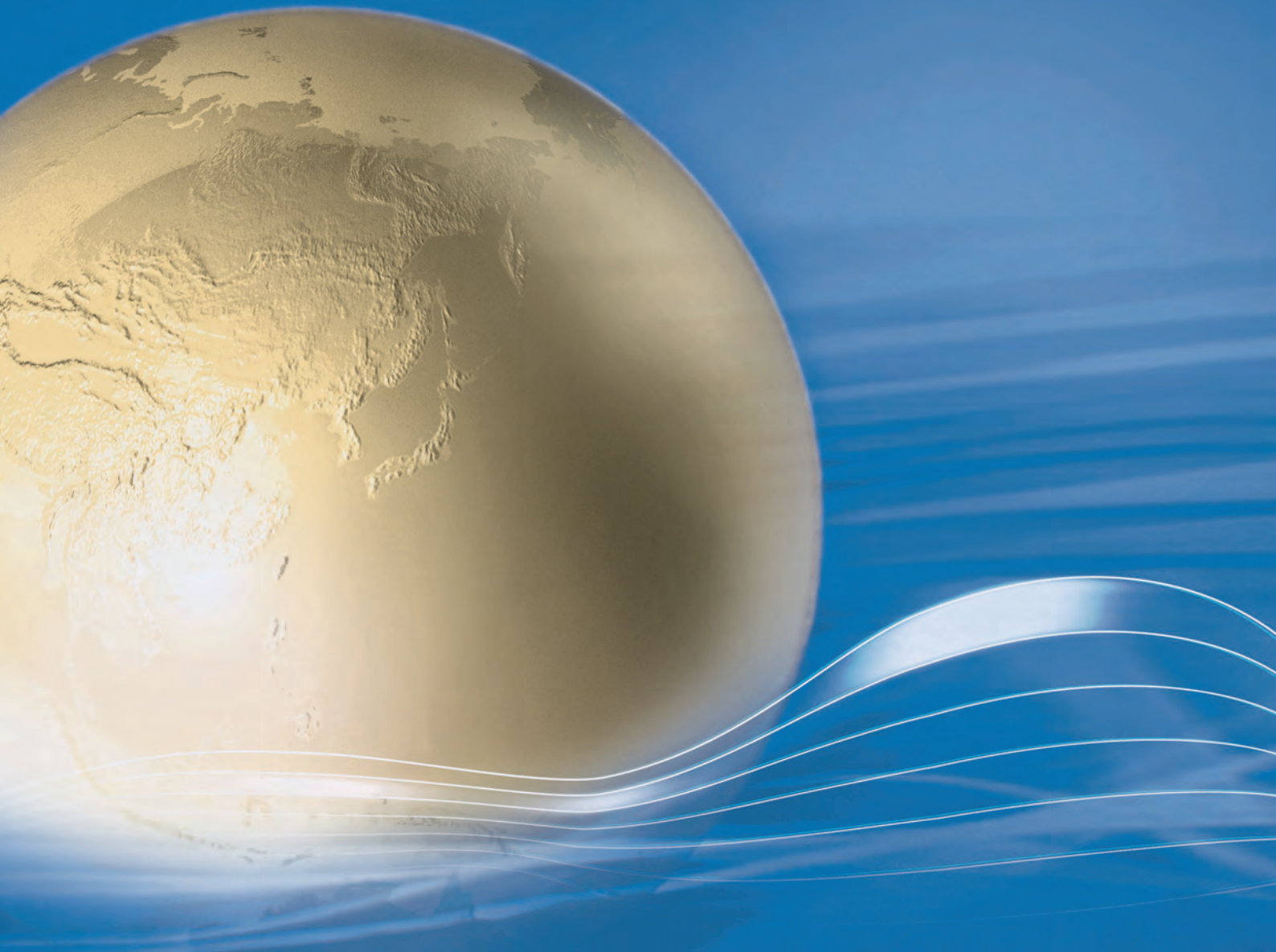


Strong Resilience in Challenging Times



CK ASSET HOLDINGS LIMITED
長江實業集團有限公司

(Incorporated in the Cayman Islands with limited liability)
STOCK CODE: 1113

Annual Report 2020

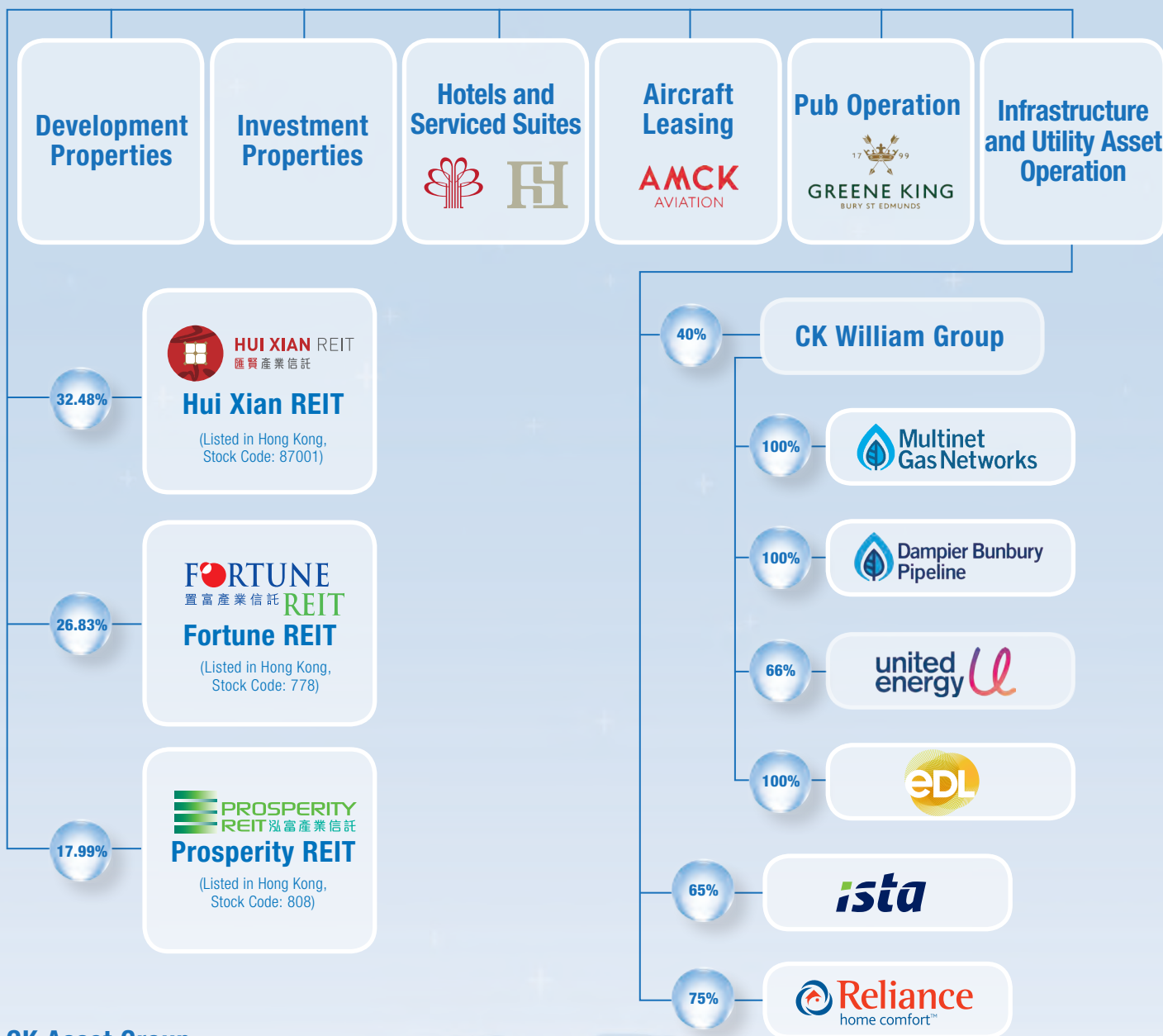
Group Structure



CK ASSET HOLDINGS LIMITED

(A limited liability Cayman Islands company registered and listed in Hong Kong)

Stock Code: 1113



CK Asset Group
Total Market Capitalisation
HK\$206 Billion

18 March 2021

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FIVE YEAR FINANCIAL SUMMARY

Consolidated Income Statement (HK\$ million)					
	2016	2017	2018	2019	2020
Group revenue	69,300	57,546	50,368	82,382	59,825
Share of revenue of joint ventures	610	6,234	14,113	13,937	14,327
Total	69,910	63,780	64,481	96,319	74,152
Profit attributable to shareholders	19,415	30,125	40,117	29,134	16,332
Consolidated Statement of Financial Position (HK\$ million)					
	2016	2017	2018	2019	2020
Fixed assets	33,695	35,337	37,660	97,519	95,101
Investment properties	125,306	135,998	123,478	119,832	128,683
Joint ventures	7,907	65,293	59,842	59,371	62,467
Associates	7,333	7,402	7,256	7,000	7,077
Other non-current assets	9,791	12,331	26,784	33,820	34,640
Net current assets	169,047	123,572	166,478	140,757	121,912
	353,079	379,933	421,498	458,299	449,880
Non-current liabilities	76,805	70,753	80,470	97,067	82,662
Net assets	276,274	309,180	341,028	361,232	367,218
Representing:					
Share capital and share premium	253,003	245,875	245,639	245,639	245,639
Reserves	17,196	45,677	77,881	98,614	109,000
Shareholders' funds	270,199	291,552	323,520	344,253	354,639
Perpetual capital securities	–	11,670	11,670	11,670	6,200
Non-controlling interests	6,075	5,958	5,838	5,309	6,379
Total equity	276,274	309,180	341,028	361,232	367,218
Shareholders' funds					
– NBV per share (HK\$) (Note 1)	70.66	78.85	87.59	93.21	96.02
Earnings per share (HK\$) (Note 2)	5.05	8.07	10.85	7.89	4.42
Dividends per share (HK\$)	1.53	1.70	1.90	2.10	1.80
Interim dividend	0.38	0.42	0.47	0.52	0.34
Final dividend	1.15	1.28	1.43	1.58	1.46

Note 1: Calculation of NBV per share is based on the number of shares in issue at year end dates.

Note 2: Calculation of earnings per share is based on number of shares in issue or weighted average number of shares in issue during the years concerned.

THE YEAR AT A GLANCE



	1	
2		3

1, 2 & 3.
Release of the Group's
results

1-3

- CA Phase 4B of Noble Hills in Changsha was launched with good response.
- CA 153 member companies of the CK Group were named "Caring Companies" by the Hong Kong Council of Social Service, the highest number of awards received by a commercial entity for 17 consecutive years.
- CA The Group participated in "Earth Hour 2020", the lights-out event held by World Wide Fund For Nature Hong Kong. The event aims at raising public awareness of energy saving and carbon reduction.
- CA The Whampoa was awarded "Top 25 My Favorite Shopping Mall Event" and "My Favorite Dining Mall" in the "Shopping Mall Awards 2019-20" organised by the Hong Kong Economic Times.

THE YEAR AT A GLANCE (CONTINUED)



4-6

- ☞ The CK Group made contributions to The Community Chest Anti-NCP Rainbow Fund to support Hong Kong people through the COVID-19 pandemic.
- ☞ The launch of Sea to Sky in Tseung Kwan O was offered for sale with good response.



1	3
2	4

1. Donation to The Community Chest of Hong Kong
2. Launch of Sea to Sky
- 3 & 4. Simultaneous online 2020 Annual General Meeting of the Group



2020年度股東週年大會
2020 Annual General Meeting


長江實業集團有限公司
CK ASSET HOLDINGS LIMITED

- 📌 In view of the pandemic, the Group's 2020 Annual General Meeting was simultaneously streamed online, enabling shareholders to view the live webcast safely at home.
- 📌 The Group won the tender for the Anderson Road site in Kwun Tong. The plot will be developed into private residential units as well as Government's subsidised starter homes.

THE YEAR AT A GLANCE (CONTINUED)



1

2

7-9

1. Phase 3 (Type A) of Noble Hills in Guangzhou was launched

2. Good MPF Employer Award 2019/2020

- CA Phase 3 (Type A) of Noble Hills in Guangzhou was offered for sale with favourable response.
- CA The sales of Regal Lake in Guangzhou have been progressing well.
- CA Member companies of the Group were awarded the 2019-20 "Good MPF Employer", "MPF Support Award" and "e-Contribution Award" by the Mandatory Provident Fund Schemes Authority.



10-12

	1
2	3

1. Ceremony of The Community Chest of Hong Kong
2. Listed Company Awards of Excellence 2020
3. Launch of El Futuro

- El Futuro in Sha Tin was well received by purchasers.
- Online Directors' training was held with distinguished professionals presenting topics on Environmental, Social and Governance, regulatory and compliance issues.
- The CK Group was named one of The Community Chest's Top 3 Donors for 21 consecutive years.
- The Group was awarded the "Listed Company Awards of Excellence 2020" by the Hong Kong Economic Journal.
- The CK Group was presented with the "Hong Kong Outstanding Listed Companies Award" by Ming Pao.
- The CK Group received the "ListCo Excellence Awards 2020" presented by am730.
- The CK Group received the "Greater China Super Brands Awards 2020" presented by East Week Magazine.
- Horizon Hotels & Suites Limited received the "Best Use of Programmatic" accolade in Metro Finance's "Digital EX Awards 2020".

CHAIRMAN'S STATEMENT

Strong Resilience
in Challenging Times



HIGHLIGHTS

Year ended 31 December	2020 HK\$ million	2019 HK\$ million	2020 HK\$ per share	2019 HK\$ per share	Change
Underlying profit ^{Note 1}	19,339	28,644	5.24	7.76	-32.5%
Change in fair values ^{Note 2}					
Real estate investment trusts	(1,067)	85			
Investment properties	(945)	405			
Pub property asset impairment	(995)	–			
Reported earnings ^{Note 3}	16,332	29,134	4.42	7.89	-44.0%
Final dividend			1.46	1.58	-7.6%
Full year dividend			1.80	2.10	-14.3%

Note 1: Underlying profit, a non-IFRS measure, represents profit before taking into account (i) change in fair values of Fortune REIT, Prosperity REIT and investment properties; and (ii) pub property asset impairment. 2019 underlying profit has been restated to conform with current year measurement.

Note 2: Change in fair values are after tax and non-controlling interests.

Note 3: Reported earnings represent profit attributable to shareholders.

PROFIT FOR THE YEAR

The Group's underlying profit ^{Note 1} per share for the year ended 31 December 2020 was HK\$5.24 (2019 – HK\$7.76), a decrease of 32.5% as compared to 2019. Fair values of the Group's investments in REITs and investment properties decreased by HK\$1,067 million and HK\$945 million respectively, and impairment of HK\$995 million was recognised for pub property assets. Reported earnings per share were HK\$4.42 (2019 – HK\$7.89), a decrease of 44.0% as compared to 2019, mainly due to the ongoing adverse impact of the COVID-19 pandemic on the Group's businesses.

The Group's underlying profit per share was HK\$5.24, a decrease of 32.5% as compared to 2019.

DIVIDEND

The Directors recommend the payment of a final dividend of HK\$1.46 per share in respect of 2020 to shareholders whose names appear on the Register of Members of the Company at the close of business on Thursday, 20 May 2021. This together with the interim dividend of HK\$0.34 per share paid on 17 September 2020 gives a total of HK\$1.80 per share for the year (2019 – HK\$2.10 per share). The proposed final dividend will be paid on Thursday, 3 June 2021 following approval at the 2021 Annual General Meeting.

CHAIRMAN'S STATEMENT (CONTINUED)

PROSPECTS

Business Review

The COVID-19 health crisis has impacted the world on an unprecedented scale. Daily lives and business activities across sectors have changed in myriads of ways. The global economy plunged into deep recession due to lockdowns and social restrictions. The hotel operation, aircraft leasing and pub operation of the Group were severely impacted. A reduction in profit attributable to shareholders was recorded in 2020 as compared to 2019. The Group will continue to meet the tides of disruptions with caution and future challenges with determination to innovate. We will pursue suitable opportunities to create sustainable value for our shareholders through gradual enhancement of recurrent income base and quality of earnings.

Property Sales

While the property market in Hong Kong was subdued by several waves of COVID-19 infections, the low interest rate environment and the underlying purchasing power of homebuyers continued to support the market. Despite the Group recorded a lower contribution from property sales in Hong Kong in 2020 as compared to 2019, launches of pre-sale of El Futuro, Sea to Sky and Seaside Sonata during the year were well received, and an increase in contracted sales as compared to 2019 was recorded. The Group acquired a lot at Anderson Road in Kwun Tong for residential project during the year under review and another site in Kai Tak waterfront area in February 2021 earmarked for development of private domestic units. The Group will continue to identify suitable land for development purpose.

