chinesology" proactively seeks opportunities to support local brands by incorporating them into its menu. Since May 2023, Chinesology has collaborated with four classic Hong Kong brands – Tiu Yuen Soy Sauce, Ser Wong Fun, Lee Hoong Kee, and Kam Hing Noodles – to offer diners the "Flavours of Hong Kong" menu.

In addition, Chinesology also takes pride in being the first Chinese restaurant in Hong Kong to participate in Hong Kong's first Carbon Labelling Programme of Future Green Global. The initiative aims to promote the sustainable development of local catering industry by influencing consumers to choose more planet-friendly options from the menu. The menu introduces carbon labelling by showing the carbon footprint of greenhouse gases for each item, accompanied by low, medium or high climate-impact icons.



## Local Heroes Campaign – Let the Local Elements Rise and Shine

In July 2023, our Mira Moon hotel launched the Local Heroes Campaign, an innovative initiative showcasing the Group's dedication to supporting local businesses and entrepreneurs. Through this campaign, Mira Moon has partnered with various local startups and entrepreneurs who embody the values of craftsmanship, cultural authenticity, and thought-provoking design.

One of the highlights of the campaign is the unique cocktail journey curated by the renowned Italian mixologist Lorenzo Antinori, taking the guests on a magical journey between the Moon and Earth, paying homage to the Chinese Moon Goddess. Lorenzo also included locally sourced spirits, honoring Hong Kong's culture.



Also, our Local Heroes Campaign shines a spotlight on local artisans and their creations. We featured Taboocha, Hong Kong's first kombucha brewery, known for crafting delicious and healthy home-brewed products using local ingredients. Black Kite Brewery, with its selection of classic and specialty beers and ciders, exemplifies the blend of local influences with traditional brewing technique. Wing Wo Bee Farm introduces guests to the realm of locally produced, pesticide-free, raw honey, offering a delightful taste of the surrounding forests. Chef Sheldon Fonseca, the creative force behind Supergiant at Mira Moon, skilfully combines Southeast Asian flavors and local ingredients in his diverse menu, ensuring an authentic dining experience.

## Community Outreach

### (I) Supporting the Community

#### *Mooncake Donation*

In order to express our commitment to the community, we actively participate in charitable endeavors during the Mid-Autumn Festival, a joyous occasion that celebrates unity and togetherness. Our involvement went beyond the simple act of distributing mooncakes. We visited and extended our care to the students enrolled at the Hong Chi Association, supported minority communities residing in the Yau Tsim Mong district, and participated in volunteer activities alongside senior citizens in the Sham Shui Po district.

#### *Indulge in a Delicious Treat while Supporting a Good Cause*

The Mira Hong Kong joins hands with Rén 人 in support of their Youth Programme and makes donations to the Hong Kong Student Aid Society (HKSAS), which aims to improve the living conditions of vulnerable teens. For every jam sold from COCO, a cafe under the Group, the Group contributes \$10 to the HKSAS youth program. Our charitable donations have also extended to our festive products, including our handcrafted chocolate mooncakes.

#### *Strive and Rise Programme*

The Group has supported the “Strive and Rise Programme” organized by the HKSAR Government. 27 of our colleagues participated in the program, providing personal guidance to 27 S1-S3 children. During the one-year program, our mentors met up with their mentees from time to time and engaged in different activities together, sharing experience and broadening one and other’s horizons.

In April 2023, we invited the mentors and mentees for an afternoon visit to The Mira Hong Kong and all of them spent a pleasant afternoon together.



### (III) Other Career Development for Our Next Generation

#### *Yau Tsim Mong Youth Network Programme*

The Group supports the Yau Tsim Mong District Office's "Yau Tsim Mong Youth Network Programme", which includes company visits, sharing sessions and other activities, providing trainees with a real hands-on experience in the workplace and broadening their horizons. In November 2023, our Group provided a hotel visit, career seminar, and job tasting to the participants. In addition to understanding the hotel's daily operations and job requirements, participants also had the opportunity to join the on-the-spot interview.

#### *Employees Retraining Board (ERB) Youth Internship Program*

The Mira Hong Kong participated in the ERB Youth Internship Program by arranging a two-week internship experience at our front desk for a DSE student in August 2023 so as to provide young talents with an opportunity to explore and gain practical experience in the working world.

#### *Project My Future*

The Group is honored to have been invited by the PMF Limited to participate in and sponsor the "Project my Future" event. The program provided DSE students with a one-month working experience, helping them to explore their abilities and aspirations before entering university or the workplace. The program was launched in June 2023 and engaged with four departments of the Group.



#### *Working Experience Program*

The Mira Hong Kong collaborated with the Chinese YMCA of Hong Kong-Hin Keng Centre and YMCA of Hong Kong Christian College to coordinate a Working Experience Program in May and June 2023. A total of nine secondary school students participated in this program.

#### *Business-School Partnership Programme*

Through our participation in the "Business-School Partnership Programme", organized by the Education Bureau, the Group provided hotel visits and career talks for secondary schools. The aim was to enrich the students' understanding of the Group and the hotel industry, and to encourage their future involvement. Two sessions of visits for secondary schools were organized in 2023, with a total of 38 participants.

#### *Hotel Visits and Career Talks*

To inspire and encourage these young minds to devote their careers in the hospitality industry, we organized hotel visits and career talks for eight different schools this year.

We partnered with the Hong Kong Federation of Trade Unions and the Federation of Hong Kong and Kowloon Labour Unions to provide a housekeeping certificate program. A total of six classes were organized, and 67 students successfully completed the program.

In September 2023, The Mira Hong Kong provided an In-class Recruitment Talk for the Employees Retraining Board (ERB) Housekeeping students from the Federation of Hong Kong and Kowloon Labour Unions.



*Yau Tsim Mong Youth Network Programme*



## Customer Engagement

The Group strives to offer premium-quality services. We believe that customer satisfaction and their comments are of paramount importance to the success and sustainability of our business. To facilitate this, we have established a wide range of feedback channels, including the Mira Place mobile app, social media channels and comment cards, to invite comments from our tenants, mall customers, hotel guests and restaurant patrons. We have an established guideline to ensure that our team handle all complaints and comments in a timely manner.

### (I) Hotels Experience

Recognizing the importance of providing exceptional hospitality services at our hotels, we actively collect and respond to customer feedback to assess the overall satisfaction of our customer service, accommodations, dining experiences, and hotel facilities. According to the Global Review Index™ (GRI) report as of 31 December 2023, The Mira Hong Kong and Mira Moon have achieved impressive online reputation scores of 87.2% and 88.9% respectively. These scores are based on customer reviews collected from over 140 online travel agencies.

### (II) Property Management Services

During our annual tenant satisfaction surveys conducted at Mira Place and our office building, tenants are invited to rate various aspects, such as the quality of our service. The results of these surveys consistently show a satisfaction rate of over 95%, indicating a high level of contentment.

## Staff Engagement and Development

The Group takes employees as our most precious asset and is committed to providing all employees with a safe, healthy, equal-opportunity and non-discriminatory working environment. It is the policy of the Group to remunerate employees in a fair and equitable manner and provide a continuous-learning environment and opportunities to our employees at all levels to help them grow and excel in productivity. Throughout the year ending 31 December 2023, there were no instances of non-compliance with employment laws and regulations, including those pertaining to employee compensation, occupational safety and health, minimum wage, and anti-discrimination, that had a significant impact on the Group.

## (I) Anti-discrimination, Equal Opportunity and Diversity

As an equal-opportunity employer, the Group is committed to creating a fair and unbiased workplace for all of our employees, whether they are working full-time, part-time or on a casual basis. The Group is staffed by a diverse group of employees, who provide us with a valuable mix of perspectives, skills, experience, and knowledge. Our recruitment practice aligns with the Board Diversity Policy which focuses only on the work experience and professional background of the candidates in relation to job requirements; we do not need the candidates to provide personal characteristics such as ethnicity, religion, gender identity, age, or sexual orientation during the recruitment process as these are not relevant to the job application.

We have established controls over our recruitment process to ensure compliance with the latest Employment Ordinance requirement. Our experienced recruitment team verifies the identity of every applicant during the recruitment process and perform a reference check for key positions. A set of Human Resources policies and procedures including recruitment have been well developed and are reviewed on a regular basis. Our internal audit team also conducts reviews to identify areas for improvement, and prompt action is taken to rectify any deficiencies that are identified.

To protect our employees from unfair or discriminatory treatment including sexual harassment, we have implemented whistleblowing procedures that allow employees to report grievances timely and confidentially.



## (II) Occupational Health and Safety

We place the health and safety of our employees at our top priority. Our Occupational Safety and Health ("OSH") team is committed to upholding and promoting a culture of safety across the Group. The team conducts thorough investigations into work-related injuries, implements measures to prevent the recurrence of similar incidents. The team also plays a vital role in providing specific OSH information, guidelines and training required in work positions to raise awareness. As of 31 December 2023, there are 31 staff members with valid First Aid Certificate.



To further strengthen our commitment to employee safety and health, we have formed an OSH Committee in 2023. This committee consists of senior management and representatives from all relevant business units, working collaboratively to develop OSH strategic directions, set and monitor OSH key performance indicators and review the overall OSH management system and its effectiveness.

During the reporting year, 43 work injury cases accounting for 1,204 lost workdays were reported. There were no work-related fatalities during the past three years, including the current reporting year.

### (III) Continuous Learning

#### *Our MIRAcle Makers*

Our hotel team is known as the “MIRAcle Makers. These dedicated professionals undergo a tailored induction program upon joining the team and receive continuous updates on the latest customer service knowledge through on-the-job training. The MIRAcle Makers are trained to deliver exceptional and memorable services to our guests, ensuring their stay is extraordinary.

#### *Training and Development Opportunities*

The Group offers comprehensive learning and development roadmaps for employees to advance their career achievements within the Group. These trainings are conducted by in-house training resources or external consultants, covering a broad range of job specific knowledge such as food hygiene practices, customer services, personal data privacy, and ICAC anti-corruption and bribery courses.

We also offer sponsorships to encourage staff to pursue continuing education. In 2023, the Group has sponsored our staff members to attend 45 external professional training courses including Food Hygiene Manager Certificate Course, the WSET Level 2 Award in Wines, the ESG Professional Integration Course, etc.

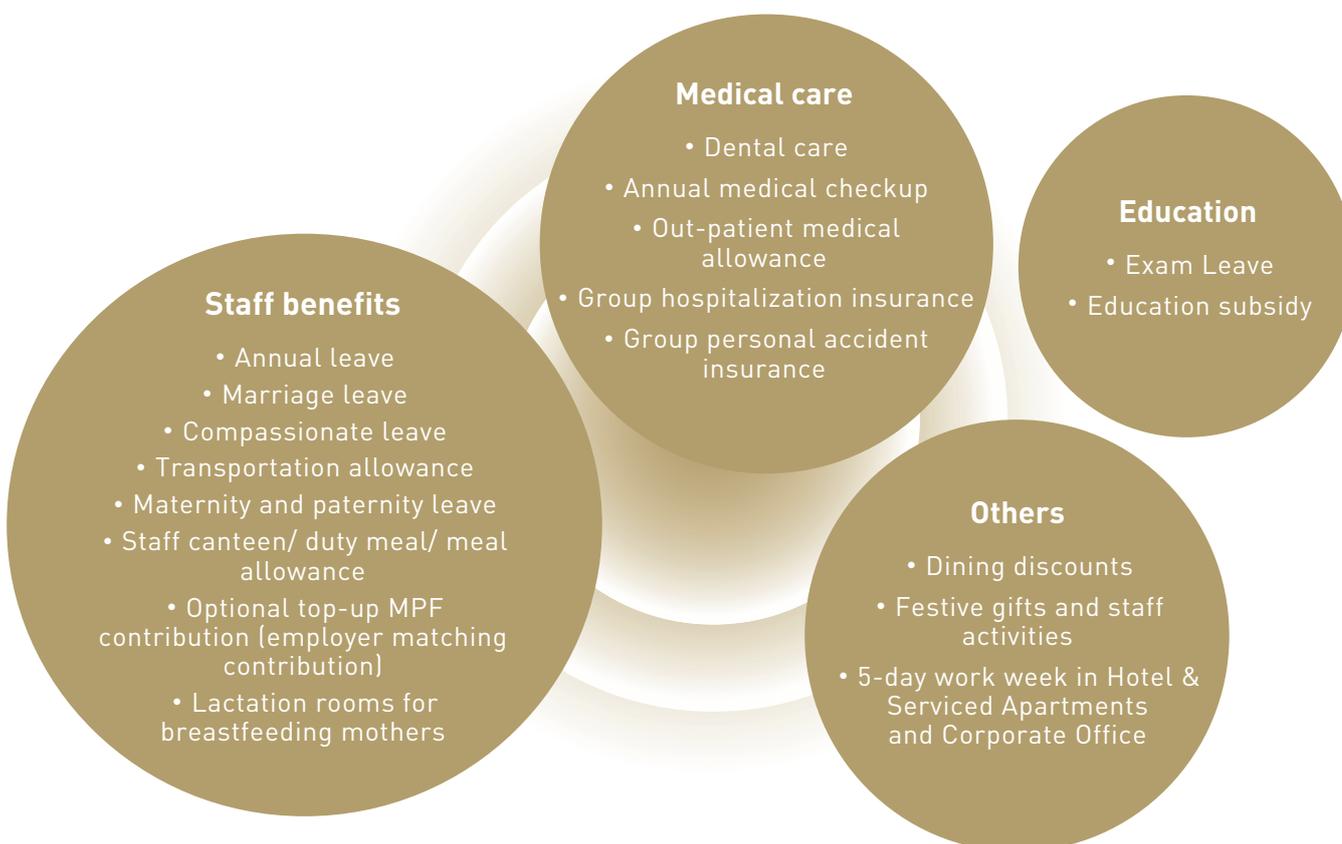


### (IV) Employment, Remuneration and Benefits

We regularly review employees’ remuneration and benefits to ensure they are aligning with their performance and contributions, to ensure the programs are in compliance with the latest laws, in line with market practice and in keeping with market conditions and levels of remuneration.

We have established strict compliance controls over the requirements under the labour law including prevention of the use of child labour and forced labour and extended such expectations to our supply chain. As such, we checked the identity of every applicant in the recruitment process, performed job reference checking, and clearly delineated staff remuneration and benefits to the applicant before entering employment contract. A set of policies and procedures on human resources matters has been well developed and without ambiguity. Our internal audit regularly reviews the established controls for further improvement, and rectification action will be taken immediately if any deficiency is identified.

The Group is honored to be the recipient of the “15 Years Plus Caring Company” award from The Hong Kong Council of Social Service, and “Good MPF Employer Award” from the Mandatory Provident Fund Schemes Authority.



## Sustainability Performance and Data

### A. Energy Consumption in Hong Kong Operations

	Unit	Overall	Property Rental	Hotels & Serviced Apartments	Food & Beverage	Travel
Gas (incl. towngas, LPG)	MWh	11,464	-	7,405	4,059	-
<b>Intensity</b>	<b>kWh/ m<sup>2</sup> total GFA</b>	<b>67.367</b>	<b>-</b>	<b>170.870</b>	<b>834.447</b>	<b>-</b>
Diesel	MWh	581.157	2.205	-	-	578.952
Unleaded Petrol	MWh	119.103	-	-	-	119.103
<b>Intensity</b>	<b>kWh/ m<sup>2</sup> total GFA</b>	<b>4.115</b>	<b>0.018</b>	<b>-</b>	<b>-</b>	<b>433.061</b>
Electricity	MWh	35,271	13,505	18,448	3,102	216
<b>Intensity</b>	<b>kWh/ m<sup>2</sup> total GFA</b>	<b>207.271</b>	<b>112.211</b>	<b>425.681</b>	<b>637.718</b>	<b>134.096</b>

### B. GHG Emissions in Hong Kong Operations

	Unit	Overall	Property Rental	Hotels & Serviced Apartments	Food & Beverage	Travel
Scope 1	tCO <sub>2</sub> e	7,181.069	4,679.159	1,549.483	777.092	175.335
<b>Intensity</b>	<b>tCO<sub>2</sub>e/m<sup>2</sup> total GFA</b>	<b>0.042</b>	<b>0.039</b>	<b>0.036</b>	<b>0.160</b>	<b>0.109</b>
Scope 2	tCO <sub>2</sub> e	15,632.126	5,266.983	8,204.813	2,031.324	129.006
<b>Intensity</b>	<b>tCO<sub>2</sub>e/m<sup>2</sup> total GFA</b>	<b>0.092</b>	<b>0.044</b>	<b>0.189</b>	<b>0.418</b>	<b>0.080</b>
Scope 1&2	tCO <sub>2</sub> e	22,813.194	9,946.141	9,754.296	2,808.415	304.342
<b>Intensity</b>	<b>tCO<sub>2</sub>e/m<sup>2</sup> total GFA</b>	<b>0.134</b>	<b>0.083</b>	<b>0.225</b>	<b>0.577</b>	<b>0.189</b>

### C. Water Consumption in Hong Kong Operations

	Unit	Overall	Property Rental	Hotels & Serviced Apartments	Food & Beverage	Travel
Consumption	m3	465,556	113,270	256,453	95,833	- <sup>4</sup>
Intensity	m3/m2 total GFA	2.736	0.941	5.918	19.705	-

### Energy Saving Measures on Facilities Enhancement - Target vs Actual Achievement

As electricity consumption is the major cause of indirect greenhouse gas emissions, we have set Key Performance Indicators (“KPIs”) in our energy monitoring system to keep track of energy saving performance. Results of the major facility improvements after the completion of installation are summarized below:

Installations and Measures	Annual Target Achievement (kWh)	Saving Achieved in 2023 (kWh)	% of Saving Achieved VS Annual Target Achievement
<b>Chiller Improvement Programme</b>			
<b>a</b> Central water-cooled chillers in Mira Place 1 and Mira Place Tower A	4.79M	8.08M	169%
<b>b</b> Central air-cooled oil-free chillers in Mira Place 1	1.03M	1.01M	98%
<b>Lighting Improvement Programme</b>			
<b>c</b> Replace the 50W halogen lamps by 7W LED lamps in Mira Place Tower A	173,520	173,520	100%
<b>d</b> Replace the 50W halogen lamps by 7W LED lamps in The Mira (public area and restaurants)	160,820	13,402	8% (New KPI in 2023)
<b>e</b> Remove 50W halogen lamps, 1200mm and 600mm T5 decorative florescent tubes and 1200mm T8 florescent tubes in ceiling recessed light fittings in Mira Place Tower A	118,440	118,440	100%
<b>f</b> LED lighting systems for Asset Enhancement Package A & B Projects in Mira Place 1	198,400	198,400	100%
<b>g</b> LED lighting systems for Asset Enhancement Package C Project in Mira Place 1	25,460	25,460	100%
<b>h</b> LED lighting systems for Mira Place Carpark	48,680	48,680	100%
<b>i</b> LED lighting systems for Sport Zone in Mira Place 1	173,160	173,160	100%
<b>j</b> Remove & replace 1200mm T5 florescent tubes by LED tubes at cargo lift lobbies in Mira Place Tower A	43,520	43,520	100%
<b>k</b> Replace 1200mm and 600mm florescent tubes by LED tubes / strips at ceiling light troughs and signage boxes within common corridors and lift lobbies in Mira Place Tower A	143,520	143,520	100%
<b>l</b> Replace 1200mm and 600mm florescent tubes by LED tubes at ceiling light troughs within common corridors in Mira Place 1	250,000	250,000	100%
<b>Other Energy Saving Programme</b>			
<b>m</b> LED TV screens installed in Mira Place 1	22,320	22,320	100%
<b>n</b> VVVF On-demand controls for escalators in Mira Place 1	19,200	19,200	100%
<b>o</b> Replace 6.5W LED lamps by 3.9W LED lamps at B1/F common corridors in Mira Place 1	6,500	1,080	17% (New KPI in 2023)
<b>p</b> Replace 2x18W / 2x26W CF lamps by 3.9W LED lamps at B1/F - 1/F common areas in Mira Place 1	11,900	1,980	17% (New KPI in 2023)

<sup>4</sup> Our travel business operates in leased office premises in Hong Kong of which the water usage was very minimal and its supply was controlled by the respective building management, thus water consumption data is not available

## Hong Kong Employee Statistics as of 31 December 2023

### A. Number of Employees by Gender, Age Group, Employment Type and Employee Category

	Overall	Corporate	Property Rental	Hotels & Serviced Apartments	Food & Beverage	Travel
Staff Number	1,291	165	108	504	261	253
<b>By Gender</b>						
Male	715	66	82	270	170	127
Female	576	99	26	234	91	126
<b>Gender ratio</b>						
Male Ratio	55%	40%	76%	54%	65%	50%
Female Ratio	45%	60%	24%	46%	35%	50%
<b>By Age Group</b>						
Below 30	165	23	8	85	20	29
30 to 50	656	104	48	235	120	149
Over 50	470	38	52	184	121	75
<b>By Employment Type</b>						
Full Time	1,269	165	108	504	261	231
Part Time	22	0	0	0	0	22
<b>By Employee Category</b>						
Senior Managerial/Executives	133	53	15	25	9	31
Middle Management	339	74	9	181	59	16
Supervisory & General	819	38	84	298	193	206

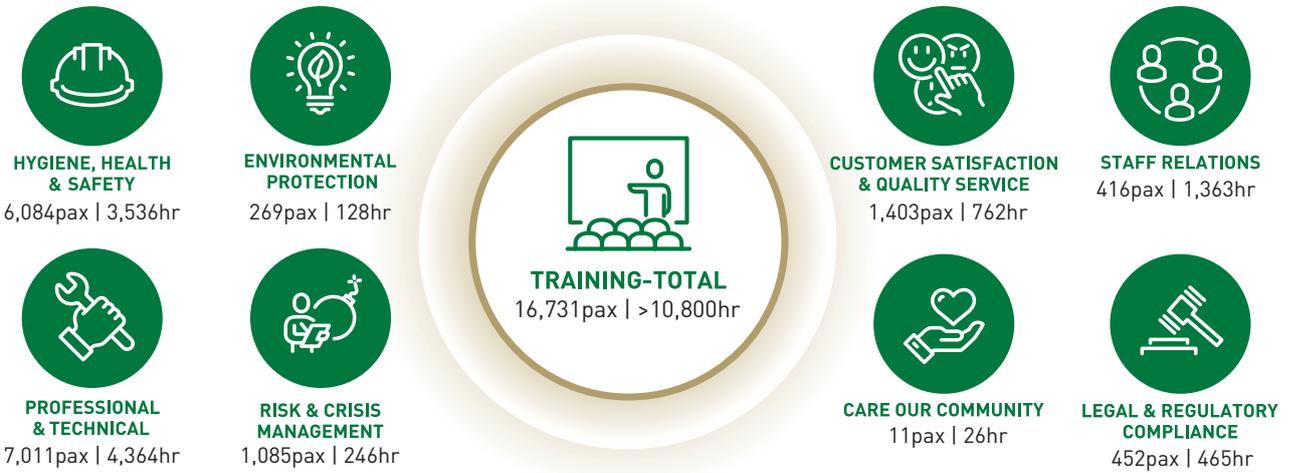
### B. Number of Employees & Turnover Rate by Gender and Age Group per Employee Category

	Overall	By Gender		By Age Group		
		Male	Female	Below 30	30-50	Over 50
Senior Managerial/Executives	17	10	7	0	12	5
Middle Management	60	31	29	8	43	9
Supervisory & General	202	102	100	39	114	49
<b>Total Number of Employees</b>	1,291	715	576	165	656	470
<b>Turnover Rate</b>	22%	20%	24%	28%	26%	13%

### C. Ratio of Staff Trained, Total Attendance and Average Training Hours by Gender and Employee Category

	Overall	By Gender		By Employee Category		
		Male	Female	Supervisory & General	Middle Management	Senior Managerial/Executives
No. of Staff Received Training	990	565	425	583	312	95
No. of Staff	1,291	715	576	819	339	133
Ratio of Staff Trained	77%	79%	74%	71%	92%	71%
Total Attendance (pax)	16,731	7,368	9,363	11,911	4,270	550
Total of Training Hours	10,888.95	4,911.36	5,977.59	6,968.09	3,119.01	801.85
Average Training Hours (hr)	8.43	6.87	10.38	8.51	9.20	6.03

**D. Total Attendance and Total Training Hours Per Training Topics**



**ESG Reporting Guide Content Index**

Aspect	Disclosure	Related Section / Remark
<b>Mandatory Disclosure Requirements</b>		
<b>Governance &amp; Reporting</b>	Governance Structure	Mira Governance
	Reporting Principles (Materiality, Quantitative, Consistency)	– Reporting Scope & Principles – Materiality Assessment
	Reporting Boundary	Reporting Scope & Principles
<b>Comply or Explain Provision</b>		
<b>A1 - Emissions</b>	General Disclosure	Mi Go Green
	<b>KPI A1.1</b> Types of emissions and respective emissions data	It is not material based on our assessment
	<b>KPI A1.2</b> Direct and energy indirect greenhouse gas emissions and, where appropriate, intensity	Sustainability Performance and Data
	<b>KPI A1.3</b> Total hazardous waste produced and, where appropriate, intensity	It is not material based on our assessment
	<b>KPI A1.4</b> Total non-hazardous waste produced and, where appropriate, intensity	Recycling and Upcycling Initiatives in Daily Operations
	<b>KPI A1.5</b> Description of emissions target set and steps taken to achieve them	– Recycling and Upcycling Initiatives in Daily Operations – Sustainability Performance and Data
	<b>KPI A1.6</b> Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	<b>Hazardous Waste</b> It is not material based on our assessment <b>Non-hazardous Waste</b> – Recycling and Upcycling Initiatives in Daily Operations – Sustainability Performance and Data

## ESG REPORTING GUIDE CONTENT INDEX

Aspect	Disclosure	Related Section / Remark
<b>A2 - Use of Resources</b>	General Disclosure	Mi Go Green
	<b>KPI A2.1</b> Direct and/or indirect energy consumption by type in total and intensity	Sustainability Performance and Data
	<b>KPI A2.2</b> Water consumption in total and intensity	Sustainability Performance and Data
	<b>KPI A2.3</b> Description of energy use efficiency target set and steps taken to achieve them	– Efficient Use of Water – Sustainability Performance and Data
	<b>KPI A2.4</b> Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	<b>Sourcing Water</b> No issue in sourcing water <b>Water Efficiency Initiatives</b> – Efficient Use of Water – Sustainability Performance and Data
<b>KPI A2.5</b> Total packaging material used for finished products, and if applicable, with reference to per unit produced	It is not material based on our assessment	
<b>A3 - The Environment and Natural Resources</b>	General Disclosure	Mi Go Green
	<b>KPI A3.1</b> Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	Our operations do not have significant impact on the environment and natural resources
<b>A4 - The Climate Change</b>	General Disclosure	Mi Go Green
	<b>KPI A4.1</b> Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	There is no significant impact from any climate-related issues on our Group
<b>B1 - Employment</b>	General Disclosure	Staff Engagement and Development
	<b>KPI B1.1</b> Total workforce by gender, employment type, age group and geographical region	Sustainability Performance and Data
	<b>KPI B1.2</b> Employee turnover rate by gender, age group and geographical region	
<b>B2 - Health and Safety</b>	General Disclosure	Staff Engagement and Development
	<b>KPI B2.1</b> Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Staff Engagement and Development – Occupational Health and Safety
	<b>KPI B2.2</b> Lost days due to work injury	
	<b>KPI B2.3</b> Description of occupational health and safety measures adopted, and how they are implemented and monitored	
<b>B3 - Development and Training</b>	General Disclosure	Staff Engagement and Development
	<b>KPI B3.1</b> The percentage of employees trained by gender and employee category	Sustainability Performance and Data
	<b>KPI B3.2</b> The average training hours completed per employee by gender and employee category	
<b>B4 - Labour Standards</b>	General Disclosure	Staff Engagement and Development
	<b>KPI B4.1</b> Description of measures to review employment practices to avoid child and forced labour	Staff Engagement and Development – Employment, Remuneration and Benefits
	<b>KPI B4.2</b> Description of steps taken to eliminate such practices when discovered	

## ESG REPORTING GUIDE CONTENT INDEX

Aspect	Disclosure	Related Section / Remark
<b>B5 - Supply Chain Management</b>	General Disclosure	Supply Chain Management
	<b>KPI B5.1</b> Number of suppliers by geographical region	
	<b>KPI B5.2</b> Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	<ul style="list-style-type: none"> <li>– Supply Chain Management</li> <li>– Quality Assurance Framework on Food Safety</li> </ul>
	<b>KPI B5.3</b> Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	
	<b>KPI B5.4</b> Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	<ul style="list-style-type: none"> <li>– Recycling and Upcycling Initiatives in Daily Operations</li> <li>– Supply Chain Management</li> </ul>
<b>B6 - Product Responsibility</b>	General Disclosure	Supply Chain Management
	<b>KPI B6.1</b> Percentage of total products sold or shipped subject to recalls for safety and health reasons	Quality Assurance Framework on Food Safety
	<b>KPI B6.2</b> Number of products and service related complaints received and how they are dealt with	<ul style="list-style-type: none"> <li>– Quality Assurance Framework on Food Safety</li> <li>– Customer Engagement</li> </ul> <p>All product and service complaints have been followed up properly through our complaint handling mechanism. There was no record of substantiated and significant complaint related to our products and service in 2023</p>
	<b>KPI B6.3</b> Description of practices relating to observing and protecting intellectual property rights	<ul style="list-style-type: none"> <li>– Risk Management on Compliance</li> <li>– Intellectual Property Rights</li> </ul>
	<b>KPI B6.4</b> Description of quality assurance process and recall procedures	Quality Assurance Framework on Food Safety
	<b>KPI B6.5</b> Description of consumer data protection and privacy policies, and how they are implemented and monitored	<ul style="list-style-type: none"> <li>– Risk Management on Compliance</li> <li>– Data Protection and Privacy</li> </ul>
<b>B7 - Anti-corruption</b>	General Disclosure	Risk Management on Compliance
	<b>KPI B7.1</b> Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	
	<b>KPI B7.2</b> Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	<ul style="list-style-type: none"> <li>– Risk Management on Compliance</li> <li>– Anti-corruption</li> </ul>
	<b>KPI B7.3</b> Description of anti-corruption training provided to directors and staff	
<b>B8 - Community Investment</b>	General Disclosure	Community Outreach
	<b>KPI B8.1</b> Focus areas of contribution	It is not material based on our assessment
	<b>KPI B8.2</b> Resources contributed to the focus area	



## Independent Practitioner's Limited Assurance Report

to the Board of Directors of Miramar Hotel and Investment Company, Limited

We have undertaken a limited assurance engagement of the selected ESG information ("the Selected ESG Information") listed below of Miramar Hotel and Investment Company, Limited ("the Group") for the year ended 31 December 2023 as identified in the ESG Report ("the Report") on pages 27-57.

