

Tax Governance Framework

The Group Tax Governance Framework is established to provide guidance on how its tax affairs should be managed, comprises the Group's tax strategy, tax policies and its approach to dealing its tax authorities in which it operates, respecting the spirit and intent of tax laws and regulations.

Governance and Responsibilities

- Sun Hung Kai Properties Limited (“the Company”) and its subsidiaries (collectively “the Group”) are fully committed to complying with its statutory tax law and tax compliance obligations in all the jurisdictions in which it operates, including the payment, reporting and recovery of taxes.
- The overall tax governance and tax risk management are overseen by the Board of Directors through a tax committee, which is directly supervised by designated members of the Company's Executive Committee.
- Day-to-day responsibilities for the Group's tax affairs including tax compliance and planning are managed by experienced team of tax professionals within the Accounts Department.
- Tax advice and assistance are sought from professional firms or other external legal counsels where appropriate and necessary.

Tax Strategy

Tax Planning

When making commercial decisions, tax consequences will be considered to achieve tax efficiency for the Group.

Compliance

The Group must comply with tax obligations in each jurisdiction that it operates to ensure timely filing of tax returns and pay the correct amount of tax. External professional firms will be engaged as appropriate to handle tax compliance.

Tax Risk Management

The Group's tax affairs and risks are overseen by the Audit and Risk Management Committee to ensure compliance with the tax laws and regulations in the jurisdictions that the Group operates.

Tax Policies

- Tax compliance obligations must be properly discharged.
- Transfer pricing rules on related party transactions using the arm's length principle must be undertaken.
- Robust processes and procedures must be in place to minimise tax risks and compliance errors and must be regularly reviewed to ensure that they are updated with the latest local law and practice.
- All tax positions taken must be justifiable and in compliance with applicable laws and practices, with due advice being taken from professional firms or qualified external advisers as appropriate.
- The Accounts Department should be informed and consulted in advance on tax and business matters where appropriate, including the tax consequences of material commercial transactions and decisions made with respect to such transactions.

- The Group will not use tax haven vehicles for tax avoidance.
- The Group will not transfer value created in low tax jurisdiction.
- The Group will not use tax structure without any commercial substance.
- All material tax risks arising from the Group's operations must be reported to the Audit and Risk Management Committee.

Approach in Dealing with Tax Authorities

- The Group is committed to having a transparent and constructive relationship with the relevant tax authorities in which the Group has operations and all dealings with any tax authority should be conducted in a professional and open manner.

If there is any inconsistency or ambiguity between the English version and the Chinese version, the English version shall prevail.