Although the Mainland property market was under pressure in early 2020, it had steadily improved since March 2020 following the effective control of the pandemic and the resumption of work and production. Contribution from property sales on the Mainland was in line with expectations and partly offset the lower contribution from property sales in Hong Kong.

Property Rental

The overall contribution from property rental in 2020 decreased by 14% as compared to 2019, attributable mainly to the negative impact of the pandemic and the economic downturn on retail and office leasing. The retail sector in Hong Kong suffered from weak consumer sentiment. Tailor-made solutions were devised to assist retail tenants battered by the crisis to ease their financial pressure. The new OP Mall in Tsuen Wan generated a satisfactory leasing response, while the redevelopment of Hutchison House in Central was on track. The Group will continue to strengthen its investment property portfolio for stable recurrent income and long-term asset appreciation.

Hotel and Serviced Suite Operation

The hotel industry was severely hit by a sharp decline in visitor arrivals due to the continuing COVID-related travel restrictions. While the occupancy rate for hotel rooms targeted at the tourist market plummeted, performance of the Group's hotel rooms operated as serviced suites with occupancies on a longer term basis remained relatively stable. A small contribution was recorded for the overall hotel and serviced suite operation in 2020. Hotel Alexandra in North Point will commence operation in 2021. The Group's hotel and serviced suite operation comprises approximately 15,000 rooms.

Aircraft Leasing

The impact of the pandemic on the aviation industry has been unrelenting. Various airlines sought government support or restructured in the attempt to survive this crisis. In order to protect cash flow and mitigate the risk of repossession and remarketing of aircraft, AMCK Aviation negotiated restructuring or deferral arrangements with certain lessees on a case by case basis. Contribution from aircraft leasing decreased as provisions for aircraft impairment and lease receivables were required and a net contribution of HK\$1,119 million was recorded in 2020. It is expected that recovery in travel demand and relaxation of restrictions will take time. AMCK Aviation will continue to focus on protecting its revenue base and asset values while working with its airline partners to navigate through this unprecedented challenge.

Pub Operation

The hospitality and pub industry in the United Kingdom was significantly curtailed by lockdowns and trading restrictions since March 2020. Greene King recognised an impairment of HK\$995 million for certain pub property assets due to underutilisation resulting from such lockdowns and restrictions, and incurred other operating losses of HK\$2,467 million for the year. Greene King will closely monitor the situation and strategically position itself to exit the crisis stronger. With the backing of the Group and a significant freehold asset base, Greene King is poised to bring the business back to a path of recovery and generate normal returns in the near future when the situation eases.

Infrastructure and Utility Asset Operation

Infrastructure and utility asset operation is a key contributor of steady recurrent income to the Group. The pandemic also disrupted the performance of this sector, although to a lesser extent due to the stable nature of infrastructure and utility assets. CK William Group contributed HK\$1,369 million during the year from its businesses comprising electricity distribution, gas transmission and distribution, as well as the provision of electricity generation solutions for remote customers in Australia and other countries. Reliance Home Comfort contributed HK\$1,159 million from its building equipment and services business in Canada. ista contributed HK\$1,322 million from its fully integrated energy management services business in Europe. The economic benefits of infrastructure businesses received by the Group under an economic benefits agreement contributed HK\$638 million. The Group will continue to source global diversified infrastructure and utility assets and related investment opportunities.

Sustainability Initiatives and Response to COVID-19

A board-level Sustainability Committee was set up in 2020 to reinforce the work of the Sustainability Working Group that has been established since 2016, and to build a closer connection with our stakeholders and address material sustainability risks and key opportunities systematically. The Group will issue its first standalone Sustainability Report in April 2021 to provide more comprehensive disclosure on the Group's sustainability practices.

CHAIRMAN'S STATEMENT (CONTINUED)

In view of the dire challenge posed by the COVID-19 pandemic, the Group promptly implemented various anti-pandemic initiatives to safeguard its employees, tenants, customers and the community. Apart from providing personal protective equipment to frontline staff and enhancing the disinfection procedure of its managed properties and hotels, the Group also provided hand sanitisers and performed body temperature checks for occupants, visitors and guests. Special guidance on work arrangements for social distancing were issued to contractors working at the Group's construction sites. Pub Safe was launched by Greene King in the UK, implementing a safe socialising layout and introducing hygiene and pub safe monitors. The Group has adopted a split team and, where appropriate, work-from-home arrangement and contingency offices were established. Board and board committee meetings were conducted through digital communication facilities, and shareholders were encouraged to participate in the Group's 2020 annual general meeting via webcast.

Outlook

COVID-19 vaccines spark a glimmer of hope in the new dawn. Economic restart predominantly depends on the pandemic situation. The Sino-US trade relationship and policies remain unsettled as the administration changed in the United States. Brexit and quantitative easing policy further add to the enormous uncertainties. Multitudes of challenges and pressure are expected for the global economy and the business environment in 2021.

The Mainland recorded a positive real GDP growth in 2020. Following the regional stabilisation of the pandemic in the second quarter, economic recovery on the Mainland continues with gradual improvement in its economic indicators. Expansion in domestic demand coupled with positive interactions between the mainstay domestic market and foreign markets pursuant to the new development paradigm of dual circulation under the 14th Five-Year Plan is expected to sustain a healthy economic development.

Recurrent waves of COVID-19 pandemic in Hong Kong are expected to continue to exert pressure on the local economy and unemployment rate during the first half of the year. Positive growth in 2021 will be driven by the vaccination program and easing of the pandemic situation. The local property market is expected to remain stable and resilient over the medium and long term on account of low interest rate alongside an unfaltering demand. Housing policies will continue to be determining factors. Hong Kong as an international financial centre and an innovation and technology hub will continue to benefit from the ample opportunities created by the Greater Bay Area development. Deeper integration of Hong Kong into the overall national development would provide additional impetus for future growth.

The Group has demonstrated its resilience amid recessions and setbacks over the decades. The Group's financial position remains strong against the economic headwinds due to its solid foundation, worldwide quality assets and recurrent income base. Although 2021 will be full of uncertainties, the Group is determined to maintain stable operation and financial stability through cautious risk management. The Group will critically assess every challenge and opportunity in accordance with its prudent investment policy and remain steadfast in the face of adversity. The Group will moderate growth against stability, and sustain shareholders' value by enhancing the quality of earnings and the recurrent income base. The Group is optimistic that it will regain momentum of growth once the pandemic situation resolves and the global business environment improves.

As at the end of year, the Group had a net debt to net total capital ratio of approximately 4.8%. The Group has maintained “A/Stable” and “A2 Stable” credit ratings from Standard & Poor’s and Moody’s respectively, demonstrating its stable financial profile.

Acknowledgement

Intelligent, creative, dedicated, experienced and loyal employees are the Group’s most valuable asset in this extremely competitive and challenging global environment. My colleagues on the Board join me in thanking our team of diligent employees for their hard work, adaptability, loyal service and contributions during the year.

Victor T K Li

Chairman

Hong Kong, 18 March 2021

MANAGEMENT DISCUSSION AND ANALYSIS

SUSTAINABLE DEVELOPMENT STRATEGY

CK Asset Holdings Limited is a leading multinational corporation committed to long-term value creation for its shareholders and stakeholders. The Group aims to achieve sustainable growth through continual strengthening of its existing property businesses and steady enhancement of its recurrent income base via a prudent global investment strategy. We have diverse capabilities with activities encompassing property development and investment, hotel and serviced suite operation, property and project management, aircraft leasing, pub operation and investment in infrastructure and utility asset operation, as well as interests in three listed real estate investment trusts.

Enhance the Property Development Portfolio

The Group has a strong market share in property development in Hong Kong and the Mainland, and an international presence through its operations in Singapore and the United Kingdom. To support long-term stable growth, the Group will continue to enhance its property development portfolio in and outside of Hong Kong by pursuing quality investments in varying ways as suitable opportunities arise.

Broaden the Quality Recurrent Income Base

The Group is actively pursuing attractive investments with stable revenue to improve the quality of earnings and cash flow, and to increase the proportion of recurrent income contribution. We have established a diversified investment portfolio with stable recurring revenue through a number of quality investments and acquisitions across sectors and geographies. By utilising our market strengths and financial resources effectively, we will continue to explore sound investment opportunities both locally and globally in order to broaden further our recurrent income base and to generate sustainable returns for shareholders.

Balance Growth and Stability against an Optimal Capital Structure and Investment Grade Credit Ratings

The Group will adhere to the motto “Advancing Without Forgoing Stability” in its prudent strategy of global business expansion, ensuring that the guiding principal of future investments is focused on asset value growth that results from ongoing enhancement of quality earnings. We place emphasis on the fundamentals, growth prospects and sustainability performance of potential investments, and take into consideration the market conditions and project risks. All investment decisions are made for the long-term interests of shareholders and stakeholders, and should meet the Group’s stringent investment criteria. The Group will further strengthen its risk management capacity to deal with unforeseen economic challenges and market changes, and will continue to enhance its operational efficiency and effectiveness. Through our fundamental policy of maintaining an optimal capital structure and investment grade credit ratings, and seeking access to diversified global funding sources, the Group has stable liquidity to make quality investments for driving business growth and creating value sustainably.

Embrace Sustainability for Long-term Growth

The Group recognises the importance of sustainability in driving corporate values, and strives to actively respond to environmental, social, and governance issues through its sustainability-focused management. We take people, the community and the environment into consideration, and uphold robust corporate governance practices to create long-term value for stakeholders. The Group’s corporate governance and sustainability policies are in place to provide guidance on the integration of purposeful governance and sustainability across businesses. A board-level Sustainability Committee was set up to reinforce the work of the Sustainability Working Group and to assist the Board of Directors in overseeing the Group’s overall sustainability strategy, building a closer connection to our stakeholders and addressing key sustainability risks and opportunities systematically.

BUSINESS REVIEW

Major Business Activities

1. Developments Completed during 2020:

Name	Location	Gross Floor Area (sq.ft.)	Group's Interest
Yuhu Mingdi Phase 3 (2)	Huangpu District, Guangzhou	120,187	80%
Upper West Shanghai Phase 2 Tender 3 and Phase 4 Tender 2 (Residential)	Putuo District, Shanghai	1,136,766	60%
Regency Hills Land No. 14 (Block 14)	Yangjiashan, Nanan District, Chongqing	299,538	95%
Laguna Verona Phases D2c1 and G2b Zone 1	Hwang Gang Lake, Dongguan	1,883,984	99.8%
Noble Hills Phase 3A	Zengcheng, Guangzhou	799,080	100%
Emerald Cove	Wuguishan, Zhongshan	676,005	100%

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

2. Developments in Progress and Scheduled for Completion in 2021:

Name	Location	Gross Floor Area (sq.ft.)	Group's Interest
Seaside Sonata	New Kowloon Inland Lot No. 6506	595,702	Joint Venture
Sea to Sky	Site H of The Remaining Portion of Tseung Kwan O Town Lot No. 70	1,044,104	Joint Venture
Yuhu Mingdi Phase 3 (3)	Huangpu District, Guangzhou	333,493	80%
La Grande Ville Phase 5	Shun Yi District, Beijing	487,766	100%
Upper West Shanghai Phase 4 Tender 2 (T14)	Putuo District, Shanghai	403,216	60%
Laguna Verona Phases D2c2 and G1b/G2a Zone 3	Hwang Gang Lake, Dongguan	1,788,960	99.8%
Noble Hills Phases 3B and 3C	Zengcheng, Guangzhou	619,107	100%
Emerald Cove Phases 1 and 2	Daya Bay, Huizhou	2,511,842	100%
Regency Garden Phase 5B-1	Pudong New District, Shanghai	334,198	85%
Regency Cove Phase 2B	Caidian District, Wuhan	657,620	100%

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

- (1) May 2020: A wholly owned subsidiary of the Group was awarded a Government tender for a site, Lot No. 1069 in Survey District No. 3, off Anderson Road, Kwun Tong, Kowloon. With an area of approximately 217,076 sq.ft. (approximately 20,167 sq.m.), the site is designated for a residential development estimated to have a developable gross floor area of approximately 1,089,145 sq.ft. (approximately 101,185 sq.m.). Not less than 1,000 units out of the total number of residential units to be erected within the lot shall be starter homes units under the Starter Homes Pilot Project.
- (2) July 2020: On 23 July 2020, two indirect wholly owned subsidiaries of the Group (the "Sellers") entered into the reinstatement and fifth amendment agreement with RZ3262019 Limited (the "Purchaser") to reinstate and amend the share purchase agreement dated 9 May 2019 (as amended) made between the two parties for the sale of the entire issued share capital of Carton International Limited and Happy Magic Enterprises Inc. (the "Target Companies", both were indirect wholly owned subsidiaries of the Group) and the assignment of the related shareholder loans, to the Purchaser at a total consideration of approximately US\$1,012,481,987 (subject to adjustment) ("Consideration"), which was completed on 23 July 2020. The Target Companies, directly or indirectly, together hold the entire equity interest in a company established in the PRC, which is the owner and developer of the property development known as "Chengdu Le Parc" (also known as "南城都匯商住項目") in Chengdu, PRC, comprising residential and commercial units and carparks. The Consideration was partly paid for by a loan in the US\$ equivalent sum of RMB2,400,000,000 advanced by the Sellers to the Purchaser.
- (3) July 2020: A wholly owned subsidiary of the Group updated the existing US\$5,000 million Euro Medium Term Note Programme (the "Programme") guaranteed by the Company for the purpose of issuing notes (the "Notes") which may be denominated in any currency as agreed with the dealer(s) from time to time. The Programme was listed on 23 July 2020 on The Stock Exchange of Hong Kong Limited ("Stock Exchange") and Notes may be listed on the Stock Exchange or such other stock exchange(s) as may be agreed with the relevant dealer(s).
- (4) September 2020: A wholly owned subsidiary of the Group issued Guaranteed Senior Perpetual Capital Securities ("3.80% Securities") in an aggregate principal amount of US\$300 million with an annual distribution rate of 3.80% which are guaranteed by the Company. The 3.80% Securities were listed on the Stock Exchange on 18 September 2020.
- (5) October 2020: The Group reached a land exchange agreement with the Government in respect of a site at 38 Coombe Road, The Peak, Hong Kong (Rural Building Lot No. 1207) for an area of approximately 11,840 sq.ft. (approximately 1,100 sq.m.). The site is designated for residential development and estimated to have a gross floor area of approximately 5,920 sq.ft. (approximately 550 sq.m.).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

- (6) October 2020: On 16 October 2020, a wholly owned subsidiary of the Group issued a notice of redemption to redeem all of the US\$1,500,000,000 4.60% Guaranteed Senior Perpetual Capital Securities (“4.60% Securities”) and the distribution accrued on 18 November 2020. Upon completion of the redemption of the 4.60% Securities, there was no further 4.60% Securities in issue. Accordingly, an application was made to the Stock Exchange for the withdrawal of the listing of the 4.60% Securities, and the listing of the 4.60% Securities was withdrawn with effect upon the close of business on 26 November 2020.
- (7) December 2020: A wholly owned subsidiary of the Group issued Guaranteed Senior Perpetual Capital Securities (“3.50% Securities”) in an aggregate principal amount of US\$500 million with an annual distribution rate of 3.50% which are guaranteed by the Company. The 3.50% Securities were listed on the Stock Exchange on 23 December 2020.
- (8) February 2021: A wholly owned subsidiary of the Group was awarded a Government tender for a site, New Kowloon Inland Lot No. 6604, Kai Tak Area 4E Site 2, Kai Tak, Kowloon. With an area of approximately 117,843 sq.ft. (approximately 10,948 sq.m.), the site is designated for a residential/retail development estimated to have a developable gross floor area of approximately 648,137 sq.ft. (approximately 60,214 sq.m.).

Property Sales

Revenue of property sales (including share of joint ventures) recognised for the year was HK\$38,670 million (2019 – HK\$64,108 million), comprising mainly (i) sales of the remaining units and carparks of projects completed previously in Hong Kong; (ii) sales of various development projects on the Mainland – Upper West Shanghai and Hupan Mingdi in Shanghai, Regency Hills in Chongqing, Le Parc in Chengdu and Noble Hills in Guangzhou; (iii) sales of Chelsea Waterfront in the United Kingdom; and (iv) sales of Stars of Kovan in Singapore, and is summarised by location as follows:

Location	2020 HK\$ Million	2019 HK\$ Million
Hong Kong	8,941	50,020
The Mainland	27,114	13,059
Overseas	2,615	1,029
	38,670	64,108

Contribution for the year amounted to HK\$19,112 million (2019 – HK\$21,372 million) and is summarised by location as follows:

Location	2020 HK\$ Million	2019 HK\$ Million
Hong Kong	3,880	18,982
The Mainland	14,626	2,074
Overseas	606	316
	19,112	21,372

During the year, significant contributions were derived from property sales on the Mainland including the sales of residential units of Upper West Shanghai, a composite development which is 60% owned by the Group, and the sale of all remaining units and carparks of Le Parc in Chengdu.