### Selected ESG Information

The Selected ESG Information for the year ended 31 December 2023 is summarised below:

#### Environmental

- Overall energy consumption and intensity
  - Gas (incl. Towngas, LPG)
  - Diesel
  - Unleaded petrol
  - Electricity

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- Overall GHG emissions and intensity
  - Scope 1
  - Scope 2

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- Overall water consumption and intensity

#### Social

- Number and rate of work-related fatalities

### Directors' responsibilities

The directors are responsible for the preparation of the Selected ESG Information in accordance with applicable criteria, as set out in heading "Reporting Scope and Principles" within the Report (referred as "applicable criteria" thereafter). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Selected ESG Information that is free from material misstatement, whether due to fraud or error.

### Our independence and quality management

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Our responsibilities

Our responsibility is to express a limited assurance conclusion on the Selected ESG Information based on the procedures we have performed and the evidence we have obtained. This report is made 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.

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)") and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410") issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Selected ESG Information is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised), and ISAE 3410 involves assessing the suitability in the circumstances of the Group's use of applicable criteria as the basis for the preparation of the Selected ESG Information, assessing the risks of material misstatement of the Selected ESG Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Selected ESG Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Within the scope of our work we performed amongst others the following procedures:

- Enquiries of relevant staff at corporate and selected site level responsible for the preparation of the Selected ESG Information;
- Interviews with relevant staff to understand the design and implementation of the systems and methods used to collect and process the Selected ESG Information;
- Agreement of the Selected ESG Information, on a sample basis, to source documentation;
- Analytical procedures over the Selected ESG Information;
- Compared the definitions as included in the applicable criteria against the definitions used by the Group to prepare the Selected ESG Information; and
- Read the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the ESG performance of the Group.

### **Our responsibilities** (continued)

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Group's Selected ESG Information has been prepared, in all material respects, in accordance with the applicable criteria as set out in heading "Reporting Scope and Principles" within the Report.

### **Inherent limitations**

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

### **Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Group's Selected ESG Information for the year ended 31 December 2023 is not prepared, in all material respects, in accordance with the applicable criteria as set out in heading "Reporting Scope and Principles" within the Report.

#### **KPMG**

Certified Public Accountants

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

19th March, 2024

## Biographical Details of Directors

### **Dr LEE Ka Shing**, GBS, JP, DSSc (Hon)

Aged 52. Dr Lee was appointed Director of the Company in 2004 and has been actively involved in formulating the Group's corporate development strategies and directions. On 1 August 2006, he was appointed as Managing Director of the Company, with the title changed to Chief Executive Officer on 7 June 2012. On 12 June 2014, Dr Lee was re-designated as the Chairman and Chief Executive Officer. He has been in charge of corporate policy formulation and schematization, as well as promoting the Group's business development and enhancing its competitiveness and status in the industry. He is currently the Chairman of the Nomination Committee and a member of the Remuneration Committee of the Company. He was educated in Canada. He is the Chairman and Managing Director of Henderson Land Development Company Limited ("Henderson Land") and Henderson Investment Limited, the Chairman of The Hong Kong and China Gas Company Limited, all of which are listed companies. He is also a Vice Chairman of Henderson Development Limited ("Henderson Development") and a director of Multiglade Holdings Limited ("Multiglade"), Higgins Holdings Limited ("Higgins"), Threadwell Limited ("Threadwell"), Aynbury Investments Limited ("Aynbury"), Hopkins (Cayman) Limited ("Hopkins"), Riddick (Cayman) Limited ("Riddick") and Rimmer (Cayman) Limited ("Rimmer"). Dr Lee is a Member of the 14th Beijing Municipal Committee of the Chinese People's Political Consultative Conference. He is a member of the Court of The University of Hong Kong, the Court of The Hong Kong Polytechnic University and the Court of City University of Hong Kong. He was awarded an Honorary Fellowship by University College London in 2021 and an Honorary Degree of Doctor of Social Science by The Hang Seng University of Hong Kong in 2022. Henderson Land, Henderson Development, Multiglade, Higgins, Threadwell, Aynbury, Hopkins, Riddick and Rimmer have discloseable interests in the shares of the Company under the provisions of Part XV of the Securities and Futures Ordinance as at 31 December 2023. He is also a director of certain subsidiaries of the Company. He is the son of Dr Lee Shau Kee, a substantial shareholder of the Company.

### **Dr Colin LAM Ko Yin**, SBS, FCILT, FHKIoD, DB (Hon), DBA (Hon), DSocSc (Hon)

Aged 72. Dr Lam was appointed Director of the Company in 1993. He holds a Bachelor of Science (Honours) degree from The University of Hong Kong and has over 50 years' experience in banking and property development. He is the Deputy Chairman of The University of Hong Kong Foundation for Educational Development and Research, a director of Fudan University Education Development Foundation, an honorary Court member of Hong Kong Baptist University, a member of the Court of The Hong Kong University of Science and Technology and a member of the Court of the City University of Hong Kong. Dr Lam was awarded an Honorary University Fellowship by The University of Hong Kong in 2008 and an Honorary Fellowship by The Chinese University of Hong Kong in 2019. He was also conferred a degree of Doctor of Business (Honoris Causa) by Macquarie University in 2015, a degree of Doctor of Business Administration (Honoris Causa) by The Hong Kong University of Science and Technology in 2021 and a degree of Doctor of Social Sciences (Honoris Causa) by The University of Hong Kong in 2023. He is a Fellow of The Chartered Institute of Logistics and Transport in Hong Kong and a Fellow of The Hong Kong Institute of Directors. Dr Lam is the Chairman of Hong Kong Ferry (Holdings) Company Limited, the Vice Chairman of Henderson Land Development Company Limited ("Henderson Land") and Henderson Investment Limited as well as a non-executive director of The Hong Kong and China Gas Company Limited, all of which are listed companies. Dr Lam is a director of Henderson Development Limited ("Henderson Development"), Multiglade Holdings Limited ("Multiglade"), Higgins Holdings Limited ("Higgins"), Threadwell Limited ("Threadwell"), Aynbury Investments Limited ("Aynbury"), Hopkins (Cayman) Limited ("Hopkins"), Riddick (Cayman) Limited ("Riddick") and Rimmer (Cayman) Limited ("Rimmer"). Multiglade, Higgins, Threadwell, Aynbury, Henderson Land, Henderson Development, Hopkins, Riddick and Rimmer have discloseable interests in the shares of the Company under the provisions of Part XV of the Securities and Futures Ordinance as at 31 December 2023. He is also a director of certain subsidiaries of the Company.

**Mr Richard TANG Yat Sun**, GBS, JP, MBA

Aged 71. Mr Tang was appointed Director of the Company in 1986. He is an MBA graduate from the University of Santa Clara, California, U.S.A., and a holder of Bachelor of Science degree in Business Administration from Menlo College, California, U.S.A. Mr Tang was awarded the Gold Bauhinia Star (GBS) by the Government of the Hong Kong Special Administrative Region in 2023. Mr Tang is currently the Chairman and Managing Director of Richcom Company Limited. He is also the Chairman of King Fook Holdings Limited and an independent non-executive director of The Wharf (Holdings) Limited, both of them are listed companies. He is a director of various private business enterprises, an advisor of Tang Shiu Kin and Ho Tim Charitable Fund. He is also a director of certain subsidiaries of the Company.

**Mr Eddie LAU Yum Chuen**

Aged 77. Mr Lau was appointed Director of the Company in 1996. He has over 50 years' experience in banking, finance and investment. He is a non-executive director of Hong Kong Ferry (Holdings) Company Limited, which is a listed company. He previously served as an executive director of Henderson Land, a listed company, until his retirement on 8 June 2020. He is also a director of certain subsidiaries of the Company.

**Mr Norman HO Hau Chong**, BA, ACA, FCPA

Aged 68. Mr Ho was appointed Director of the Company in 1998. He is a member of the Institute of Chartered Accountants in England and Wales, and a Fellow of the Hong Kong Institute of Certified Public Accountants. He is an executive director of Honorway Investments Limited and Tak Hung (Holding) Company Limited and has over 42 years' experience in management and property development. He is also a director of Vision Values Holdings Limited, as well as an independent non-executive director of Hong Kong Ferry (Holdings) Company Limited, Shun Tak Holdings Limited and SJM Holdings Limited, all of which are listed companies. He resigned as an independent non-executive director of Lee Hing Development Limited (delisted on 18 October 2022) on 19 October 2022. He is also a director of certain subsidiaries of the Company.

**Dr Patrick FUNG Yuk Bun**

Aged 76. Dr Fung was appointed Director of the Company in 1985. He is currently a member of the Audit Committee of the Company. He obtained his MBA degree from the University of Toronto in 1973, and was awarded an Honorary Doctor of Business Administration by the Hong Kong Polytechnic University in 2001 and an Honorary Doctor of Laws by the University of Toronto in 2005. Dr Fung joined Wing Hang Bank, Limited (currently known as OCBC Wing Hang Bank Limited) in 1976 and was appointed a director of the Bank in 1980, Chief Executive in 1992, and then Chairman and Chief Executive in April 1996. He is an executive director of King Fook Holdings Limited, which is a listed company. Dr Fung stepped down from his position as Chairman of OCBC Wing Hang Bank Limited as of 31 December 2022.

Dr Fung is an honorary member of the Court and Adjunct Professor with the Faculty's School of Accounting and Finance of the Hong Kong Polytechnic University and a member of Board of Governors of The Hang Seng University of Hong Kong. He is also a director of certain subsidiaries of the Company.

**Mr Dominic CHENG Ka On**

Aged 74. Mr Cheng was appointed Director of the Company in 1985. He is currently also a member of the Audit Committee of the Company and serves as director of certain subsidiaries of the Company. He has extensive practical experience in corporate management and is also the Managing Director of the Onflo International Group of Companies.

**Dr Timpson CHUNG Shui Ming, GBS, JP, DSSc (Hon)**

Aged 72. Dr Chung was appointed as an Independent Non-Executive Director of the Company in 2006. Dr Chung obtained a bachelor's degree in science from the University of Hong Kong and a master's degree in business administration from the Chinese University of Hong Kong, and was awarded a Doctor of Social Sciences honoris causa by the City University of Hong Kong. He is a fellow member of Hong Kong Institute of Certified Public Accountants. He is a Pro-Chancellor of the City University of Hong Kong. Currently, Dr Chung is an independent non-executive director of China Unicom (Hong Kong) Limited, China Overseas Grand Oceans Group Limited, China Everbright Limited, China Railway Group Limited, Orient Overseas (International) Limited and Postal Savings Bank of China Co., Ltd., all of which are listed on The Stock Exchange of Hong Kong Limited. He is a member of the National Committee of the 10th, 11th, 12th and 13th Chinese People's Political Consultative Conference. Formerly, Dr Chung was the Chairman of the Council of the City University of Hong Kong, the Chairman of the Hong Kong Housing Society and the Chief Executive of the Hong Kong Special Administrative Region Government Land Fund Trust. He was previously an independent director of China Everbright Bank Company Limited and China State Construction Engineering Corporation Limited (both listed on the Shanghai Stock Exchange). He previously served as an independent non-executive director of Henderson Land, China Construction Bank Corporation and Glorious Sun Enterprises Limited, all are listed companies, until 2 June 2016, 21 June 2019 and 2 June 2021 respectively.

**Mr Howard YEUNG Ping Leung**

Aged 67. Mr Yeung was appointed Director of the Company in 2000 and was re-designated as Independent Non-Executive Director of the Company in December 2012. He has extensive experience in the businesses of property development, hotel operation and jewelry. He is also an independent non-executive director of SJM Holdings Limited, a listed company. He was formerly an independent non-executive director of New World Development Company Limited, a listed company, until his retirement on 1 December 2022.

**Mr Thomas LIANG Cheung Bui, BA, MBA**

Aged 77. Mr Liang was appointed Director of the Company in 2004 and was re-designated as Independent Non-Executive Director of the Company in December 2012. He holds a Bachelor degree in Economics from the University of California, Berkeley and a Master degree in Business Administration from Columbia University. Mr Liang has extensive experience in financial management, corporate finance, banking, real estate development and equity investment. Mr Liang was a Council member of The Chinese University of Hong Kong until 9 November 2023. He is also a member of the Board of Governors, The Hang Seng University of Hong Kong from 16 November 2015. Mr Liang is a Director and Group Chief Executive of Wideland Investors Limited and a member of the Board of Trustees of Wei Lun Foundation Limited. He was formerly an independent non-executive director of New World Development Company Limited, a listed company, until his retirement on 22 November 2022.

**Mr WU King Cheong**, BBS, JP

Aged 73. Mr Wu was appointed as an Independent Non-Executive Director of the Company in 2005. He is the Life Honorary Chairman of the Chinese General Chamber of Commerce, the Honorary Permanent President of the Chinese Gold & Silver Exchange Society and the Permanent Honorary President of the Hong Kong Securities Association Ltd. He is an independent non-executive director of Henderson Land, Henderson Investment Limited, Hong Kong Ferry (Holdings) Company Limited and Yau Lee Holdings Limited, all of which are listed companies. Henderson Land has discloseable interests in the shares of the Company under the provisions of Part XV of the Securities and Futures Ordinance as at 31 December 2023.

**Mr Alexander AU Siu Kee**, OBE, FCA, FCCA, FCPA, FCIB, FHKIB

Aged 77. Mr. Au was appointed as an Independent Non-Executive Director on 17 January 2005 and re-designated as a Non-Executive Director on 7 November 2005, and re-designated again as an Independent Non-Executive Director of the Company on 1 December 2020. A banker by profession, Mr Au was the chief executive officer of Hang Seng Bank Limited from October 1993 to March 1998 and of Oversea-Chinese Banking Corporation Limited in Singapore from September 1998 to April 2002. He was formerly a non-executive director of a number of leading companies including The Hongkong and Shanghai Banking Corporation Limited, MTR Corporation Limited and Hang Lung Group Limited. Mr Au was an executive director and the Chief Financial Officer of Henderson Land, a listed company, from December 2005 to June 2011. He stepped down from the position of Chief Financial Officer and was re-designated as a non-executive director of Henderson Land on 1 July 2011. On 18 December 2012, Mr Au was re-designated as an independent non-executive director of Henderson Land until his retirement on 2 June 2015. Since 13 December 2018, Mr Au has been appointed again as an independent non-executive director of Henderson Land. Currently, Mr Au is an independent non-executive director of Henderson Investment Limited and Wharf Real Estate Investment Company Limited, and a non-executive director of Hong Kong Ferry (Holdings) Company Limited, all of which are listed companies. He is the chairman and a non-executive director of Henderson Sunlight Asset Management Limited, a wholly-owned subsidiary of Henderson Land, which is the manager of the publicly-listed Sunlight Real Estate Investment Trust. An accountant by training, Mr Au is a Fellow of The Institute of Chartered Accountants in England and Wales, The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Henderson Land has discloseable interests in the shares of the Company under the provisions of Part XV of the Securities and Futures Ordinance as at 31 December 2023.

**Mr Benedict SIN Nga Yan**

Aged 60. Mr Sin was appointed as an Independent Non-Executive Director of the Company in 2023. He is currently a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. He is also a director and general manager of Myer Jewelry Manufacturer Limited. He is a fellow of CPA Australia, a solicitor of the Supreme Court of New South Wales, Australia, the Supreme Court of England and Wales and the High Court of Hong Kong. He is the Chairman of Trust Fund Committee of Customs and Excise Service Children's Education Trust Fund of Hong Kong Customs and Excise Department. He is also a member of Committee of Overseers of Wu Yee Sun College of The Chinese University of Hong Kong, a member of The Council of The Hang Seng University of Hong Kong and a member of Hospital Authority, Hospital Governing Committee of Hong Kong Eye Hospital & Kowloon Hospital. Mr Sin is an independent non-executive director of King Fook Holdings Limited, a listed company in Hong Kong.

## Biographical Details of Senior Management

### Mr Alan CHAN Chung Yee

Aged 57. Mr Chan was appointed as Chief Operations Officer of the Company in December 2021. Mr Chan graduated from the Hong Kong Polytechnic (currently known as the Hong Kong Polytechnic University) with a Professional Diploma in Business Studies (Banking) and graduated from Monash University in Australia with dual Master Degrees in Practising Accounting and Business Law respectively. He is a Fellow of the Hong Kong Institute of Certified Public Accountants and Fellow of CPA Australia, a Fellow of The Institute of Certified Management Accountants (Australia), a Fellow of The Chartered Governance Institute (CGI) with the designations of “Chartered Secretary” and “Chartered Governance Professional”, a Fellow of The Hong Kong Chartered Governance Institute (HKCGI) (formerly known as The Hong Kong Institute of Chartered Secretaries), a Fellow of The Hong Kong Institute of Directors, a Fellow of the Hong Kong Securities and Investment Institute, and a member of Chartered Institute of Logistics and Transport in Hong Kong. Mr Chan is also a member of the Chartered Banker Institute, the United Kingdom with a designation of “Chartered Banker” and an associate and “Certified Banker” of the Hong Kong Institute of Bankers respectively.

Mr Chan was appointed as a member of Social Development Expert Group of Chief Executive’s Policy Unit Expert Group in 2023. Mr Chan was appointed as a member of the Board of Review (Inland Revenue Ordinance) of the HKSAR from 2009 to 2011. He became an elected member of the Election Committee of the HKSAR since 2021. Mr Chan is a standing member and convenor of Hong Kong members of the Yunfu Municipal Committee of the Chinese People’s Political Consultative Conference since 2011, a standing member of the Guangdong’s Association for Promotion of Guangdong-Hong Kong-Macao Cooperation since 2009, a member of the China Overseas Friendship Association since 2019 and a member of Friends of Hong Kong Association 2019 and a co-founder of Hong Kong Coalition since 2020.

### Ms Margaret MAK Yee Mei

Aged 57. Ms Mak joined the Group in July 2022 as Deputy Chief Operations Officer. Ms Mak is a Fellow of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Hong Kong Institute of Directors as well as an Associate of the Institute of Chartered Accountants in England and Wales, the Chartered Governance Institute and the Hong Kong Chartered Governance Institute. She is also a Certified Practising Accountant Australia, Associate Chartered Management Accountant of Chartered Institute of Management Accountants and a Chartered Global Management Accountant of Association of International Certified Professional Accountants.

Ms Mak graduated from The University of London and earned a Bachelor of Science Degree in Economics. She also holds a Doctorate Degree in Business Administration, a Master Degree in Applied Business Research, a MBA Degree and a Master Degree in Finance. Ms Mak has over 30 years of experience in strategic management accounting, taxation, auditing, corporate governance and legal compliance, operations management as well as management information system. She began her career with auditing in PricewaterhouseCoopers and had held senior management positions in several Hong Kong listed companies. Prior to joining the Group, Ms Mak had worked for Fairwood Holdings Limited as the Executive Director, Chief Financial Officer, Company Secretary and Authorized Representative for more than 18 years.

**Mr Dickson LAI Ho Man**

Aged 50. Mr Lai joined the Group in September 2016 as Director of Group Finance and was appointed as joint company secretary in June 2018. He is a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants and a Certified Tax Adviser of the Taxation Institute of Hong Kong. He holds a Bachelor of Arts Degree in Accountancy from the Hong Kong Polytechnic University and a Master of Business Administration from University of Birmingham. Mr Lai has over 25 years of experience in auditing, finance, accounting as well as financial management. He began his career with auditing in KPMG Hong Kong. Prior to joining the Group, he was the Chief Financial Officer and Company Secretary of Bi Feng Tang (Group) Holdings Limited. He also worked as a senior executive for a number of listed and private Hong Kong and PRC companies.

**Mr Alexander Otto WASSERMANN**

Aged 51. Mr Wassermann joined the Group in October 2019 as Business Unit Head of Hotels and Serviced Apartments. Mr Wassermann is a seasoned hotelier with over 32 years of international experience in the hospitality industry spanning Germany, Middle East, United States, China and Hong Kong. He has held senior management roles for luxury hotel groups worldwide including Hilton Hotels & Resorts, Mövenpick Hotels & Resorts and InterContinental Hotels Group. Prior to joining the Group, he was the General Manager in InterContinental Grand Stanford Hong Kong.

**Mr Dennis HOUNG Chi Tung**

Aged 56. Mr. Houg joined the Group in October 2013 as Assistant Director — Project and Planning, and has been appointed as Acting Head of Asset Management in May 2021. He is a Registered Professional Surveyor (RPS) (Building Surveying), Authorized Person in Hong Kong and Chartered Project Management Surveyor. Mr Houg holds a Bachelor's Degree of Building Surveying in The Hong Kong Polytechnic University and is a member of Royal Institution of Chartered Surveyors (MRICS), Hong Kong Institute of Surveyors (MHKIS). Mr Houg has over 20 years of experience in the project planning and management in asset management. Prior to joining the Group, Mr Houg was the Assistant General Manager (Project and Planning Department) of The Link Management Limited.

**Mr Grant LEE Man Tong**

Aged 49. Mr Lee was appointed as Director of Food & Beverage in February 2022. Mr Lee brings with him a wealth of more than 20 years of experience in restaurant operations, banquet and catering management, central kitchen and logistics management as well as business development. Prior to joining the Group, he has held management positions in renowned Hong Kong F&B groups with different Cuisines including Michelin — Starred Restaurants.

**Ms Liza LEUNG Ka May**

Aged 61. Ms Leung joined the Group in May 2006 as Director of Human Resources of Administration, Miramar Travel. She is the Acting Director, Group Human Resources & Administration. Ms Leung is a member of the Hong Kong Institute of Human Resource Management ("IHRM"), she has nearly 32 years of experience in human resources and administration in the Greater China Region. Her past duties included a full spectrum of functions covering human resources management, training and development, and general administration. Prior to joining the Group, she held senior management positions in recognized companies focusing on travel, hotels, securities and retail, etc.

**Ms Lucy CHEUNG Shui Yung**

Aged 46. Ms Cheung joined the Group in June 2021 as Director of Group Marketing & Corporate Communications. She holds a Bachelor of Business Administration in Marketing & Management of Organizations from The Hong Kong University of Science and Technology. She brings with her a wealth of more than 20 years of experience in strategic sales and marketing, branding, product and business development, client relationship management and communications. Prior to joining us, she has held management positions in renowned groups and companies including Dairy Farm Co., Ltd., HK01.com, Café de Coral Group, Lei Garden Restaurant Group, Maxim's Caterers Group and Vitasoy International Group etc.

**Mr Calvin LEE Kang Hung**

Aged 58. Mr Lee joined the Group in November 2016 as Assistant Director of Group Procurement. Mr Lee holds a Master Degree of Logistics and Supply Chain from University of Lancaster; he has nearly 30 years of extensive experience in procurement, logistics and supply chain in Greater China Region. Prior to joining the Group, he held management positions in recognized companies focusing on packaging industry, food manufacturing, quick service restaurant and retail, etc.

**Mr Aaron AU Zee Lay**

Aged 51. Mr Au joined the Group in July 2021 as Assistant Director of Group Information and Technology. He holds a Bachelor of Science in Computer Science with Electronic Engineering from The University College London and a Master of Analysis, Design and Management of Information System from the London School of Economics and Political Science. He joins us with more than 20 years of experience in a wide range of industries such as travel, telecommunications, e-commerce, investment and social media.

**Ms Louisa LEUNG Chik Yee**

Aged 46. Ms Leung joined the Group in September 2022 as Director of Audit, Risk and Corporate Services. Ms Leung holds a Bachelor Degree of Commerce from The University of British Columbia and holds a postgraduate diploma in Enterprise Risk Management. She is a member of the American Institute of Certified Public Accountants (AICPA), as well as holding professional designations as a Certified Internal Auditor (CIA) and Certified Fraud Examiner (CFE). Ms Leung has over 20 years of experience in auditing, risk management, corporate governance and regulatory compliance. She began her career with auditing at PricewaterhouseCoopers Ltd. Ms Leung had also held management positions in several companies including Jardine, Matheson & Co., Ltd, City Telecom Company (Hong Kong) Limited (currently known as Hong Kong Technology Venture Company Limited) and Transport International Holdings Ltd..

**Mr Alex LEE Chun Ting**

Aged 67. Mr Lee joined the Group in May 2008 as General Manager, Miramar Travel. He was also concurrently appointed as Director of Marketing Strategy and Development — Hospitality in August 2021. Mr Lee is currently held a role as Outbound Committee of the Travel Industry Council of Hong Kong, Honorary Treasurer of the Hong Kong Outbound Tour Operators' Association and Member of the Travel Industry Training Advisory Committee on Qualifications Framework. He was also a Committee of the Hong Kong Association of China Travel Organisers Ltd. from 2011 to 2021. Mr Lee has a rich experience with more than 35 years in travel industry.

## Corporate Governance Report

The Board of Directors of the Company (the “Board”) is pleased to present the Corporate Governance Report of the Company for the year ended 31 December 2023.

### Commitment to Corporate Governance

The Company acknowledges the importance of good corporate governance practices and procedures and regards a pre-eminent board of directors, sound risk management and internal controls, and accountability to all shareholders as the core elements of its corporate governance principles. The Company endeavours to ensure that its businesses are conducted in accordance with rules and regulations, and applicable codes and standards.

### Corporate Governance Code

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

### Purpose, Values, Strategy & Culture

The Company is committed to creating long-term sustainable value for stakeholders, focusing on strategies that help enhance enterprise value, such as (a) pursuing sustainable growth opportunities in Hong Kong and the Greater Bay Area; (b) nurturing an agile workforce to attain business growth and drive innovation and creativity; (c) creating value through property asset enhancements; (d) encouraging improvements in integrity and service standards; and (e) ensuring harmony with our culture.

Our corporate values are embedded in our governance practice and underpin all our activities. We aim to add value for our shareholders, customers and the community through a commitment to excellence in product quality and service delivery, as well as a continuous focus on sustainability and the environment.

The Board has approved the following key policies that articulate and define important principles and values of the Group: Environmental Policy, Anti-Corruption and Bribery Policy, Whistleblowing Policy, Director and Employee Remuneration Policy, Board Diversity Policy, Dividend Policy, Inside Information Policy, Nomination Policy and Shareholders Communication Policy.

With a commitment to maintaining rigorous standards of ethics and governance, the Board cultivates and fosters a corporate culture of integrity, growth, care and collaboration across all levels and in all aspects of operations, as befits the Group’s core values, as well as in keeping with its overarching G.I.V.E. Sustainability Strategy, which encompasses four primary drivers, namely Green for Planet, Innovation for Future, Value for People and Endeavour for Community.

