

Statement of Tax Strategy for Disclosure

The Hongkong and Shanghai Hotels, Limited (the “Company”) and its subsidiaries (the “Group”) is committed to complying with all statutory tax obligations, including but not limited to the timely and accurate filing of tax returns, as well as payment and recovery of taxes, in the jurisdictions in which the Group operates. These taxes include corporate income taxes, employment taxes, property and real estate taxes, withholding taxes, value added taxes, sales taxes, hotel accommodation taxes, customs duties, other indirect taxes and levies.

The overall governance and responsibility for the Group’s tax affairs rests with the Company’s Board of Directors.

Day-to-day management of the tax compliance obligations of the Company and its subsidiaries is delegated to the individual Finance teams headed by the Directors of Finance who are qualified and experienced staff, with assistance from external professional firms where necessary.

All Group tax matters are overseen by the Company’s Finance Committee and Audit Committee which meets at least four times a year.

Group Tax Strategy

The Group Tax Strategy is summarised below:

- To ensure that the Group’s tax affairs are conducted in accordance with sound and reasonable business practices, including but not limited to the right transfer pricing arrangements;
- To comply with tax obligations in each jurisdiction in which the Group operates;
- To comply with tax obligations imposed on the Group on a multinational or global basis; and
- To ensure that the Group pays the right amount of tax based on the prevailing law and regulations, both on a jurisdictional and global basis.

Tax Planning

The Group engages in tax planning and our overall approach is conservative.

When structuring our commercial activities, the Group looks to ensure that any tax planning positions are based on the proposed commercial business activities and within the tax laws of the country. The Group will consider the prevailing tax incentives, exemptions and reliefs available to all taxpayers.

Appetite for Risk

The Group seeks to correctly apply the current tax laws to our business operations with a view to minimise tax risks. Relevant input and advice from professional advisors is sought where business model changes or legislative changes are likely to impact the Group’s tax position.

Dealings with Tax Authorities

The Group is committed to maintaining a transparent and constructive relationship with the relevant tax authorities in that jurisdiction in which the Group has operations. When dealing with tax matters with the tax authorities, the Group aims to demonstrate honesty, integrity and proactivity in all respect. Resolution of any disputed matters will be sought through open discussion and negotiation with the relevant tax authority with a view to avoid unnecessary litigation.

(This Tax Strategy is updated as at December 2024)