The presales of residential units of Sea to Sky, Seaside Sonata and El Futuro in Hong Kong and various projects on the Mainland including Laguna Verona in Dongguan, Noble Hills in Guangzhou and Regency Garden in Shanghai are progressing steadily. Contribution to profit is expected upon sales recognition when the projects are completed.

Property sales contracted but not yet recognised at 31 December 2020 are as follows:

Location	Scheduled for Sales Recognition		
	In 2021 HK\$ Million	After 2021 HK\$ Million	Total HK\$ Million
Hong Kong	16,208	4,271	20,479
The Mainland	15,870	4,224	20,094
Overseas	50	631	681
	32,128	9,126	41,254

At the year end date, the Group had a development land bank (including developers' interests in joint development projects but excluding agricultural land and completed properties) of approximately 80 million sq.ft., of which 5 million sq.ft., 71 million sq.ft. and 4 million sq.ft. were located in Hong Kong, on the Mainland and overseas respectively.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Property Rental

Revenue of property rental (including share of joint ventures) for the year was HK\$6,751 million (2019 – HK\$7,450 million) and comprised rental income derived from leasing of retail, office, industrial and other properties as follows:

Use of Property	2020 HK\$ Million	2019 HK\$ Million
Retail	2,733	3,357
Office	2,840	2,926
Industrial	725	736
Others	453	431
	6,751	7,450

The Group's investment properties are primarily located in Hong Kong including Cheung Kong Center, China Building and Hutchison House (currently under redevelopment) in Central, 1881 Heritage in Tsimshatsui, Whampoa Garden in Hunghom, Hutchison Logistics Centre in Kwai Chung and others. During the year, the Group completed the acquisition of OP Mall in Tsuen Wan and further expanded its retail property investment portfolio in Hong Kong.

Contribution for the year amounted to HK\$5,935 million (2019 – HK\$6,897 million) and is summarised by location as follows:

Location	2020 HK\$ Million	2019 HK\$ Million
Hong Kong	4,880	5,466
The Mainland	510	649
Overseas	545	782
	5,935	6,897

Rental contribution for the year decreased, when compared with last year, as the COVID-19 pandemic affected the global economy. Besides, certain retail properties in the United Kingdom, previously leased to Greene King for rental income, have become part of the pub operation since October 2019.

At the year end date, the Group had an investment property portfolio of approximately 17.2 million sq.ft. (including share of joint ventures but excluding car parking spaces) as follows:

Location	Retail Million sq.ft.	Office Million sq.ft.	Industrial Million sq.ft.	Others Million sq.ft.	Total Million sq.ft.
Hong Kong	3.2	3.9	5.9	–	13.0
The Mainland	1.5	0.4	–	–	1.9
Overseas	0.1	1.4	–	0.8	2.3
	4.8	5.7	5.9	0.8	17.2

A decrease of HK\$1,106 million (2019 – increase of HK\$228 million) in fair value of investment properties was recorded at 31 December 2020 based on a professional valuation using capitalisation rates ranging from approximately 4% to 8%.

Hotel and Serviced Suite Operation

Revenue of hotel and serviced suite operation (including share of joint ventures) for the year was HK\$2,055 million (2019 – HK\$4,185 million), a decrease of HK\$2,130 million when compared with last year, as hotel businesses in Hong Kong were severely hit by the COVID-19 pandemic.

During the year, the operation of Harbour Grand Hotels, Harbour Plaza Hotels & Resorts and other hotels of the Group reported on average a low occupancy rate of 20.1% under the pandemic situation whereas Horizon Hotels & Suites and other serviced suite operations managed to maintain an average occupancy rate of 86.7% with long stay guests.

Contribution of hotel and serviced suite operation for the year declined to HK\$260 million (2019 – HK\$1,345 million), a decrease of HK\$1,085 million when compared with last year due to operating losses incurred by the hotels, and is summarised by location as follows:

Location	2020 HK\$ Million	2019 HK\$ Million
Hong Kong	361	1,371
The Mainland	(101)	(26)
	260	1,345

The Group's hotel and serviced suite properties are mostly located in Hong Kong and provide approximately 15,000 rooms for guest accommodation.

Property and Project Management

Revenue of property and project management (including share of joint ventures) for the year was HK\$836 million (2019 – HK\$868 million) and mainly comprised management fees received for provision of property management and related services to properties developed by the Group.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Contribution for the year amounted to HK\$355 million (2019 – HK\$362 million) and is summarised by location as follows:

Location	2020 HK\$ Million	2019 HK\$ Million
Hong Kong	275	277
The Mainland	58	61
Overseas	22	24
	355	362

At the year end date, approximately 272 million sq.ft. of completed properties were managed by the Group and this is expected to grow steadily following gradual completion of property development projects in the years ahead. The Group is committed to providing high quality services to the properties under its management.

Aircraft Leasing

Revenue of aircraft leasing (including share of joint ventures) for the year was HK\$2,820 million (2019 – HK\$3,192 million), a decrease of HK\$372 million when compared with last year mainly due to the disposal of a few aircraft during the year, and comprised income derived from leasing of narrow body aircraft and wide body aircraft to airlines.

The airline industry has been hard hit by the worldwide travel restrictions due to the COVID-19 pandemic. The Group has worked closely with lessees which have liquidity problems, and lease restructuring and payment deferral have been arranged after careful considerations under the circumstances. Overdue lease payments were experienced during the year and the carrying values of some aircraft were required to be written down at the year end date.

Contribution for the year (including share of joint ventures) amounted to HK\$1,119 million (2019 – HK\$1,515 million), including a gain of HK\$201 million on disposal of aircraft and after provisions of HK\$136 million and HK\$70 million made for aircraft impairment and lease receivables respectively. Contribution with reference to lessee's location of operation is summarised as follows:

Location	2020 HK\$ Million	2019 HK\$ Million
Asia	388	481
Europe	266	438
North America	471	388
Latin America	(6)	208
	1,119	1,515

At the year end date, the Group (including interest in joint ventures) owned 120 narrow body aircraft and 5 wide body aircraft with an average age of 6.8 years and an average remaining lease term of 4.5 years, and had a total commitment of HK\$9.6 billion for acquisition of 20 aircraft.

Pub Operation

In October 2019, the Group completed the acquisition of Greene King, a leading integrated brewer and pub retailer operating about 2,700 pubs, restaurants and hotels across England, Wales and Scotland. Unfortunately, pub businesses in the United Kingdom have been badly hammered by lockdown measures imposed by the government to counteract the COVID-19 pandemic since March 2020.

The Greene King operation has been severely impacted by the mandated closure requirements of pubs and restaurants in the United Kingdom. Significant operating losses, mainly on payroll, were incurred during the year and impairment was recognised for certain pub property assets which had been underutilised in the pandemic situation.

Revenue and contribution for the year, after provision of HK\$995 million for asset impairment, were reported by division of the pub operation as follows:

Division	2020		2019	
	Revenue HK\$ Million	Contribution HK\$ Million	Revenue HK\$ Million	Contribution HK\$ Million
Pub Company – operates food-led and drink-led destination pubs and restaurants and community-focused local pubs	7,636	(3,105)	2,933	418
Pub Partners – owns a portfolio of mainly drink-led pubs which are run as franchised or leased pubs	734	5	297	119
Brewing & Brands – sells and distributes a wide range of beers including ale brands brewed in own breweries	1,160	(362)	381	18
	9,530	(3,462)	3,611	555

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Infrastructure and Utility Asset Operation

The Group's infrastructure and utility asset businesses are operated through the following joint ventures:

	Principal Activity	Interest in Joint Venture
CK William JV	An owner and operator of energy utility assets in Australia, the United States, Canada and the United Kingdom	40%
CKP (Canada) JV	A building equipment and service provider under the consumer brand identity of "Reliance Home Comfort" in Canada	75%
Sarvana JV	A fully integrated energy management service provider operated by ista Group in Europe	65%

and the revenue shared by the Group for the year is as follows:

	2020 HK\$ Million	2019 HK\$ Million
CK William JV	4,332	4,158
CKP (Canada) JV	3,749	3,542
Sarvana JV	5,409	5,205
	13,490	12,905

The Group also invests in the economic benefits of the following infrastructure and utility asset businesses:

	Principal Activity	Interest in Economic Benefit
Park'N Fly	An off-airport car park provider in Canada	20%
UK Rails	A rolling stock operating company in the United Kingdom	20%
Northumbrian Water	A regulated water and sewerage company in England and Wales	16%
Dutch Enviro Energy	An energy-from-waste company in the Netherlands	14%
Wales & West Gas Networks	A gas distributor that serves Wales and the South West of England	12%
Australian Gas Networks	A distributor of natural gas in Australia	11%

Profit contribution for the year amounted to HK\$4,488 million (2019 – HK\$4,524 million), and is summarised by location as follows:

	Australia HK\$ Million	Europe HK\$ Million	North America HK\$ Million	2020 Total HK\$ Million	2019 Total HK\$ Million
CK William JV	1,279	27	63	1,369	1,548
CKP (Canada) JV	–	–	1,159	1,159	1,086
Sarvana JV	–	1,322	–	1,322	1,260
Other investments	147	491	–	638	630
	1,426	1,840	1,222	4,488	4,524

Interests in Real Estate Investment Trusts

The Group's interests in listed real estate investment trusts at the year end date were as follows:

	Principal Activity	Interest
Hui Xian REIT	Investment in hotels and serviced suites, office and retail properties on the Mainland	32.5%
Fortune REIT	Investment in retail properties in Hong Kong	26.9%
Prosperity REIT	Investment in office, retail and industrial properties in Hong Kong	18.1%

Hui Xian REIT is an associate and made a contribution of HK\$189 million (2019 – HK\$175 million) to group profit for the year, whereas distributions received during the year amounted to HK\$235 million (2019 – HK\$517 million).

Distributions received from Fortune REIT and Prosperity REIT during the year amounted to HK\$300 million (2019 – HK\$319 million) and were recognised as investment income. A decrease of HK\$1,067 million (2019 – increase of HK\$85 million) in fair value of the Group's investments in Fortune REIT and Prosperity REIT was recorded based on the market closing price at 31 December 2020.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW

Liquidity and Financing

The Group monitors its liquidity requirements on a short to medium term basis and arranges bank and other borrowings accordingly.

At the year end date, the Group's bank and other loans amounted to HK\$77.9 billion, a decrease of HK\$2.2 billion when compared with bank and other loans at 31 December 2019. The maturity profile was spread over a period of 16 years, with HK\$22.9 billion repayable within 1 year, HK\$37.8 billion within 2 to 5 years and HK\$17.2 billion beyond 5 years.

In September 2020, the Group issued US\$300 million perpetual capital securities with an annual distribution rate of 3.8% which are redeemable at the Group's option on or after 17 September 2023. In November 2020, the US\$1,500 million perpetual capital securities issued in 2017 with an annual distribution rate of 4.6% were redeemed. Subsequently in December 2020, US\$500 million perpetual capital securities were issued with an annual distribution rate of 3.5% and are redeemable at the Group's option on or after 22 December 2023. The perpetual capital securities issued in September and December 2020 have no maturity and are taken as long term equity.

The Group's net debt to net total capital ratio at 31 December 2020 was approximately 4.8%. Net debt is arrived at by deducting bank balances and deposits of HK\$59.5 billion from bank and other loans, and net total capital is the aggregate of total equity and net debt.

With plenty of cash on hand as well as available banking facilities, the Group's liquidity position remains strong and the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

Treasury Policies

The Group maintains a conservative approach on foreign exchange exposure management and borrows principally on a floating rate basis. The Group manages and reviews its exposure to foreign exchange rates and interest rates regularly. For investment overseas and at times of financial uncertainty or volatility, hedging instruments including swaps and forwards are used in the management of exposure to foreign exchange rate and interest rate fluctuations.

At the year end date, the Group's borrowings were 55% in HK\$ and US\$ and 45% in other currencies, including AUD, GBP and RMB, which had been arranged for investments and operations in Australia, the United Kingdom and on the Mainland. The Group derives its revenue from property businesses mainly in HK\$ and RMB and maintains bank balances and deposits substantially in HK\$ and RMB. Income in foreign currencies is generated by overseas investments and operations, and cash in local currencies is maintained for operational requirements.

Charges on Assets

At the year end date, properties amounting to HK\$15,924 million (2019 – HK\$16,021 million) were charged to secure bank loans arranged for property projects on the Mainland, and properties amounting to HK\$33,078 million (2019 – HK\$37,058 million) were charged to secure other loans arranged for pub operation in the United Kingdom.

Contingent Liabilities

At the year end date, the Group provided guarantees for (i) revenue shared by land owner of a hotel project amounting to HK\$505 million (2019 – HK\$521 million); (ii) mortgage loans provided by banks to purchasers of properties developed by the Group on the Mainland amounting to HK\$4,662 million (2019 – HK\$1,975 million); and (iii) loans provided by banks to a joint venture amounting to HK\$3,781 million (2019 – HK\$3,502 million).

Employees

At the year end date, the Group employed approximately 58,000 employees. The related employees' costs for the year (excluding directors' emoluments), before employment support subsidies from governments and other reimbursements, amounted to approximately HK\$10,875 million. The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. The Group does not have any share option scheme for employees.

DIRECTORS' BIOGRAPHICAL INFORMATION



Victor T K Li

KAM Hing Lam

IP Tak Chuen, Edmond

LI Tzar Kuoi, Victor, aged 56, joined the CK Group in 1985, and has been the Chairman since May 2018, the Managing Director since February 2015, and the Chairman of the Executive Committee of the Company since June 2015. He has been a member of the Remuneration Committee of the Company since May 2018. He has also been a member of the Nomination Committee of the Company since January 2019, and acted as the Chairman of the Nomination Committee of the Company from January 2019 to November 2020. Mr. Li has been a Director since January 2015 and an Executive Director of the Company since February 2015. He acted as the Deputy Chairman of the Company from February 2015 to May 2018. Mr. Li is the Chairman and Group Co-Managing Director of CK Hutchison Holdings Limited. He is also the Chairman of CK Infrastructure Holdings Limited and CK Life Sciences Int'l., (Holdings) Inc., a Non-executive Director of Power Assets Holdings Limited and HK Electric Investments Manager Limited ("HKEIM") as the trustee-manager of HK Electric Investments, and a Non-executive Director and the Deputy Chairman of HK Electric Investments Limited. Except for HKEIM, all the companies/investment trust mentioned above are listed in Hong Kong. Mr. Li is also the Deputy Chairman of Li Ka Shing Foundation Limited and Li Ka Shing (Global) Foundation, the Member Deputy Chairman of Li Ka Shing (Canada) Foundation, and a Director of The Hongkong and Shanghai Banking Corporation Limited. He was previously a Director and the Co-Chairman of Husky Energy Inc., which was delisted on 5 January 2021 following its combination with Cenovus Energy Inc. He serves as a member of the Standing Committee of the 13th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He is also a member of the Chief Executive's Council of Advisers on Innovation and Strategic Development of the Hong Kong Special Administrative Region and Vice Chairman of the Hong Kong General Chamber of Commerce. Mr. Li is the Honorary Consul of Barbados in Hong Kong. He holds a Bachelor of Science degree in Civil Engineering, a Master of Science degree in Civil Engineering and a degree of Doctor of Laws, honoris causa (LL.D.). Mr. Li is the elder son of Mr. Li Ka-shing, the Senior Advisor of the Company and a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), and a nephew of Mr. Kam Hing Lam, Deputy Managing Director and an Executive Committee Member of the Company. Mr. Li is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO, and a director of certain companies controlled by certain substantial shareholders of the Company.

KAM Hing Lam, aged 74, joined the CK Group in 1993, and has been an Executive Director and Deputy Managing Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. He was a member of the Nomination Committee of the Company from January 2019 to November 2020. He is Deputy Managing Director of CK Hutchison Holdings Limited, the Group Managing Director of CK Infrastructure Holdings Limited, and the President of CK Life Sciences Int'l., (Holdings) Inc. He was the Chief Executive Officer of CK Life Sciences Int'l., (Holdings) Inc. from June 2002 to August 2020. All the companies mentioned above are listed companies. Mr. Kam is also the Chairman of Hui Xian Asset Management Limited as the manager of Hui Xian REIT (listed in Hong Kong). He holds a Bachelor of Science degree in Engineering and a Master's degree in Business Administration. Mr. Kam is the brother-in-law of Mr. Li Ka-shing, the Senior Advisor of the Company and a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance, and an uncle of Mr. Li Tzar Kuoi, Victor, the Chairman and Managing Director of the Company and the Chairman of the Executive Committee of the Company.