The Board defines, promotes and oversees such culture by ensuring its alignment and consistency with the Group's business objectives, corporate strategy and future direction. The Group's corporate culture is manifested in and reflected by a broad range of Group-wide policies, practices and procedures, including those relating to audit and compliance, whistleblowing, equal opportunity and diversity, employee welfare and benefits, and corporate social responsibility. Collectively, these established processes shape, sustain and drive the Group's corporate culture.

## Board of Directors

### Responsibilities of and Support for Directors

The Board has the responsibility for the management of the Company, which includes formulating a corporate strategy and a long term business model, directing and supervising the Company's affairs, approving interim reports and annual reports, announcements and press releases of interim and final results, considering dividend policy. It is also responsible for performing the corporate governance duties and reviewing the effectiveness of the risk management and internal control systems which include reviewing the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, financial reporting functions, as well as those relating to the Company's environmental, social and governance ("ESG") performance and reporting. The Board makes broad policy decisions and has delegated the responsibility for detailed considerations and implementation of the above matters to the Board's specific committees.

The day-to-day management, administration and operation of the Company are delegated to the management team. The Board gives clear directions to the management as to their powers of management, and circumstances in which the management should report back.

### Board Composition

The Board of Directors of the Company (the "Board") currently comprises thirteen members, of whom five are Executive Directors, two Non-Executive Directors and six Independent Non-Executive Directors, as detailed below:

#### **Executive Directors**

Dr LEE Ka Shing (*Chairman and CEO*)  
 Dr Colin LAM Ko Yin  
 Mr Richard TANG Yat Sun  
 Mr Eddie LAU Yum Chuen  
 Mr Norman HO Hau Chong

#### **Non-Executive Directors**

Dr Patrick FUNG Yuk Bun  
 Mr Dominic CHENG Ka On

#### **Independent Non-Executive Directors**

Dr Timpson CHUNG Shui Ming  
 Mr Howard YEUNG Ping Leung  
 Mr Thomas LIANG Cheung Bui  
 Mr WU King Cheong  
 Mr Alexander AU Siu Kee  
 Mr Benedict SIN Nga Yan

The biographical details of the directors and relationship among them are shown under the section “Biographical Details of Directors” in this Annual Report. Save as disclosed therein, there is no financial, business, family or other material/relevant relationship among the directors. A List of Directors and their Role and Function is available on the Company’s website.

The Board comprises directors with diverse backgrounds and/or extensive expertise in the Group’s businesses. The Board also has a balanced composition of Executive and Non-Executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgement. The Board considers that each of the Non-Executive Directors and Independent Non-Executive Directors brings their own relevant expertise to the Board.

The Board has established mechanisms which are to ensure that independent views and inputs are available to the Board. The full text of the mechanisms is available on the Company’s website and a summary of which is set out below:

(i) Composition

The Board ensures the appointment of at least three Independent Non-Executive Directors and at least one-third of its members being Independent Non-Executive Directors (or such higher threshold as may be required by the Listing Rules from time to time), with at least one Independent Non-Executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise. Further, Independent Non-Executive Directors will be appointed to Board Committees as required under the Listing Rules and as far as practicable to ensure independent views are available.

(ii) Independence Assessment

The Nomination Committee strictly adheres to the Nomination Policy with regard to the nomination and appointment of Independent Non-Executive Directors, and is mandated to assess annually the independence of Independent Non-Executive Directors to ensure that they can continually exercise independent judgement.

(iii) Compensation

No equity-based remuneration with performance-related elements will be granted to Independent Non-Executive Directors as this may lead to bias in their decision-making and compromise their objectivity and independence.

(iv) Board Decision Making

Directors (including Independent Non-Executive Directors) are entitled to seek further information from the management on the matters to be discussed at Board meetings and, where necessary, independent advice from external professional advisers at the Company’s expense.

A Director (including Independent Non-Executive Director) who has a material interest in a contract, transaction or arrangement shall not vote or be counted in the quorum on any Board resolution approving the same.

During the year ended 31 December 2023, the Board at all times met the requirements of the Listing Rules relating to the appointment of Independent Non-Executive Directors as mentioned in item (i) above.

The Company has received confirmation of independence from each of the Independent Non-Executive Directors and considers them to be independent of the management and free of any relationship that could materially interfere with the exercise of their independent judgement.

## Appointment and Re-election of Directors

The Board is empowered under the Company's Articles of Association ("Articles") to appoint any person, as a Director, either to fill a casual vacancy on or to be an additional member of the Board. Only the most suitable candidates who are experienced and competent and able to fulfill the fiduciary duties and exercise reasonable care, skill and diligence would be recommended to the Board for selection. Appointments are first considered by the Nomination Committee in accordance with its terms of reference with due regard to the Company's Nomination Policy and Board Diversity Policy, and recommendations of the Nomination Committee are then put to the Board for decision.

In accordance with the Articles, new appointments to the Board are subject to re-election at the next following Annual General Meeting of the Company ("AGM"). Furthermore, nearest one-third of the Directors shall retire from office by rotation but are eligible for re-election at the AGM. The Board will ensure that every Director (including every Non-Executive Director) is subject to retirement by rotation at least once every three years. Each Director was appointed by a letter of appointment setting out the key terms and conditions of appointment.

In accordance with Articles 77, 78 and 79 of the Company's Articles of Association or the Corporate Governance Code under the Listing Rules, Dr Colin Lam Ko Yin, Mr Richard Tang Yat Sun, Mr Norman Ho Hau Chong and Dr Timpson Chung Shui Ming shall retire by rotation at the forthcoming 2024 AGM and, being eligible, have offered themselves for re-election. Mr Benedict Sin Nga Yan, who was appointed by the Board after the Company's annual general meeting held on 8 June 2023, shall retire at the forthcoming 2024 AGM in accordance with Article 73 of the Articles of Association and, being eligible, has offered himself for re-election. The Nomination Committee has considered each of them based on merit and having regard to their experience, skills and expertise (as shown in Biographical Details of Directors) as well as the Company's Board Diversity Policy and Nomination Policy, recommended to the Board that each of them are eligible for re-election.

The Board has received from each of the Independent Non-Executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board considers that all the Independent Non-Executive Directors are independent. Notwithstanding (i) Mr Howard Yeung Ping Leung and Mr Thomas Liang Cheung Biu have been Non-Executive Directors of the Company prior to their re-designation as Independent Non-Executive Directors on 6 December 2012 and Mr Alexander Au Siu Kee has been Non-Executive Directors of the Company prior to his re-designation as Independent Non-Executive Directors on 1 December 2020, and (ii) Mr Benedict Sin Nga Yan is the son of the late Dr David Sin Wai Kin, who was an Independent Non-Executive Director before he passed away on 17 April 2023, therefore, is connected with a former Independent Non-Executive Director within two years immediately prior to the date of his appointment as an Independent Non-Executive Director under Rule 3.13(6) of the Listing Rules, the Board is of the view that they are independent since they did not take part in the day-to-day management or perform any management role or executive function of the Company or any of its subsidiaries. Though Mr Alexander Au Siu Kee has the following non-executive directorships with the following core connected persons of the Company which may be regarded as falling within the factors affecting independence as specified in Rule 3.13(7) of the Listing Rules:

- (a) Mr Au is a non-executive director of Hong Kong Ferry (Holdings) Company Limited ("HK Ferry") which involves no executive or management functions and he does not have any involvement in the management or executive function of HK Ferry. The Board considers that such non-executive directorship would not have any bearings on his independence.
- (b) Mr Au is currently the chairman and non-executive director of Henderson Sunlight Asset Management Limited ("HSAM"). Mr Au has not taken part in the day-to-day management of HSAM and has had no executive role. The Board considers that as Mr Au only plays a non-executive role in HSAM, such non-executive role has no bearings on his independence.

Even though Dr Timpson Chung Shui Ming has been serving as Independent Non-Executive Director of the Company for more than 9 years, he has been able to provide objective and independent views to the Company during his tenure of office. The Nomination Committee were of the view that the long service of Dr Timpson Chung Shui Ming would not affect his exercise of independent judgement and, with his long-tenured directorship, he is able to provide invaluable experience, continuity, and stability to the Board, as well as a historical perspective that is indispensable in determining the Company's strategy. The Board, through the assessment and recommendation by the Nomination Committee, is satisfied that Dr Chung possess the required character, integrity and experience to fulfill the role of an independent non-executive director and considers Dr Chung as independent for the purpose of acting as an Independent Non-Executive Director of the Company.

The Board has noted that Dr Timpson Chung Shui Ming an Independent Non-Executive Director subject to re-election at the 2024 AGM, is currently an independent non-executive director of 7 listed companies (including the Company). Dr Chung has disclosed to the Company the nature and time commitment of offices held by himself in public companies or organizations and other significant commitments for the year 2023. The Board considers Dr Chung devotes sufficient time to the Board through his regular attendance and active participation at Board and Board committee meetings. Dr Chung is a fellow member of Hong Kong Institute of Certified Public Accountants with many years of experience in professional accounting and corporate finance. Dr Chung continues demonstrating a firm commitment to his role in the Board by giving objective views and impartial advice as well as exercising independent judgment.

Mr Benedict Sin Nga Yan confirms that he (i) has obtained the legal advice as required under Rule 3.09D of the Listing Rules on 28 June 2023; and (ii) understands his obligations as a director of a listed issuer under the Listing Rules.

The Board concurs with the view and recommendation of the Nomination Committee that Dr Timpson Chung Shui Ming and Mr Benedict Sin Nga Yan are considered as independent and is satisfied that they have the required character, integrity and experience to continue fulfilling the role of an independent non-executive director, and thus recommends them for re-election at the 2024 AGM.

### **Board Meetings**

During the year ended 31 December 2023, four board meetings were held to review and approve financial results, evaluate operating performance and direct business development and to approve matters and transactions specifically reserved to the Board for its decision. The Board has a total of four board committees to assist it in carrying out its responsibilities; and they are the General Purpose Committee, the Remuneration Committee, the Audit Committee and the Nomination Committee, all of which have defined terms of reference setting out their respective duties, powers and functions.

### **Directors' and Officers' Liability Insurance**

The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group.

### **Directors' Time Commitment and Trainings**

Each Director had ensured that he had given sufficient time and attention to the affairs of the Company for the year. Directors have disclosed to the Company the number and nature of offices held in Hong Kong or overseas listed public companies or organisations and other significant commitments, with the identity of the public companies and organisations and an indication of the time involved. Directors are encouraged to participate in professional, public and community organisations. They are also reminded to notify the Company of any change of such information in a timely manner. Other details of Directors, including their directorships held in listed public companies in the past three years, are set out under the section "Biographical Details of Directors" in this Annual Report.

During the year ended 31 December 2023, the directors have participated in continuous professional development to develop and refresh their knowledge and skills in the following manner:

<b>Directors</b>	<b>Type of trainings</b>
<b>Executive Directors</b>	
Dr LEE Ka Shing	A, B
Dr Colin LAM Ko Yin	A, B
Mr Richard TANG Yat Sun	A, B
Mr Eddie LAU Yum Chuen	A, B
Mr Norman HO Hau Chong	A, B
<b>Non-Executive Directors</b>	
Dr Patrick FUNG Yuk Bun	A, B
Mr Dominic CHENG Ka On	B
<b>Independent Non-Executive Directors</b>	
Dr Timpson CHUNG Shui Ming	A, B
Mr Howard YEUNG Ping Leung	B
Mr Thomas LIANG Cheung Biu	A, B
Mr WU King Cheong	A, B
Mr Alexander AU Siu Kee	A, B
Mr Benedict SIN Nga Yan	A, B

A: attending seminars and/or conferences and/or forums

B: reading materials relevant to the directors' duties and responsibilities and/or the Group's financial status

## Corporate Governance Function

The Board has undertaken the following corporate governance duties:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (e) to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

## General Purpose Committee

The General Purpose Committee comprises five members, all of them are Executive Directors, namely Dr Lee Ka Shing, Dr Colin Lam Ko Yin, Mr Richard Tang Yat Sun, Mr Eddie Lau Yum Chuen and Mr Norman Ho Hau Chong. The General Purpose Committee operates with delegated authority from the Board.

## Remuneration Committee

The Remuneration Committee comprises five members, three of them are Independent Non-Executive Directors, namely Dr Timpson Chung Shui Ming, Mr Wu King Cheong and Mr Benedict Sin Nga Yan, and two are Executive Directors, namely Dr Lee Ka Shing and Mr Richard Tang Yat Sun. Dr Timpson Chung Shui Ming is the Chairman of the Remuneration Committee.

The Remuneration Committee meets at least once a year to review the structure of remunerations for directors and senior management with reference to the skill, knowledge, experience, responsibilities, individual performance and the overall profitability of the Company. The Remuneration Committee regards that the remunerations offered to the directors and senior management are appropriate for their duties and in line with market practice. No director would be involved in deciding his own remunerations. The Board has delegated responsibility to the Remuneration Committee to determine the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights, compensation payments and compensation payable for loss or termination of their office or appointment. The Company has established Director and Employee Remuneration Policy which serves a guide to the Remuneration Committee in considering the directors' remuneration and employees' salary structure.

## Audit Committee

The Audit Committee is primarily responsible for review of the financial results of the Group and oversight of the Group's financial controls, internal controls and risk management systems. It comprises five members, three of them are Independent Non-Executive Directors, namely Dr Timpson Chung Shui Ming, Mr Wu King Cheong and Mr Benedict Sin Nga Yan and two are Non-Executive Directors, namely Dr Patrick Fung Yuk Bun and Mr Dominic Cheng Ka On. Dr Timpson Chung Shui Ming is the Chairman of the Audit Committee.

The Audit Committee met eight times during the year ended 31 December 2023. The major work performed by the Audit Committee included reviewing the Group's internal controls, risk management, internal audit reports, audit plans, annual reports, interim reports, financial statements, connected transactions, approving the remunerations and terms of engagement of the external auditors and making recommendation to the Board on the re-appointment of auditors.

## Nomination Committee

The Nomination Committee comprises four members, three of them are Independent Non-Executive Directors, namely Dr Timpson Chung Shui Ming, Mr Wu King Cheong and Mr Benedict Sin Nga Yan, and an Executive Director, namely Dr Lee Ka Shing. Dr Lee Ka Shing is the Chairman of the Nomination Committee.

The written terms of reference include the specific duties of reviewing the structure, size and composition of the Board with due regard to the Board Diversity Policy and making recommendation on any proposed changes to the Board to complement the Company's corporate policy. Nominations will be made in accordance with the Nomination Policy and the ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The terms of reference of the Nomination Committee are available on the Company's website.

The Nomination Committee held two meetings during the year ended 31 December 2023. The major work performed by the Nomination Committee during the year included assessing the independence of Independent Non-Executive Directors of the Company, approving the nomination of Mr Benedict Sin Nga Yan (“Mr Sin”) to the Board for appointment as an Independent Non-Executive Director of the Company, and making recommendation to the Board on the retiring Directors’ eligibility for re-election at the AGM. It also reviewed the size and composition of the Board, the Board Diversity Policy and the Nomination Policy, and considered that the said policies were appropriate and effective.

In arriving at the decision to nominate Mr Sin to the Board for appointment as Independent Non-Executive Director, the Nomination Committee has considered (i) the background, attributes and qualifications of Mr Sin; (ii) the fact that Mr Sin satisfies all the independence criteria set out in Rule 3.13 of the Listing Rules except that he is the son of a former Independent Non-Executive Director; (iii) Mr Sin has appropriate experience to act as an Independent Non-Executive Director; and (iv) Mr Sin has never taken part in the day-to-day management of the Company nor carried out any executive or management function in the Company or any of its subsidiaries, the Nomination Committee believes that Mr Sin’s connection with a former Independent Non-Executive Director (who has passed away) should not be perceived to have a negative impact on his independence and considered Mr Sin to be a suitable candidate for being an Independent Non-Executive Director.

The Nomination Committee has to follow the principles set out in the Nomination Policy and the Board Diversity Policy adopted by the Board which are more particularly described in the paragraph headed “Board Policies” below.

## Board Policies

The following as required by the Listing Rules or otherwise are the summaries of certain policies adopted by the Company:

### (i) Inside Information Policy

The Inside Information Policy contains the guidelines to the directors, officers and all relevant employees (likely possessing the unpublished inside information) of the Group to ensure that the inside information of the Group is to be disseminated to public in equal and timely manner in accordance with the applicable laws and regulations.

### (ii) Anti-Corruption and Bribery Policy

The Company has adopted the Anti-Corruption and Bribery Policy which provides guidance to our directors, employees and contract workers on how to recognize and deal with bribery and corruption. Every director, employee and contract workers has a duty to report any potential violations of the policy to the Company through the channels set out therein.

### (iii) Whistleblowing Policy

The Company has established a whistleblowing policy and system for employees and those who deal with the Group to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Group. The Group will ensure proper procedures are in place for fair and independent investigation of the reported improprieties for appropriate follow-up action.

**(iv) Board Diversity Policy**

The Board has adopted and reviewed a board diversity policy which aims to set out the approach to achieve diversity on the Board. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. All Board appointments will be based on meritocracy, and candidates will be considered against the selection criteria. Selection of candidates will be based on a range of diversity perspectives, which would include but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. Appointments will be first considered by the Nomination Committee and recommendation of the Nomination Committee are then put to the Board for decision. The ultimate decision will be based on merit and contribution.

The gender ratio in the workforce (including senior management) has been mentioned in the “Environmental, Social and Governance Report”. The Group is staffed by a diverse group of employees, who provide us with a valuable mix of perspectives, skills, experience and knowledge for addressing contemporary business issues. Our approach to the selection of candidates is consistent with the Board Diversity Policy which takes into account a range of diversity perspectives. These include but are not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The Company has achieved gender diversity in its employees.

Currently, there are no female directors on the board. Given the importance of gender diversity, the Nomination Committee will identify and recommend to the Board at least one female candidate for consideration for appointment as a Director no later than 31 December 2024. The Board concurs with the view and recommendations of the Nomination Committee to identify suitable female candidates to join the Group and select the Group's female executives to have training to serve as directors.

**(v) Nomination Policy**

Our Board has adopted a Nomination Policy, which stated that Nomination Committee will consider the candidates based on merit having regard to the experience, skills and the diversity perspectives set out in the Board Diversity Policy of the Company. The candidate should be able to devote sufficient time to attend board meetings and participate in induction, trainings and other board associated activities. In particular, if the proposed candidate will be nominated as an Independent Non-Executive Director and will be holding his/her seventh (or more) listed company directorship, the Nomination Committee should consider the reason given by the candidate for being able to devote sufficient time to the Board. The candidate must satisfy the Board and The Stock Exchange of Hong Kong Limited that he/she has the character, experience and integrity, and is able to demonstrate a standard of competence commensurate with the relevant position as a director of the Company. For candidate to be nominated as an Independent Non-Executive Director, it must satisfy the independence criteria set out in Rule 3.13 of the Listing Rules.

If the Nomination Committee determines that an additional or replacement director is required, the Committee may take such measures that it considers appropriate in connection with its identification and evaluation of a candidate. The Nomination Committee may propose to the Board a candidate recommended or offered for nomination by a shareholder of the Company as a nominee for election to the Board.

On making recommendation, the Nomination Committee may submit the candidate's personal profile to the Board for consideration. The Board may appoint the candidate(s) as director(s) to fill a casual vacancy(ies) or as an addition to the Board or recommend such candidate to shareholders for election or re-election (where appropriate) at the general meeting.

**(vi) Dividend Policy**

The dividend policy of the Company is to allow its shareholders to participate in the Company's profits whilst to retain adequate reserves for future growth. Pursuant to the Dividend Policy, the Board may propose/declare the payment of dividend after taking into account the following factors:

- (1) the actual and expected financial performance of the Company and its subsidiaries;
- (2) economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group;
- (3) the Group's business strategies, including future cash commitments and investment needs to sustain the long-term growth aspect of the business;
- (4) the current and future operations, liquidity position and capital requirements of the Group; and
- (5) any other factors that the Board deems appropriate.

**(vii) Director and Employee Remuneration Policy**

The Director and Employee Remuneration Policy sets out the general principles which guide the Group to deal with the remuneration matters. As a general principle, a fair market level of remuneration will be provided to retain and motivate high quality directors, senior management and employees, and attract experienced people of high calibre to oversee the business and development of the Group. Executive Directors' remuneration packages shall comprise fixed and variable components linking to individual and the Group's performance and comparable to major Hong Kong based companies. As for Non-Executive Directors (including Independent Non-Executive Directors), shall receive fixed remuneration/fee to be set at an appropriate level by reference to the relevant time commitment and the size and complexity of the Group.

The full text of the above policies are available on the Company's website.

**ESG**

The Environmental, Social and Governance Report is set out on pages 27 to 60 of this Annual Report.

## Attendance Record of the Meetings

The number of meetings held by the Board, the Committees and the Company during the year ended 31 December 2023 and the attendance of directors are set out in the table below:

Directors	Meetings attended/held				2023 Annual
	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting
<b>Executive Directors</b>					
Dr LEE Ka Shing	4/4	N/A	1/1	1/1	1/1
Dr Colin LAM Ko Yin	4/4	N/A	N/A	N/A	1/1
Mr Richard TANG Yat Sun	4/4	N/A	1/1	N/A	1/1
Mr Eddie LAU Yum Chuen	4/4	N/A	N/A	N/A	1/1
Mr Norman HO Hau Chong	3/4	N/A	N/A	N/A	1/1
<b>Non-Executive Directors</b>					
Dr Patrick FUNG Yuk Bun	4/4	8/8	N/A	N/A	1/1
Mr Dominic CHENG Ka On	4/4	8/8	N/A	N/A	1/1
<b>Independent Non-Executive Directors</b>					
Dr Timpson CHUNG Shui Ming	4/4	8/8	1/1	1/1	1/1
Mr Howard YEUNG Ping Leung	3/4	N/A	N/A	N/A	1/1
Mr Thomas LIANG Cheung Biu	4/4	N/A	N/A	N/A	1/1
Mr WU King Cheong	4/4	8/8	1/1	1/1	1/1
Mr Alexander AU Siu Kee	4/4	N/A	N/A	N/A	1/1
Mr Benedict SIN Nga Yan (appointed on 26 June 2023)	2/4	6/8	1/1	0/1	0/1

## Accountability and Audit

The Directors are responsible for overseeing the preparation of the annual financial statements which give a true and fair view of the Group's state of affairs and of the results and cash flow for the year. The Group's financial statements are prepared in accordance with all relevant statutory requirements and applicable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; and that judgment and estimates made are fair and reasonable; and that the accounts are prepared on a going concern basis.

A statement by the auditors about their reporting responsibilities is included in the Independent Auditor's Report on pages 115 to 119 of this Annual Report.

## Risk Management and Internal Control

Effective risk management is an essential and integral part of the Group's effort in achieving strategic objectives and sustainable development. Our risk management takes a holistic approach, blending seamlessly into business strategy, operational and financial management. Management continuously implements, reviews and updates risk management directives to cope with the latest business environment, and regularly reports risk management activities to the Board. The Group's Risk Management and Corporate Services Department reports independently to the Audit Committee and closely works with Business Units in proactively address risk emerging issues. During 2023, the existing risk management and internal control systems remain appropriate and effective.

Our risk management framework is guided by the model of "Three Lines of Defense" as follows:



### 1st Line of Defense — Operational Management and Internal Controls

Key internal control activities are integrated into daily operations with clear policies and procedures on governance, risk management and compliance. The policies and procedures are reviewed and updated on a regular basis to ensure their effectiveness, which are shared with our employees through electronic announcements or training sessions.

The Group's first line of defense includes:

- Staff training
- Staff Handbook and Code of Conduct
- Tendering Process and Limits of Authorisation
- Regular operational and management meetings

**2nd Line of Defense — Risk Management and Corporate Services**

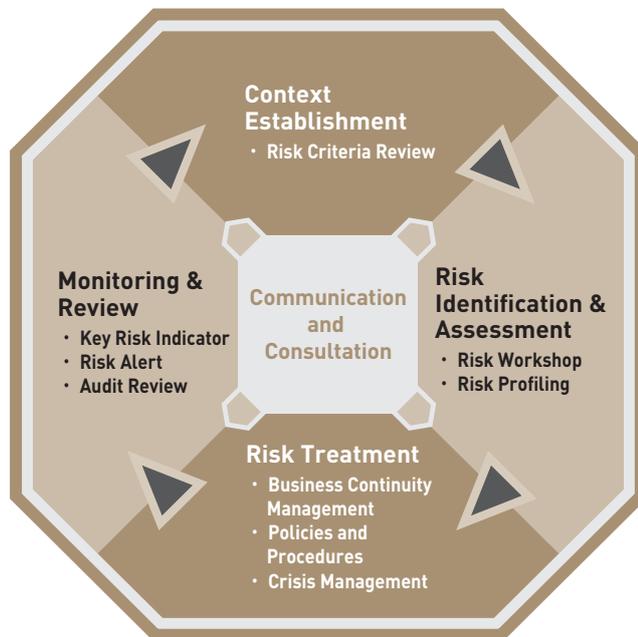
Risk Management is a process of proactively and effectively identifying and managing the Group’s risks and opportunities. The Group’s Risk Management and Corporate Services Department takes a lead in the Group’s risk management activities and helps the Group in coordinating various risk initiatives.

The Group’s second line of defense includes:

- Independent review and monitoring of the Group’s Key Risk Register
- Annual drill on Business Continuity Management plans
- Regular review of key policies and procedures

With reference to the globally recognized risk management framework, COSO (The Committee of Sponsoring Organisations of the Treadway Commission) Enterprise Risk Management Framework and ISO 31000, the Group’s risk management process includes risk identification, risk assessment, risk treatment and risk monitoring. An integrated top-down and bottom-up approach is adopted in the whole risk management process, to afford a more comprehensive view into every level of management and operations. The risk management process is designed to proactively manage and monitor risks faced by the Group’s diversified businesses.

Risks are assessed based on likelihood and consequences. To review relevant risks to the Group, different communication channels (e.g. management meetings, risk surveys) are used to collect and evaluate risks affecting the business. Risk Management and Corporate Services Department regularly monitors the Group’s risk profile, and reports to the Audit Committee at least three times a year.



## Principle Risk

Principle risks as included in the Group; Risk Register have been summarized as follows:

#	Risk Categories	Key Risks	Risk Mitigations
1	Talent recruitment and retention	The Group is engaged in people intensive industries, loss of human talent would affect the Group's ability to deliver its business objectives	<ul style="list-style-type: none"> <li>Benchmarked remuneration package to market</li> <li>Corporate with different groups such as Trade Federations and ethnic minority groups to increase the Group's exposure on job market</li> </ul>
2	Business outlook	A significant portion of the Group's businesses are in Hong Kong; changes in macro-economic environment, including any regulatory changes, would affect the Group's earnings	<ul style="list-style-type: none"> <li>Close monitoring of actual vs. target performance and revise business strategy accordingly</li> <li>Increase market penetration including diversify mix of promotion activities</li> <li>The Group is committed to complying with relevant legal regulations through staff training, compliance monitoring and consultation with external professionals</li> </ul>
3	Climate Risk	Extreme weather might cause disruption to the Group's supply chain, especially in our food & beverage businesses	<ul style="list-style-type: none"> <li>The Group have a dedicated food procurement team to closely work with kitchens and food suppliers. In addition, the Group source globally for food items diversity supply chain disruption due to climate risk</li> </ul>
4	Cyber security threat	Business operations may be adversely affected, and sensitive information may be leaked out under cyberattack by hackers or security breach due to information technology infrastructure/system failure	<ul style="list-style-type: none"> <li>Continue to monitor and improve security measures and engage external professionals to improve the system controls</li> <li>Business continuity plan and disaster recovery plan are in place to prepare for potentially disruptive events and enhance the ability to continue business operations</li> <li>For personal data protection, the Group has a stringent requirement to follow the Six Data Protection Principles introduced by the Privacy Commissioner for Personal Data</li> </ul>
5	Reputation Risk	The Group's brand and reputation may be affected by actions of the Group and its employees that deviate from market expectation	<ul style="list-style-type: none"> <li>The Group have a dedicated Corporate Communications team to manage the Group's branding strategy. In addition, the Group have an established framework on staff training to ensure proper delivery of service and product quality</li> <li>Crisis Management Group, led by the Group's senior management, is created during crisis events to ensure proper risk mitigation to protect the Group's reputation</li> </ul>

### 3rd Line of Defence — Internal Audit

The Internal Audit Department, reporting directly and independently to the Audit Committee, is responsible for carrying out analysis and independent appraisal on adequacy and effectiveness of internal control and risk management systems in accordance with its approved risk-based audit plan. Internal Audit periodically reports key findings and recommendations to Audit Committee and follows up on the implementation of its recommendations. The objective is to ensure that all material controls are in place and functioning effectively.