IP Tak Chuen, Edmond, aged 68, joined the CK Group in 1993, and has been a Director since January 2015, Deputy Managing Director and an Executive Director of the Company since February 2015, an Executive Committee Member of the Company since June 2015 and the Chairman of the Sustainability Committee of the Company since December 2020. He was a member of the Nomination Committee of the Company from January 2019 to November 2020. He is Deputy Managing Director of CK Hutchison Holdings Limited. He is also an Executive Director and Deputy Chairman of CK Infrastructure Holdings Limited, and the Senior Vice President and Chief Investment Officer of CK Life Sciences Int'l., (Holdings) Inc. All the companies mentioned above are listed companies. Mr. Ip is also a Non-executive Director of Hui Xian Asset Management Limited as the manager of Hui Xian REIT (listed in Hong Kong). He holds a Bachelor of Arts degree in Economics and a Master of Science degree in Business Administration. Mr. Ip is a director of certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance.



CHUNG Sun Keung, Davy

CHIU Kwok Hung, Justin

CHOW Wai Kam, Raymond

PAU Yee Wan, Ezra

WOO Chia Ching, Grace

CHUNG Sun Keung, Davy, aged 69, joined the CK Group in 1978, and has been an Executive Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. He was a member of the Nomination Committee of the Company from January 2019 to November 2020. Mr. Chung is a Registered Architect. He was a member of the 11th Guangzhou Committee of the Chinese People's Political Consultative Conference of the People's Republic of China.

CHIU Kwok Hung, Justin, aged 70, joined the CK Group in 1997, and has been an Executive Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. He was a member of the Nomination Committee of the Company from January 2019 to November 2020. He is the Chairman of ARA Asset Management (Prosperity) Limited as the manager of Prosperity REIT (listed in Hong Kong). Mr. Chiu is also a Non-executive Director of ARA Asset Management (Fortune) Limited as the manager of Fortune REIT (listed in Hong Kong). He is also a Director of ARA Fund Management (Asia Dragon) Limited as the manager of the ARA Asia Dragon Fund. Mr. Chiu has more than 40 years of international experience in real estate in Hong Kong and various countries. Mr. Chiu is a Fellow of The Royal Institution of Chartered Surveyors, a Council Member and a Fellow of The Hong Kong Institute of Directors, a Fellow of Hong Kong Institute of Real Estate Administrators, a Vice Chairman of the Board of Governors of Hong Kong Baptist University Foundation, an Honorary Associate Member of Business of Trent University, Canada, a member of the Singapore Management University International Advisory Council in China, an Honorary Professor of School of Pharmaceutical Sciences of Sun Yat-sen University and an Adjunct Professor in the School of Business of Hong Kong Baptist University. He was previously a Senior Visiting Fellow of the Department of Land Economy at University of Cambridge. He was also a member of the Standing Committee of the 12th Shanghai Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He holds a Bachelor of Arts degree in Sociology and Economics, and was conferred with the degree of Doctor of Social Sciences, honoris causa by Hong Kong Baptist University and the degree of Doctor of Laws, honoris causa by Trent University, Canada. Mr. Chiu is a director of a company controlled by a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

CHOW Wai Kam, Raymond, JP, aged 73, has been an Executive Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. He was a member of the Nomination Committee of the Company from January 2019 to November 2020. He joined the Hutchison Group in July 1995 and before his appointment on the Board, he was previously the Group Managing Director of the property and hotels divisions of the Hutchison Group. Mr. Chow is currently the Group Managing Director of Hutchison Property Group Limited, a wholly owned subsidiary of the Company. He is also a Non-executive Director of AVIC International Holding (HK) Limited, a listed company. He has over 40 years of experience in project management and architectural design for various developments, including hotel, residential, commercial, industrial and school projects in Hong Kong, the Mainland and overseas. He holds a Bachelor of Arts degree in Architectural Studies and a Bachelor of Architecture degree from the University of Hong Kong. He is an Authorised Person (List of Architects) and a Registered Architect. He was also admitted as a Fellow of The Hong Kong Institute of Architects since August 2001.

PAU Yee Wan, Ezra, aged 65, joined the CK Group in 1982, and has been an Executive Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. She was a member of the Nomination Committee of the Company from January 2019 to November 2020. Ms. Pau is a director of certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance, and a director of certain companies controlled by certain substantial shareholders of the Company.

WOO Chia Ching, Grace, aged 64, joined the CK Group in 1987, and has been an Executive Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. She was a member of the Nomination Committee of the Company from January 2019 to November 2020. She holds a Bachelor of Arts degree from the University of Pennsylvania, U.S.A. and a Master's degree in City and Regional Planning from Harvard University, U.S.A. Ms. Woo is a director of certain companies controlled by a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

DIRECTORS' BIOGRAPHICAL INFORMATION (CONTINUED)



CHEONG Ying Chew, Henry

CHOW Nin Mow, Albert

HUNG Siu-lin, Katherine

Colin Stevens RUSSEL

Donald Jeffrey ROBERTS

Stephen Edward BRADLEY

CHEONG Ying Chew, Henry, aged 73, has been an Independent Non-executive Director, the Chairman of the Audit Committee and a member of the Remuneration Committee of the Company since February 2015, and a member of the Sustainability Committee of the Company since December 2020. He was a member of the Nomination Committee of the Company from January 2019 to November 2020. Mr. Cheong is also an Independent Non-executive Director of CK Infrastructure Holdings Limited, New World Department Store China Limited and Skyworth Group Limited, and an Independent Director of BTS Group Holdings Public Company Limited. Mr. Cheong is an Executive Director and Deputy Chairman of Worldsec Limited. All companies mentioned above are listed companies. Mr. Cheong holds a Bachelor of Science degree in Mathematics and a Master of Science degree in Operational Research and Management.

CHOW Nin Mow, Albert, aged 71, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since February 2015. He was a member of the Nomination Committee of the Company from January 2019 to November 2020. Mr. Chow is the Chairman and Managing Director of Wah Yip (Holdings) Limited.

HUNG Siu-lin, Katherine, aged 73, joined the CK Group in March 1972, and has been an Independent Non-executive Director, the Chairperson of the Remuneration Committee and a member of the Audit Committee of the Company since February 2015. She was a member of the Nomination Committee of the Company from January 2019 to November 2020. Ms. Hung is a Governing Committee Member of The Hong Kong Polytechnic University Foundation, an Honorary Court Member of The Hong Kong Polytechnic University, an Honorary Court Member of Lingnan University, President Consultant of Tianjin University and Honorary Vice Chairman of Chinese Academy of Governance (Hong Kong) Industrial and Commercial Professionals Alumni Association Ltd. She was a member of the Tianjin Committee of the 12th and 13th Chinese People's Political Consultative Conference of the People's Republic of China from January 2008 to January 2018, a Court Member of The Hong Kong University of Science and Technology from 2011 to May 2016, an Executive Committee Member of Hong Kong Housing Society from September 2008 to August 2014 and a member of the Supervisory Board of Hong Kong Housing Society from September 2014 to August 2020, a Member of Estate Agents Authority from November 2006 to October 2012, and a Steering Committee Member of the Institute for Enterprise of The Hong Kong Polytechnic University from April 2000 to August 2011. Ms. Hung is a University Fellow of The Hong Kong Polytechnic University.

Colin Stevens RUSSEL, aged 80, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since March 2017. He was a member of the Nomination Committee of the Company from January 2019 to November 2020. He is also an Independent Non-executive Director of CK Infrastructure Holdings Limited and CK Life Sciences Int'l., (Holdings) Inc. All the companies mentioned above are listed companies. Mr. Russel is the founder and Managing Director of Emerging Markets Advisory Services Ltd., a company which provides advisory services to organisations on business strategy and planning, market development, competitive positioning and risk management. He is also Managing Director of EMAS (HK) Limited. He was an Independent Non-executive Director of Husky Energy Inc., which was delisted on 5 January 2021 following its combination with Cenovus Energy Inc. He was the Canadian Ambassador to Venezuela, Consul General for Canada in Hong Kong, Director for China of the Department of Foreign Affairs, Ottawa, Director for East Asia Trade in Ottawa, Senior Trade Commissioner for Canada in Hong Kong, Director for Japan Trade in Ottawa, and was in the Trade Commissioner Service for Canada in Spain, Hong Kong, Morocco, the Philippines, London and India. He was Project Manager for RCA Ltd in Liberia, Nigeria, Mexico and India and electronic equipment development engineer in Canada with RCA Ltd and in Britain with Associated Electrical Industries. Mr. Russel received his Bachelor's degree in electronics engineering and Master's degree in Business Administration from McGill University, Canada. He is a Qualified Commercial Mediator.

Donald Jeffrey ROBERTS, aged 69, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since March 2017, and a member of the Nomination Committee of the Company since January 2019. He is also an Independent Non-executive Director of CK Life Sciences Int'l., (Holdings) Inc. (listed in Hong Kong); an Independent Non-executive Director of HK Electric Investments Manager Limited, which is the trustee-manager of HK Electric Investments ("HKEI"), and HK Electric Investments Limited, a company listed together with HKEI in Hong Kong; and an Independent Non-executive Director of Queen's Road Capital Investment Ltd. (listed in Canada). He is also a Director of The Hongkong Electric Company, Limited, and an Independent Non-executive Director of Welab Bank Limited and Welab Capital Limited. He joined the Hutchison Whampoa Limited ("HWL") Group in 1988 and was the Group Deputy Chief Financial Officer of HWL from 2000 until his retirement in 2011. Mr. Roberts was a Member of the Listing Committee of the Main Board and GEM of The Stock Exchange of Hong Kong Limited from July 2015 to July 2020. He was previously a member of the Executive Committee of The Canadian Chamber of Commerce (the "Chamber") in Hong Kong and is currently Governor of the Chamber. He previously served as a Governor of the Canadian International School of Hong Kong for the periods between 1998 to 2004, and between 2006 to 2012 and also a member on its Finance & Administration Committee. Mr. Roberts served as a member, including as the Deputy Chairman, of the Professional Conduct Committee of the Hong Kong Institute of Certified Public Accountants ("HKICPA") for 9 years. Mr. Roberts holds a Bachelor of Commerce degree. He is a Chartered Accountant with the Chartered Professional Accountants of Canada, Alberta and British Columbia, and also a Fellow of the HKICPA.

Stephen Edward BRADLEY, aged 62, has been an Independent Non-executive Director, a member of the Audit Committee and a member of the Nomination Committee of the Company since November 2020, and the Chairman of the Nomination Committee of the Company since December 2020. He is also a Director of CNEX (Shanghai CFETS-NEX International Money Broking Co., Ltd.) and Broad Lea Group Ltd; and Senior Consultant of NEX Group Limited (which was acquired by CME Group in 2018). Mr. Bradley was an Independent Director of Husky Energy Inc., which was delisted on 5 January 2021 following its combination with Cenovus Energy Inc. Mr. Bradley entered the British Diplomatic Service in 1981 and retired from the British Diplomatic Service in 2009. He served in various capacities including: Director of Trade & Investment Promotion (Paris) from 1999 to 2002; Minister, Deputy Head of Mission & Consul-General (Beijing) from 2002 to 2003; and HM Consul-General (Hong Kong) from 2003 to 2008. Mr. Bradley also worked in the private sector as Marketing Director, Guinness Peat Aviation (Asia) and Associate Director, Lloyd George Management (now a part of BMO Global Asset Management). Mr. Bradley holds a Bachelor of Arts degree from Balliol College, University of Oxford, England and a post-graduate diploma from Fudan University, Shanghai.

KEY PERSONNEL'S BIOGRAPHICAL INFORMATION

Accounts Department

Man Ka Keung, Simon, aged 63, Executive Committee Member & General Manager, Accounts Department, joined the CK Group in December 1987. He is the Alternate Director to Mr. Ip Tak Chuen, Edmond, Deputy Chairman and Executive Director of CK Infrastructure Holdings Limited and a Director of Harbour Plaza Hotel Management Limited. He is also a board member of the Community Chest of Hong Kong. He has over 40 years of experience in accounting, auditing, tax and finance. He holds a Bachelor's degree in Economics and is a member of Chartered Accountants Australia and New Zealand.

Lee Shu Yan, Simon, aged 57, Deputy Chief Manager, joined the CK Group in October 1987. He has over 38 years of experience in accounting. He holds a Postgraduate Diploma in Management Studies. He is a fellow member of The Association of Chartered Certified Accountants, a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants, a non-practising member of The Chinese Institute of Certified Public Accountants, and a fellow member and Certified Tax Adviser of The Taxation Institute of Hong Kong.

Ng Yuet Fong, Betty, aged 72, Deputy Chief Manager, joined the CK Group in September 1993. She has over 48 years of experience in accounting and treasury. She holds a Bachelor of Business Administration degree in Accounting.

Lau Chi Ho, Elton, aged 40, Manager, joined the CK Group in September 2013. He has over 18 years of experience in accounting and auditing. He holds a Bachelor of Business Administration degree with Honours in Accounting. He is a fellow member of The Association of Chartered Certified Accountants.

Wong Ling, Suki, aged 37, Manager, joined the CK Group in June 2014. She has over 15 years of experience in accounting and auditing. She holds a Bachelor of Business Administration degree with Honours in Accounting. She is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Ng Wai Ling, Carrie, aged 52, Manager, joined the CK Group in October 2005. She has over 28 years of experience in accounting and auditing. She holds a Master of Science degree in Financial Management. She is a fellow member of The Association of Chartered Certified Accountants.

Cheung Wan Tung, Walter, aged 38, Manager, joined the CK Group in February 2013. He has over 16 years of experience in accounting and auditing. He holds a Bachelor of Business Administration degree with Honours in Accounting. He is a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Choi Hiu Yeung, Gary, aged 37, Manager, joined the CK Group in April 2015. He has over 15 years of experience in accounting and auditing. He holds a Bachelor of Business Administration degree with Honours in Accounting. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Administration Department

Ng Po Lung, aged 59, Senior Manager, joined the CK Group in November 1993. He has over 36 years of experience in office administration management. He holds a Diploma in Legal Studies, a Bachelor of Social Science degree with Honours and a Master's degree in Business Administration.

Yu Wing Han, Jessica, aged 54, Manager, joined the CK Group in August 2014. She has over 25 years of experience in office administration management. She holds a Bachelor of Science degree with Honours, a Postgraduate Diploma in Professional Accounting and a Master's degree in Business Administration.

Building Cost & Contract Department

Chee Chun Kit, aged 58, Chief Manager, joined the CK Group in December 1991. She has over 32 years of experience in quantity surveying. She holds an Associateship in Building Technology and Management and a Master of Laws degree in International and Commercial Law. She is a Registered Professional Surveyor, a professional member of the Royal Institution of Chartered Surveyors, a member of The Hong Kong Institute of Surveyors, a member of Hong Kong Institute of Construction Managers, a member of The Chartered Institute of Arbitrators and possesses the qualification of PRC Cost Engineer.

Cheung Wai Hung, Kevin, aged 54, Contracts Manager, joined the CK Group in March 1998. He has over 35 years of experience in quantity surveying. He holds a Bachelor of Science degree with Honours in Construction Economics and Management. He is a Registered Professional Surveyor, a professional member of the Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors.

Lam Man Na, Mana, aged 55, Contracts Manager, joined the CK Group in April 1996. She has over 31 years of experience in quantity surveying. She holds a Higher Diploma in Building and a Diploma in Surveying (Quantity Surveying). She is a Registered Professional Surveyor, a professional member of the Royal Institution of Chartered Surveyors, a member of The Hong Kong Institute of Surveyors and possesses the qualification of PRC Cost Engineer.

Lau Heung Wing Joseph, aged 52, Contracts Manager, joined the CK Group in October 2000. He has over 30 years of experience in quantity surveying. He holds a Higher Diploma in Building Services Engineering and a Master of Science degree in Construction Project Management. He is a professional member of the Royal Institution of Chartered Surveyors, a member of The Chartered Institute of Arbitrators, a member of The Hong Kong Institute of Value Management and a Beam Professional of Hong Kong Green Building Council.

Construction Audit & Quality Assurance Department

Chen Siu Hung, Wilson, aged 48, Manager, joined the CK Group in April 2001. He has over 24 years of experience in building quality management. He holds a Master of Science degree in Facility Management and a Bachelor of Engineering degree with Honours in Building Services Engineering. He is a Registered Professional Engineer, a Chartered Engineer, a member of The Hong Kong Institution of Engineers, a member of The Chartered Institution of Building Services Engineers (UK) and a member of The Institute of Engineering and Technology.

KEY PERSONNEL'S BIOGRAPHICAL INFORMATION (CONTINUED)

Chairman's Office

Li Tuen Yee, Bianca, aged 57, Manager, joined the CK Group in May 1987. She has over 37 years of experience in secretarial and office management.