During 2023, Internal Audit has undertaken to provide the management with assurance that the Group's business operations and risk management practices complied with international and professional standards. With reference to the COSO internal control and risk management framework, the Group has conducted an assessment of the risk management and internal control systems against the five elements of COSO, namely control environment, risk assessment, control activities, information & communication and monitoring.

### Audit Committee and the Management

The Board has overall responsibility for the system of risk management and internal controls of the Group and has reviewed their effectiveness. Our Board has delegated the responsibility for overseeing overall risk management and internal control systems to the Audit Committee.

The Audit Committee receives regular reports from Internal Audit Department and Risk Management & Corporate Services Department. The reports include key activities conducted and issues that arose during the period covered. The Audit Committee and the management regularly discuss the nature and impact of the issues and risks to see whether appropriate mitigation measures are in place and whether further action is needed. The management is tasked with ensuring adequate resources to support implementation of the decisions. Annually, the management would confirm to the Board on the status of risk management and internal control systems in respect of their effectiveness, design, implementation and monitoring.

The Audit Committee has reviewed the financial results of the Group for the year ended 31 December 2023 and discussed with the Director of Audit, Risk & Corporate Services and independent external auditors regarding matters on auditing, internal control, risk management and financial reporting of the Group. Based on the reports submitted by both Internal Audit Department and External Auditor, the Audit Committee considered the Group's internal control and risk management framework to be adequate.

### External Auditors

The external auditors further supplement the third line of defence process by obtaining an understanding of internal controls in the course of their audit work. The external auditors would independently communicate with the Audit Committee on any significant deficiencies in internal controls.

## Auditors' Remuneration

During the year ended 31 December 2023, the fees (before out-of-pocket expenses) paid/payable to the Company's auditors, KPMG, for the provision of audit services and non-audit services are as follows:

	<b>Remuneration HK\$'000</b>
Audit services	2,625
Non-audit services:	
Interim review	450
Tax services	169
Other reporting services	333
	<hr/>
	3,577
	<hr/>

## Mode Code for Securities Transaction by Directors

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

## Shareholders' Rights

### (a) Procedures for shareholders to convene a general meeting

Pursuant to Section 566 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance"), shareholder(s) representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings of the Company can make a request to call a general meeting.

The request:

- (i) must state the general nature of the business to be dealt with at the general meeting;
- (ii) may include the text of a resolution that may properly be moved and is intended to be moved at the general meeting;
- (iii) may consist of several documents in like form;
- (iv) may be sent in hard copy form (to the Company's registered office, which is situated at 15/F, Mira Place Tower A, 132 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong for the attention of the Joint Company Secretaries) or in electronic form (via email at IR@miramar-group.com); and
- (v) must be authenticated by the person or persons making it.

Pursuant to Section 567 of the Companies Ordinance. Directors must call a general meeting within 21 days after the date on which they become subject to the requirement and the general meeting so called must be held on a date not more than 28 days after the date of the notice convening the general meeting.

Pursuant to Section 568 of the Companies Ordinance, if the Directors do not do so, the shareholders who requested the general meeting, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a general meeting. The general meeting must be called for a date not more than 3 months after the date on which the Directors become subject to the requirement to call a general meeting. The Company must reimburse any reasonable expenses incurred by the shareholders requesting the general meeting by reason of the failure of the Directors duly to call the general meeting.

**(b) Procedures for putting forward enquires to the Board**

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Joint Company Secretaries whose contact details are as follows:

15/F, Mira Place Tower A  
132 Nathan Road  
Tsim Sha Tsui  
Kowloon, Hong Kong  
Fax: (852) 2736 4975  
Email: IR@miramar-group.com

Shareholders may also make enquiries with the Board at the general meetings of the Company.

**(c) Procedures for shareholders to request circulation of resolution for annual general meeting (“AGM”)**

Pursuant to Section 615 of the Companies Ordinance, shareholder(s) can make a request to circulate a notice of a resolution that may properly be moved and is intended to be moved at an AGM. The request must be made by:

- (i) shareholder(s) representing at least 2.5% of the total voting rights of all shareholders who have a right to vote on the resolution at the AGM to which the request relates; or
- (ii) at least 50 shareholders who have a right to vote on the resolution at the AGM to which the request relates.

The request:

- (i) may be sent in hard copy form (to the Company’s registered office, which is situated at 15/F, Mira Place Tower A, 132 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong for the attention of the Joint Company Secretaries) or in electronic form (via email at IR@miramar-group.com);
- (ii) must identify the resolution of which notice is to be given;
- (iii) must be authenticated by the person or persons making it; and
- (iv) must be received by the Company not later than 6 weeks before the AGM to which the request relates or if later, the time at which notice is given of that AGM.

## Articles of Association

During the year ended 31 December 2023, there are no changes in the Company's Articles of Association.

## Shareholders' Communication Policy

The Company has maintained a Shareholders' Communication Policy which aims at promoting effective communication with the Company's shareholders and enabling them to exercise their rights in an informed manner. The Company also ensures effective and timely dissemination of information to shareholders and the investment community. As a channel to further promote effective communication, the Group maintains a website at [www.miramar-group.com](http://www.miramar-group.com) where the Company's announcements and press releases, business developments and operations, financial information, corporate governance report and other information are posted.

The full text of the Shareholders' Communication Policy, which is available on the Company's website, included channels for shareholders to communicate their views on various matters affecting the Company. In particular, Shareholders may make enquiries to the Company through the Joint Company Secretaries by email at [IR@miramar-group.com](mailto:IR@miramar-group.com) or directly by raising questions at general meetings. The Company has reviewed the Shareholders' Communication Policy during the year and the effectiveness of the Policy was confirmed.

## Report of the Directors

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 December 2023.

### Principal Activities

The principal activity of the Company is investment holding, and the principal activities of its principal subsidiaries are property rental, hotels and serviced apartments, food and beverage operation and travel operation; the particulars of which are set out in note 11 to the financial statements.

The analysis of the principal activities and geographical locations of the operations of the Company and its subsidiaries during the year ended 31 December 2023 are set out in note 9 to the financial statements.

### Group Profit

The profit of the Group for the year ended 31 December 2023 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 120 to 188.

### Dividends

An interim dividend of HK23 cents per share (2022: HK21 cents per share) was paid on 12 October 2023. The directors now recommend the payment of a final dividend of HK30 cents per share (2022: HK29 cents per share) in respect of the year ended 31 December 2023 to shareholders whose names are on the Register of Members as at 18 June 2024. Subject to the approval to be obtained at the 2024 Annual General Meeting ("AGM"), the proposed final dividend is expected to be distributed to shareholders on 11 July 2024.

### Business Review and Performance

The business review of the Group for the year ended 31 December 2023 and the discussion on the Group's future business development are set out in the sections headed "Chairman and CEO's Statement" and "Management Discussion and Analysis". Description of the principal risks and uncertainties facing the Group are set out in the section headed "Principal Risks" under "Corporate Governance Report". Particulars of important events affecting the Group since the end of the financial year end (if any) are provided in "Chairman and CEO's Statement" and "Management Discussion and Analysis". An analysis of the Group's performance during the year using financial key performance indicators is provided in the Financial Highlights on pages 2 and 3 of this Annual Report. An environmental policy of the Group has been put in place to give due consideration to environmental issues and minimise the impact of business operations of the Group on environment. Discussion on the Company's environmental policies and performance, relationships with employees, customers, suppliers and other stakeholders as well as compliance with relevant laws and regulations are in the sections headed "Environmental, Social and Governance Report". The Chairman and CEO's Statement, the Management Discussion and Analysis, the Financial Highlights, the Environmental, Social and Governance Report and the Corporate Governance Report form part of this report.

### Subsidiaries

Particulars of the principal subsidiaries of the Company as at 31 December 2023 are set out on pages 165 to 166.

## Major Customers and Suppliers

Due to the diversity and nature of the Group's activities, the aggregate percentage of the Group's sales and purchases attributable to the Group's five largest customers and suppliers respectively was less than 30%.

At 31 December 2023, none of the directors, their close associates or shareholders who, to the knowledge of the directors, own more than 5% of the Company's number of issued shares, had an interest in any of the five largest customers and suppliers. The Directors do not consider any one employee, customer, supplier and others to be influential to the Group.

## Directors

The directors who held office during the year ended 31 December 2023 and up to the date of this report were:

### Executive Directors

Dr LEE Ka Shing  
 Dr Colin LAM Ko Yin  
 Mr Richard TANG Yat Sun  
 Mr Eddie LAU Yum Chuen  
 Mr Norman HO Hau Chong

### Non-Executive Directors

Dr Patrick FUNG Yuk Bun  
 Mr Dominic CHENG Ka On

### Independent Non-Executive Directors

Dr David SIN Wai Kin (passed away on 17 April 2023)  
 Dr Timpson CHUNG Shui Ming  
 Mr Howard YEUNG Ping Leung  
 Mr Thomas LIANG Cheung Biu  
 Mr WU King Cheong  
 Mr Alexander AU Siu Kee  
 Mr Benedict SIN Nga Yan (appointed on 26 June 2023)

In accordance with Articles 77, 78 and 79 of the Company's Articles of Association or the Corporate Governance Code under the Listing Rules, Dr Colin Lam Ko Yin, Mr Richard Tang Yat Sun, Mr Norman Ho Hau Chong and Dr Timpson Chung Shui Ming shall retire by rotation at the forthcoming 2024 AGM and, being eligible, have offered themselves for re-election. Mr Benedict Sin Nga Yan, who was appointed by the Board after the Company's annual general meeting held on 8 June 2023, shall retire at the forthcoming 2024 AGM in accordance with Article 73 of the Articles of Association and, being eligible, has offered himself for re-election. The Nomination Committee has also recommended to the Board that they are eligible for re-election.

A list of directors of the subsidiaries of the Company during the year ended 31 December 2023 and up to the date of this report is kept at the Company's registered office and available for inspection by the Company's shareholders during office hours.

## Directors' Service Contracts

No director proposed for re-election at the forthcoming 2024 AGM has an unexpired service contract which is not determinable by the Company within one year without payment of compensation, other than normal statutory obligations.

## Management Contracts

No contracts (as defined in Section 543 of the Companies Ordinance (Cap. 622)) relating to the management and/or administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year.

## Disclosure of Interests

### Directors' Interests in Shares

At 31 December 2023, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

### Ordinary Shares

#### Long Positions

Name of Company	Name of Director	Personal Interests (shares)	Family Interests (shares)	Corporate Interests (shares)	Other Interests (shares)	Percentage of total issued shares
Miramar Hotel and Investment Company, Limited	Dr LEE Ka Shing	–	–	–	345,999,980 <i>(note 2)</i>	50.08%
	Mr Richard TANG Yat Sun	150,000	–	13,490,280 <i>(note 3)</i>	–	1.97%
	Dr Patrick FUNG Yuk Bun	–	–	–	10,356,412 <i>(note 4)</i>	1.50%
	Mr Dominic CHENG Ka On	9,329,568	4,800	–	–	1.35%
	Mr Thomas LIANG Cheung Biu	–	2,218,000 <i>(note 5)</i>	–	67,260 <i>(note 5)</i>	0.33%
Henderson Development Limited	Dr LEE Ka Shing	–	–	–	8,190 (Ordinary A Shares) <i>(note 7)</i>	100%
	Dr LEE Ka Shing	–	–	–	3,510 (Non-voting B Shares) <i>(note 7)</i>	100%
	Dr LEE Ka Shing	–	–	–	15,000,000 (Non-voting Deferred Shares) <i>(note 7)</i>	30%

<b>Name of Company</b>	<b>Name of Director</b>	<b>Personal Interests (shares)</b>	<b>Family Interests (shares)</b>	<b>Corporate Interests (shares)</b>	<b>Other Interests (shares)</b>	<b>Percentage of total issued shares</b>
Henderson Land Development Company Limited	Dr LEE Ka Shing	–	–	–	3,509,782,778 <i>(note 7)</i>	72.50%
	Mr Thomas LIANG Cheung Biu	–	1,019,968 <i>(note 8)</i>	–	65,849 <i>(note 8)</i>	0.02%
Henderson Investment Limited	Dr LEE Ka Shing	–	–	–	2,110,868,943 <i>(note 9)</i>	69.27%
Wealth Team Development Limited	Mr Norman HO Hau Chong	–	1 <i>(note 10)</i>	98 <i>(note 10)</i>	–	9.90%

Save as disclosed above, as at 31 December 2023, none of the directors or the chief executive of the Company or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations as defined in the SFO, other than the deemed interests of Dr Lee Ka Shing in the shares, underlying shares and debentures of the associated corporations of the Company which are solely derived from his deemed interests in Henderson Development Limited, Henderson Land Development Company Limited, Henderson Investment Limited and/or the Company and not from any separate personal interests of his own, in respect of which a waiver from strict compliance with the disclosure requirements under paragraph 13 of Appendix D2 to the Listing Rules has been applied to, and granted by the Stock Exchange.

Apart from the foregoing, at no time during the year ended 31 December 2023 was the Company or any subsidiary a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

## Substantial Shareholders' and Others' Interest

The Company has been notified of the following interests in the Company's issued shares at 31 December 2023, amounting to 5% or more of the shares in issue:

### Ordinary Shares

#### Long Positions

Substantial shareholders	Ordinary shares held	Percentage of total issued shares
Dr LEE Shau Kee	345,999,980 <i>(note 1)</i>	50.08%
Dr LEE Ka Shing	345,999,980 <i>(note 2)</i>	50.08%
Rimmer (Cayman) Limited ("Rimmer")	345,999,980 <i>(note 6)</i>	50.08%
Riddick (Cayman) Limited ("Riddick")	345,999,980 <i>(note 6)</i>	50.08%
Hopkins (Cayman) Limited ("Hopkins")	345,999,980 <i>(note 6)</i>	50.08%
Henderson Development Limited ("Henderson Development")	345,999,980 <i>(note 7)</i>	50.08%
Henderson Land Development Company Limited ("Henderson Land")	345,999,980 <i>(note 7)</i>	50.08%
Aynbury Investments Limited ("Aynbury")	345,999,980 <i>(note 7)</i>	50.08%
Higgins Holdings Limited ("Higgins")	120,735,300 <i>(note 7)</i>	17.47%
Multiglade Holdings Limited ("Multiglade")	128,658,680 <i>(note 7)</i>	18.62%
Threadwell Limited ("Threadwell")	96,606,000 <i>(note 7)</i>	13.98%
<b>Persons other than substantial shareholders</b>		
Mr CHONG Wing Cheong	68,910,652	9.97%

Save as disclosed above, as at 31 December 2023, none of the above shareholders had held any interests or short position in the shares, underlying shares or debentures of the Company or any of its associated corporation as defined in the SFO.

#### Notes:

- (1) Dr Lee Shau Kee beneficially owned all the issued shares in Rimmer, Riddick and Hopkins. By virtue of the SFO, Dr Lee Shau Kee is taken to be interested in 345,999,980 shares, which are duplicated in the interests described in Notes 2, 6 and 7.
- (2) As a director of the Company and one of the discretionary beneficiaries of two discretionary trusts holding units in a unit trust ("Unit Trust") as described in Note 6, Dr Lee Ka Shing is taken to be interested in 345,999,980 shares, which are duplicated in the interests described in Notes 1, 6 and 7, by virtue of the SFO.
- (3) All these shares were held through corporations in which Mr Richard Tang Yat Sun owned more than 30% of the issued shares.
- (4) All these shares were held by a unit trust of which Dr Patrick Fung Yuk Bun was a beneficiary.
- (5) These 2,218,000 shares, of which 1,080,000 shares were held by a trust of which Mr Thomas Liang Cheung Biu's spouse was a beneficiary and the remaining of 1,138,000 shares were held by his spouse. These 67,260 shares were held by a trust of which Mr Thomas Liang Cheung Biu was one of the trustees of the trust and Mr Thomas Liang Cheung Biu and his spouse were two of the beneficiaries.
- (6) Rimmer and Riddick, trustees of different discretionary trusts, held units in the Unit Trust. Hopkins was the trustee of the Unit Trust which beneficially owned all the issued ordinary shares in Henderson Development. These 345,999,980 shares are duplicated in the interests described in Notes 1, 2 and 7.
- (7) Henderson Development had a controlling interest in Henderson Land which was the holding company of Aynbury. The 345,999,980 shares were beneficially owned by some of the subsidiaries of Aynbury. Higgins, Multiglade and Threadwell were subsidiaries of Aynbury. These 345,999,980 shares are duplicated in the interests described in Notes 1, 2 and 6.
- (8) These 1,019,968 shares were owned by the spouse of Mr Thomas Liang Cheung Biu. These 65,849 shares were held by a trust of which Mr Thomas Liang Cheung Biu was one of the trustees of the trust and Mr Thomas Liang Cheung Biu and his spouse were two of the beneficiaries.
- (9) As a director of the Company and one of the discretionary beneficiaries of two discretionary trusts holding units in the Unit Trust, Dr Lee Ka Shing is taken to be interested in these shares by virtue of the SFO.
- (10) These shares of which 98 shares were held through corporations in which Mr Norman Ho Hau Chong owned more than 30% of the issued shares and the remaining 1 share was held by his spouse.

## Connected Transaction and Continuing Connected Transactions

The Company had the following connected and continuing connected transactions during the year ended 31 December 2023, each of which, as disclosed by way of announcement, was subject to the reporting and announcement requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules:

- (1) On 28 December 2023, Whirlwind Security Limited ("Whirlwind Security"), a wholly-owned subsidiary of the Company as consultant entered into a car park consultancy agreement with E. M. Parking Limited ("E. M. Parking") as service user (the "Henderson Parking Agreement"). Details of the terms and conditions are set out as follows:

Services	:	The consultant shall provide professional consultancy advice and manage and operate all parking spaces from Basement 2, Basement 3, Basement 4 and Basement 5 of The Henderson, 2 Murray Road, Central, Hong Kong (the "Property") (including all the ramps, drive ways and roadways providing access thereto and egress therefrom) and the Parking Service Centre on 3rd Floor of the Property (the "Parking Facility") which are owned by Henderson Land and its subsidiaries.
Term	:	Two years commencing from 1 January 2024 to 31 December 2025 (both days inclusive).
Consideration and payment of Costs-on-Account	:	The service user shall pay the Consultancy Fee and Incentive Fee (if any) (as defined below) to the consultant as consideration for the provision of services under the Henderson Parking Agreement. All costs and expenses relating to the management and operation of the Parking Facility and any other costs and expenses as may be agreed between the parties from time to time (the "Direct Operating Expenses") shall also be borne by the service user. The costs-on-account deposited by the service user with the consultant quarterly to the consultant's designated bank account in such amount as may be mutually agreed between the parties for the payment of the Direct Operating Expenses (the "Costs-on-Account") will be used by the consultant to pay for the Direct Operating Expenses as and when needed. Any remaining Costs-on-Account shall be refunded to the service user by the consultant within fourteen business days after the expiration or sooner determination of the Henderson Parking Agreement.
Consultancy Fee	:	A monthly fee at the rate of 12% of the Direct Operating Expenses.

- Incentive Fee : The incentive fee is calculated as follows:
- (i) where the Monthly Gross Revenue does not exceed HK\$1.3 million, incentive fee is 3% on the Monthly Gross Revenue over HK\$800,000.00;
  - (ii) where the Monthly Gross Revenue exceeds HK\$1.3 million, incentive fee is HK\$15,000.00 plus 4% on the Monthly Gross Revenue over HK\$1.3 million;
- provided that the aggregate amount of the Consultancy Fee and Incentive Fee payable to the consultant by the service user in any particular month shall not exceed HK\$90,000.00.
- Payment mechanism : The service user shall deposit the amount of the monthly Consultancy Fee and Incentive Fee (if any) to the consultant's designated bank account within fourteen business days after submission of the monthly financial report by the consultant.
- Termination : The Henderson Parking Agreement may be terminated:
- (i) if the service user or the consultant is in material breach of any of its obligations under the Henderson Parking Agreement;
  - (ii) forthwith without notice if either party is unable to pay its debts, make a composition with or general assignment for the benefit of its creditors, has an order made or an effective resolution passed for its winding-up, has possession taken by an encumbrance of, or a receiver appointed over, the whole or any substantial part of its assets or cease to carry on the whole or substantially the whole of its business; or
  - (iii) by either party by serving the other party a three months' advance written notice.

As E. M. Parking is an indirect wholly-owned subsidiary of Henderson Land, which in turn is a holding company of the Company, E. M. Parking is an associate of Henderson Land and thus a connected person of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). Accordingly, the entering into of the Henderson Parking Agreement constituted a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

- (2) On 28 November 2023, (1) a lease agreement (the “Shop 407A Lease Agreement”) was entered into between Shahdan Limited, a wholly-owned subsidiary of the Company (“Shahdan”) as landlord and (i) Equal Fame Limited (also operating as Equal Famme Limited), (ii) Easy Region Limited and (iii) Star Hero Investment Limited, each being an indirect wholly-owned subsidiary of Henderson Land (the “Shop 407A Tenants”) as tenant; and (2) in consideration of Shop 407A Tenants entering into the Shop 407A Lease Agreement, a licence agreement was entered into between Shahdan as licensor and the Shop 407A Tenants as licensee pursuant to which Shahdan agreed to grant and the Shop 407A Tenants agreed to take up a licence to use and occupy the Licence Area (as defined below) for pre-decoration purpose (the “Shop 407A Licence Agreement”).

Both of the Shop 407A Lease Agreement and the Shop 407A Licence Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The particulars of the Shop 407A Agreement are set out below:

- Signing date : 28 November 2023
- Parties : Shahdan as landlord  
Shop 407A Tenants as tenants
- Premises : Shop No. 407A, 4/F., Mira Place 1, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong, with gross floor area of 10,870 square feet (the “Premises”)
- Term : Fixed term of one year (the “First Year”), commencing from 1 December 2023 and expiring on 30 November 2024 (both days inclusive) or commencing from the 7th day from the date of written notification by Shahdan or its solicitor that the vacant possession of the Premises is ready for delivery
- The Shop 407A Tenants have an option to extend the term for a further one year (the “Option Year”) by serving to Shahdan not more than 7 months’ and not less than 6 months’ notice in writing prior to the expiry of the First Year (the “Renewal Notice”)
- Rent-Free Period : First 3 months commencing from the commencement date of the First Year (the “Rent-Free Period”), provided that the management fee and air-conditioning charges, government rates and promotion contribution and other outgoings shall be payable by the Tenants during the Rent-Free Period

Rent and other charges : The Shop 407A Tenants shall pay the following amounts under the Shop 407A Lease Agreement:

- (a) First Year (excluding the Rent-Free Period): HK\$652,200.00 per month (exclusive of management fee and air-conditioning charges, government rates and promotion contribution and other outgoings (if any));
- (b) Option Year (if exercised): open market monthly rent to be agreed among the parties after serving of the Renewal Notice by the Shop 407A Tenants on Shahdan, failing which, a mutually agreed single qualified surveyor shall be jointly engaged to determine the open market rent, and if the parties are unable to agree on the appointment of such surveyor, the surveyor shall be nominated by the chairman of the Hong Kong Institute of Surveyors, and the decision of such surveyor on the open market rent shall be final and binding on the parties, provided that the monthly basic rent (exclusive of management fee and air-conditioning charges, government rates and promotion contribution and other outgoings (if any)) shall not be less than HK\$652,200.00 and not more than HK\$750,030.00 as agreed under the Shop 407A Lease Agreement;
- (c) Government rates (subject to Government's review) in the amount of HK\$32,610.00 per month;
- (d) aggregate monthly management fee and air-conditioning charges in the amount of HK\$116,309.00 (subject to increase in costs of providing chilled water services and/or management services, and periodic review by Shahdan or its designated management company of the Premises); and
- (e) monthly promotion contribution, being 2.1% of the monthly rent (subject to periodic review by Shahdan).

The rent, management fees and air-conditioning charges and promotion contribution shall be payable in advance on the 1st day of each calendar month, and the Government rates shall be payable on the 1st day of January, April, July and October during the term of the lease.

User : To be used for property agency (including but not limited to the use as sales offices)

The particulars of the Shop 407A Licence Agreement are set out below:

- Signing date : 28 November 2023
- Parties : Shahdan as licensor  
Shop 407A Tenants as licensee
- Licence Area : Same location as the Premises (the “Licence Area”)
- Licence term : Period commencing from 18 August 2023 and expiring on 30 November 2023, both days inclusive
- Licence fee and other charges : HK\$1.00 for the whole term (inclusive of management fee and air-conditioning charge, government rates and promotion levy but exclusive of other outgoings)
- User : Pre-decoration purpose
- Condition : The grant of the licence is conditional upon the parties entering into the Shop 407A Lease Agreement

As the Shop 407A Tenants are an indirect wholly-owned subsidiary of Henderson Land, which in turn is a holding company of the Company, therefore the Shop 407A Tenants are connected persons of the Company under the Listing Rules. Accordingly, the Shop 407A Lease Agreement constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

- (3) (a) On 31 July 2020, Shahdan entered into the following agreements with Henderson Property Agency Limited (“HPAL”) which constituted continuing connected transactions for the Company:
- (i) A tenancy agreement (the “Tenancy Agreement”) entered into between Shahdan as landlord and HPAL as tenant; and
  - (ii) A licence agreement (the “Pillar Signage Licence Agreement”) entered into between Shahdan as licensor and HPAL as licensee.

Details of the terms and conditions of the agreements are set out as follows:

#### **Details of the Tenancy Agreement**

- Premises : Shops 501–506, 5/F., Mira Place 1, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong.
- Term : Three years commencing from 5 August 2020 to 4 August 2023, both days inclusive. Both the landlord and the tenant shall have the right to early terminate this tenancy agreement by giving a notice of not less than three months to the other party after 4 August 2022.

- Rent and other charges : (a) rent payable on a monthly basis (exclusive of Government rates, management fee, air-conditioning charges and promotion contribution) during the term is HK\$2,260,000.00;
- (b) Government rates (subject to Government's review) is HK\$100,000.00 per month;
- (c) aggregate monthly management fee and air-conditioning charges (subject to periodic review by Shahdan or its designated management company of the Premises) is HK\$435,885.70; and
- (d) monthly promotion contribution, being 2% of the monthly rent of Premises, that is HK\$45,200.00 subject to periodic review by Shahdan.

#### **Details of the Pillar Signage Licence Agreement**

- Pillar Signage Licence Area : Pillar Signage near Shop No. G02 on the Ground Floor of Mira Place 1, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong.
- Term : Three years commencing from 5 August 2020 to 4 August 2023, both days inclusive, subject to the right of early termination. The licensor shall have the right to early terminate this license agreement by giving one month's prior notice to the licensee and repossess the Pillar Signage Licence Area without any compensation to the licensee.
- Licence fee and other charges : (a) The licence fee (exclusive of electricity charges but inclusive of management fee, air-conditioning charge and rates) payable for the whole term is HK\$1,100.00; and
- (b) Electricity charges, and ongoing maintenance cost (if any) shall be borne by the licensee during the Licence Period.
- User : To be used for advertising the trade name of the licensee only.

As HPAL is an indirect wholly-owned subsidiary of Henderson Land, which in turn is a holding company of the Company, therefore HPAL is a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Tenancy Agreement and Pillar Signage Licence Agreement constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Such continuing connected transactions have expired on 4 August 2023, and were renewed under an agreement as listed under the following paragraph (3)(b).

- (3) (b) On 3 August 2023, an agreement (the “Shops 501–506 Lease and Licence”) was entered into between Shahdan as landlord and HPAL as tenant, which constituted continuing connected transactions for the Company.

Details of the terms and conditions of the Shops 501–506 Lease and Licence are set out as follows:

Premises : Shops 501–506, 5/F., Mira Place 1, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong.

Term : Three years, commencing from 5 August 2023 and expiring on 4 August 2026, both days inclusive.

Rent and other charges : (a) rent payable on a monthly basis (exclusive of management fee and air-conditioning charges, government rates and promotion contribution) during the term is HK\$2,463,400.00;

(b) Government rates (subject to Government’s review) is HK\$270,000.00 per quarter;

(c) aggregate monthly management fee and air-conditioning charges (subject to periodic review by Shahdan or its designated management company of the Premises) is HK\$452,813.30;

(d) monthly promotion contribution, being 2.1% of the monthly rent of Premises, that is HK\$51,731.40 subject to periodic review by Shahdan; and

(e) extra chilled water supply costs may be charged by Shahdan to HPAL for additional chilled water supply required by HPAL which is beyond the specified normal daily chilled water supply hours.

User : To be used for property agency.

Licence : The landlord shall grant the tenant a Licence on the usage of the Pillar Signage Licence Area for advertising the trade name of the tenant only for the period from 5 August 2023 to 4 August 2026. The landlord shall have the right to early terminate this Licence by serving one month’s prior written notice to the Tenant.

Licence fee : The licence fee (exclusive of electricity charges but inclusive of management fee, air-conditioning charge and rates) during the term is HK\$1,232.00 per month.

As HPAL is an indirect wholly-owned subsidiary of Henderson Land, which in turn is a holding company of the Company, therefore HPAL is a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Shops 501-506 Lease and Licence constituted continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

- (4) (a) On 30 July 2021, Whirlwind Security as consultant entered into a car park consultancy agreement with E. M. Parking as service user (the “H Zentre Parking Agreement”). Details of the terms and conditions are set out as follows:

Services : The consultant shall provide professional consultancy advice and manage and operate all parking spaces from B3 Floor to 6th Mezzanine Floor of H Zentre, 15 Middle Road, Tsimshatsui, Kowloon, Hong Kong (the “Property”) (including all the ramps, drive ways and roadways providing access thereto and egress therefrom) and the Parking Service Centre on 1st Floor of the Property (the “Parking Facility”) which are owned by Henderson Land and its subsidiaries.

Term : Two years commencing from 1 August 2021 to 31 July 2023 (both days inclusive).

Consideration and : The service user shall pay the Consultancy Fee and Incentive Fee (if any) (as payment of defined below) to the consultant as consideration for the provision of Costs-on- services under the H Zentre Parking Agreement. All costs and expenses relating to the management and operation of the Parking Facility and any Account other costs and expenses as may be agreed between the parties from time to time (the “Direct Operating Expenses”) shall also be borne by the service user. The costs-on-account deposited by the service user with the consultant quarterly to the consultant’s designated bank account in such amount as may be mutually agreed between the parties for the payment of the Direct Operating Expenses (the “Costs-on-Account”) will be used by the consultant to pay for the Direct Operating Expenses as and when needed. Any remaining Costs-on-Account shall be refunded to the service user by the consultant within fourteen business days after the expiration or sooner determination of the H Zentre Parking Agreement.

Consultancy Fee : A monthly fee at the rate of 12% of the Direct Operating Expenses.

Incentive Fee : The incentive fee is calculated as follows:

- (i) where the Monthly Gross Revenue does not exceed HK\$2 million, incentive fee is 3% on the Monthly Gross Revenue over HK\$1.2 million;
- (ii) where the Monthly Gross Revenue exceeds HK\$2 million, incentive fee is HK\$24,000.00 plus 4% on the Monthly Gross Revenue over HK\$2 million;

provided that the aggregate amount of the Consultancy Fee and Incentive Fee payable to the consultant by the service user in any particular month shall not exceed HK\$90,000.00.

Payment mechanism : The service user will deposit the amount of the monthly Consultancy Fee and Incentive Fee (if any) to the consultant's designated bank account within fourteen business days after submission of the monthly financial report by the consultant.

Termination : The H Zentre Parking Agreement may be terminated:

- (i) if the service user or the consultant is in material breach of any of its obligations under the H Zentre Parking Agreement;
- (ii) forthwith without notice if either party is unable to pay its debts, make a composition with or general assignment for the benefit of its creditors, has an order made or an effective resolution passed for its winding-up, has possession taken by an encumbrance of, or a receiver appointed over, the whole or any substantial part of its assets or cease to carry on the whole or substantially the whole of its business; or
- (iii) by either party by serving the other party a three months' advance written notice.

As E. M. Parking is an indirect wholly-owned subsidiary of Henderson Land, which in turn is a holding company of the Company, E. M. Parking is an associate of Henderson Land and thus a connected person of the Company under the Listing Rules. Accordingly, the entering into of the H Zentre Parking Agreement constituted continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

Such continuing connected transaction has expired on 31 July 2023, and was renewed under a new agreement as listed under the following paragraph (4)(b).

- (4) (b) On 25 July 2023, Whirlwind Security as consultant entered into a car park consultancy agreement with E. M. Parking as service user (the "New H Zentre Parking Agreement"). Details of the terms and conditions are set out as follows:

Services : The consultant shall provide professional consultancy advice and manage and operate all parking spaces from B3 Floor to 6th Mezzanine Floor of H Zentre, 15 Middle Road, Tsimshatsui, Kowloon, Hong Kong (the "Property") (including all the ramps, drive ways and roadways providing access thereto and egress therefrom) and the Parking Service Centre on 1st Floor of the Property (the "Parking Facility") which are owned by Henderson Land and its subsidiaries.

Term : Two years commencing from 1 August 2023 to 31 July 2025 (both days inclusive).

- Consideration and : The service user shall pay the Consultancy Fee and Incentive Fee (if any) (as  
 payment of defined below) to the consultant as consideration for the provision of  
 Costs-on- services under the New H Zentre Parking Agreement. All costs and  
 Account expenses relating to the management and operation of the Parking Facility  
 and any other costs and expenses as may be agreed between the parties  
 from time to time (the "Direct Operating Expenses") shall also be borne by  
 the service user. The costs-on-account deposited by the service user with  
 the consultant quarterly to the consultant's designated bank account in  
 such amount as may be mutually agreed between the parties for the  
 payment of the Direct Operating Expenses (the "Costs-on-Account") will  
 be used by the consultant to pay for the Direct Operating Expenses as  
 and when needed. Any remaining Costs-on-Account shall be refunded to  
 the service user by the consultant within fourteen business days after the  
 expiration or sooner determination of the New H Zentre Parking  
 Agreement.
- Consultancy Fee : A monthly fee at the rate of 12% of the Direct Operating Expenses.
- Incentive Fee : The incentive fee is calculated as follows:
- (i) where the Monthly Gross Revenue does not exceed HK\$2 million,  
 incentive fee is 3% on the Monthly Gross Revenue over HK\$1.2  
 million;
  - (ii) where the Monthly Gross Revenue exceeds HK\$2 million, incentive  
 fee is HK\$24,000.00 plus 4% on the Monthly Gross Revenue over  
 HK\$2 million;
- provided that the aggregate amount of the Consultancy Fee and Incentive  
 Fee payable to the consultant by the service user in any particular month  
 shall not exceed HK\$90,000.00.
- Payment : The service user will deposit the amount of the monthly Consultancy Fee  
 mechanism and Incentive Fee (if any) to the Consultant's designated bank account  
 within fourteen business days after submission of the monthly financial  
 report by the Consultant.
- Termination : The New H Zentre Parking Agreement may be terminated:
- (i) if the service user or the Consultant is in material breach of any of its  
 obligations under the New H Zentre Parking Agreement;
  - (ii) forthwith without notice if either Party is unable to pay its debts, make  
 a composition with or general assignment for the benefit of its  
 creditors, has an order made or an effective resolution passed for its  
 winding-up, has possession taken by an encumbrance of, or a  
 receiver appointed over, the whole or any substantial part of its  
 assets or cease to carry on the whole or substantially the whole of its  
 business; or
  - (iii) by either Party by serving the other party a three months' advance  
 written notice.

As E. M. Parking is an indirect wholly-owned subsidiary of Henderson Land, which in turn is a holding company of the Company, E. M. Parking is an associate of Henderson Land and thus a connected person of the Company under the Listing Rules. Accordingly, the entering into of the New H Zentre Parking Agreement constituted continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

- (5) (a) On 25 May 2021, a tenancy agreement (the “Shops B109–113 Tenancy”) was entered into between Shahdan as landlord and HPAL as tenant, whereby Shahdan agreed to let to HPAL the premises upon the terms as detailed below:

Premises : Shops B109–113, B1/F., Mira Place 1, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong.

Term : One year and nine months and seventeen days, commencing from 15 June 2021 and expiring on 31 March 2023, both days inclusive, or the 7th day(s) from the date of written notification by the Landlord or its solicitor that the vacant possession of the Premises is ready for delivery (“Lease Commencement Date”).

Rent-free period : No rent shall be payable by the tenant for the initial period of one and a half months starting from and inclusive of the Lease Commencement Date provided that the management fee and air-conditioning charges, government rates and promotion contribution and other outgoings shall still be paid by the tenant during the rent-free period.

Rent and other charges : (a) rent payable on a monthly basis (exclusive of management fee and air-conditioning charges, government rates and promotion contribution) during the term is HK\$890,000.00;

(b) Government rates (subject to Government’s review) is HK\$44,500.00 per month;

(c) aggregate monthly management fee and air-conditioning charges (subject to periodic review by Shahdan or its designated management company of the Premises) is HK\$163,934.80;

(d) monthly promotion contribution, being 2% of the monthly rent of Premises, that is HK\$17,800.00 subject to periodic review by Shahdan; and

(e) Extra chilled water supply costs may be charged by Shahdan to HPAL for additional chilled water supply required by HPAL which is beyond the specified normal daily chilled water supply hours.

User : To be used for property agency.

As HPAL is an indirect wholly-owned subsidiary of Henderson Land, which in turn is a holding company of the Company, therefore HPAL is a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Shops B109–113 Lease constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Such continuing connected transaction has expired on 31 March 2023, and was renewed under a new agreement as listed under the following paragraph (5)(b).

- (5) (b) On 30 March 2023, a tenancy agreement (the “New Shops B109–113 Tenancy”) was entered into between Shahdan as landlord and HPAL as tenant, whereby Shahdan agreed to let to HPAL the premises upon the terms as detailed below:

Premises : Shops B109–113, B1/F., Mira Place 1, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong

Term : One year, commencing from 1 April 2023 and expiring on 31 March 2024, both days inclusive.

Rent and other charges : (a) rent payable on a monthly basis (exclusive of management fee and air-conditioning charges, government rates and promotion contribution) during the term is HK\$890,000.00;

(b) Government rates (subject to Government’s review) is HK\$24,250.00 per month;

(c) aggregate monthly management fee and air-conditioning charges (subject to periodic review by Shahdan or its designated management company of the Premises) is HK\$170,301.20;

(d) monthly promotion contribution, being 2.1% of the monthly rent of Premises, that is HK\$18,690.00 subject to periodic review by Shahdan; and

(e) extra chilled water supply costs may be charged by Shahdan to HPAL for additional chilled water supply required by HPAL which is beyond the specified normal daily chilled water supply hours.

User : To be used for property agency.

As HPAL is an indirect wholly-owned subsidiary of Henderson Land, which in turn is a holding company of the Company, therefore HPAL is a connected person of the Company under the Listing Rules. Accordingly, the entering into of the New Shops B109–113 New Tenancy constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

- (6) On 5 October 2022, Shahdan as tenant entered into a confirmation of sub-lease (“New Sub-Lease”) with IFC Development Limited (“Landlord”), as landlord, in relation to the leasing of the ifc Premises (as defined below) for the use of operating two up-market Chinese restaurants trading under the names of “Cuisine Cuisine 國金軒” and “Chinesology 唐述” respectively. Details of the terms of the New Sub-Lease are set out below:

Premises	:	Shop Nos. 3101–3107 on Level Three of ifc Mall (“ifc Premises”).
Term	:	4 years and 11 months commencing from 7 July 2022 to 6 June 2027 (both days inclusive).
Rent	:	A basic rent (“Basic Rent”) of (i) HK\$878,405.00 per calendar month for the first two years, (ii) HK\$958,260.00 per calendar month for the third and fourth year and (iii) HK\$1,038,115.00 per calendar month for the last eleven months of the lease term, plus additional monthly rent being the sum equivalent to 11% of the Gross Receipts (as defined below) of the relevant month during the lease term which exceeds the Basic Rent payable for that relevant month (“Turnover Rent”) (exclusive of rates, air-conditioning and management charges, promotional levy and all other outgoings (if any)). “Gross Receipts” means the gross amount of all sums billed or received in the course of Shahdan’s business conducted at the ifc Premises and all other income deriving from or received in the course of the business at the ifc Premises (including any on-line or e-shopping business conducted on or from the ifc Premises and any transactions conducted at the ifc Premises through electronic devices) and all other income deriving from or in respect of the ifc Premises.
Payment term	:	The Basic Rent shall be payable in advance by Shahdan to the Landlord on the first day of each calendar month. The Turnover Rent (if applicable) shall be payable by Shahdan to the Landlord on the fifteenth day of the following month.
Rent deposit	:	A rental deposit in the sum of HK\$4,712,730.60 (equivalent to the aggregate of the highest pre-determined Basic Rent, air-conditioning and management charges, government rates (or, if applicable, provisional rates) and promotional levy currently payable in respect of the ifc Premises for three months and subject to review by the Landlord when there is any increase in the aforesaid charges during the lease term) is payable by Shahdan to the Landlord and subject to the terms of the New Sub-Lease, and is refundable to Shahdan without interest within forty-five days after the expiry or sooner determination of the New Sub-Lease and delivery of vacant possession of the ifc Premises.
Other charges	:	The aggregate of the air-conditioning and management charges and promotional levy payable by Shahdan in advance on the first day of each calendar month in respect of the New Sub- Lease shall be HK\$498,295.20 per month (subject to review by the Landlord from time to time). Extra air-conditioning charges may also be applied if air-conditioning supply is required by Shahdan outside of 10 a.m. to 10 p.m. from Monday to Sunday.

In connection with the New Sub-Lease, on 5 October 2022, Shahdan (as licensee) also executed two licence agreements (“Licence Agreements”) with the Landlord (as the licensor) in respect of the grant of the use of certain floor space on Level Three of the ifc Mall near the ifc Premises to Shahdan for the same period as the New Sub-Lease at a consideration of HK\$1.00 under each of the Licence Agreements for the use of decoration of the licenced area in connection with Shahdan’s restaurant business at the ifc Premises.

As the landlord is an associate of Henderson Land which in turn is the holding company of the Company, the landlord is a connected person of the Company under the Listing Rules. Therefore, the entering into of the New Lease together with the Licence Agreements constituted a one-off connected transaction and a continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

- (7) On 9 June 2022, a tenancy agreement (the “Tenancy Agreement”) was entered into between Shahdan as landlord and Century Time Holdings Limited (“Century Time”) as tenant, whereby Shahdan agreed to let to Century Time the premises upon the terms as detailed below:

Premises : Units Nos. 901–04 & 18 on the 9th Floor of Mira Place Tower A, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong.

Term : 3 years commencing from the Term Commencement Date (tentatively from 10 June 2022 to 9 June 2025, both dates inclusive).

Rent-free period : 92 days from and inclusive of the Term Commencement Date, and the tenant shall pay the management fee and air-conditioning charges, government rates and other outgoings during the rent-free period.

Rent and other charges : (a) rent payable on a monthly basis (exclusive of management fee and air-conditioning charges and government rates) during the term is as follows:

- (i) Year 1 of the Term: monthly rent: HK\$473,460.00;
- (ii) Year 2 of the Term: monthly rent: HK\$522,020.00;
- (iii) Year 3 of the Term: monthly rent: HK\$558,440.00;

(b) Government rates (subject to Government’s review) is HK\$83,766.00 per quarter;

(c) aggregate monthly management fee and air-conditioning charges (subject to periodic review by Shahdan or its designated management company of the Premises) is HK\$99,548.00; and

(d) Fitting-out fee and debris disposal charge:

One-off HK\$12,140.00 vetting fee and HK\$60,700.00 debris removal fee.

- Rental Deposit : HK\$2,057,730.00 being a sum equivalent to 3 months' highest rent, management fee, air-conditioning charges and government rates.
- Reinstatement Deposit : HK\$342,955.00 (equivalent to half month's highest rent, management fee, air-conditioning charges and government rates) which will be refunded without interest within 30 days after Century Time's completion of the reinstatement work at the Premises to Shahdan's satisfaction at the expiration or sooner determination of the Tenancy Agreement.
- Payments : Rent, management fee and air-conditioning charges to be paid in advance on the first day of each calendar month, and the government rates to be paid on the first day of January, April, July and October.

Century Time is a wholly-owned subsidiary of Hong Kong Ferry (Holdings) Company Limited ("Hong Kong Ferry"). Henderson Land is a substantial shareholder of Hong Kong Ferry, which indirectly holds approximately 33.41% of the issued shares of Hong Kong Ferry. Henderson Land is also a holding company of the Company holding approximately 50.08% of the issued shares of the Company. Therefore, Century Time, being a wholly-owned subsidiary of Hong Kong Ferry and an associate of Henderson Land, is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions under the Tenancy Agreement constitute continuing connected transactions of the Company under the Listing Rules.

- (8) On 9 November 2021, a tenancy agreement (the "Tenancy Agreement") was entered into between Shahdan as landlord and Union Medical Centre Limited ("Union Medical") as tenant, whereby Shahdan agreed to let to Union Medical the premises upon the terms as detailed below:

- Premises : Units 1801-07 and 1812-18 on 18th Floor, Mira Place Tower A, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong.
- Term : Three years, commencing from 1 February 2022 to 31 January 2025 (both days inclusive). Both the landlord and the tenant shall have the right to early terminate this tenancy agreement by giving a notice of not less than one month to the other party.
- Rent-free period : No rent shall be payable by the tenant for the initial period of 74 days starting from and inclusive of the lease commencement date provided that the management fee and air-conditioning charges, government rates and other outgoings shall still be paid by the tenant during the rent-free period.

Rent and other charges : The rent payable on a monthly basis (exclusive of government rates, management fee and air-conditioning charges) (payable in advance on the 1st day of each month) during the term is HK\$1,469,000.00;

The aggregate monthly management fee and air-conditioning charges (subject to the periodic review or revision by Shahdan or its designated property manager) (payable in advance on the 1st day of each month) is HK\$237,978.00; and

Extra chilled water supply costs may be charged by Shahdan to Union Medical for additional chilled water supply required by Union Medical which is beyond the specified normal daily chilled water supply hours.

User : To be used as a clinic only to be staffed by any combination of the specialist physicians specializing in Surgery, Cardiology, Urology, Chest Specialist, Orthopaedics, Obstetrics & Gynaecology, Ophthalmology, and Ear, Nose, Throat Surgery, Plastic and Cosmetic Surgery, Dermatology & Surgery, Health Check, Endoscopy Clinic, IVF Laboratory & Reproductive Medicine Centre, Child Assessment Clinic, Medical Imaging Centre, Dental Clinic, Internal Medicine, Conference Room.

Union Medical is a company indirectly controlled by the private trusts of the family of Dr Lee Shau Kee, a substantial shareholder of the Company. Accordingly, Union Medical is a connected person of the Company thereby rendering the Tenancy Agreement a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

- (9) On 5 December 2013, a lease (the "Mira Moon Lease Agreement") was entered into between Intelligent House Limited as landlord (the "Landlord") and Mira Moon Limited, a wholly-owned subsidiary of the Company, as tenant (the "Tenant"), whereby the tenant had agreed to lease from the landlord the premises upon the terms as detailed below:

Premises : the Premises, being the remaining portion of section A of Marine Lot No. 436 together with a building now known as "MIRA MOON" located at No. 388 Jaffe Road, Wanchai, Hong Kong.

Term : 10 years and 6 months, commencing from 21 November 2013 to 20 May 2024 (both days inclusive).

Termination by sale and redevelopment : If, at any time during the Term, the Landlord shall resolve to (i) sell the Premises or any part of it; (ii) assign any of its rights and interests in the Premises or any part of it to any third party(ies); or (iii) re-develop the Premises or any part of it by demolition, rebuilding, renovation, refurbishment or otherwise, the Landlord shall have the right upon giving 6 months written notice to the Tenant to terminate the Mira Moon Lease Agreement; provided that such notice of termination shall not be given by the Landlord to the Tenant on or before the expiry date of the 5th year of the Term (i.e. on or before 30 June 2018).

Rent : A base rent of HK\$1,320,000.00 per month (the "Base Rent") plus the Additional Rent, which is calculated in the following manner:

Additional Rent

The Additional Rent in respect of each and every year of the Term (the "Relevant Year") for the Term ("Annual Additional Rent") shall be:

- (i) where the Gross Annual Room Revenue is less than or equal to HK\$80,000,000.00, the amount of the Additional Rent payable shall be 22.5% of the Gross Annual Room Revenue exceeding HK\$15,840,000.00 for the Relevant Year; or
- (ii) where the Gross Annual Room Revenue is more than HK\$80,000,000.00 but less than or equal to HK\$100,000,000.00, the amount of the Additional Rent payable shall be 25% of the Gross Annual Room Revenue exceeding HK\$15,840,000.00 for the Relevant Year; or
- (iii) where the Gross Annual Room Revenue is more than HK\$100,000,000.00 but less than or equal to HK\$130,000,000.00, the amount of the Additional Rent payable shall be 27.5% of the Gross Annual Room Revenue exceeding HK\$15,840,000.00 for the Relevant Year; or
- (iv) where the Gross Annual Room Revenue is more than HK\$130,000,000.00, the amount of the Additional Rent payable shall be 30% of the Gross Annual Room Revenue exceeding HK\$15,840,000.00 for the Relevant Year.

If the amount of Annual Additional Rent calculated based on the above formula is a negative figure, then no Annual Additional Rent shall be payable by the Tenant to the Landlord for that Relevant Year.

The Annual Additional Rent in respect of any Relevant Year shall be paid annually in arrears by the Tenant to the Landlord within 90 days immediately following the end of the Relevant Year subject to the terms and conditions of the Mira Moon Lease Agreement.

Food and Beverage charges : The Tenant shall pay to the Landlord 15% of the monthly Food and Beverage Revenue of the Tenant's business at the Food and Beverage Outlets without any deduction (the "Food and Beverage Charges").

Provisional Food and Beverage Charges in respect of any calendar month shall be paid in arrears by the Tenant in respect of the monthly Food and Beverage Revenue of the Tenant's business during the relevant calendar month by the 15th day of the immediately following calendar month.

Within 90 days after the expiration of each calendar year, the Tenant shall supply a statement certified by its auditors or external accountants (the "Certified Statement") as to the actual amount of the Food and Beverage Revenue for the relevant calendar year.

If the actual sum paid as provisional Food and Beverage Charges payable for any calendar month is less than the actual Food and Beverage Charges payable for the relevant calendar month calculated based on the Certified Statement, the shortfall shall be paid by the Tenant to the Landlord within 30 days of the Landlord's notice to the Tenant on such shortfall. If the actual sum paid as provisional Food and Beverage Charges payable for any calendar month is more than the actual Food and Beverage Charges payable for the relevant calendar month calculated based on the Certified Statement, such excess sum shall be refunded by the Landlord to the Tenant within 30 days of the Landlord's receipt of the Certified Statement.

Rates, outgoing and other charges : The Tenant shall pay and discharge all rates, taxes, assessments, duties, impositions, charges and outgoing levied on the Premises by the Government of Hong Kong or other lawful authority, save that the Government rent and property tax in respect of the Premises shall be paid by the Landlord.

The Tenant shall also pay to the suppliers and indemnify the Landlord against all deposits and charges in respect of electricity, gas, water and telephone and other services consumed or used at or in relation to the Premises.

Deposit : A sum of HK\$1,320,000.00 payable by the Tenant to the Landlord on the signing of the Mira Moon Lease Agreement.

Rent-free period : Three respective rent free periods for a total of 6 months during the Term as follows:

- (i) the 3rd and 4th months of the Term (i.e. commencing from 21 January 2014 to 20 March 2014 (both days inclusive));
- (ii) the 15th and 16th months of the Term (i.e. commencing from 21 January 2015 to 20 March 2015 (both days inclusive)); and
- (iii) the 27th and 28th months of the Term (i.e. commencing from 21 January 2016 to 20 March 2016 (both days exclusive));

during which the Tenant shall not be obliged to pay the Base Rent but shall pay the rates, all outgoings and utility charges in respect of the Premises.

The Gross Annual Room Revenue received by the Tenant during each of the rent-free periods will be counted for the purpose of calculation of the Additional Rent for that relevant year of the Term and the Tenant shall also pay to the Landlord the Food and Beverage Charges during the rent-free periods.

Usage : To use the Premises for the purpose of a high class hotel and providing such types of services that are normally provided by other high class hotels in Hong Kong.

Commencement of business at the Premises : The Tenant shall commence business as a hotel at the Premises on or before 21 November 2013.

Opening contribution : The Landlord shall contribute a sum in a total amount of HK\$9.7 million towards the actual cost incurred by the Tenant in setting up a first class design hotel at the Premises and such Opening Contribution shall be paid by the Landlord to the Tenant within 60 days after signing of the Mira Moon Lease Agreement by the Tenant.

Transfer of restaurant licence : At the expiration or sooner determination of the Term, the Tenant shall at the request of the Landlord assign or transfer or procure to assign or transfer the general restaurant licence and the liquor licence or related licences (collectively the "Licences") for operating the then existing Food and Beverage Outlets at the Premises to the Landlord or such person or corporation nominated by the Landlord without any consideration, compensation or payment. The Tenant shall not transfer or assign the Licences to any person or corporation for consideration or otherwise during the Term without the consent of the Landlord. All charges relating to the aforesaid assignment or transfer of the Licences shall be borne by the Landlord.

Transfer of hotel licence : At the expiration or sooner determination of the Term, the Tenant shall at the request of the Landlord assign or transfer or procure and ensure the assignment or transfer of the hotel licence used in the operation of the Premises as a hotel (the "Hotel Licence") to the Landlord or such person or corporation nominated by the Landlord without any consideration, compensation or payment. Without the consent of the Landlord, the Tenant or the holder of the Hotel Licence shall not transfer or assign the Hotel Licence to any person or corporation for consideration or otherwise. All charges relating to the aforesaid assignment or transfer of the Hotel Licence shall be borne by the Landlord.

As the Landlord is an indirect wholly-owned subsidiary of Henderson Land, which in turn is a holding company of the Company, therefore the Landlord is a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Mira Moon Lease Agreement constituted a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

Since Dr Lee Ka Shing, being Director, through companies indirectly controlled by the private trusts of the family of Dr Lee Shau Kee, are deemed to be interested in the shares in Henderson Land and Union Medical, they both have material interest in all of the above transactions.

#### **Annual review of Continuing Connected Transactions**

The independent non-executive directors of the Company have reviewed the above-mentioned continuing connected transactions and confirmed that they have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms; and
- (iii) in accordance with the above relevant agreements governing them which terms are fair and reasonable and in the interests of the Company's shareholders as a whole.

The independent non-executive directors confirmed the above based mainly on the confirmation offered by the Company's Director of Audit, Risk & Corporate Services.

The auditors of the Company have reviewed the above-mentioned continuing connected transactions and confirmed in writing to the board of directors of the Company that they:

- (i) have received the approval of the board of directors of the Company;
- (ii) are in accordance with the pricing policies of the Group;
- (iii) have been entered into in accordance with the terms of the above relevant agreements governing the transactions; and
- (iv) have not exceeded the relevant cap amounts of such transactions as disclosed in the relevant announcements for the year ended 31 December 2023.

## Directors' Interests in Transactions, Arrangements or Contracts

Apart from the material interest that some of the directors and their connected entity held in the contracts under the paragraph of the Connected Transaction and Continuing Connected Transactions, there were no other transactions, arrangements or contracts of significance which subsisted during or at the end of the financial year in which the Company, any of its holding companies, subsidiaries or fellow subsidiaries was a party and in which a director was interested, directly or indirectly, and the director's interest was material.

## Directors' and Management Emoluments

Particulars of directors' emoluments and the five highest paid individuals in the Group are set out in notes 5 and 6 respectively to the financial statements.

## Share Option Schemes

The Company and its subsidiaries have no share option schemes.

## Arrangements to Purchase Shares or Debentures

At no time during the year ended 31 December 2023 was the Company, any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## Directors' Interests in Competing Business

The following directors are considered to have interests in businesses which compete or are likely to compete with the businesses of the Group pursuant to the Listing Rules:

1. Dr Lee Ka Shing and Dr Colin Lam Ko Yin are also directors of Henderson Development and Henderson Land which, through their subsidiaries, are also engaged in the businesses of property investment and other related services.
2. Dr Colin Lam Ko Yin, Mr Eddie Lau Yum Chuen and Mr Norman Ho Hau Chong are also directors of Hong Kong Ferry (Holdings) Company Limited ("HK Ferry"), the principal activities of this group include property development and property investment.
3. Dr Lee Ka Shing is also treated to have deemed interest in Henderson Development, Henderson Land and HK Ferry by virtue of the Securities and Futures Ordinance, Chapter 571.

As the board of directors of the Company is independent from the boards of the above-mentioned companies and none of the above directors controls the board of the Company, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of those companies.