China Department

Beijing

Yeung Shun Kiu, Eva, aged 44, Finance Manager, joined the CK Group in September 2008. She has over 22 years of experience in accounting. She holds a Bachelor of Business Administration degree with Honours in Accounting. She is a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Beijing Office

Wong K, James, aged 57, Manager, Business Development, joined the CK Group in September 1991. He has over 30 years of experience in business development. He is the Chief Representative of the Beijing Office of the Company, and is also the Director, Deputy General Manager and Chief Corporate Affairs Officer of Beijing Oriental Plaza Company Limited. He holds a Master's degree in Management Science and a Postgraduate Diploma in Global Operations and Management.

Guangzhou

Tang Sek Wai, Max, aged 61, Senior Project Manager, joined the CK Group in November 1986. He is the General Manager of Regal Lake Property Development Limited Guangzhou, Shanghai Heya Property Development Company Limited, Shanghai Lianya Investment Consultancy Company Limited (上海聯雅投資諮詢有限公司) and Shanghai Xiangya Investment Consultancy Company Limited (上海翔雅投資諮詢有限公司). He is also a Director and the General Manager of Beijing Po Garden Real Estates Development Company Limited and Beijing Chang Le Real Estates Development Company Limited. He has over 34 years of experience in project management. He holds a Master's degree in Environmental Engineering Management and a Master's degree in Business Administration (Executive). He is a Chartered Builder and a member of The Hong Kong Institution of Engineers.

Lam Ka Keung, aged 63, Project Manager, joined the CK Group in June 1994. He has over 43 years of experience in project management. He holds a Higher Certificate in Construction Technology.

Shanghai

Lam Yuk, Bruce, aged 52, Senior Project Manager, joined the CK Group in June 1998. He is the General Manager of Shanghai Changrun Jianghe Property Development Company Limited. He has over 27 years of experience in project management. He holds a Bachelor of Arts degree with Honours in Architectural Studies, a Master's degree in Architecture, a Master's degree in Business Administration and a Postgraduate Diploma in Project Management. He is a Registered Architect, a member of The Hong Kong Institute of Architects and possesses the qualification of PRC Class 1 Registered Architect.

Chan Wing Fai, Eric, aged 54, Leasing Manager, joined the CK Group in July 2012. He is also the Chief Leasing Manager of our project Company in Shanghai. He has over 28 years of experience in property leasing. He holds a Bachelor of Science degree in Land Management and a Master of Science degree in International Real Estate. He is a professional member of the Royal Institution of Chartered Surveyors.

Lam Chung For, Paul, aged 57, Leasing Manager, joined the Group in November 2019. He is also the Chief Leasing Manager of our project Company in Shanghai. He has over 21 years of experience in real estate. He holds a Bachelor of Business Administration degree with Honours in Public Administration and a Master of Arts degree in Business – Real Estate Management. He is a professional member of the Royal Institution of Chartered Surveyors and a member of Hong Kong Institute of Real Estate Administrators.

Shum Kam Yiu, Richard, aged 45, Finance Manager, joined the Group in September 2017. He is also the Financial Controller of our project Companies in Shanghai. He has over 20 years of experience in accounting. He holds a Bachelor of Arts degree with Honours in Accountancy. He is a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

China Property

Lee Chi Kin, Casey, aged 58, Business Development Manager, joined the CK Group in August 1998. He is also an Executive Director, the Chief Operating Officer and a Responsible Officer of Hui Xian Asset Management Limited. He has over 35 years of experience in accounting, hotel management and property development. He holds a Bachelor of Social Sciences degree with Honours. He is a member of The Chinese Institute of Certified Public Accountants, a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants, and a fellow of The Institute of Chartered Accountants in England and Wales.

Cheung Sau Ying, Dorothy, aged 59, Business Development Manager, joined the CK Group in August 2000. She is also the Director and Deputy General Manager of Shenyang Lido Business Company Limited, Director and Deputy General Manager of Chengdu Chang Tian Company Limited, Deputy General Manager of Sofitel Shenyang Lido and Deputy General Manager of Sheraton Chengdu Lido Hotel. She has over 35 years of experience in accounting. She holds a Higher Certificate in Company Secretaries and Administration. She is an associate member of The Chartered Governance Institute and an associate member of The Hong Kong Institute of Chartered Secretaries.

Company Secretarial Department

Yeung, Eirene, aged 60, Executive Committee Member and Company Secretary, General Manager of Company Secretarial Department and a member of the Sustainability Committee of the Company. She joined the CK Group in August 1994. She is also the Company Secretary and the Alternate Director to Mr. Kam Hing Lam, the Group Managing Director of CK Infrastructure Holdings Limited. She is also the Company Secretary of CK Life Sciences Int'l., (Holdings) Inc. and a Non-executive Director of ARA Asset Management (Fortune) Limited. She is a member of the Main Board and GEM Listing Review Committees of The Stock Exchange of Hong Kong Limited, a member of the Advisory Committee on Corruption of the Independent Commission Against Corruption and Deputy Chairman of the General Committee of The Chamber of Hong Kong Listed Companies. She is a solicitor of the High Court of the Hong Kong Special Administrative Region and a non-practising solicitor of the Senior Courts of England and Wales. She is also a fellow member of The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute. She holds a Master of Science degree in Finance, a Master's degree in Business Administration and a Bachelor's degree in Laws.

Cheung Yuen Sang, aged 61, Deputy Chief Group General Counsel, joined the CK Group in January 2015. He has over 32 years of experience in the legal field. He holds a Bachelor of Laws degree with Honours, a Master of Laws degree and a Master's degree in Business Administration. He is a solicitor of the Senior Courts of England & Wales and of the High Court of the Hong Kong Special Administrative Region.

Tse Kin Keung, Augustine, aged 51, Deputy Chief Group General Counsel, joined the CK Group in October 2010. He has over 28 years of experience in the legal field. He holds a Bachelor's degree with Honours in Laws, a Postgraduate Certificate in Laws and a Master's degree in Business Administration. He is a solicitor of the High Court of the Hong Kong Special Administrative Region.

Chan Siu Yin, Bomie, aged 50, Assistant General Manager, joined the CK Group in August 2012. She has over 25 years of experience in company secretarial, accounting, finance and the auditing field. She holds a Master of Science degree in Accountancy and a Graduate Diploma in China Business Law. She is a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Cheng Shuk Chi, Bridie, aged 49, Assistant General Manager, joined the CK Group in September 2004. She has over 25 years of experience in the company secretarial field. She holds a Bachelor's degree with Honours in Business Administration. She is an associate member of The Hong Kong Institute of Chartered Secretaries and an associate member of The Chartered Governance Institute.

Lee Ming Hua, Pauline, aged 49, Senior Group General Counsel, joined the Group in July 2017. She has over 15 years of experience in the legal field. She holds a Bachelor of Commerce degree, a Bachelor of Laws degree, a Postgraduate Certificate in Laws and a Master of Laws degree. She is a solicitor of the High Court of the Hong Kong Special Administrative Region, and a non-practising solicitor of the Supreme Court of Victoria and the Supreme Court of New South Wales. She is also an associate member of The Chartered Governance Institute.

Lo Yuan Shan, Kyna, aged 39, Senior Group General Counsel, joined the Group in November 2018. She has over 14 years of experience in the legal field. She holds a Bachelor of Laws degree with Honours. She is a solicitor of the Senior Courts of England & Wales and an attorney of the Supreme Court of the State of New York. She is also a fellow member of The Hong Kong Institute of Chartered Secretaries and a fellow member of The Chartered Governance Institute.

Chan Cho Mui, Jo, aged 52, Senior Manager, joined the CK Group in November 2003. She has over 28 years of experience in the company secretarial field. She is an associate member of The Hong Kong Institute of Chartered Secretaries and an associate member of The Chartered Governance Institute.

Wong Yee Wah, Eva, aged 52, Senior Copywriting Manager, joined the CK Group in March 1997. She has extensive translation and copywriting experience in areas of finance, economics and commerce. She holds a Bachelor of Arts degree with Honours in Business Studies and a Master of Arts degree in China Development Studies.

Chow Hoi Wah, Justin, aged 36, Group General Counsel, joined the Group in November 2019. He has over 10 years of experience in the legal field. He holds a Bachelor of Laws degree with Honours and a Postgraduate Certificate in Laws. He is an attorney of the New York State Bar Association.

Lee Hok Yee, Natalie, aged 50, Manager, joined the CK Group in May 2009. She has over 26 years of experience in the company secretarial field. She holds a Bachelor of Business degree in Business Administration and a Master of Arts degree in Professional Accounting and Information Systems. She is an associate member of The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute, holding Chartered Secretary and Chartered Governance Professional due designations.

Szeto Mei Sim, Veronica, aged 49, Manager, joined the CK Group in May 2004. She has over 22 years of experience in the company secretarial field. She holds a Bachelor of Arts degree with Honours in Information Systems, a Postgraduate Diploma in Corporate Administration and a Master's degree in Professional Accounting. She is an associate member of The Hong Kong Institute of Chartered Secretaries and an associate member of The Chartered Governance Institute.

Construction Management Department

Shen Wai Yee, Grace, aged 69, Executive Committee Member & General Manager, Construction Management Department, joined the CK Group in September 1989. She has over 39 years of experience in project management. She holds a Bachelor of Arts degree in Sociology and a Bachelor of Architecture degree. She is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region and a member of The Hong Kong Institute of Architects.

Mak Kwok Keung, Charles, aged 59, Senior Executive Manager, joined the CK Group in January 1994. He has over 38 years of experience in construction management. He holds a Postgraduate Diploma in Construction Management.

KEY PERSONNEL'S BIOGRAPHICAL INFORMATION (CONTINUED)

Cheng Kin Chi, Eddy, aged 45, Senior Manager, joined the CK Group in July 2009. He has over 22 years of experience in construction management. He holds a Bachelor of Science degree with Honours in Building Technology and Management and a Master of Science degree in Project Management. He is a member of The Chartered Institute of Building and a member of The Hong Kong Institution of Engineers.

Law Chi Hang, Tony, aged 46, Senior Manager, joined the CK Group in July 2008. He has over 28 years of experience in construction management. He holds a Diploma in Surveying and a Master of Science degree in Project Management. He is a member of The Chartered Institute of Building.

Chan Wai Shing, Vincent, aged 48, Manager, joined the CK Group in September 2007. He has over 23 years of experience in construction management. He holds a Bachelor of Engineering degree with Honours in Building Services Engineering. He is a Chartered Engineer, a Registered Professional Engineer, a member of The Chartered Institution of Building Services Engineers (UK) and a member of The Hong Kong Institution of Engineers.

Yeung Sim Fong, aged 51, Manager, joined the CK Group in August 2004. She has over 26 years of experience in construction management. She holds a Bachelor of Science degree in Building Technology and Management and a Master's degree in Construction Engineering and Management. She is a member of The Chartered Institute of Building and a member of Hong Kong Institute of Construction Managers.

Corporate Affairs Department

Tong Barnes Wai Che, Wendy, aged 60, Chief Corporate Affairs Officer, joined the CK Group in March 1999. She is also the Chief Corporate Affairs Officer of CK Infrastructure Holdings Limited and CK Life Sciences Int'l., (Holdings) Inc. as well as the Deputy Chief Executive Officer of Hui Xian Asset Management Limited. She holds a Bachelor's degree in Business Administration.

Tsui Sau Yuen, Anita, aged 57, Deputy Chief Manager, Marketing Communications, joined the CK Group in August 2005. She has over 30 years of experience in advertising and marketing communications. She holds a Diploma in Journalism.

Cheong Yuen Mei, Winnie, aged 52, Deputy Chief Manager, Corporate Affairs, joined the CK Group in March 1999. She is also the Deputy Chief Manager, Corporate Affairs of CK Infrastructure Holdings Limited. She has over 30 years of experience in public relations and corporate affairs. She holds a Bachelor of Arts degree with Honours in Philosophy.

Huen Ka Lee, Carrie, aged 50, Senior Corporate Affairs Manager, joined the CK Group in April 2014. She has over 25 years of experience in public relations and corporate affairs. She holds a Bachelor of Arts degree with Honours.

Cheung Shung Yin, Veronica, aged 44, Marketing Communications Manager, joined the CK Group in January 2010. She has over 20 years of experience in the marketing communications field. She holds a Bachelor of Social Science degree with Honours.

Corporate Business Development Department

Ma Lai Chee, Gerald, aged 53, Executive Committee Member & General Manager, Corporate Business Development Department, joined the CK Group in February 1996. He is a Non-Executive Director of ARA Asset Management (Fortune) Limited as the manager of Fortune Real Estate Investment Trust and ARA Asset Management (Prosperity) Limited as the manager of Prosperity Real Estate Investment Trust (both listed in Hong Kong). He is also an Alternate Director to Mr. Lai Kai Ming, Dominic, Non-Executive Director of Hutchison Telecommunications Hong Kong Holdings Limited (listed in Hong Kong). He has over 31 years of management experience in different industries. He holds a Bachelor of Commerce degree in Finance and a Master of Arts degree in Global Business Management. He is a member of the Hospitality Services Committee of Caritas Hong Kong. He is also a member of the President's Circle, the Dean's Advisory Board for the Faculty of Arts and the Faculty Advisory Board of the UBC Sauder School of Business of the University of British Columbia, Canada.

Lee Kwong Wang, Francis, aged 50, Chief Manager, joined the CK Group in August 2000. He is a Director of e-Smart System Inc., iMarkets Limited and Beijing Net-Infinity Technology Development Company Limited. He has over 28 years of experience in banking, investment and managing technology related ventures. He holds a Bachelor of Science degree with Honours and a Master's degree in Business Administration. He is a Chartered Financial Analyst, a member of The CFA Institute and a member of The Hong Kong Society of Financial Analysts Limited.

Chan Cheuk Man, Curley, aged 49, Deputy Chief Manager, joined the CK Group in July 2000. He has over 26 years of experience in finance, investment and business development. He holds a Bachelor of Arts degree with Honours in Accountancy and a Master of Science degree in Accounting and Finance. He is a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Chow Ping Leung, Ruskin, aged 51, Deputy Chief Manager, joined the Group in July 2016. He has over 25 years of experience in risk management. He holds a Bachelor of Sciences degree with Honours in Engineering and a Master's degree in Business Administration.

Lau Chun Yu, Sophia, aged 41, Deputy Chief Manager, joined the CK Group in August 2000. She has over 20 years of experience in business development. She holds a Bachelor of Science degree, a Bachelor of Commerce degree and a Master's degree in International and Public Affairs. She is an associate member of The Chartered Institute of Management Accountants and a Chartered Global Management Accountant.

Lau Yuen Sun, aged 56, Senior Manager, Project Management, joined the CK Group in August 2001. He has over 30 years of experience in project management. He holds a Bachelor of Engineering degree with Honours, a Master of Science degree and a Diploma in Professional Project Management.

Luk Ting Chung, Mike, aged 48, Senior Manager, Group Risk Management and Project Administration, joined the CK Group in February 1998. He has over 30 years of experience in sales & marketing. He holds a Bachelor's degree with Honours in Management Studies.

Au Chi Pun, Esmond, aged 54, Manager, Group Risk Management and Project Administration, joined the Group in July 2016. He has over 25 years of experience in mortgage underwriting. He holds a Master's degree in Business Administration.

Chan Chuen Kit, Dickie, aged 49, Manager, Engineering, joined the CK Group in August 1995. He has over 25 years of experience in networking & system engineering. He holds a Bachelor of Science degree in Computer Science and a Master of Science degree in E-Commerce.

Chi Man Hong, Jeffrey, aged 47, Manager, Group Risk Management and Project Administration, joined the CK Group in October 1995. He has over 25 years of experience in sales & marketing. He holds a Bachelor of Science degree with Honours in Biology and a Master of Science degree in Marketing Management.

Chu Hiu Yee, Connie, aged 35, Manager, joined the CK Group in November 2011. She has over 13 years of experience in accounting. She holds a Bachelor of Business Administration degree with Honours in Professional Accountancy. She is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Kwok Stephen Joseph, aged 50, Manager, Engineering, joined the CK Group in May 2001. He has over 25 years of experience in networking & system engineering. He holds a Bachelor of Arts degree in Economics.

Lau Wai Kuen, Aden, aged 54, Manager, Group Risk Management and Project Administration, joined the Group in July 2016. He has over 27 years of experience in insurance. He holds a Master's degree and a Doctor's degree in Business Administration. He is a Senior Associate of Australian and New Zealand Institute of Insurance and Finance.

Leigh Zen Way, Eric, aged 51, Manager, Group Risk Management and Project Administration, joined the CK Group in April 2003. He has over 23 years of experience in sales & marketing. He holds a Bachelor of Science degree.