## Permitted Indemnity Provision

The Company's Articles of Association provides that every director shall be indemnified out of the fund of the Company against all liabilities incurred by him as such Director in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application under the Ordinance in which relief from liability is granted to him by the Court. The Company and its subsidiaries have taken out and maintained directors' liability insurance throughout the year, which provides appropriate cover for the Directors and directors of the subsidiaries of the Group.

### **Distributable Reserves**

The Company's reserves available for distribution to shareholders as at 31 December 2023 amounted to HK\$5,162,781,000 (2022: HK\$5,003,469,000).

### **Charitable Donations**

Donations made by the Group during the year ended 31 December 2023 amounted to HK\$52,000 (2022: HK\$144,000).

### **Investment Properties, Other Property, Plant and Equipment**

Details of movements in investment properties, other property, plant and equipment are set out in note 10 to the financial statements.

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

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

### **Shares Issued and Share Capital**

Details of the share capital during the year ended 31 December 2023 are set out in note 22(b) to the financial statements.

### **Equity-linked Agreements**

For the year ended 31 December 2023, the Company has not entered into any equity-linked agreement, which will or may result in the Company issuing shares.

### **Bank Loans and Other Borrowings**

Particulars of bank loans and other borrowings of the Company and the Group at 31 December 2023 are set out in note 19 to the financial statements.

### **Particulars of Debt Securities, Convertible Securities or Options Issued by the Company and its Subsidiaries**

The Company and its subsidiaries have not issued, during the year ended 31 December 2023, any debt securities, convertible securities or options.

### **Borrowing Cost Capitalisation**

No borrowing cost was capitalised by the Company and its subsidiaries during the year ended 31 December 2023 (2022: nil).

### **Public Float**

As at the date of this report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the directors.

## Group's Five-Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 189.

## Group Properties

Particulars of the major properties and property interests of the Group are shown on pages 190 to 191.

## Employees

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

## Training and Development

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

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

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

## Audit Committee

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

## Auditor

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditor of the Company until the conclusion of the next AGM is to be proposed at the forthcoming 2024 AGM.

## Corporate Governance

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 68 to 85 of this Annual Report.

## Forward-Looking Statements

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

By Order of the Board

**LEE KA SHING**

*Chairman and CEO*

Hong Kong, 19 March 2024



## Independent auditor's report to the members of Miramar Hotel and Investment Company, Limited

*(Incorporated in Hong Kong with limited liability)*

### Opinion

We have audited the consolidated financial statements of Miramar Hotel and Investment Company, Limited (the "Company") and its subsidiaries (the "Group") set out on pages 120 to 188, which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

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

### Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the 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 matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter.

**Key audit matter** (Continued)**Valuation of investment properties**

Refer to the accounting policy at note 1(h) and note 10 to the consolidated financial statements

**The Key Audit Matter**

The fair value of the Group's investment properties as at 31 December 2023 totalled HK\$15,315 million which represented 70% of the Group's total assets as at that date.

The fair value of the Group's investment properties as at 31 December 2023 was assessed by the board of directors based on valuations prepared by an external firm of surveyors. The net increase in fair value of investment properties recorded in the consolidated statement of profit or loss for the year ended 31 December 2023 amounted to HK\$159.5 million.

The Group's investment properties, which are located in Hong Kong and first tier cities in Mainland China, comprise shopping malls, office premises, residential premises, retail shops and car parking bays.

We identified assessing the valuation of investment properties as a key audit matter because of the significance of investment properties to the Group's total assets and the significance of the changes in fair value of investment properties to the Group's profit before taxation and because the valuation of investment properties can be inherently subjective and requires the exercise of significant judgement and estimation, in particular in determining the appropriate valuation methodology, capitalisation rates and market rents, which increases the risk of error or management bias.

**How the matter was addressed in our audit**

Our audit procedures to assess the valuation of investment properties included the following:

- obtaining and inspecting the valuation report prepared by the external surveyors engaged by the Group on which the directors' assessment of valuation of investment properties was based;
- assessing the competence, capabilities and objectivity of the external surveyors;
- with the assistance of our internal property valuation specialists and utilising their industry knowledge and experience, discussing with the external surveyors, without the presence of management, evaluating the appropriateness of their valuation methodologies with reference to the prevailing accounting standards; and assessing the reasonableness of capitalisation rates and market rents adopted by comparing with available market data; and
- comparing tenancy information, including committed rents and occupancy rates, provided by the Group to the external surveyors with underlying contracts and related documentation, on a sample basis.

## Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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 for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the 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 are assisted by the Audit Committee in discharging their responsibilities 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. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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 HKSAs 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.

## Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism 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.
- 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 identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and 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.

**Auditor's responsibilities for the audit of the consolidated financial statements** (Continued)

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 period 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 this independent auditor's report is Chan Tak Kei.

**KPMG**

*Certified Public Accountants*

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

19 March 2024

## Consolidated statement of profit or loss

for the year ended 31 December 2023

	Note	2023 HK\$'000	2022 HK\$'000
<b>Revenue</b>	9	<b>2,552,594</b>	1,382,231
Cost of food and beverage		<b>(150,743)</b>	(102,689)
Staff costs	3(a)	<b>(512,427)</b>	(411,606)
Utilities, repairs and maintenance and rent		<b>(132,190)</b>	(111,319)
Tour and ticketing costs		<b>(790,753)</b>	(77,419)
<b>Gross profit</b>		<b>966,481</b>	679,198
Other revenue and non-operating net (loss)/gain		<b>300,134</b>	153,934
Operating and other expenses	3(c)	<b>(228,698)</b>	(170,037)
Depreciation	10(a)	<b>(67,212)</b>	(57,783)
		<b>970,705</b>	605,312
Finance costs	3(b)	<b>(2,268)</b>	(2,140)
Share of profits less losses of associates	12	<b>176</b>	178
		<b>968,613</b>	603,350
Net increase/(decrease) in fair value of investment properties	10(a)	<b>159,532</b>	(23,159)
<b>Profit before taxation</b>	3	<b>1,128,145</b>	580,191
<b>Taxation</b>			
Current	4(a)	<b>(86,209)</b>	(72,885)
Deferred	4(a)	<b>(24,629)</b>	(18,766)
<b>Profit for the year</b>		<b>1,017,307</b>	488,540
<b>Attributable to:</b>			
Shareholders of the Company		<b>977,136</b>	480,104
Non-controlling interests		<b>40,171</b>	8,436
		<b>1,017,307</b>	488,540
<b>Earnings per share</b>			
Basic	8(a)	<b>HK\$1.41</b>	HK\$0.69
Diluted	8(a)	<b>HK\$1.41</b>	HK\$0.69

The notes on pages 129 to 188 form part of these financial statements. Details of dividends payable to shareholders of the Company are set out in note 7(a).

## Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2023

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

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

The notes on pages 129 to 188 form part of these financial statements.

## Consolidated statement of financial position

at 31 December 2023

	<i>Note</i>	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
<b>Non-current assets</b>			
Investment properties	10(a)	<b>15,314,929</b>	15,159,392
Other property, plant and equipment	10(a)	<b>244,134</b>	243,053
		<b>15,559,063</b>	15,402,445
Interests in associates	12	<b>1,247</b>	1,074
Equity securities designated at FVOCI	13	<b>332,235</b>	28,140
Deferred tax assets	21(b)(ii)	<b>16,598</b>	33,122
		<b>15,909,143</b>	15,464,781
<b>Current assets</b>			
Inventories	14	<b>120,532</b>	119,655
Trade and other receivables	15	<b>282,384</b>	214,747
Financial assets measured at fair value through profit or loss ("FVPL")	13	<b>89,484</b>	58,443
Cash and bank balances	16(a)	<b>5,568,703</b>	5,385,923
Tax recoverable	21(a)	<b>857</b>	1,461
		<b>6,061,960</b>	5,780,229
<b>Current liabilities</b>			
Trade and other payables	17	<b>(469,564)</b>	(363,974)
Rental deposits received	17	<b>(76,693)</b>	(129,223)
Contract liabilities	17	<b>(125,069)</b>	(80,567)
Lease liabilities	18	<b>(34,845)</b>	(42,005)
Tax payable	21(a)	<b>(35,774)</b>	(9,643)
		<b>(741,945)</b>	(625,412)
<b>Net current assets</b>		<b>5,320,015</b>	5,154,817
<b>Total assets less current liabilities carried forward</b>		<b>21,229,158</b>	20,619,598

**Consolidated statement of financial position** (Continued)

at 31 December 2023

	<i>Note</i>	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
<b>Total assets less current liabilities brought forward</b>		<b>21,229,158</b>	20,619,598
<b>Non-current liabilities</b>			
Deferred liabilities	<i>20</i>	<b>(181,322)</b>	(111,818)
Lease liabilities	<i>18</i>	<b>(40,675)</b>	(57,055)
Deferred tax liabilities	<i>21(b)(ii)</i>	<b>(335,334)</b>	(329,633)
		<b>(557,331)</b>	(498,506)
<b>NET ASSETS</b>		<b>20,671,827</b>	20,121,092
<b>CAPITAL AND RESERVES</b>			
Share capital	<i>22(b)</i>	<b>2,227,024</b>	2,227,024
Reserves		<b>18,258,274</b>	17,739,140
<b>Total equity attributable to shareholders of the Company</b>		<b>20,485,298</b>	19,966,164
<b>Non-controlling interests</b>		<b>186,529</b>	154,928
<b>TOTAL EQUITY</b>		<b>20,671,827</b>	20,121,092

Approved and authorised for issue by the board of directors on 19 March 2024.

**LEE KA SHING**  
*Chairman and CEO*

**COLIN LAM KO YIN**  
*Director*

The notes on pages 129 to 188 form part of these financial statements.

## Consolidated statement of changes in equity

for the year ended 31 December 2023

Note	Attributable to shareholders of the Company								
	Share capital	Capital reserve	Exchange reserve	General reserve	Investment revaluation reserve (non-recycling)	Retained profits	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Balance at 1 January 2022</b>	2,227,024	(92,639)	148,131	304,827	(14,446)	17,308,793	19,881,690	160,496	20,042,186
<b>Changes in equity for 2022:</b>									
Profit for the year	-	-	-	-	-	480,104	480,104	8,436	488,540
Other comprehensive income	-	-	(63,981)	-	(6,898)	-	(70,879)	(14,004)	(84,883)
Total comprehensive income	-	-	(63,981)	-	(6,898)	480,104	409,225	(5,568)	403,657
Transfer upon disposal of equity securities designated at FVOCI	13	-	-	-	1,585	(1,585)	-	-	-
Final dividends approved in respect of the previous year	7(b)	-	-	-	-	(179,649)	(179,649)	-	(179,649)
Interim dividends declared in respect of the current year	7(a)	-	-	-	-	(145,102)	(145,102)	-	(145,102)
<b>Balance at 31 December 2022</b>	2,227,024	(92,639)	84,150	304,827	(19,759)	17,462,561	19,966,164	154,928	20,121,092

**Consolidated statement of changes in equity** (Continued)

for the year ended 31 December 2023

		Attributable to shareholders of the Company								
		Share capital	Capital reserve	Exchange reserve	General reserve	Investment revaluation reserve (non-recycling)	Retained profits	Total	Non-controlling interests	Total equity
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		<b>2,227,024</b>	<b>(92,639)</b>	<b>84,150</b>	<b>304,827</b>	<b>(19,759)</b>	<b>17,462,561</b>	<b>19,966,164</b>	<b>154,928</b>	<b>20,121,092</b>
<b>Balance at 1 January 2023</b>										
<b>Changes in equity for 2023:</b>										
		-	-	-	-	-	977,136	977,136	40,171	1,017,307
		-	-	(13,355)	-	(85,348)	-	(98,703)	(5,994)	(104,697)
		-	-	(13,355)	-	(85,348)	977,136	878,433	34,177	912,610
		-	-	(13,355)	-	(85,348)	977,136	878,433	34,177	912,610
		-	-	-	-	8,283	(8,283)	-	-	-
		-	-	-	-	-	(200,378)	(200,378)	-	(200,378)
		-	-	-	-	-	(158,921)	(158,921)	-	(158,921)
		-	-	-	-	-	-	-	(2,576)	(2,576)
		<b>2,227,024</b>	<b>(92,639)</b>	<b>70,795</b>	<b>304,827</b>	<b>(96,824)</b>	<b>18,072,115</b>	<b>20,485,298</b>	<b>186,529</b>	<b>20,671,827</b>
		<b>2,227,024</b>	<b>(92,639)</b>	<b>70,795</b>	<b>304,827</b>	<b>(96,824)</b>	<b>18,072,115</b>	<b>20,485,298</b>	<b>186,529</b>	<b>20,671,827</b>
		<b>2,227,024</b>	<b>(92,639)</b>	<b>70,795</b>	<b>304,827</b>	<b>(96,824)</b>	<b>18,072,115</b>	<b>20,485,298</b>	<b>186,529</b>	<b>20,671,827</b>

The notes on pages 129 to 188 form part of these financial statements.

## Consolidated cash flow statement

for the year ended 31 December 2023

	<i>Note</i>	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
<b>Operating activities</b>			
Profit before taxation		<b>1,128,145</b>	580,191
Adjustments for:			
Dividend income from listed securities	<i>3(d)</i>	<b>(14,033)</b>	(1,925)
Interest income from other financial instruments	<i>3(d)</i>	<b>(5,651)</b>	–
Bank interest income	<i>3(d)</i>	<b>(255,789)</b>	(94,312)
Net loss on disposal of other property, plant and equipment	<i>3(d)</i>	<b>108</b>	197
Loss allowance for trade receivables	<i>3(d)</i>	<b>236</b>	598
Reversal of provision for properties held for resale	<i>3(d)</i>	<b>(59)</b>	(85)
Depreciation	<i>10(a)</i>	<b>67,212</b>	57,783
Finance costs	<i>3(b)</i>	<b>2,268</b>	2,140
Share of profits less losses of associates	<i>12</i>	<b>(176)</b>	(178)
Net realised and unrealised losses/(gains) on financial assets measured at FVPL	<i>3(d)</i>	<b>2,852</b>	(988)
Net gain on liquidation of a subsidiary	<i>3(d)</i>	<b>(1,033)</b>	–
Net (increase)/decrease in fair value of investment properties	<i>10(a)</i>	<b>(159,532)</b>	23,159
Exchange differences		<b>(6,714)</b>	11,463
<b>Operating profit before changes in working capital</b>		<b>757,834</b>	578,043
Increase in inventories		<b>(2,765)</b>	(2,082)
Increase in trade and other receivables		<b>(68,130)</b>	(31,721)
Decrease/(increase) in amounts due from associates		<b>3</b>	(2)
Decrease in amounts due to associates		<b>(2)</b>	(17)
Increase in trade and other payables		<b>111,263</b>	58,878
(Decrease)/increase in rental deposits received		<b>(52,558)</b>	29,917
Increase in contract liabilities		<b>44,530</b>	22,421
Increase/(decrease) in deferred liabilities		<b>69,504</b>	(48,190)
Net (payments)/proceeds for purchase and disposal of other financial assets held for trading purposes		<b>(42,666)</b>	635
<b>Cash generated from operations carried forward</b>		<b>817,013</b>	607,882

**Consolidated cash flow statement** (Continued)

for the year ended 31 December 2023

	<b>2023</b>	2022
<i>Note</i>	<b>HK\$'000</b>	HK\$'000
<b>Cash generated from operations brought forward</b>	<b>817,013</b>	607,882
Interest received	<b>256,045</b>	75,949
Dividends paid	<b>(359,299)</b>	(324,751)
Dividends paid to non-controlling interests	<b>(2,576)</b>	–
Tax paid		
– Hong Kong Profits Tax	<b>(53,280)</b>	(85,566)
– Tax outside Hong Kong	<b>(6,194)</b>	(5,081)
	<hr/>	<hr/>
<b>Net cash generated from operating activities</b>	<b>651,709</b>	268,433
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Investing activities</b>		
Payment for purchase of investment properties	<b>(12,159)</b>	(25,723)
Payment for purchase of other property, plant and equipment	<b>(34,793)</b>	(60,764)
Net (payments for purchase)/proceeds for disposal of other financial assets not held for trading purposes	<b>(390,085)</b>	4,802
Proceeds from disposal of other property, plant and equipment	–	5
Dividend income received from listed securities	<b>14,033</b>	1,925
Interest income from other financial instruments	<b>5,651</b>	–
(Increase)/decrease in time deposits with maturity more than three months	<b>(1,230,393)</b>	935,521
	<hr/>	<hr/>
<b>Net cash (used in)/generated from investing activities</b>	<b>(1,647,746)</b>	855,766
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Financing activities</b>		
Capital element of lease rentals paid	<i>16(b)</i> <b>(47,254)</b>	(35,905)
Interest element of lease rentals paid	<i>16(b)</i> <b>(2,268)</b>	(2,140)
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	<b>(49,522)</b>	(38,045)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>

**Consolidated cash flow statement** (Continued)

for the year ended 31 December 2023

	<i>Note</i>	<b>2023</b>	2022
		<b>HK\$'000</b>	HK\$'000
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,045,559)</b>	1,086,154
<b>Cash and cash equivalents at 1 January</b>		<b>4,027,952</b>	2,954,360
<b>Effect of foreign exchange rate changes</b>		<b>(2,054)</b>	(12,562)
<b>Cash and cash equivalents at 31 December</b>		<b>2,980,339</b>	4,027,952
<b>Analysis of the balances of cash and cash equivalents at 31 December</b>			
Cash and bank balances	<i>16(a)</i>	<b>5,568,703</b>	5,385,923
Less: Time deposits with maturity more than three months		<b>(2,588,364)</b>	(1,357,971)
		<b>2,980,339</b>	4,027,952

The notes on pages 129 to 188 form part of these financial statements.

## Notes to the financial statements

### 1 Material accounting policies

#### (a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

#### (b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2023 comprise Miramar Hotel and Investment Company, Limited (the “Company”) and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- investment property, including interests in leasehold land and buildings held as investment property where the Group is the registered owner of the property interest (see note 1(h)); and
- financial assets measured at FVPL or designated as FVOCI (see note 1(g)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.

## 1 Material accounting policies (Continued)

### (c) Changes in accounting policies

#### (i) New and amended HKFRSs

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

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

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

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

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

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

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

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

## 1 Material accounting policies (Continued)

### (d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 1(n) or (o) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(k)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

## 1 Material accounting policies (Continued)

### (e) Associates

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies.

An interest in an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with the Group's long-term interests that in substance form part of the Group's net investment in the associate, after applying the expected credit loss model to such other long-term interests where applicable (see note 1(k)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Company's statement of financial position, an investment in an associate is stated at cost less impairment losses (see note 1(k)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

### (f) Goodwill

Goodwill arising on acquisition of business is measured at cost less accumulated impairment losses and is tested annually for impairment (see note 1(k)).

### (g) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries and associates, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 23(e). These investments are subsequently accounted for as follows, depending on their classification.

## 1 Material accounting policies (Continued)

### (g) Other investments in securities (continued)

#### (i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see note 1(u)(v)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- FVOCI (recycling), if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

#### (ii) Equity investments

An investment in equity securities is classified as FVPL unless the investment is not held for trading purposes and on initial recognition the Group makes an irrecoverable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained profits and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see note 1(u)(iv)).

### (h) Investment property

Investment property is initially measured at cost, and subsequently at fair value with changes therein recognised in profit or loss.

Any gain or loss on disposal of an investment property is recognised in profit or loss. Rental income from investment properties is recognised in accordance with note 1(u)(i).

## 1 Material accounting policies (Continued)

### (i) Other property, plant and equipment

The following items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see note 1(k)):

- right-of-use assets arising from leases over freehold or leasehold properties where the Group is not the registered owner of the property interest; and
- hotel property; and
- machinery, furniture, fixtures and equipment including right-of-use assets arising from leases of underlying plant and equipment (see note 1(j)).

Freehold land is stated at cost less impairment losses (see note 1(k)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

- leasehold land and right-of-use assets are depreciated over the remaining term of the lease;
- freehold land is not depreciated;
- buildings including hotel property situated on leasehold land are depreciated over the unexpired term of the lease; and
- machinery, furniture, fixtures and equipment over the lease term/5–14 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## 1 Material accounting policies (Continued)

### (j) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

#### (i) As a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 1(i) and 1(k)(ii)), except for right-of-use assets that meet the definition of investment property are carried at fair value (see note 1(h)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see notes 1(g)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

## 1 Material accounting policies (Continued)

### (j) Leased assets (continued)

#### (i) As a lessee (continued)

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of HKFRS 16 Leases. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as if negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

#### (ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

The rental income from operating leases is recognised in accordance with note 1(u)(i).

### (k) Credit losses and impairment of assets

#### (i) Credit losses from financial instruments and lease receivables

The Group recognises a loss allowance for expected credit losses (“ECLs”) on financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables, amounts due from associates and loans to associates, that are held for the collection of contractual cashflow which represent solely payments of principal and interest) and lease receivables.

#### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

## 1 Material accounting policies (Continued)

### (k) Credit losses and impairment of assets (continued)

#### (i) Credit losses from financial instruments and lease receivables (continued)

Measurement of ECLs (continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

## 1 Material accounting policies (Continued)

### (k) Credit losses and impairment of assets (continued)

#### (i) Credit losses from financial instruments and lease receivables (continued)

Significant increases in credit risk (continued)

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter into bankruptcy or other financial reorganisation;
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or lease receivable is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the asset becomes 90 days past due or the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

## 1 Material accounting policies (Continued)

### (k) Credit losses and impairment of assets (continued)

#### (ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than property carried at revalued amounts, investment property, inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset, or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (iii) Interim financial reporting and impairment

Under the *Rules Governing the Listing of Securities* on The Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(k)(i) and (k)(ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

## 1 Material accounting policies (Continued)

### (l) Inventories

#### (i) Consumable stores

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to completion and the estimated costs necessary to make the sale.

#### (ii) Property development

Properties held for resale are carried at the lower of cost and net realisable value. Cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. The cost of properties held for resale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

### (m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see note 1(k)(i)).

Insurance reimbursement is recognised and measured in accordance with note 1(t).

### (n) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with note 1(w).

### (o) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

## 1 Material accounting policies (Continued)

### (p) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 1(u)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see note 1(m)).

### (q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are within three months of maturity at acquisition and are readily convertible into known amounts of cash with insignificant risk of changes in value. Cash and cash equivalents are assessed for ECLs (see note 1(k)(i)).

### (r) Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

### (s) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

## 1 Material accounting policies (Continued)

### (s) Income tax (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Where investment properties are carried at their fair value in accordance with note 1(h), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the end of the reporting period unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

## 1 Material accounting policies (Continued)

### (t) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see note 1(k)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

### (u) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

The Group is the principal for its revenue transactions and recognises revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

## 1 Material accounting policies (Continued)

### (u) Revenue and other income (continued)

Further details of the Group's revenue and other income recognition policies are as follows:

- (i) Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

Building management fee and air-conditioning charges are recognised when relevant services are provided.

- (ii) Revenue arising from the sale of properties held for resale is recognised when legal assignment is completed, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the statement of financial position under contract liabilities (see note 1(p)).
- (iii) Hotel revenue from room rental in hotels and serviced apartments segment is recognised over time during the period of stay for the hotel guests. Food and beverage sales and other ancillary services in hotels and serviced apartments segment and food and beverage operation segment is recognised at the point in time when services are rendered. Revenue from travel operation is recognised at a point in time of tour departure or when ticket sold out.
- (iv) Dividend income is recognised in profit and loss on the date on which the Group's right to receive payment is established.
- (v) Interest income is recognised using the effective interest method. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.
- (vi) Government subsidies are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Subsidies that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

## 1 Material accounting policies (Continued)

### (v) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss) is recognised in OCI.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Hong Kong dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Hong Kong dollars at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control or significant influence is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

### (w) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Other borrowing costs are expensed in the period in which they are incurred.

## 1 Material accounting policies (Continued)

### (x) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

## 1 Material accounting policies (Continued)

### (y) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

## 2 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Group's accounting policies, management has made judgements on valuation of investment properties.

Investment properties are included in the statement of financial position at their market value, which are assessed annually by external qualified valuers, after taking into consideration the net rental income allowing for reversionary income potential.

The fair value of investment properties reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the investment properties.

## 3 Profit before taxation

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

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
<b>(a) Staff costs</b>		
Contributions to defined contribution retirement plan	<b>19,585</b>	15,918
Salaries, wages and other benefits	<b>492,842</b>	395,688
	<b>512,427</b>	411,606

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

### 3 Profit before taxation (Continued)

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

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

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

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

	2023 HK\$'000	2022 HK\$'000
<b>(b) Finance costs</b>		
Interest on lease liabilities ( <i>note 16(b)</i> )	2,268	2,140
<b>(c) Operating and other expenses</b>		
Advertising and promotion expenses	38,416	26,834
Commission and agency fee	34,899	21,271
Cleaning expenses	31,533	27,974
Credit card commission fee	21,148	8,496
Legal and professional fee	17,474	14,975
Supplies and operating equipment	16,837	15,178
Net foreign exchange loss	228	5,973
Others	68,163	49,336
	<b>228,698</b>	<b>170,037</b>

### 3 Profit before taxation (Continued)

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
<b>(d) Others</b>		
Auditors' remuneration	<b>3,297</b>	3,144
Net loss on disposal of other property, plant and equipment	<b>108</b>	197
Rentals receivable from investment properties less direct outgoings of HK\$48,826,000 (2022: HK\$43,057,000)	<b>(669,121)</b>	(682,072)
Other rental income less direct outgoings of HK\$8,443,000 (2022: HK\$7,687,000)	<b>(68,797)</b>	(67,217)
Dividend income from listed securities	<b>(14,033)</b>	(1,925)
Bank interest income	<b>(255,789)</b>	(94,312)
Interest income from other financial instruments	<b>(5,651)</b>	–
Net realised and unrealised losses/(gains) on financial assets measured at FVPL	<b>2,852</b>	(988)
Loss allowance for trade receivables	<b>236</b>	598
Reversal of provision for properties held for resale	<b>(59)</b>	(85)
Government subsidies ( <i>Note</i> )	–	(36,613)
Depreciation charge of other properties leased for own use ( <i>note 10(a)</i> )	<b>38,269</b>	30,761
Net gain on liquidation of a subsidiary	<b>(1,033)</b>	–

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

#### 4 Taxation in the consolidated statement of profit or loss

##### (a) Taxation in the consolidated statement of profit or loss represents:

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

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

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

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

#### 4 Taxation in the consolidated statement of profit or loss (Continued)

##### (b) Reconciliation between tax expense and profit before taxation at applicable tax rates:

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Profit before taxation	<b>1,128,145</b>	580,191
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	<b>194,434</b>	96,450
Tax effect of non-deductible expenses	<b>2,198</b>	3,988
Tax effect of non-taxable income	<b>(71,756)</b>	(25,640)
Tax effect of unused tax losses not recognised in the year	<b>3,532</b>	5,182
Tax effect of tax losses not recognised in prior years utilised this year	<b>(14,842)</b>	(8,183)
Effect on deferred tax balance resulting from a change in tax rate	–	20,046
Over-provision in respect of prior years	<b>(2,728)</b>	(192)
Actual tax expense	<b>110,838</b>	91,651

## 5 Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2023				
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Executive directors</b>					
Mr Lee Ka Shing	100	–	–	–	100
Mr Richard Tang Yat Sun	100	–	–	–	100
Dr Colin Lam Ko Yin	50	–	–	–	50
Mr Eddie Lau Yum Chuen	50	–	–	–	50
Mr Norman Ho Hau Chong	50	–	–	–	50
<b>Non-executive directors</b>					
Dr Patrick Fung Yuk Bun	300	–	–	–	300
Mr Dominic Cheng Ka On	300	–	–	–	300
<b>Independent non-executive directors</b>					
Dr David Sin Wai Kin (deceased on 17 April 2023)	103	–	–	–	103
Mr Wu King Cheong	350	–	–	–	350
Dr Timpson Chung Shui Ming	350	–	–	–	350
Mr Howard Yeung Ping Leung	50	–	–	–	50
Mr Thomas Liang Cheung Bui	50	–	–	–	50
Mr Alexander Au Siu Kee	50	–	–	–	50
Mr Benedict Sin Nga Yan (appointed on 26 June 2023)	181	–	–	–	181
	<b>2,084</b>	–	–	–	<b>2,084</b>

## 5 Directors' emoluments (Continued)

	2022				
	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Discretionary bonuses HK\$'000	Retirement scheme contributions HK\$'000	Total HK\$'000
<b>Executive directors</b>					
Mr Lee Ka Shing	100	–	–	–	100
Mr Richard Tang Yat Sun	100	–	–	–	100
Dr Colin Lam Ko Yin	50	–	–	–	50
Mr Eddie Lau Yum Chuen	50	–	–	–	50
Mr Norman Ho Hau Chong	50	–	–	–	50
<b>Non-executive directors</b>					
Dr Patrick Fung Yuk Bun	300	–	–	–	300
Mr Dominic Cheng Ka On	300	–	–	–	300
<b>Independent non-executive directors</b>					
Dr David Sin Wai Kin	350	–	–	–	350
Mr Wu King Cheong	350	–	–	–	350
Dr Timpson Chung Shui Ming	350	–	–	–	350
Mr Howard Yeung Ping Leung	50	–	–	–	50
Mr Thomas Liang Cheung Biu	50	–	–	–	50
Mr Alexander Au Siu Kee	50	–	–	–	50
	2,150	–	–	–	2,150

## 6 Emoluments of five highest paid individuals and senior management

### (a) Emoluments of five highest paid individuals

No directors of the Company were included in the five individuals with the highest emoluments (2022: Nil). The aggregate of the emoluments in respect of the five (2022: five) individuals are as follows:

	2023 HK\$'000	2022 HK\$'000
Salaries, allowances and benefits in kind	15,491	15,268
Discretionary bonuses	3,138	2,786
Retirement scheme contributions	666	670
	<b>19,295</b>	18,724

## 6 Emoluments of five highest paid individuals and senior management

(Continued)

### (a) Emoluments of five highest paid individuals (continued)

The emoluments of the five (2022: five) individuals with the highest emoluments are within the following bands:

Emolument band*	Number of individuals	
	2023	2022
HK\$0 – HK\$1,000,000	–	–
HK\$1,000,001 – HK\$2,000,000	–	–
HK\$2,000,001 – HK\$3,000,000	1	1
HK\$3,000,001 – HK\$4,000,000	1	3
HK\$4,000,001 – HK\$5,000,000	3	1
	5	5

### (b) Emoluments of senior management

During the year, other than the emoluments of directors and five highest paid individuals disclosed in notes 5 and 6(a), the emoluments of the senior management whose profiles are set out in the section “Biographical Details of Directors and Senior Management” of the annual report (of which these financial statements form a part) fell within the following bands:

Emolument band*	Number of individuals	
	2023	2022
HK\$0 – HK\$1,000,000	1	2
HK\$1,000,001 – HK\$2,000,000	5	7
HK\$2,000,001 – HK\$3,000,000	2	1
	8	10

\* Including salaries, allowances and benefits in kind, discretionary bonuses and retirement scheme contributions.

## 7 Dividends

### (a) Dividends attributable to the year

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

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

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

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

## 8 Earnings per share

### (a) Basic and diluted earnings per share

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

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

## 8 Earnings per share (Continued)

### (b) Underlying earnings per share

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

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

## 9 Revenue and segment reporting

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

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

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

## 9 Revenue and segment reporting (Continued)

### (a) Segment results

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

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

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

## 9 Revenue and segment reporting (Continued)

### (a) Segment results (continued)

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

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

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

## 9 Revenue and segment reporting (Continued)

### (b) Geographical information

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

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

## 10 Investment properties, other property, plant and equipment

### (a) Reconciliation of carrying amount

	Other property, plant and equipment						
	Investment properties HK\$'000	Hotel HK\$'000	Land and buildings <sup>^</sup> HK\$'000	Other properties leased for own use carried at cost HK\$'000	Others* HK\$'000	Sub-total HK\$'000	Total HK\$'000
<b>Cost or valuation:</b>							
At 1 January 2023	15,159,392	140,221	59,960	254,110	1,515,582	1,969,873	17,129,265
Additions	8,177	–	1,429	23,714	33,364	58,507	66,684
Disposals	–	–	–	–	(13,947)	(13,947)	(13,947)
Exchange adjustments	(12,172)	–	1,916	–	1,582	3,498	(8,674)
Surplus on revaluation	159,532	–	–	–	–	–	159,532
At 31 December 2023	15,314,929	140,221	63,305	277,824	1,536,581	2,017,931	17,332,860
<b>Representing:</b>							
Cost	–	140,221	63,305	277,824	1,536,581	2,017,931	2,017,931
Valuation – 2023	15,314,929	–	–	–	–	–	15,314,929
	15,314,929	140,221	63,305	277,824	1,536,581	2,017,931	17,332,860
<b>Accumulated depreciation:</b>							
At 1 January 2023	–	108,985	25,945	171,871	1,420,019	1,726,820	1,726,820
Charge for the year	–	1,917	63	38,269	26,963	67,212	67,212
Written back on disposals	–	–	–	–	(13,839)	(13,839)	(13,839)
Exchange adjustments	–	–	–	–	(6,396)	(6,396)	(6,396)
At 31 December 2023	–	110,902	26,008	210,140	1,426,747	1,773,797	1,773,797
<b>Carrying amount:</b>							
At 31 December 2023	15,314,929	29,319	37,297	67,684	109,834	244,134	15,559,063

\* Others mainly comprise machinery, furniture, fixtures and equipment.

<sup>^</sup> Land and buildings comprise leasehold land, freehold land and buildings held for own use.

## 10 Investment properties, other property, plant and equipment (Continued)

### (a) Reconciliation of carrying amount (continued)

	Other property, plant and equipment						
	Investment properties HK\$'000	Hotel HK\$'000	Land and buildings <sup>^</sup> HK\$'000	Other properties leased for own use carried at cost HK\$'000	Others* HK\$'000	Sub-total HK\$'000	Total HK\$'000
<b>Cost or valuation:</b>							
At 1 January 2022	15,219,649	140,221	63,608	234,941	1,484,439	1,923,209	17,142,858
Additions	27,287	–	4,307	48,551	56,457	109,315	136,602
Disposals	–	–	–	(29,382)	(19,700)	(49,082)	(49,082)
Exchange adjustments	(64,385)	–	(7,955)	–	(5,614)	(13,569)	(77,954)
Deficit on revaluation	(23,159)	–	–	–	–	–	(23,159)
At 31 December 2022	15,159,392	140,221	59,960	254,110	1,515,582	1,969,873	17,129,265
<b>Representing:</b>							
Cost	–	140,221	59,960	254,110	1,515,582	1,969,873	1,969,873
Valuation – 2022	15,159,392	–	–	–	–	–	15,159,392
	15,159,392	140,221	59,960	254,110	1,515,582	1,969,873	17,129,265
<b>Accumulated depreciation:</b>							
At 1 January 2022	–	107,067	25,882	170,492	1,418,325	1,721,766	1,721,766
Charge for the year	–	1,918	63	30,761	25,041	57,783	57,783
Written back on disposals	–	–	–	(29,382)	(19,498)	(48,880)	(48,880)
Exchange adjustments	–	–	–	–	(3,849)	(3,849)	(3,849)
At 31 December 2022	–	108,985	25,945	171,871	1,420,019	1,726,820	1,726,820
<b>Carrying amount:</b>							
At 31 December 2022	15,159,392	31,236	34,015	82,239	95,563	243,053	15,402,445

\* Others mainly comprise machinery, furniture, fixtures and equipment.

<sup>^</sup> Land and buildings comprise leasehold land, freehold land and buildings held for own use.

## 10 Investment properties, other property, plant and equipment (Continued)

### (b) Fair value measurement of investment properties

#### (i) Fair value hierarchy

The fair value of the Group's investment properties were measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The fair values of the Group's investment properties were measured using Level 3 inputs.

During the years ended 31 December 2023 and 2022, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties were revalued as at 31 December 2023 and 2022. The valuations were carried out by a firm of surveyors, Cushman & Wakefield Limited, who have among their staff Members of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued.

The Group's management has reviewed the valuation results performed by the external surveyors for financial reporting purposes by verifying all major inputs and assumptions, and assessing the reasonableness of property valuation. Such valuation is performed at each interim and annual reporting date and is reviewed and approved by senior management.

## 10 Investment properties, other property, plant and equipment (Continued)

### (b) Fair value measurement of investment properties (continued)

#### (ii) Information about Level 3 fair value measurements

	Valuation techniques	Unobservable inputs Range of capitalisation rates
Investment properties	Income capitalisation approach	
In Hong Kong		
– Retail		2.8% to 6.0% (2022: 2.8% to 6.0%)
– Office		4.1% (2022: 4.1%)
In the PRC		
– Retail		8.5% (2022: 8.5%)
– Serviced apartment		7.0% (2022: 7.0%)
– Office		8.0% (2022: 8.0%)

The fair value of investment properties is mainly based on income capitalisation approach which capitalised the net income of the properties under the existing tenancies and upon reversion after expiry of the current lease. The fair value measurement is negatively correlated to the capitalisation rate.

The movements during the year in the balance of Level 3 fair value measurements are set out in note 10(a) to these financial statements.

Fair value adjustment of investment properties is recognised in the line item “net increase/ (decrease) in fair value of investment properties” on the face of the consolidated statement of profit or loss.

Exchange adjustments of investment properties are recognised in other comprehensive income in “exchange reserve”.

All the gains recognised in profit or loss for the year arise from the properties held at the end of the reporting period.

**10 Investment properties, other property, plant and equipment** (Continued)**(c) The analysis of cost or valuation of properties is as follows:**

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Land and buildings in Hong Kong:		
– long leases	<b>145</b>	145
– medium term leases	<b>14,778,439</b>	14,621,544
Land and buildings outside Hong Kong:		
– medium term leases	<b>683,107</b>	684,465
– freehold	<b>56,764</b>	53,419
	<b>15,518,455</b>	15,359,573

- (d)** The Group leases out properties under operating leases. The leases typically run for an initial period of 1 to 5 years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments may be varied periodically to reflect market rentals and may contain a contingent rental element which is based on various percentages of tenant's sales receipts. Future minimum lease income under non-cancellable operating leases is disclosed in note 25.

The total variable lease income recognised in the consolidated statement of profit or loss for the year are HK\$23,521,000 (2022: HK\$9,102,000).

**(e) Right-of-use assets**

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

During the year, additions to right-of-use assets were HK\$23,714,000 (2022: HK\$48,551,000). This amount primarily related to the capitalised lease payments payable under new tenancy agreements.

## 10 Investment properties, other property, plant and equipment (Continued)

### (e) Right-of-use assets (continued)

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

	Year ended 31 December 2023		
	Fixed payments HK\$'000	Variable payments HK\$'000	COVID-19 rent concessions HK\$'000
Operating outlets	1,068	999	–
	Year ended 31 December 2022		
	Fixed payments HK\$'000	Variable payments HK\$'000	COVID-19 rent concessions HK\$'000
Operating outlets	881	150	(2,143)

As disclosed in note 1(j)(i), the Group has applied the practical expedient set out in paragraph 46B of HKFRS 16 to all eligible rent concessions received by the Group.

## 11 Investments in subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

All of these are subsidiaries as defined under note 1(d) and have been consolidated into the Group's financial statements.

Name of company	Place of incorporation	Place of operation	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activity
				Group's effective interest	Held by the Company	Held by a subsidiary	
All Best Resources Limited	Hong Kong	The PRC	HK\$100	100%	–	100%	Property rental
Chitat Construction Limited	Hong Kong	The PRC	HK\$10,000	100%	99%	1%	Property rental
Contender Limited	Hong Kong	Hong Kong	HK\$200,000	100%	100%	–	Hotel operation and property rental
East Dragon Resources Limited	Hong Kong	The PRC	HK\$100	100%	–	100%	Property rental

## 11 Investments in subsidiaries (Continued)

Name of company	Place of incorporation	Place of operation	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activity
				Group's effective interest	Held by the Company	Held by a subsidiary	
Grand City Resources Limited	Hong Kong	The PRC	HK\$100	100%	–	100%	Property rental
How Light Investments Limited *	Hong Kong	The PRC	HK\$100,000	100%	–	100%	Property sale
YMT Travel Limited	Hong Kong	Hong Kong	HK\$3,500,000	53.8%	–	100%	Travel agency
Mira Moon Limited	Hong Kong	Hong Kong	HK\$1	100%	100%	–	Hotel operation
Miramar East Company Limited	Hong Kong	Hong Kong	HK\$10,000	100%	–	100%	Property rental
Miramar Hotel and Property Management Company Limited	Hong Kong	Hong Kong	HK\$1	100%	100%	–	Property management
Miramar Hotel & Investment (Express) Limited	Hong Kong	Hong Kong	HK\$10,000,000	100%	100%	–	Travel agency
Miramar Hotel Management Company Limited	Hong Kong	Hong Kong	HK\$10,000	100%	100%	–	Hotel management
Miramar Travel Limited	Hong Kong	Hong Kong	HK\$13,000,000	53.8%	53.8%	–	Travel agency
The Pinesprop Limited	Hong Kong	Hong Kong	HK\$1,000	100%	100%	–	Property rental
Randall Resources Limited	Hong Kong	The PRC	HK\$100	100%	–	100%	Property rental
Shahdan Limited	Hong Kong	Hong Kong	HK\$200,000	100%	100%	–	Property rental and restaurant operation
Miramar Investment Company Limited	Hong Kong	Hong Kong	HK\$1	100%	100%	–	Investment
Strong Profit Resources Limited	Hong Kong	The PRC	HK\$10,000	70%	–	100%	Property rental and sale
Tsui Hang Village Restaurant Limited	Hong Kong	Hong Kong	HK\$500,000	100%	100%	–	Restaurant operation
Warsaw Investments Limited	Hong Kong	Hong Kong	HK\$10,000	100%	100%	–	Property rental
美利物業管理(上海)有限公司 <sup>~*</sup>	The PRC	The PRC	US\$5,000,000	100%	–	100%	Property rental and management
上海上美置業有限公司 Shanghai Shangmei Property Co. Limited. <sup>^*</sup>	The PRC	The PRC	US\$13,000,000	51.4%	–	68.6%	Property rental

\* Companies not audited by KPMG

~ Wholly foreign-owned enterprise

^ Sino-foreign equity joint venture enterprise

## 12 Interests in associates

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Share of net assets	<b>18,693</b>	18,517
Amounts due from associates	<b>636</b>	639
Loans to associates	<b>25,940</b>	25,940
	<b>45,269</b>	45,096
Less: Impairment loss	<b>(44,022)</b>	(44,022)
	<b>1,247</b>	1,074

Amounts due from associates and loans to associates are unsecured, interest-free and have no fixed terms of repayment.

All of the Group's associates are unlisted corporate entities whose quoted market price is not available and not material (in aggregate and/or individually) to the Group.

Details of the Group's principal associate are as follows:

Name of associate	Place of incorporation	Place of operation	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by a subsidiary	
Kamlease International Limited*	Hong Kong	The PRC	49%	–	49%	Property sale

\* Not audited by KPMG

Aggregate information of associates that are not individually material:

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	<b>1,247</b>	1,074
Aggregate amounts of the Group's share of those associates'		
– Profit from continuing operations	<b>176</b>	178
– Total comprehensive income	<b>176</b>	178

### 13 Other financial assets

	2023 HK\$'000	2022 HK\$'000
<b>Non-current</b>		
<i>Equity securities designated at FVOCI</i>		
Listed equity securities in Hong Kong	221,059	28,140
Listed equity securities outside Hong Kong	111,176	–
	<hr/>	<hr/>
<b>Sub-total</b>	332,235	28,140
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Current</b>		
<i>Financial assets measured at FVPL</i>		
Listed equity securities in Hong Kong	38,319	1,308
Unlisted investment fund	13,340	57,135
Other financial instruments	37,825	–
	<hr/>	<hr/>
<b>Sub-total</b>	89,484	58,443
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Total</b>	421,719	86,583
	<hr/>	<hr/>
Market value of listed equity securities	370,554	29,448
	<hr/>	<hr/>

### 13 Other financial assets (Continued)

The Group designated the following equity securities at FVOCI at 1 January 2018 or acquisition date as they are held for strategic purposes and the fair value of each investment at 31 December 2023 is as follows:

	2023 HK\$'000	2022 HK\$'000
<b>Equity securities classified as financial assets designated at FVOCI</b>		
Zijin Mining Group Co Ltd	149,261	–
Alibaba Group Holding Limited	33,083	–
AIA Group Ltd	28,350	–
China National Building Material Co Ltd	26,399	–
West China Cement Ltd	25,123	–
China Merchants Bank Co Ltd	11,968	–
Hong Kong Exchanges and Clearing Ltd	11,015	–
Ganfeng Lithium Group Co Ltd	9,877	–
JD.Com Inc	9,551	–
China Everbright Environment Group Limited	6,299	8,655
China Mobile Ltd	5,702	–
Tencent Holdings Ltd	4,874	–
Contemporary Amperex Technology Co Ltd	4,102	–
China Construction Bank Corporation	2,097	14,670
Joynn Laboratories China Co Ltd	1,128	–
Fosun International Limited	918	1,272
BYD Co Ltd	891	–
SH Electric	815	880
Sany Heavy Industry Co Ltd	755	–
TravelSky Technology Ltd	27	–
SPDR Gold Trust	–	2,663
	<hr/>	<hr/>
<b>At 31 December</b>	<b>332,235</b>	28,140

Dividends received from these investments during the year of HK\$10,264,000 (2022: HK\$1,893,000) were recognised in profit or loss. During the year, the Group disposed several equity investments at a total consideration of HK\$17,968,000 for strategic purpose (2022: HK\$9,464,000) and the gain previously accumulated in the investment revaluation reserve (non-recycling) in other comprehensive income of HK\$8,283,000 (2022: HK\$1,585,000) is transferred to retained profits.

### 14 Inventories

	2023 HK\$'000	2022 HK\$'000
Consumable stores	14,962	12,138
Properties held for resale	105,570	107,517
	<hr/>	<hr/>
	<b>120,532</b>	119,655

## 15 Trade and other receivables

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Trade receivables	<b>108,822</b>	96,686
Less: loss allowance ( <i>note 23(a)</i> )	<b>(7,481)</b>	(7,349)
	<b>101,341</b>	89,337
Other receivables, deposits and prepayments	<b>181,043</b>	125,410
	<b>282,384</b>	214,747

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

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

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Within 1 month	<b>61,694</b>	37,187
1 month to 2 months	<b>10,046</b>	9,202
Over 2 months	<b>29,601</b>	42,948
	<b>101,341</b>	89,337

The Group's credit policy and credit risk arising from trade receivables are set out in note 23(a).

## 16 Cash and bank balances and other cash flow information

### (a) Cash and bank balances

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Deposits with banks and other financial institutions	<b>5,100,727</b>	5,136,046
Cash at bank and in hand	<b>467,976</b>	249,877
	<b>5,568,703</b>	5,385,923

Cash and bank balances at 31 December 2023 include HK\$135,615,000 equivalent (2022: HK\$88,861,000 equivalent) placed with banks in the PRC, the remittance of which are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

**16 Cash and bank balances and other cash flow information** (Continued)**(b) Reconciliation of liabilities arising from financing activities**

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	<b>Lease liabilities HK\$'000 (note 18)</b>
<b>At 1 January 2022</b>	86,414
<b>Changes from financing cash flows:</b>	
Capital element of lease rentals paid	(35,905)
Interest element of lease rentals paid	(2,140)
Total changes from financing cash flows	(38,045)
<b>Other changes</b>	
Interest on lease liabilities (note 3(b))	2,140
Increase in liabilities from entering into new leases during the year	48,551
<b>At 31 December 2022 and 1 January 2023</b>	99,060
<b>Changes from financing cash flows:</b>	
Capital element of lease rentals paid	(47,254)
Interest element of lease rentals paid	(2,268)
Total changes from financing cash flows	(49,522)
<b>Other changes</b>	
Interest on lease liabilities (note 3(b))	2,268
Increase in liabilities from entering into new leases during the year	23,714
<b>At 31 December 2023</b>	75,520

**16 Cash and bank balances and other cash flow information** (Continued)**(c) Total cash outflow for leases**

Amounts included in the cash flow statement for leases related to lease rental paid comprise the following:

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Within operating cash flows	<b>(2,067)</b>	(1,031)
Within financing cash flows	<b>(49,522)</b>	(38,045)
	<b>(51,589)</b>	(39,076)

**17 Trade and other payables, rental deposits received and contract liabilities**

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
<b>Trade and other payables</b>		
Trade payables	<b>113,987</b>	47,911
Other payables and accrued charges	<b>280,330</b>	239,120
Amounts due to holders of non-controlling interests of subsidiaries (see note (i))	<b>70,993</b>	72,682
Amounts due to associates (note (ii))	<b>4,254</b>	4,261
	<b>469,564</b>	363,974
<b>Rental deposits received</b>	<b>76,693</b>	129,223
<b>Contract liabilities</b> (note (iii))	<b>125,069</b>	80,567

Notes:

- (i) Amounts due to the holders of non-controlling interests of subsidiaries are unsecured, interest-free and have no fixed terms of repayment.
- (ii) Amounts due to associates are unsecured, interest-free and repayable on demand.
- (iii) The revenue recognised during the year included in the contract liabilities balance at the beginning of the year amounted to HK\$80,567,000 (2022: HK\$58,146,000).

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

## 17 Trade and other payables, rental deposits received and contract liabilities (Continued)

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

	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
Due within 3 months or on demand	<b>65,090</b>	27,676
Due after 3 months but within 6 months	<b>48,897</b>	20,235
	<b>113,987</b>	47,911

## 18 Lease liabilities

The following table shows the remaining contractual maturities of the Group's lease liabilities:

	<b>2023</b>		2022	
	<b>Present value of the minimum lease payments HK\$'000</b>	<b>Total minimum lease payments HK \$'000</b>	Present value of the minimum lease payments HK\$'000	Total minimum lease payments HK \$'000
Within 1 year	<b>34,845</b>	<b>36,226</b>	42,005	43,957
After 1 year but within 2 years	<b>19,022</b>	<b>19,802</b>	25,325	26,363
After 2 years but within 5 years	<b>21,653</b>	<b>22,024</b>	31,730	32,712
	<b>40,675</b>	<b>41,826</b>	57,055	59,075
	<b>75,520</b>	<b>78,052</b>	99,060	103,032
Less: total future interest expenses		<b>(2,532)</b>		(3,972)
Present value of lease liabilities		<b>75,520</b>		99,060

## 19 Banking facility

At 31 December 2023, banking facilities of HK\$312,472,000 (2022: HK\$389,850,000) were secured by the Group's investment in listed equity securities with an aggregate carrying value of HK\$8,032,000 (2022: HK\$25,477,000). None of these facilities were utilised as at 31 December 2023 and 2022.

## 20 Deferred liabilities

Deferred liabilities represent refundable rental deposits received on properties held under operating leases with unexpired lease terms exceeding one year as at the end of the reporting period.

## 21 Taxation in the consolidated statement of financial position

### (a) Tax (recoverable)/payable in the consolidated statement of financial position represents:

	2023 HK\$'000	2022 HK\$'000
Provision for Hong Kong Profits Tax for the year	80,969	65,743
Provisional Hong Kong Profits Tax paid	<b>(52,157)</b>	(63,589)
	<b>28,812</b>	2,154
Balance of Hong Kong Profits Tax provision relating to prior years	<b>(277)</b>	1,420
Tax payable outside Hong Kong	<b>6,382</b>	4,608
	<b>34,917</b>	8,182
<b>Representing:</b>		
Tax recoverable	<b>(857)</b>	(1,461)
Tax payable	<b>35,774</b>	9,643
	<b>34,917</b>	8,182

## 21 Taxation in the consolidated statement of financial position (Continued)

### (b) Deferred tax assets and liabilities recognised:

#### (i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax liabilities/(assets) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	<b>Depreciation allowances in excess of related depreciation HK\$'000</b>	<b>Revaluation of properties HK\$'000</b>	<b>Future benefit of tax loss HK\$'000</b>	<b>Total HK\$'000</b>
<b>Deferred tax arising from:</b>				
At 1 January 2022	228,662	81,476	(20,639)	289,499
Charged to profit or loss	9,029	38	(10,347)	(1,280)
Effect on deferred tax balance resulting from a change in tax rate	–	20,046	–	20,046
Exchange adjustments	(3,700)	(8,054)	–	(11,754)
At 31 December 2022 and 1 January 2023	233,991	93,506	(30,986)	296,511
Charged to profit or loss	8,109	2,907	13,613	24,629
Exchange adjustments	(702)	(1,702)	–	(2,404)
At 31 December 2023	241,398	94,711	(17,373)	318,736

#### (ii) Reconciliation to the consolidated statement of financial position

	<b>2023 HK\$'000</b>	2022 HK\$'000
Net deferred tax assets recognised in the consolidated statement of financial position	<b>(16,598)</b>	(33,122)
Net deferred tax liabilities recognised in the consolidated statement of financial position	<b>335,334</b>	329,633
	<b>318,736</b>	296,511

## 21 Taxation in the consolidated statement of financial position (Continued)

### (c) Deferred tax assets/liabilities not recognised

The Group has not recognised deferred tax assets of HK\$83,422,000 (2022: HK\$95,774,000) in respect of accumulated tax losses of HK\$503,566,000 (2022: HK\$575,055,000) as the availability of future taxable profits against which the assets can be utilised is uncertain at 31 December 2023.

The tax losses can be carried forward to offset against the taxable profits of subsequent years for up to five years from the year in which they were incurred or there is no restriction on their expiry, depending on the tax jurisdiction concerned.

At 31 December 2023, temporary differences relating to the undistributed profits of PRC subsidiaries amounted to HK\$102,334,000 (2022: HK\$107,725,000). Deferred tax liabilities of HK\$5,117,000 (2022: HK\$5,386,000) have not been recognised in respect of tax that would be payable on the distribution of these retained profits as the Group controls the dividend policy of these subsidiaries and the directors are of the opinion that the profits will not be distributed in the foreseeable future.

## 22 Total equity

### (a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

#### *The Company*

	Share capital HK\$'000	Capital reserve HK\$'000	General reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
<b>Balance at 1 January 2022</b>	2,227,024	1,019,874	300,000	4,691,597	8,238,495
<b>Changes in equity for 2022:</b>					
Profit and total comprehensive income for the year	–	–	–	336,623	336,623
Final dividends approved in respect of the previous year (note 7(b))	–	–	–	(179,649)	(179,649)
Interim dividends declared in respect of the current year (note 7(a))	–	–	–	(145,102)	(145,102)
<b>Balance at 31 December 2022</b>	2,227,024	1,019,874	300,000	4,703,469	8,250,367

## 22 Total equity (Continued)

### (a) Movements in components of equity (continued)

*The Company (continued)*

	Share capital HK\$'000	Capital reserve HK\$'000	General reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
<b>Balance at 1 January 2023</b>	<b>2,227,024</b>	<b>1,019,874</b>	<b>300,000</b>	<b>4,703,469</b>	<b>8,250,367</b>
<b>Changes in equity for 2023:</b>					
Profit and total comprehensive income for the year	–	–	–	<b>518,611</b>	<b>518,611</b>
Final dividends approved in respect of the previous year ( <i>note 7(b)</i> )	–	–	–	<b>(200,378)</b>	<b>(200,378)</b>
Interim dividends declared in respect of the current year ( <i>note 7(a)</i> )	–	–	–	<b>(158,921)</b>	<b>(158,921)</b>
<b>Balance at 31 December 2023</b>	<b>2,227,024</b>	<b>1,019,874</b>	<b>300,000</b>	<b>4,862,781</b>	<b>8,409,679</b>

### (b) Share capital

*Issued share capital*

	2023		2022	
	No. of shares	Amount HK\$'000	No. of shares	Amount HK\$'000
<b>Ordinary shares, issued and fully paid:</b>				
At 1 January and 31 December	<b>690,959,695</b>	<b>2,227,024</b>	690,959,695	2,227,024

### (c) Nature and purpose of reserves

The capital reserve represents positive goodwill arose from acquisition of subsidiaries and associates prior to 1 January 2001 which was taken directly to equity on acquisition.

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 1(v).

The application of the general reserve is in accordance with Article 117 of the Company's Articles of Association.

## 22 Total equity (Continued)

### (c) Nature and purpose of reserves (continued)

The investment revaluation reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under HKFRS 9 that are held at the end of the reporting period (see note 1(g)).

### (d) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to meet its financial obligations and continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in the Group's business portfolio and economic conditions.

The Group monitors its capital structure by reviewing its net debt-to-equity ratios and cash flow requirements, taking into account of its future financial obligations and commitments. For this purpose, the Group defines net debt as total debt (which includes interest-bearing loans and borrowings, and lease liabilities), less cash and bank balances. Total equity attributable to shareholders of the Company comprises issued share capital and reserves attributable to equity shareholders of the Company.