Leung Wai Ping, Ricky, aged 57, Manager, Project Management, joined the CK Group in June 1993. He has over 34 years of experience in project management. He holds a Diploma in Electrical Engineering.

Wu Cheuk Ying, Ivy, aged 44, Manager, Finance & Administration, joined the CK Group in April 2008. She has over 21 years of experience in accounting and auditing. She holds a Bachelor of Business Administration degree with Honours in Accountancy and a Master of Corporate Governance degree. She is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Yip Lai On, Maggie, aged 42, Manager, Finance & Administration, joined the CK Group in May 2008. She has over 20 years of experience in accounting. She holds a Bachelor of Arts degree with Honours in Accountancy and a Master of Professional Accounting degree. She is a fellow member of The Association of Chartered Certified Accountants.

Yu Lok Lun, Lawrence, aged 31, Manager, joined the CK Group in January 2015. He has over 9 years of experience in investment banking and business development. He holds a Bachelor of Science degree in Economics.

Yu Po Wah, Raymond, aged 35, Manager, Finance & Administration, joined the Group in August 2015. He has over 11 years of experience in accounting. He holds a Bachelor of Business Administration degree with Honours in Accounting and a Master of Corporate Finance degree. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and an associate member of The Institute of Chartered Accountants of England and Wales.

Design & Promotion Department

Leung Yuen Kwan, Josephine, aged 52, Deputy Chief Manager, joined the CK Group in July 1995. She has over 27 years of experience in design, promotion, market research and property sales. She holds a Bachelor of Commerce degree in Marketing and Finance.

Tsui Man Wai, Fanny, aged 42, Senior Promotion Manager, joined the CK Group in March 2006. She has over 18 years of experience in promotion and production management. She holds a Bachelor of Social Science degree with Honours in China Studies (History).

Development Department

Chan Ho Kei, Kevin, aged 48, Senior Project Manager, joined the CK Group in June 2003. He has over 22 years of experience in project management. He holds a Bachelor of Arts degree with Honours in Architectural Studies and a Master's degree in Architecture. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region and a member of The Hong Kong Institute of Architects.

Chan Hon Shing, aged 59, Senior Project Manager, joined the CK Group in December 1995. He has over 34 years of experience in architectural profession and project management. He holds a Bachelor of Arts degree with Honours in Architectural Studies and a Bachelor of Architecture degree. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region and a member of The Hong Kong Institute of Architects.

Chan Kwok Keung, Dennis, aged 53, Senior Project Manager, joined the CK Group in May 1997. He has over 27 years of experience in project management. He holds a Bachelor of Arts degree with Honours in Architecture, a Master's degree in Architecture, and a Master's degree in Business Administration in Digital Technologies Management. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region, a member of The Hong Kong Institute of Architects, and a member of The Chartered Institute of Arbitrators.

Leung Chung Ping, Louis, aged 53, Senior Project Manager, joined the CK Group in November 2003. He is a Director of Property Enterprises Development (Singapore) Pte Limited. He has over 25 years of experience in project management. He holds a Bachelor of Science degree with Honours in Architecture and a Master's degree in Architecture. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region and a member of The Hong Kong Institute of Architects.

KEY PERSONNEL'S BIOGRAPHICAL INFORMATION (CONTINUED)

Lo Kin Yip, Terence, aged 57, Senior Project Manager, joined the CK Group in January 1999. He has over 31 years of experience in project management. He holds a Bachelor of Arts degree with Honours in Architectural Studies and a Bachelor of Architecture degree. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region, a member of The Royal Institute of British Architects and The Hong Kong Institute of Architects and an associate member of The Chartered Institute of Arbitrators.

Pun Wing Chiu, Anthony, aged 57, Senior Project Manager, Structural, joined the CK Group in September 1999. He has over 33 years of experience in project/structural engineering management. He holds a Bachelor of Science degree with Honours in Civil Engineering. He is a Chartered Engineer, a Registered Professional Engineer, a Registered Structural Engineer, a member of The Hong Kong Institution of Engineers and a member of The Institution of Structural Engineers.

Lam Pui Yu, Eric, aged 48, Project Manager, joined the CK Group in November 2004. He has over 22 years of experience in project management. He holds a Bachelor of Arts degree with Honours in Architectural Studies and a Master's degree in Architecture. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region and a member of The Hong Kong Institute of Architects.

Directors' Office

Lee Sheung Pui, Benjiman, aged 33, Manager, joined the Group in May 2017. He has over 10 years of experience in financial management, auditing and investment. He holds a Bachelor of Commerce and Administration degree with Honours and Master of Science degree in Accounting and Finance. He is a Chartered Financial Analyst, a member of The CFA Institute and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

E & M Department

Lo Kin Hing, Isaac, aged 59, Senior Manager, joined the CK Group in April 2003. He has over 34 years of experience in electrical & mechanical engineering. He holds a Master of Science degree in Construction Project Management. He is a Chartered Engineer, a Registered Professional Engineer, a fellow of The Chartered Institution of Building Services Engineers (UK), a fellow of The Institute of Engineering and Technology and a fellow of The Hong Kong Institution of Engineers.

Lau Man Bun, Barry, aged 53, Deputy Senior Manager, joined the CK Group in July 2003. He has over 29 years of experience in electrical & mechanical engineering. He holds a Bachelor of Engineering degree with Honours in Building Services Engineering and a Master of Science degree in Environmental Management. He is a Chartered Engineer, a Registered Professional Engineer, a member of The Chartered Institution of Building Services Engineers (UK) and a member of The Hong Kong Institution of Engineers.

Cheung Sau Hing, Belinda, aged 56, Manager, joined the CK Group in October 1999. She has over 33 years of experience in electrical & mechanical engineering. She holds a Higher Diploma in Building Services Engineering. She is a Chartered Engineer, a member of The Chartered Institution of Building Services Engineers (UK) and a member of The Hong Kong Institution of Engineers.

Human Resources Department

Yip Kim Wing, Kim, aged 57, Senior Manager, joined the CK Group in November 2003. He has over 31 years of experience in human resources and administration management. He holds a Bachelor's degree in Business Administration and a Postgraduate Diploma in Corporate Administration.

Tsang Chi Lun, Alan, aged 52, Senior Manager, joined the CK Group in April 2002. He has over 28 years of experience in human resources management. He holds a Bachelor of Arts degree with Honours in Hospitality Management and a Master's degree in Business Administration. He is a professional member of The Hong Kong Institute of Human Resource Management.

Information Technology Department

Lum Man Fai, Brian, aged 53, Deputy Chief Manager, joined the CK Group in August 2000. He has over 30 years of experience in information technology and telecommunication. He holds a Bachelor of Science degree with Honours in Electronics and a Master's degree in Business Administration.

Yung Wing Hung, Nelson, aged 50, Senior Manager, System Development, joined the CK Group in November 1994. He has over 26 years of experience in information technology management. He holds a Bachelor of Science degree with Honours in Computer Science and a Master of Finance degree. He is a member of The Hong Kong Computer Society, a Certified Information Systems Auditor of Information Systems Audit & Control Association and a Project Management Professional of Project Management Institute.

Lau Yau Keung, Sam, aged 55, Manager, Networking & Operations, joined the CK Group in July 2005. He has over 29 years of experience in information technology management and network operations. He holds a Bachelor of Science degree with Honours in Mathematics Science and a Bachelor of Science degree with Honours in Computing and Information Systems. He is a member of The Hong Kong Computer Society.

Leung Chun Wai, aged 51, Manager, System Development, joined the Group in July 2016. He has over 25 years of experience in information technology management. He holds a Bachelor of Arts degree with Honours in Computing Studies.

Internal Audit Department

Lee King Yuen, Albert, aged 65, Senior Manager, joined the CK Group in November 1987. He has over 43 years of experience in auditing. He holds a Bachelor of Science degree in Business Administration. He is a fellow member of The Association of Chartered Certified Accountants and a fellow of the Hong Kong Institute of Certified Public Accountants.

Tse Chun Wai, Richard, aged 54, Senior Manager, joined the CK Group in January 2009. He is the Internal Audit Manager of Hui Xian Asset Management Limited. He has over 29 years of experience in auditing. He holds a Master's degree in Business Administration, a Master of Science degree in Information Systems Management, a Master of Science degree in Investment Management, a Master of Laws degree in Common Law and a Juris Doctor degree. He is a fellow member of The Association of Chartered Certified Accountants, an associate member of The Chartered Institute of Management Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Chan Mui Wah, Magdalene, aged 57, Manager, joined the Group in July 2018. She has over 31 years of experience in auditing. She holds a Bachelor of Commerce degree and a Master of Commerce degree. She is a Certified Practising Accountant of CPA Australia and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Chau Wai Keung, Allen, aged 66, Manager, joined the CK Group in November 1994. He has over 41 years of experience in auditing. He holds a Bachelor of Business Administration degree and a Master's degree in Business Administration.

Chu Kai Wah, Richard, aged 58, Manager, joined the CK Group in August 1995. He has over 32 years of experience in auditing. He holds a Professional Diploma in Accountancy and a Master of Business degree in Electronic Commerce. He is a fellow member of The Association of Chartered Certified Accountants, an associate member of The Institute of Chartered Accountants in England and Wales and a fellow of the Hong Kong Institute of Certified Public Accountants.

Ha Hon Man, Edmond, aged 45, Manager, joined the CK Group in September 2004. He has over 22 years of experience in auditing. He holds a Bachelor of Economics, a Master of Science degree in Business Economics and a Master of Professional Accounting degree. He is a Certified Internal Auditor of The Institute of Internal Auditors, a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Leasing Department

Wong See Hang, Resina, aged 57, Deputy Chief Manager, Leasing, joined the CK Group in June 1990. She is a Director of Cheung Kong Real Estate Limited and E-Park Parking Management Limited. She has over 34 years of experience in property leasing. She holds a Bachelor of Arts degree with Honours in History and a Master of Science degree in Facilities Management.

Lee Po Chu, Eileen, aged 60, Assistant Chief Manager, Leasing, joined the CK Group in October 2003. She has over 39 years of experience in property leasing. She holds a Diploma in Business.

Wong Ling Fei, Mable, aged 58, Assistant Chief Manager, Leasing, joined the CK Group in September 2002. She has over 32 years of experience in property leasing.

Fung Kam Sun, Kam, aged 60, Senior Leasing Manager, joined the CK Group in June 2007. He has over 34 years of experience in property leasing. He holds a Bachelor of Arts degree in Business Administration and a Master's degree of Housing Management. He is a Registered Professional Housing Manager, a member of The Chartered Institute of Marketing, a chartered member of Chartered Institute of Housing, a member of The Hong Kong Institute of Housing and an ordinary member of Hong Kong Institute of Real Estate Administrators.

Ng Kwok Leung, Christopher, aged 59, Senior Manager, E-Park, joined the CK Group in October 2007. He has over 27 years of experience in car park management. He holds a Bachelor of Science degree with Honours in Engineering and a Postgraduate Diploma in Business Administration.

Chan Chun Kwok, Boris, aged 48, Leasing Manager, joined the CK Group in March 2007. He has over 25 years of experience in property leasing. He holds a Bachelor of Business Administration degree with Honours in Finance and a Postgraduate Diploma in Surveying (Real Estate Development). He is an associate member of Hong Kong Institute of Real Estate Administrators and a senior professional member of The Hong Kong Institute of Real Estate.

Cheuk Wai Yin, Selina, aged 45, Manager, Leasing Administration, joined the Group in February 2021. She has over 18 years of experience in auditing. She holds a Bachelor of Arts degree with Honours in Information Systems and a Postgraduate Certificate in Professional Accounting. She is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Cheung, Tina, aged 43, Leasing Manager, joined the CK Group in July 2005. She has over 23 years of experience in property management and property leasing. She holds a Bachelor of Social Science degree and a Professional Diploma in Housing Management. She is a Registered Professional Housing Manager, a member of The Hong Kong Institute of Housing and a professional member of the Royal Institution of Chartered Surveyors.

Cho Kau Ming, Iris, aged 52, Leasing Manager, joined the CK Group in May 1995. She has extensive experience in property sales. She holds a Bachelor of Science degree in Business Administration.

Deng Chi Yung, Jonathan, aged 50, Leasing Manager, joined the CK Group in April 2008. He has over 24 years of experience in property leasing. He holds a Bachelor of Business degree in Property and a Master's degree in Business Administration. He is an associate member of Australian Property Institute and a member of The Hong Kong Institute of Surveyors.

Leung Ho Shan, Susana, aged 52, Leasing Manager, joined the CK Group in March 1996. She has over 31 years of experience in property leasing. She holds a Bachelor of Science degree with Honours in Estate Management and a Master's degree in Business Administration.

Wong On Kei, Angela, aged 51, Leasing Manager, joined the Group in July 2018. She has over 17 years of experience in property leasing. She holds a Bachelor degree in Land Economics and a Master of Science degree in Real Estate.

Legal Department

Yip Kin Ming, Emmanuel, aged 68, Executive Committee Member & General Manager, Legal Department, joined the CK Group in July 1985. He has over 37 years of experience in the legal field. He holds a Diploma in Economics.

Wong Fung King, Amy, aged 61, Assistant Chief Manager, joined the CK Group in June 1998. She has over 35 years of experience in the legal field. She holds a Bachelor of Laws degree with Honours and a Postgraduate Certificate in Laws. She is a solicitor of the High Court of the Hong Kong Special Administrative Region.

KEY PERSONNEL'S BIOGRAPHICAL INFORMATION (CONTINUED)

Cheung Kam Heung, Bella, aged 52, Assistant Chief Manager, joined the CK Group in December 2002. She has over 29 years of experience in the legal field. She holds a Bachelor of Laws degree with Honours and a Postgraduate Certificate in Laws. She is a solicitor of the High Court of the Hong Kong Special Administrative Region.

Ching Mei Yee, Elisa, aged 52, Legal Manager, joined the CK Group in June 2006. She has over 29 years of experience in the legal field. She holds a Bachelor of Laws degree with Honours and a Postgraduate Certificate in Laws. She is a solicitor of the High Court of the Hong Kong Special Administrative Region.

Property Investment & Valuation Department

Chiu Siu Kam, Selene, aged 54, Assistant Chief Manager, joined the CK Group in February 1997. She has over 31 years of experience in property development & investment, land management and property valuation. She holds a Bachelor of Science degree with Honours in Estate Management and a Master's degree in Business Administration. She is a Registered Professional Surveyor and a member of The Hong Kong Institute of Surveyors.

Chan Man Wai, Anthony, aged 58, Assistant Chief Manager, joined the CK Group in January 1994. He has over 31 years of experience in property development & investment, land management and property valuation. He holds a Bachelor of Science degree with Honours in Electrical Engineering, a Master's degree in Business Administration and a Master of Science degree in Land Management. He is a Registered Professional Surveyor, a member of The Hong Kong Institute of Surveyors and a member of The China Institute of Real Estate Appraisers and Agents.

Ho Kwong Ngai, Eric, aged 57, Assistant Chief Manager, joined the CK Group in July 2005. He has over 30 years of experience in property development & investment, land management and property valuation. He holds a Bachelor of Science degree with Honours in Estate Management and a Master of Science degree in International Real Estate. He is a Registered Professional Surveyor, a professional member of the Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors.

Leung Hon Man, Alex, aged 49, Senior Manager, joined the CK Group in May 1996. He has over 26 years of experience in property development & investment, land management and property valuation. He holds a Bachelor of Social Science degree with Honours. He is a Registered Professional Surveyor, a professional member of the Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors.

Fung Sing Tak, Patrick, aged 47, Manager, joined the CK Group in January 2008. He has over 25 years of experience in property development & investment, land management and property valuation. He holds a Bachelor of Science degree with Honours in Surveying. He is a Registered Professional Surveyor and a member of The Hong Kong Institute of Surveyors.

Sales Department

Lau Kai Man, Joseph, aged 62, Deputy Chief Manager, Sales, joined the CK Group in June 1981. He is a Director of Cheung Kong Real Estate Limited, Goodwell-Fortune Property Services Limited and Goodwell-Prosperity Property Services Limited. He has over 42 years of experience in property sales.

Kwok Tze Wai, William, aged 55, Deputy Chief Manager, Sales, joined the CK Group in May 1989. He is a Director of Cheung Kong Real Estate Limited. He has over 32 years of experience in property sales. He holds a Bachelor of Science degree in Business Administration Marketing.

Wong See Chung, Francis, aged 59, Deputy Chief Manager, Sales, joined the CK Group in January 1994. He is a Director of Cheung Kong Real Estate Limited and Property Enterprises Development (Singapore) Pte Limited. He has over 25 years of experience in property sales. He holds a Master's degree in Business Administration.