The adjusted net debt-to-equity ratios at 31 December 2023 and 2022 are as follows:

	<i>Note</i>	<b>31 December 2023 HK\$'000</b>	31 December 2022 HK\$'000
Lease liabilities	18	<b>75,520</b>	99,060
Less: Cash and bank balances	16(a)	<b>(5,568,703)</b>	(5,385,923)
<b>Net cash</b>		<b>(5,493,183)</b>	(5,286,863)
<b>Total equity attributable to shareholders of the Company</b>		<b>20,485,298</b>	19,966,164
<b>Net debt-to-shareholders' equity ratio</b>		<b>N/A</b>	N/A

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirement.

## 23 Financial risk management and fair values

Exposure to credit, liquidity and foreign currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

### (a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group's exposure to credit risk arising from cash and bank balances is limited because the counterparties are banks and financial institutions with sound credit ratings.

There is no significant concentration of credit risk within the Group.

#### *Trade receivables*

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due ranging from 7 to 60 days from the date of billing. Debtors with balances that are more than 60 days past due are generally requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers other than rental deposits.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix based on the Group's historical credit loss experience and patterns, adjusted for factors that are specific to the debtors and assessment of both the current and forecast general economic conditions at the reporting date. As at 31 December 2023 and 2022, the Group considered its exposure to credit risk and ECLs for trade receivables is not significant and did not provide any loss allowance in respect of trade receivables except for specific loss allowances of HK\$7,481,000 (2022: HK\$7,349,000). The following table provides information about the Group's exposure to credit risk and specific loss allowances for trade receivables:

	2023		2022	
	Gross carrying amount HK\$'000	Specific loss allowance HK\$'000	Gross carrying amount HK\$'000	Specific loss allowance HK\$'000
Current	61,694	–	37,187	–
Less than 1 month past due	10,046	–	9,202	–
1 to 2 months past due	4,812	–	6,745	–
Over 2 months past due	32,270	7,481	43,552	7,349
	<b>108,822</b>	<b>7,481</b>	96,686	7,349

## 23 Financial risk management and fair values (Continued)

### (b) Liquidity risk

Cash management of the Company and wholly-owned subsidiaries of the Group are substantially centralised at the Group level. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group can be required to pay:

	Contractual undiscounted cash flows				Carrying amount HK\$'000
	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	Total HK\$'000	
<b>At 31 December 2023</b>					
Trade and other payables	394,317	–	–	394,317	394,317
Amounts due to associates	4,254	–	–	4,254	4,254
Amounts due to holders of non-controlling interests of subsidiaries	70,993	–	–	70,993	70,993
Lease liabilities	36,226	19,802	22,024	78,052	75,520
Rental deposits received	76,693	–	–	76,693	76,693
Deferred liabilities	–	67,845	113,477	181,322	181,322
	<b>582,483</b>	<b>87,647</b>	<b>135,501</b>	<b>805,631</b>	<b>803,099</b>

	Contractual undiscounted cash flows				Carrying amount HK\$'000
	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	Total HK\$'000	
<b>At 31 December 2022</b>					
Trade and other payables	287,031	–	–	287,031	287,031
Amounts due to associates	4,261	–	–	4,261	4,261
Amounts due to holders of non-controlling interests of subsidiaries	72,682	–	–	72,682	72,682
Lease liabilities	43,957	26,363	32,712	103,032	99,060
Rental deposits received	129,223	–	–	129,223	129,223
Deferred liabilities	–	53,005	58,813	111,818	111,818
	<b>537,154</b>	<b>79,368</b>	<b>91,525</b>	<b>708,047</b>	<b>704,075</b>

## 23 Financial risk management and fair values (Continued)

### (c) Equity price risk

The Group is exposed to equity price changes arising from equity investments held for trading and non-trading purposes (see note 13).

The Group's listed investments are listed in Hong Kong and overseas. Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the Index and other industry indications, as well as the Group's liquidity needs. Listed investments that are not held for trading purposes have been chosen taking reference to their long term growth potential and returns and are monitored regularly for performance against expectations. Given that the volatility of the stock markets may not have a direct correlation with the Group's investment portfolio, it is impractical to determine the impact that the changes in stock market indices would have on the Group's portfolio of equity investments.

At 31 December 2023, it is estimated that an increase/decrease of 5% (2022: 5%) in the market value of the Group's listed securities, with all other variables held constant, the Group's profit after tax would have increased/decreased by HK\$1,600,000 (2022: HK\$55,000). The Group's total equity would have increased/decreased by HK\$18,212,000 (2022: HK\$1,462,000).

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax (and retained profits) and other components of consolidated equity that would arise assuming that the change in market value had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period. It is also assumed that the fair values of the Group's listed investments would change in accordance with the market values, and that all other variables remain constant. The analysis is performed on the same basis for 2022.

### (d) Foreign currency risk

The Group owns assets and conducts its business primarily in Hong Kong and the PRC with its cash flows substantially denominated in Hong Kong dollars and Renminbi.

The Group has no significant exposure to foreign currency risk as substantially all the transactions are either denominated in the functional currency of the entity or in United States dollars, where Hong Kong dollars is pegged to United States dollars, the resulting currency risk is considered insignificant.

## 23 Financial risk management and fair values (Continued)

### (e) Fair value measurement

#### (i) Financial assets measured at fair value

The following table presents the fair value of financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

	Fair value at 31 December	Fair value measurements at 31 December 2023		
	2023 HK\$'000	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
<b>Recurring fair value measurements</b>				
<i>Assets:</i>				
Equity securities designated at FVOCI:				
– Listed equity securities in Hong Kong	221,059	221,059	–	–
– Listed equity securities outside Hong Kong	111,176	111,176	–	–
Financial assets measured at FVPL:				
– Unlisted investment fund	13,340	–	13,340	–
– Listed equity securities in Hong Kong	38,319	38,319	–	–
– Other financial instruments	37,825	–	37,825	–

## 23 Financial risk management and fair values (Continued)

### (e) Fair value measurement (continued)

#### (i) Financial assets measured at fair value (continued)

	Fair value at 31 December 2022 HK\$'000	Fair value measurements at 31 December 2022		
		Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
<b>Recurring fair value measurements</b>				
<i>Assets:</i>				
Equity securities designated at FVOCI:				
– Listed equity securities in Hong Kong	28,140	28,140	–	–
Financial assets measured at FVPL:				
– Unlisted investment fund	57,135	–	57,135	–
– Listed equity securities in Hong Kong	1,308	1,308	–	–

During the years ended 31 December 2023 and 2022, there were no transfers between instruments in Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of unlisted investment fund and other financial instruments is represented by the reported fair value of their net assets.

#### (ii) Fair values of financial assets and liabilities carried at other than fair value

The fair values of receivables, bank balances and other current assets, payables and accruals and current borrowings are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2023 and 2022. Amounts due from/(to) subsidiaries, associates and holders of non-controlling interests of subsidiaries are unsecured, interest free and have no fixed repayment terms. Given these terms, it is not meaningful to disclose fair values.

## 24 Capital commitments

Capital commitments outstanding at 31 December 2023 not provided for in the financial statements were as follows:

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
<b>Future expenditure relating to properties:</b>		
Contracted for	<b>6,078</b>	12,417
Authorised but not contracted for	–	7,965
	<b>6,078</b>	20,382

## 25 Operating lease commitments

At 31 December 2023, the total future minimum lease income under non-cancellable operating leases are receivable as follows:

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Within 1 year	<b>542,752</b>	466,088
After 1 year but within 2 years	<b>356,982</b>	249,563
After 2 years but within 3 years	<b>165,047</b>	93,184
After 3 years but within 4 years	<b>19,307</b>	12,418
After 4 years but within 5 years	<b>5,377</b>	696
	<b>1,089,465</b>	821,949

## 26 Material related party transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions under the ordinary course of business and were carried out on normal commercial terms:

	2023 HK\$'000	2022 HK\$'000
Property agency fee payable to a subsidiary of the Group's ultimate holding company ( <i>note (a)</i> )	<b>2,990</b>	2,990
Travel and ticketing income from subsidiaries and associates of the Group's ultimate holding company ( <i>note (a)</i> )	<b>(4,791)</b>	(890)
Management fee income from a subsidiary of the Group's ultimate holding company ( <i>note (b)</i> )	<b>(856)</b>	(814)
Hotel and catering service income from subsidiaries and associates of the Group's ultimate holding company ( <i>note (c)</i> )	<b>(3,763)</b>	(976)
Rental and building management fee income from:		
– an entity controlled by a director for leasing of		
• Certain units of 18th Floor, Mira Place Tower A	<b>(20,761)</b>	(17,030)
– subsidiaries of the Group's ultimate holding company for leasing of		
• Shops 501–03, 505–06, Mira Place 1	<b>(34,434)</b>	(33,519)
• B109–113, Mira Place 1	<b>(12,957)</b>	(12,928)
• Shop 407A, Mira Place 1	<b>(130)</b>	–
– an associate of the Group's ultimate holding company for leasing of:		
• Office Units 901–904 and 918, Mira Place Tower A	<b>(7,345)</b>	(2,513)
Cash rental paid to:		
– an associate of the Group's ultimate holding company for the leasing of Shop Nos. 3101–3107 and certain floor space of ifc Mall ( <i>note (d)</i> )	<b>17,431</b>	17,686
– a subsidiary of the Group's ultimate holding company for the leasing of a building located at No. 388 Jaffe Road, Wanchai, Hong Kong ( <i>note (e)</i> )	<b>16,152</b>	5,394
Professional consultancy and management services income from an associate of the Group's ultimate holding company ( <i>note (f)</i> )	<b>(623)</b>	(542)

All of the above related party transactions constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in paragraphs headed “Continuing Connected Transactions” in the Report of the Directors as set out in the Company's annual report for the year ended 31 December 2023.

## 26 Material related party transactions (Continued)

Notes:

- (a) The property agency fee payable to a subsidiary of the Group's ultimate holding company for the provision of property agency services to the Group's investment properties in Hong Kong, was calculated at a certain percentage of the gross rental income from the Group's investment properties during the year.

The Group's travel division provides agency services to certain subsidiaries and associates of the Group's ultimate holding company in respect of air ticket booking, hotel accommodation and hire car services under similar terms it provides to other customers.

The net amounts due to these companies as at 31 December 2023 amounted to HK\$2,727,000 (2022: HK\$8,875,000) are unsecured, interest-free and have no fixed terms of repayment.

- (b) The management fee income from a subsidiary of the Group's ultimate holding company for the provision of management services to a serviced apartment, was calculated at a certain percentage of revenue generated from that serviced apartment for the year the service provided. The amount due from this company as at 31 December 2023 amounted to HK\$856,000 (2022: HK\$448,000) is unsecured, interest-free and has no fixed terms of repayment.
- (c) The Group provides hotel and catering services to certain subsidiaries and associates of the Group's ultimate holding company in respect of hotel and outside catering services and food and beverage services under similar terms it provides to other customers. The amounts due from these companies as at 31 December 2023 amounted to HK\$2,495,000 (2022: HK\$11,000) are unsecured, interest-free and have no fixed terms of repayment.
- (d) The amount represented rental, building management fee, air-conditioning charges and other outgoings paid to an associate of the Group's ultimate holding company during the year. The amount due from this company as at 31 December 2023 represented net prepaid rental fee of HK\$993,000 (2022: HK\$1,377,000) and is unsecured, interest free and have no fixed term of repayment.
- (e) The amount represented rental, building management fee and other outgoings paid to a subsidiary of the Group's ultimate holding company during the year. The amount due from this company as at 31 December 2023 represented net prepaid rental fee of HK\$1,195,000 (2022: HK\$2,778,000) and is unsecured, interest free and have no fixed terms of repayment.
- (f) The consultancy and management services income from an associate of the Group's ultimate holding company for the provision of consultancy and management services to parking facilities, was calculated at a certain percentage of direct operating expenses incurred from the operation of that parking facilities for the year service provided. The amount due from this company as at 31 December 2023 represented advance consultancy and management fee of HK\$348,000 (2022: HK\$313,000) and is unsecured, interest free and have no fixed terms of repayment.
- (g) Remuneration for key management personnel is disclosed in notes 5 and 6.

## 27 Company-level statement of financial position

	2023	2022
Note	HK\$'000	HK\$'000
<b>Non-current assets</b>		
Property, plant and equipment	37,463	60,411
Interests in subsidiaries	3,779,419	3,477,439
	<u>3,816,882</u>	<u>3,537,850</u>
<b>Current assets</b>		
Inventories	577	581
Trade and other receivables	43,390	34,448
Cash and bank balances	5,064,967	5,067,166
Tax recoverable	812	–
	<u>5,109,746</u>	<u>5,102,195</u>
<b>Current liabilities</b>		
Trade and other payables	(80,122)	(64,687)
Deposits received	(875)	(483)
Lease liabilities	(22,783)	(22,221)
	<u>(103,780)</u>	<u>(87,391)</u>
<b>Net current assets</b>	<u>5,005,966</u>	<u>5,014,804</u>
<b>Total assets less current liabilities</b>	<u>8,822,848</u>	<u>8,552,654</u>
<b>Non-current liabilities</b>		
Amounts due to subsidiaries	(403,507)	(269,842)
Lease liabilities	(9,662)	(32,445)
	<u>(413,169)</u>	<u>(302,287)</u>
<b>NET ASSETS</b>	<u>8,409,679</u>	<u>8,250,367</u>
<b>CAPITAL AND RESERVES</b>		
	22(a)	
Share capital	2,227,024	2,227,024
Reserves	6,182,655	6,023,343
<b>TOTAL EQUITY</b>	<u>8,409,679</u>	<u>8,250,367</u>

Approved and authorised for issue by the board of directors on 19 March 2024.

**LEE KA SHING**  
Chairman and CEO

**COLIN LAM KO YIN**  
Director

## 28 Non-adjusting events after the reporting period

After the end of the reporting period, the directors proposed a final dividend. Further details are disclosed in note 7.

## 29 Comparative figures

Certain comparative figures have been adjusted to conform to current year's presentation.

## 30 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2023

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2023 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	<b>Effective for accounting periods beginning on or after</b>
Amendments to HKAS 1, <i>Presentation of financial statements: Classification of liabilities as current or non-current</i> ("2020 amendments")	1 January 2024
Amendments to HKAS 1, <i>Presentation of financial statements: Non-current liabilities with covenants</i> ("2022 amendments")	1 January 2024
Amendments to HKFRS 16, <i>Leases: Lease liability in a sale and leaseback</i>	1 January 2024
Amendments to HKAS 7, <i>Statement of cash flows</i> and HKFRS 7, <i>Financial Instruments: Disclosures: Supplier finance arrangements</i>	1 January 2024
Amendments to HKAS 21, <i>The effects of changes in foreign exchange rates: Lack of exchangeability</i>	1 January 2025

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

## Group's Five-year Financial Summary

	<b>2023</b>	2022	2021	2020	2019
	<b>HK\$'million</b>	HK\$'million	HK\$'million	HK\$'million	HK\$'million
<b>Results (for the years ended 31 December)</b>					
Revenue	<b>2,552</b>	1,382	1,247	1,315	3,062
Profit attributable to shareholders of the Company	<b>977</b>	480	330	302	1,288
<b>Assets and liabilities (as at 31 December)</b>					
Investment properties and other property, plant and equipment	<b>15,559</b>	15,403	15,421	15,539	15,731
Interests in associates	<b>1</b>	1	1	1	1
Equity securities designated at FVOCI	<b>332</b>	28	40	79	95
Financial assets measured at FVPL	<b>–</b>	–	–	1	2
Deferred tax assets	<b>17</b>	33	16	12	8
Net current assets	<b>5,320</b>	5,155	5,077	4,898	4,763
Total assets less current liabilities	<b>21,229</b>	20,620	20,555	20,530	20,600
Deferred liabilities	<b>(181)</b>	(112)	(160)	(185)	(182)
Lease liabilities	<b>(41)</b>	(57)	(47)	(44)	(88)
Deferred tax liabilities	<b>(335)</b>	(330)	(306)	(303)	(284)
<b>Net assets</b>	<b>20,672</b>	20,121	20,042	19,998	20,046
<b>Capital and reserves</b>					
Share capital	<b>2,227</b>	2,227	2,227	2,227	2,227
Reserves	<b>18,258</b>	17,739	17,655	17,624	17,655
Total equity attributable to shareholders of the Company	<b>20,485</b>	19,966	19,882	19,851	19,882
Non-controlling interests	<b>187</b>	155	160	147	164
<b>Total equity</b>	<b>20,672</b>	20,121	20,042	19,998	20,046
	<b>HK\$</b>	HK\$	HK\$	HK\$	HK\$
<b>Per share data</b>					
Earnings — basic	<b>1.41</b>	0.69	0.48	0.44	1.86
Dividends attributable to the year	<b>0.53</b>	0.50	0.46	0.50	0.58
Net assets value attributable to shareholders of the Company	<b>29.65</b>	28.90	28.77	28.73	28.77

## Group Properties

at 31 December 2023

### Major properties held for investment and/or own use

Location	Lot number	Use	Lease	Group's interest (%)
<b>In Hong Kong</b>				
The Mira Hong Kong 118-130 Nathan Road Tsimshatsui, Kowloon	Sections A and C of KIL6022	Hotel and Commercial	Medium	100
Mira Place Tower A and Mira Place 1 1 Kimberley Road Tsimshatsui, Kowloon	Portion of KIL6454	Commercial	Medium	100
1/F., Champagne Court 16 Kimberley Road Tsimshatsui, Kowloon	Portion of KIL6022B	Commercial	Medium	100
A3, 13/F., United Mansion Nos. 37E-37H and 37J-37K Jordan Road and Nos. 95-103 Shanghai Street, Kowloon	Portion of KIL6727	Residential	Medium	100
14 Car Parking Spaces on G/F Chi Lan Yuen 173 Argyle Street, Kowloon	Portion of KIL4194	Car parking	Long	100
No. 88 Stanley Main Street, Hong Kong	Stanley Inland Lot No.105 and Stanley Lot No.1130	Commercial	Medium	100

**Group Properties** (Continued)

at 31 December 2023

Location	Lot number	Use	Lease	Group's interest (%)
<b>Outside Hong Kong</b>				
Flat A, 1/F., Block 2 Crystal Garden Shekou Special Industrial Zone Shenzhen The People's Republic of China	Portion of 102 in Shekou Special Industrial Zone	Residential	Medium	100
Level 4 of Miramar Shopping Arcade in Guang Fat Gardens 496 Huan Shi Dong Lu Guangzhou Guangdong Province The People's Republic of China	–	Commercial	Medium	100
Flat Nos. 403 and 503, Block 1, Jinghua Apartment 24 Jian Quo Men Wai Avenue Chao Yang District, Beijing The People's Republic of China	–	Residential	Medium	100
80 Flats and 31 Car Parking Spaces in Shang-Mira Garden Hongqiao Road Shanghai The People's Republic of China	–	Residential and Car parking	Medium	100
Level 1, portion of Level 2, portion of Level 3 and Basement Level of the Commercial Podium of Shang-Mira Garden Hongqiao Road Shanghai The People's Republic of China	–	Commercial	Medium	51.4

## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of the Company will be held at The Ballroom, 18/F, The Mira Hong Kong, 118–130 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Thursday, 6 June 2024 at 12:00 noon (the “AGM”) to transact the following business:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and Auditor for the year ended 31 December 2023.
2. To declare a Final Dividend.
3. To re-elect retiring Directors.
4. To re-appoint Auditor and authorise the Directors to fix the Auditor’s remuneration.
5. To consider as special business and, if thought fit, pass the following resolutions as Ordinary Resolutions:

### Ordinary Resolutions

(A) “**THAT:**

- (a) a general mandate be and is hereby generally and unconditionally given to the Directors to exercise during the Relevant Period (as defined in paragraph (b) of this Resolution) all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements or options (including warrants, bonds, debentures, notes and other securities convertible into shares in the Company) which would or might require the exercise of such powers either during or after the Relevant Period, provided that the total number of shares of the Company to be allotted, issued and dealt with pursuant to the general mandate herein, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to the employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, or (iii) an issue of shares in the Company upon the exercise of the subscription or conversion rights attaching to any warrants or convertible notes which may be issued by the Company or any of its subsidiaries, or (iv) any scrip dividend pursuant to the Articles of Association of the Company from time to time, shall not exceed 20 per cent of the total number of shares of the Company in issue as at the date of this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares during the Relevant Period) and the said approval shall be limited accordingly;

- (b) for the purposes of this Resolution:

“Relevant Period” means the period from the date of passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiry of the period within which the next Annual General Meeting of the Company is required by the Articles of Association of the Company or the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) to be held; and
- (iii) the date on which the approval set out in this Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

“Rights Issue” means an offer of shares in the capital of the Company open for a period fixed by the Directors of the Company to holders of shares of the Company whose names appear on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

(B) **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back shares of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Stock Exchange and the Securities and Futures Commission for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time be and is hereby generally and unconditionally approved;
- (b) the total number of shares of the Company to be bought back pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the total number of shares of the Company in issue as at the date of this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares during the Relevant Period) and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution:

“Relevant Period” shall have the same meaning as assigned to it under Ordinary Resolution 5(A) as set out in the notice convening the AGM.”

(C) “**THAT:**

the general mandate granted to the Directors and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional shares of the Company pursuant to Ordinary Resolution 5(A) as set out in the notice convening the AGM be and is hereby extended by the addition to the total number of shares which may be allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with by the Directors pursuant to such general mandate such number of shares of the Company bought back by the Company since the granting of the said general mandate pursuant to the exercise by the Directors of the powers of the Company to buy back such shares under the authority granted pursuant to Ordinary Resolution 5(B) as set out in the notice convening the AGM provided that such number of additional shares shall not exceed 10 per cent of the total number of shares of the Company in issue as at the date of this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares during the Relevant Period).”

By Order of the Board

**CHU KWOK SUN**

*Corporate Secretary*

Hong Kong, 25 April 2024

*Registered Office:*

15/F, Mira Place Tower A

132 Nathan Road

Tsim Sha Tsui

Kowloon

Hong Kong

*Notes:*

- (1) At the above Meeting, the Chairman will exercise his power under Article 56 of the Articles of Association to put each of the resolutions to be voted by way of a poll.
- (2) A Shareholder of the Company (the “Shareholder(s)”) entitled to attend, speak and vote at the above Meeting is entitled to appoint one proxy or more proxies to attend and speak and on a poll, to vote instead of him at the Meeting, and separate proxies may be appointed by a Shareholder to represent the respective number of shares held by the Shareholder as specified in the relevant proxy form. A proxy need not be a Shareholder. Form of proxy and the power of attorney or other authority, if any, under which it is signed (or a notarially certified copy of that power of attorney or authority) must be lodged with the Company’s share registrar, Computershare Hong Kong Investor Services Limited (the “Company’s Registrar”) at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the Meeting or any adjournment or postponement thereof or, in the case of poll taken more than 48 hours after it was demanded, not less than 24 hours (excluding any part of a day that is a public holiday) before the time appointed for the taking of the poll.
- (3) For the purpose of determining Shareholders who are entitled to attend and vote at the above Meeting, the Register of Members of the Company will be closed from Friday, 31 May 2024 to Thursday, 6 June 2024, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled for attending the above Meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Thursday, 30 May 2024.

- (4) For the purpose of determining Shareholders who qualify for the proposed final dividend, the Register of Members of the Company will be closed from Thursday, 13 June 2024 to Tuesday, 18 June 2024, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Wednesday, 12 June 2024. The proposed final dividend will be paid to Shareholders whose names appear on the Register of Members of the Company on Tuesday, 18 June 2024.
- (5) Concerning item no. 3 above, Dr Colin Lam Ko Yin, Mr Richard Tang Yat Sun, Mr Norman Ho Hau Chong, Dr Timpson Chung Shui Ming and Mr Benedict Sin Nga Yan will retire from office and, being eligible, have offered themselves for re-election at the above Meeting.
- (6) Details relating to re-election of the above retiring directors and the Ordinary Resolution (B) (including the relevant explanatory statement) of item no. 5 above are set out in Appendices I and II to the circular of the Company dated 25 April 2024.
- (7) Concerning Ordinary Resolutions (A) and (C) of item no. 5 above, approvals are being sought from Shareholders, as a general mandate in compliance with Sections 140 and 141 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Rules Governing the Listing of Securities on the Stock Exchange, that in the event it becomes desirable for the Company to issue any new shares of the Company, the directors are given flexibility and discretion to allot and issue new shares up to 20 per cent of the total number of the issued shares as at the date of passing of Ordinary Resolution (A) of item no. 5 above plus the aggregate number of shares bought back by the Company pursuant to the general mandate approved in Ordinary Resolution (B) of item no. 5 above. Save as disclosed (if any), the directors, however, have no immediate plans to issue any new shares of the Company under the said mandate being sought.
- (8) If item no. 2 above is approved, the final dividend will be paid to Shareholders of the Company on Thursday, 11 July 2024.
- (9) If a tropical cyclone warning signal no. 8 or above, or "extreme conditions" caused by a super typhoon, or black rainstorm warning signal is in force at any time between 8:30 a.m. and 12:00 noon on the day of the above Meeting, the above Meeting will be adjourned or postponed. The Company will post an announcement on the Company's website ([www.miramar-group.com](http://www.miramar-group.com)) and the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify Shareholders of the date, time and place of the adjourned or postponed meeting.
- The above Meeting will be held as scheduled when an amber or a red rainstorm warning signal is in force. Shareholders should decide on their own whether they would attend the above Meeting under bad weather conditions bearing in mind their own situations.
- (10) Please indicate in advance, not less than 1 week before the time appointed for holding the above Meeting, if Shareholders, because of disabilities, need special arrangements to participate in the above Meeting. Any such request should be made in writing to the Company's Registrar by post at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong or via online submission at [https://www.computershare.com/hk/en/online\\_feedback](https://www.computershare.com/hk/en/online_feedback). The Company will endeavour to make the necessary arrangements unless there is unjustifiable hardship in arranging for them.
- (11) The Chinese translation of this notice is for reference only, and in case of any inconsistency, the English version shall prevail.

## Corporate Information

### Board of Directors

#### *Executive Directors*

Dr LEE Ka Shing (*Chairman and CEO*)

Dr Colin LAM Ko Yin

Mr Richard TANG Yat Sun

Mr Eddie LAU Yum Chuen

Mr Norman HO Hau Chong

#### *Non-Executive Directors*

Dr Patrick FUNG Yuk Bun

Mr Dominic CHENG Ka On

#### *Independent Non-Executive Directors*

Dr David SIN Wai Kin (*Vice Chairman*)  
(*passed away on 17 April 2023*)

Dr Timpson CHUNG Shui Ming

Mr Howard YEUNG Ping Leung

Mr Thomas LIANG Cheung Biu

Mr WU King Cheong

Mr Alexander AU Siu Kee

Mr Benedict SIN Nga Yan

(*appointed on 26 June 2023*)

### Audit Committee

Dr Timpson CHUNG Shui Ming (*Committee Chairman*)

Dr Patrick FUNG Yuk Bun

Mr Dominic CHENG Ka On

Mr WU King Cheong

Mr Benedict SIN Nga Yan

### Remuneration Committee

Dr Timpson CHUNG Shui Ming (*Committee Chairman*)

Dr LEE Ka Shing

Mr Richard TANG Yat Sun

Mr WU King Cheong

Mr Benedict SIN Nga Yan

### Nomination Committee

Dr LEE Ka Shing (*Committee Chairman*)

Dr Timpson CHUNG Shui Ming

Mr WU King Cheong

Mr Benedict SIN Nga Yan

### Chairman and CEO

Dr LEE Ka Shing

### Joint Company Secretaries

Mr Dickson LAI Ho Man

Mr Charles CHU Kwok Sun

### Auditors

KPMG

*Certified Public Accountants*

*Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance*

### Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited

Bank of Communications (Hong Kong) Limited

Hang Seng Bank Limited

Industrial Bank Co., Ltd. Hong Kong Branch

China Construction Bank (Asia) Corporation Limited

Bank of China (Hong Kong) Limited

The Bank of East Asia, Limited

Industrial and Commercial Bank of China (Asia) Limited

Chiyu Banking Corporation Limited

Mizuho Bank, Ltd.

Sumitomo Mitsui Banking Corporation

MUFG Bank, Ltd.

### Share Registrar

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor, Hopewell Centre,  
183 Queen's Road East, Wan Chai, Hong Kong

### Registered Office

15/F, Mira Place Tower A, 132 Nathan Road,  
Tsim Sha Tsui, Kowloon, Hong Kong

### Share Listing

The Stock Exchange of Hong Kong Limited  
(Stock Code: 71)

### Website

<http://www.miramar-group.com>



**MIRAMAR HOTEL AND INVESTMENT COMPANY, LIMITED**  
15/F Mira Place Tower A 132 Nathan Road Tsimshatsui Kowloon Hong Kong

[www.miramar-group.com](http://www.miramar-group.com)