Ho Ka Yan, Cannas, aged 43, Assistant Chief Manager, Sales, joined the CK Group in April 2007. She has over 21 years of experience in property sales. She holds a Bachelor of Science degree with Honours in Surveying and a Master of Science degree in Marketing. She is a professional member of the Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors.

Ng Chui Ha, Fiona, aged 57, Senior Manager, Sales Administration, joined the CK Group in December 1990. She has over 34 years of experience in sales administration. She holds a Bachelor of Arts degree in History.

Tai Mei Ling, Marinda, aged 62, Senior Manager, Customer Service, joined the CK Group in August 1985. She has over 35 years of experience in customer service.

Yeung Kwai Ling, Moni, aged 50, Senior Sales Manager, joined the CK Group in February 2013. She has over 20 years of experience in property sales. She holds a Bachelor of Arts degree with Honours, a Master of Science degree with Honours in Marketing and a Master of Science degree in Real Estate.

Nee Tak Sum, Sam, aged 49, Sales Manager, joined the CK Group in September 1995. He has over 25 years of experience in property sales. He holds a Bachelor of Social Science degree with Honours.

Sales Department – Building Management

Chua Kwok Cheung, Vincent, aged 54, Assistant Chief Manager, Building Management, joined the Group in January 2020. He has over 32 years of experience in building management. He holds a Bachelor of Arts degree with Honours in Housing Studies and a Master's degree in Business Administration. He is a Registered Professional Housing Manager, a chartered member of Chartered Institute of Housing and a member of The Hong Kong Institute of Housing.

Tse Ka Li, Gary, aged 59, Assistant Chief Manager, Building Management, joined the CK Group in September 2014. He has over 31 years of experience in building management. He holds a Bachelor of Science degree in Civil Engineering and a Bachelor of Arts degree with Honours in Housing Studies. He is a Registered Professional Housing Manager, a chartered member of Chartered Institute of Housing, a member of The Hong Kong Institute of Housing, an ordinary member of Hong Kong Institute of Real Estate Administrators and a corporate member of Building Services Operation and Maintenance Executives Society.

Wong Wo Muk, Philip, aged 61, Manager, Building Management, joined the CK Group in May 1987. He is a Director of E-Park Parking Management Limited, Goodwell-Fortune Property Services Limited and Goodwell-Prosperity Property Services Limited. He has over 38 years of experience in building management. He holds a Bachelor of Arts degree with Honours in Business Studies and a Postgraduate Diploma in Surveying (Real Estate Development).

Senior Advisor's Office

Au Siu Yin, Amy, aged 58, Manager, joined the CK Group in February 1990. She has over 36 years of experience in office and charity project management. She holds a Bachelor of Arts degree with Honours and a Master's degree in Business Administration. She is an associate member of The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute.

Yue Shuk Chun, Jennie, aged 60, Manager & Secretary to Senior Advisor, joined the CK Group in March 1993. She has over 41 years of experience in secretarial and office management. She holds a Bachelor of Social Sciences degree.

Hutchison Property Group Limited

Tsui Kin Tung, Tony, aged 61, Deputy Managing Director, Hutchison Property Group Limited, joined the CK Group in June 1990. He has over 30 years of experience in property sales and leasing in Hong Kong, the PRC and the United Kingdom. He is a Registered Professional Surveyor, a professional member of the Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors.

Tam, Raymond, aged 67, Director – Finance, Hutchison Property Group Limited, joined the CK Group in May 1982. He has over 40 years of experience in accounting, auditing and finance in Hong Kong, the PRC and overseas. He holds a Master's degree in Business Administration. He is a fellow member of The Association of Chartered Certified Accountants, a fellow of the Hong Kong Institute of Certified Public Accountants, a fellow member of The Taxation Institute of Hong Kong and a fellow member of Institute of Chartered Accountants in England & Wales.

Tsui Ching Sang, Stephen, aged 60, Director – Projects, Hutchison Property Group Limited, joined the CK Group in April 1990. He has over 30 years of experience in project management and architectural design for various developments in Hong Kong, the PRC and the United Kingdom. He holds a Bachelor of Arts degree in Architectural Studies and a Bachelor's degree in Architecture. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region and a member of The Hong Kong Institute of Architects.

Tam Kin Yuk, Jason, aged 50, Director – Marketing and Director – Corporate Business Development, Hutchison Property Group Limited, joined the CK Group in August 2000. He has over 25 years of experience in property sales and leasing in the PRC. He holds a Bachelor of Science degree in Surveying. He is a professional member of the Royal Institution of Chartered Surveyors.

Chan Ching Man, Janice, aged 60, Director – Cost Control, Hutchison Property Group Limited, joined the CK Group in December 1994. She has over 30 years of experience in contract management and quantity surveying in Hong Kong, the PRC and the United Kingdom. She holds a Master's degree in Construction Project Management. She is a Registered Professional Surveyor, a fellow member of the Royal Institution of Chartered Surveyors and a fellow member of The Hong Kong Institute of Surveyors.

Mak Kin Wo, Kenneth, aged 55, Director – Projects, Hutchison Property Group Limited, joined the CK Group in October 2004. He has over 30 years of experience in project management and architectural design for various developments in Hong Kong and the PRC. He holds a Bachelor's degree in Architecture. He is a Registered Architect and a member of The Hong Kong Institute of Architects.

Harbour Plaza Hotel Management Limited

Koh Poh Chan, aged 72, Finance Director of Harbour Plaza Hotel Management Limited, joined the CK Group in January 1991. She is also an Executive Committee Member of CK Asset Holdings Limited and a Director of Harbour Plaza Hotel Management Limited. She has over 40 years of experience in accounting, auditing, tax and finance. She graduated from the London School of Accountancy. She is also a fellow member of The Institute of Chartered Accountants in England and Wales, an associate member of the Canadian Institute of Chartered Accountants as well as of the Chartered Institute of Taxation in the United Kingdom.

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting to shareholders their report together with the audited financial statements of the Group for the year ended 31 December 2020.

Principal Activities

The Group has diverse capabilities with activities encompassing property development and investment, hotel and serviced suite operation, property and project management, aircraft leasing, pub operation and investment in infrastructure and utility asset operation.

Business Review

A fair review of the Group's business, an indication of likely future development in the Group's business and an analysis using financial key performance indicators are provided in the Chairman's Statement and the Management Discussion and Analysis respectively from pages 8 to 13 and pages 14 to 27 of this Annual Report. A description of the principal risks and uncertainties facing the Group are set out in the Risk Factors on pages 174 to 187 of this Annual Report. In addition, particulars of important events affecting the Group that have occurred since the end of the year 2020, if any, are set out in the Chairman's Statement from pages 8 to 13 of this Annual Report. The above discussions form part of this Report of the Directors.

The Group recognises the importance of sustainable business and is conscious of the environmental impact associated with its operations. With increasing interest from regulators and stakeholders regarding climate change, green buildings and sustainable operations, the Group understands the shifting market needs in balancing community welfare, environmental and economy. Relevant environmental, social and corporate governance aspects are therefore assessed and considered as part of its investment decisions and various measures are continuous to implemented into its business operation in order to build a sustainable future.

The Group endeavours to minimise its environmental impact through various resource reduction measures, waste management initiatives and climate change mitigation. It has established the Corporate Social Responsibility Policy and Environmental Policy, which set out its corporate direction for environmental protection. In addition to 5 Broadgate which was certified "Excellent" under BREEAM UK, the Group's Oil Street property development project in Hong Kong received the BEAM Plus "Bronze" rating for its successful implementation of green building measures.

The Group maintains close dialogue with key stakeholders (including, but not limited to, employees, shareholders and investors, tenants, customers, suppliers, government bodies and media) in the different geographic locations in which it operates. The Group examines stakeholders' concerns and regularly enhances its sustainability strategy to address them.

The Group treasures its employees and strives to providing employees with a safe workplace and a positive work environment. During the COVID-19 pandemic, for the purposes of maintaining the stability of the operations whilst protecting the health and safety of our employees, the Group implemented various precautionary measures, which include utilisation of digital communication facilities for communication, establishment of contingency offices, "A-B Team" working arrangements, and distribution of personal protective equipment and disinfection kits to frontline employees.

The Group is committed to delivering superior customer service and handling queries from customers in a timely and efficient manner. The Group puts customers' health and safety as its priority, performing daily cleansing and disinfection work at its property locations and pubs. The Group also serves quality food and gives customers a wide range of options that support a healthy balanced diet. Many of the menus at Greene King offer at least ten dishes that are under 500 calories.

The Group is aware of the indirect impact on the community arising from its ability to influence environmental and social performance within its supply chains, and therefore closely collaborates with its suppliers. In its procurement activity, the Group has a strong preference for products that are eco-friendly or that have environmental certifications, such as organic fertilisers and paper sourced from sustainable forests.

In the year 2020, the Group set up a board-level Sustainability Committee to oversee management and advise the board of directors on the development and implementation of the sustainability initiatives of the Group. The Group's sustainability and corporate governance policies provide guidance on the integration of sustainability and purposeful governance into businesses. The Group will also publish its first annual standalone Sustainability Report. To understand more about the Group's sustainability practices, please refer to the Company's Sustainability Report, which will be available on the website of Hong Kong Exchanges and Clearing Limited and the Company's website at www.ckah.com for inspection and download.

In connection with the Group's property business in Hong Kong, the Residential Properties (First-hand Sales) Ordinance regulates the sales of first-hand uncompleted and completed residential properties and sets out detailed requirements in relation to, among other things, sales brochures, price lists, show flats, viewing of properties in completed developments, disclosures of transaction information, sales arrangements, the mandatory provision for the preliminary agreement for sale and purchase and agreement for sale and purchase for the sales of first-hand residential properties, advertisements and promotional materials. The Group strives to and has taken special care and all necessary steps and reasonable precautions and exercised all due diligence to comply with the said Ordinance including developing internal compliance procedures, familiarising its employees with the specific requirements of the said Ordinance by internal seminars and issuing internal memoranda with updates of the requirements of the said Ordinance and seeking external professional advice to ensure, among other things, accuracy of information made available to public so that transparency and consumer protection of sales of first-hand residential properties can be enhanced.

In connection with the Group's development and project management in Hong Kong, applicable statutory controls include ordinances and regulations on air pollution and other environmental issues, antiquities and monuments, building design, construction works, construction safety, consumers' protection, land use, town planning etc. Each project has external professional consultants working with in-house professional teams with different expertise, under the direction of a Project Manager, for the design and development of the project. During the construction phase, a construction management team, also under the direction of the Project Manager, will be deployed full time on site. The site team will manage and monitor the construction activities to ensure compliance with contract requirements, including applicable ordinances and regulations. Upon completion and before handover to our customers, all units are checked and inspected again by an audit team as well as the customer service handover team to ensure that all units are in good condition and in compliance with the sale and purchase agreement.

REPORT OF THE DIRECTORS (CONTINUED)

In connection with the Group's property business on the Mainland, save as the compliance matters as disclosed in the listing document of the Company dated 8 May 2015 where measures have been undertaken to closely monitor the status and remedial action where appropriate to the circumstances have been in progress, the Group has complied with all applicable laws and regulations, including the Law of the Administration of Urban Real Estate, Property Rights Law, Law of Urban and Rural Planning and Civil Air Defence Law, and will seek legal and/or technical advice from external professional consultants, wherever required, to ensure compliance.

In connection with the Group's hotel and serviced suite operation in Hong Kong, the Group ensures its compliance with the Hotel and Guesthouse Accommodation Ordinance, the Public Health and Municipal Services Ordinance, the Food Business Regulations and the Dutiable Commodities (Liquor) Regulations and the Group has maintained requisite licences such as hotel and guesthouse licence, hotel television (transmission) licence, restaurant and liquor licence and water pollution control licence from the relevant regulatory bodies if required for its operations.

In connection with the Group's aircraft leasing business, the Group ensures its compliance with the laws and regulations that are applicable to the Group's day-to-day operations. While the airline industry is highly regulated, as the Group does not operate aircraft in commercial service, the Group is generally not directly subject to extensive laws and regulations that apply to the Group's airline customers under the jurisdictions in which they are registered or countries where they operate. Such laws and regulations govern, among other things, the import, registration, operation, maintenance and condition of aircraft that they operate, including the aircraft which the Group's airline customers lease from the Group. Under the lease agreements entered into with such airline customers in relation to the leased aircraft, they are responsible for compliance with all applicable laws and regulations with respect to the leased aircraft.

In the UK, the Company's subsidiary Greene King ensures compliance with a range of different legislation. Of particular focus during the year were regulations introduced in the light of the COVID-19 crisis. Numerous regulations were implemented and frequently amended under the Public Health (Control of Diseases) Act 1984 to provide for the lockdowns and the tier restrictions applicable in different parts of the country, which impacted the way in which pubs could operate. Greene King established a team to monitor the introduction of new regulations and to ensure that the rules were fully and clearly briefed to all affected team members in a timely manner, to ensure compliance with the relevant legislation. Compliance at pub level was measured through both internal and third-party audits, using the Group's existing audit framework. Greene King also took external advice on and briefed team members on schemes introduced under the Coronavirus Act 2020, including the Coronavirus Job Retention Scheme, which allowed Greene King to furlough certain team members and claim from the government a proportion of their wages or salaries. All team members were fully briefed on the rules of the scheme to ensure that employees who were furloughed acted in compliance with the rules, and checks were undertaken to ensure that all claims submitted to the government for the financial support were complete and accurate.

The Group is committed to the compliance with the Competition Ordinance and has established internal compliance policies and implemented compliance programme to educate its employees so as to ensure that its business practices are compliant with the relevant laws from time to time.

Results and Dividends

Results of the Group for the year ended 31 December 2020 are set out in the consolidated income statement on page 120.

The Directors recommend the payment of a final dividend of HK\$1.46 per share which, together with the interim dividend of HK\$0.34 per share paid on 17 September 2020, makes a total dividend of HK\$1.80 per share for the year.

Group Financial Summary

Results, assets and liabilities of the Group for the last five years are summarised on page 2.

Directors

The Directors of the Company in office at the date of this Annual Report are listed on page 188. The Directors' biographical information is set out on pages 28 to 30.

In accordance with the Company's Amended and Restated Articles of Association, the Directors of the Company (including Independent Non-executive Directors) shall be subject to retirement by rotation at each annual general meeting. Mr. Ip Tak Chuen, Edmond, Mr. Chow Wai Kam, Raymond, Ms. Woo Chia Ching, Grace, Mr. Chow Nin Mow, Albert and Mr. Donald Jeffrey Roberts will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Mr. Stephen Edward Bradley was appointed as Independent Non-executive Director of the Company by the Board of Directors with effect from 30 November 2020. In accordance with the Amended and Restated Articles of Association of the Company, he holds office until forthcoming annual general meeting of the Company and, being eligible, offers himself for re-election at the annual general meeting.

Each of the Independent Non-executive Directors had made an annual confirmation of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). The Company considered that all Independent Non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

Arrangement to Purchase Shares or Debentures

At no time during the year was the Company or its subsidiary a party to any arrangements which enabled any Director to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate.

REPORT OF THE DIRECTORS (CONTINUED)

Directors' Interests in Transactions, Arrangements or Contracts

Save for otherwise disclosed under the section headed "Continuing Connected Transactions", there were no other transactions, arrangements or contracts of significance in relation to the businesses of the Company and its subsidiaries to which the Company or any of its subsidiary was a party and in which a Director of the Company or his/her connected entity had a material interest, whether directly or indirectly, subsisted at any time during the year 2020 and as at the date of this Annual Report.

Directors' Service Contracts

None of the Directors of the Company has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Permitted Indemnity Provision

The Amended and Restated Articles of Association of the Company provides that every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour, or in which he/she is acquitted. A Directors Liability Insurance is in place to protect the Directors against potential costs and liabilities arising from claims brought against the Directors.

Disclosure of Interests

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2020, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company ("Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

Long Positions in Shares

(a) The Company

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Tzar Kuoi, Victor	Beneficial owner, interest of child or spouse, interest of controlled corporations & beneficiary of trusts	220,000	405,200	167,595,850 (Note 1)	1,160,195,710 (Note 2)	1,328,416,760	35.96%
Kam Hing Lam	Beneficial owner & interest of child or spouse	51,040	57,360	-	-	108,400	0.0029%
Ip Tak Chuen, Edmond	Beneficial owner	300,000	-	-	-	300,000	0.0081%
Chow Nin Mow, Albert	Beneficial owner	66	-	-	-	66	≈0%
Hung Siu-lin, Katherine	Beneficial owner	43,256	-	-	-	43,256	0.0012%
Donald Jeffrey Roberts	Beneficial owner	167,396	-	-	-	167,396	0.0045%

(b) Associated Corporations

Name of Company	Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
			Personal Interest	Family Interest	Corporate Interest	Other Interest		
Precise Result Global Limited	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	15 (Note 3)	15	15%
Jabrin Limited	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	2,000 (Note 3)	2,000	20%
Mightycity Company Limited	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	168,375 (Note 3)	168,375	1.53%

Notes:

- (1) The 167,595,850 shares of the Company comprise:
 - (a) 56,177,350 shares held by certain companies of which Mr. Li Tzar Kuoi, Victor is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings.
 - (b) 60,993,000 shares held by Li Ka Shing Foundation Limited ("LKSF"). By virtue of the terms of the constituent documents of LKSF, Mr. Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSF.

REPORT OF THE DIRECTORS (CONTINUED)

- (c) 50,425,500 shares held by a wholly-owned subsidiary of Li Ka Shing (Global) Foundation (“LKSGF”). By virtue of the terms of the constituent documents of LKSGF, Mr. Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSGF.
- (2) The 1,160,195,710 shares of the Company comprise:
- (a) 1,003,380,744 shares of the Company held by Li Ka-Shing Unity Trustee Company Limited (“TUT1”) as trustee of The Li Ka-Shing Unity Trust (“UT1”) and its related companies in which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings (“TUT1 related companies”). Mr. Li Ka-shing is the settlor of each of The Li Ka-Shing Unity Discretionary Trust (“DT1”) and another discretionary trust (“DT2”). Each of Li Ka-Shing Unity Trustee Corporation Limited (“TDT1”, which is the trustee of DT1) and Li Ka-Shing Unity Trustcorp Limited (“TDT2”, which is the trustee of DT2) holds units in UT1 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT1 and DT2 are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard.

The entire issued share capital of TUT1, TDT1 and TDT2 are owned by Li Ka-Shing Unity Holdings Limited (“Unity Holdco”). Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Unity Holdco. TUT1 is only interested in the shares of the Company by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of the Company independently without any reference to Unity Holdco or any of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor as a holder of the shares of Unity Holdco as aforesaid.

As Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT1 and DT2, and by virtue of the above, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said shares of the Company held by TUT1 as trustee of UT1 and TUT1 related companies under the SFO as a Director of the Company.

- (b) 72,387,720 shares of the Company held by Li Ka-Shing Castle Trustee Company Limited (“TUT3”) as trustee of The Li Ka-Shing Castle Trust (“UT3”) and its related companies in which TUT3 as trustee of UT3 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings (“TUT3 related companies”). Mr. Li Ka-shing is the settlor of each of the two discretionary trusts (“DT3” and “DT4”). Each of Li Ka-Shing Castle Trustee Corporation Limited (“TDT3”, which is the trustee of DT3) and Li Ka-Shing Castle Trustcorp Limited (“TDT4”, which is the trustee of DT4) holds units in UT3 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT3 and DT4 are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard.

The entire issued share capital of TUT3, TDT3 and TDT4 are owned by Li Ka-Shing Castle Holdings Limited (“Castle Holdco”). Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Castle Holdco. TUT3 is only interested in the shares of the Company by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of the Company independently without any reference to Castle Holdco or any of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor as a holder of the shares of Castle Holdco as aforesaid.

As Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT3 and DT4, and by virtue of the above, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said shares of the Company held by TUT3 as trustee of UT3 and TUT3 related companies under the SFO as a Director of the Company.

- (c) 84,427,246 shares of the Company held by a company controlled by TDT3 as trustee of DT3.
- (3) These companies are subsidiaries of the Company and such shares are held through TUT1 as trustee of UT1. By virtue of Mr. Li Tzar Kuoi, Victor's deemed interests as described in Note (2)(a) above, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to such shares under the SFO as a Director of the Company.

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 31 December 2020, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests and Short Positions of Shareholders

So far as is known to any Director or chief executive of the Company, as at 31 December 2020, shareholders of the Company (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

1. Long Positions of Substantial Shareholders in the Shares of the Company

Name of Shareholder	Capacity	Number of		Approximate %
		Ordinary Shares	Total	
Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust	Trustee	1,003,380,744	1,003,380,744 (Note 1)	27.16% (Note 6)
Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust	Trustee & beneficiary of a trust	1,003,380,744	1,003,380,744 (Note 1)	27.16% (Note 6)
Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust	Trustee & beneficiary of a trust	1,003,380,744	1,003,380,744 (Note 1)	27.16% (Note 6)
Li Ka-shing	(i) Interest of controlled corporations	165,731,300)		
	(ii) Founder of discretionary trusts	1,160,195,710)	1,325,927,010 (Note 2)	35.89% (Note 6)

REPORT OF THE DIRECTORS (CONTINUED)

2. (a) Long Positions of Other Persons in the Shares and Underlying Shares of the Company

Name of Shareholder	Capacity	Number of Shares/ Underlying Shares	Total	Approximate % of Shareholding
BlackRock, Inc.	Interest of controlled corporations	221,271,787	221,271,787 (Notes 3 & 5)	5.99% (Note 6)

(b) Short Positions of Other Persons in the Shares and Underlying Shares of the Company

Name of Shareholder	Capacity	Number of Shares/ Underlying Shares	Total	Approximate % of Shareholding
BlackRock, Inc.	Interest of controlled corporations	1,456,500	1,456,500 (Notes 4 & 5)	0.04% (Note 6)

Notes:

- (1) The three references to 1,003,380,744 shares relate to the same block of shares in the Company. Of these 1,003,380,744 shares of the Company, 913,378,704 shares of the Company are held by TUT1 as trustee of UT1 and 90,002,040 shares of the Company are held by companies controlled by TUT1 as trustee of UT1. Each of TUT1 as trustee of UT1, TDT1 as trustee of DT1 and TDT2 as trustee of another discretionary trust is taken to have a duty of disclosure under the SFO in relation to the same 1,003,380,744 shares of the Company as described in Note (2)(a) under the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" above.
- (2) The 1,325,927,010 shares of the Company comprise:
 - (a) 165,731,300 shares of the Company of which:
 - (i) 54,312,800 shares held by certain companies of which Mr. Li Ka-shing are entitled to exercise or control the exercise of one-third or more of the voting power at the general meetings.
 - (ii) 60,993,000 shares held by LKSF. By virtue of the terms of the constituent documents of LKSF, Mr. Li Ka-shing may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSF.
 - (iii) 50,425,500 shares held by a wholly-owned subsidiary of LKSGF. By virtue of the terms of the constituent documents of LKSGF, Mr. Li Ka-shing may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSGF.
 - (b) 1,160,195,710 shares of the Company as described in Note (2) under the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" above. As Mr. Li Ka-shing may be regarded as a founder of each of DT1, DT2, DT3 and DT4 for the purpose of the SFO, Mr. Li Ka-shing is taken to have a duty of disclosure under the SFO as a substantial shareholder in relation to the same 1,160,195,710 shares of the Company after his retirement from the directorship of the Company.

- (3) Such long position includes derivatives interests in 873,500 underlying shares of the Company derived from unlisted and cash settled derivatives.
- (4) Such short position includes derivative interests in 782,500 underlying shares of the Company derived from unlisted and cash settled derivatives.
- (5) Such disclosure of interests was made in the form of notice pursuant to Part XV of the SFO submitted by BlackRock, Inc. to the Company on 7 May 2020.
- (6) The approximate percentages of shareholding were based on the issued share capital of the Company as at 31 December 2020 (i.e. 3,693,400,500 shares).

Save as disclosed above, as at 31 December 2020, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Continuing Connected Transactions

Each of CK Hutchison Holdings Limited (“CK Hutchison”, together with its subsidiaries, “CK Hutchison Group”) and the Company has been deemed by the Stock Exchange to be a connected person of the other after completion of the listing of the ordinary shares in the share capital of the Company by way of introduction (the “Listing”) on 3 June 2015. Accordingly, transactions entered into between members of the Group and members of the CK Hutchison Group following the Listing would constitute connected transactions of the Company under the Listing Rules.

The following transactions constituted continuing connected transactions of the Company (“Continuing Connected Transactions”) under the Listing Rules during the financial year ended 31 December 2020:

(a) Leasing and licensing of premises by the Group to the CK Hutchison Group

On 15 December 2017, the Company entered into an agreement with CK Hutchison to set out the framework terms governing the leasing transactions between the Group and the CK Hutchison Group (the “Leasing Transactions”) to be entered into for the period from 1 January 2018 to 31 December 2020 (the “Term”) (the “Master Leasing Agreement”). Pursuant to the Master Leasing Agreement, the Company agrees to lease or license or to procure its subsidiaries to lease or license the premises owned by the Group (including office space, car parks and building areas but excluding hotel premises) to members of the CK Hutchison Group as and when reasonably requested by members of the CK Hutchison Group from time to time during the Term, at a rental or licence fee to be negotiated on a case-by-case and an arm’s length basis, and shall be on normal commercial terms.

The aggregate rental or licence fees of the Leasing Transactions are subject to the annual caps of HK\$770 million, HK\$891 million and HK\$937 million for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 respectively. During the year ended 31 December 2020, HK\$727 million has been paid/payable by the CK Hutchison Group to the Group for the Leasing Transactions.

REPORT OF THE DIRECTORS (CONTINUED)

(b) Purchases of goods and services by the Group from the CK Hutchison Group for use in connection with the Group's property development projects

On 15 December 2017, the Company entered into an agreement with CK Hutchison to set out the framework terms governing the purchases of goods and services (the "Project Related Supplies") by the Group from the CK Hutchison Group for use in connection with the Group's property development projects (the "Project Related Supplies Transactions") to be entered into for the Term (the "Master Purchase Agreement"). Pursuant to the Master Purchase Agreement, CK Hutchison agrees to provide, or to procure its subsidiaries to provide, the Project Related Supplies to members of the Group as and when reasonably requested by the members of the Group from time to time during the Term, at a fee or charge to be negotiated on a case-by-case and an arm's length basis, and shall be on normal commercial terms.

The aggregate fees and charges of the Project Related Supplies Transactions are subject to the annual caps of HK\$154 million, HK\$154 million and HK\$190 million for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 respectively. During the year ended 31 December 2020, HK\$47 million has been paid/payable by the Group to the CK Hutchison Group for the Project Related Supplies Transactions.

As each of Mr. Li Ka-shing, the then Chairman of the Board of Directors of the Company, and Mr. Victor T K Li had or might be regarded as having a material interest in the Continuing Connected Transactions, each of them voluntarily abstained from voting on the board resolutions of the Company approving the Continuing Connected Transactions. An announcement in respect of the above Continuing Connected Transactions was published on 15 December 2017 in accordance with the Listing Rules.

The Continuing Connected Transactions have been reviewed by the Independent Non-executive Directors. The Independent Non-executive Directors have confirmed that for the year 2020 the Continuing Connected Transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Company has engaged the auditor of the Company to report the Continuing Connected Transactions of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reported to the Board of Directors of the Company and confirmed that for the year 2020 nothing has come to their attention that causes them to believe that the Continuing Connected Transactions (i) have not been approved by the Board of Directors of the Company; (ii) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and (iv) have exceeded the annual caps as set by the Company.

In anticipation of the expiration of the Master Leasing Agreement and the Master Purchase Agreement on 31 December 2020, the Company and CK Hutchison had on 18 December 2020 entered into (i) the new agreement which sets out the framework terms governing the Leasing Transactions for the period from 1 January 2021 to 31 December 2023; and (ii) the new agreement which sets out the framework terms governing the Project Related Supplies Transactions for the period from 1 January 2021 to 31 December 2023 (as defined and more particularly described in the announcement of the Company dated 18 December 2020).

Major Customers and Suppliers

During the year, 38% of the Group's purchases were attributable to the Group's five largest suppliers with the largest supplier accounted for 22% of the Group's purchases. The Group's revenue from sales of goods or rendering of services attributable to the Group's five largest customers was less than 30%.

As at 31 December 2020, Kuehne & Nagel Ltd., United Kingdom, is one of the five largest suppliers of the Group and is an indirect wholly owned subsidiary of Kuehne + Nagel International AG, shares of which are listed on the SIX Swiss Exchange, Zurich. Based on information available to the Company, BlackRock, Inc., the substantial shareholder of the Company, held 3.78% interest in Kuehne + Nagel International AG as at 31 December 2020.

Saved as disclosed and to the best knowledge of the Company, no other Directors, their close associates or any shareholder of the Company owning more than 5% of the number of issued shares of the Company has any interest in the Group's five largest suppliers.

Directors' Interests in Competing Businesses

During the year, the interests of Directors in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group ("Competing Business") as required to be disclosed pursuant to the Listing Rules were as follows:

1. Principal Business Activities of the Group

- (1) Property development and investment
- (2) Hotel and serviced suite operation
- (3) Property and project management
- (4) Interests in Real Estate Investment Trusts
- (5) Ownership and leasing of movable assets
- (6) Pub operation
- (7) Investment in infrastructure and utility asset operation

REPORT OF THE DIRECTORS (CONTINUED)

2. Interests in Competing Business

Name of Director	Name of Company	Nature of Interest	Competing Business (Note)
Victor T K Li	CK Hutchison Holdings Limited	Chairman and Group Co-Managing Director	(5) & (7)
	CK Infrastructure Holdings Limited	Chairman	(5) & (7)
	CK Life Sciences Int'l., (Holdings) Inc.	Chairman	(1)
	HK Electric Investments and HK Electric Investments Limited	Non-executive Director and Deputy Chairman	(7)
	Husky Energy Inc.	Co-Chairman*	(7)
	Power Assets Holdings Limited	Non-executive Director	(7)
Kam Hing Lam	CK Hutchison Holdings Limited	Deputy Managing Director	(5) & (7)
	CK Infrastructure Holdings Limited	Group Managing Director	(5) & (7)
	CK Life Sciences Int'l., (Holdings) Inc.	President**	(1)
	Hui Xian Asset Management Limited	Chairman	(1), (2), (3) & (4)
Ip Tak Chuen, Edmond	ARA Asset Management Holdings Pte. Ltd.	Director	(3) & (4)
	CK Hutchison Holdings Limited	Deputy Managing Director	(5) & (7)
	CK Infrastructure Holdings Limited	Deputy Chairman	(5) & (7)
	CK Life Sciences Int'l., (Holdings) Inc.	Senior Vice President and Chief Investment Officer	(1)
	Hui Xian Asset Management Limited	Non-executive Director	(1), (2), (3) & (4)
Chiu Kwok Hung, Justin	ARA Asset Management Holdings Pte. Ltd.	Director	(3) & (4)
	ARA Asset Management (Fortune) Limited	Non-executive Director	(3) & (4)
	ARA Asset Management (Prosperity) Limited	Chairman	(3) & (4)
Chow Wai Kam, Raymond	AVIC International Holding (HK) Limited	Non-executive Director	(1)

Note: Such businesses may be conducted through subsidiaries, associated companies or by way of other forms of investments.

* With effect from 1 January 2021, Mr. Victor T K Li ceased as Director and Co-Chairman of Husky Energy Inc., which was delisted on 5 January 2021 following its combination with Cenovus Energy Inc.

** With effect from 1 September 2020, Mr. Kam Hing Lam has been re-designated as President of CK Life Sciences Int'l., (Holdings) Inc.

Save as disclosed above, none of the Directors is interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with businesses of the Group.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's Amended and Restated Articles of Association, or the laws of Cayman Islands, which would oblige the Company to offer new shares on pro-rata basis to existing shareholders.

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

On 16 March 2020, Greene King Finance plc ("GKF"), an indirect subsidiary of the Company, (i) redeemed in full the principal amount outstanding of the Class A1 secured floating rate notes due 2031 issued by GKF (with an original principal amount of GBP150,000,000 and listed on the Irish Stock Exchange) for a redemption amount of GBP75,324,000 (excluding accrued interest) and (ii) redeemed in full the principal amount outstanding of the Class A3 secured floating rate notes due 2021 issued by GKF (with an original principal amount of GBP170,000,000 and listed on the Irish Stock Exchange) for a redemption amount of GBP21,363,900 (excluding accrued interest). As at 31 December 2020, GKF had outstanding (i) GBP950 million principal amount of notes which are listed on the Irish Stock Exchange, with fixed rates ranging from 3.59% to 5.32% and final repayment from 2031 – 2035 and (ii) GBP422 million principal amount of notes which are listed on the Irish Stock Exchange, with interest rate of LIBOR plus margin ranging from 1.80% to 2.50% and final repayment from 2033 – 2036. These notes are secured by charges over the future income stream of the pledged properties.

On 30 March 2020, Spirit Issuer plc ("SIP"), an indirect subsidiary of the Company, redeemed in full the GBP186,569,000 principal amount outstanding of the GBP200,000,000 floating rate Class A2 secured debenture bonds due 2031 issued by SIP and listed on the Luxembourg Stock Exchange at par, together with accrued but unpaid interest on the principal amount outstanding on 30 March 2020. As at 31 December 2020, SIP had outstanding GBP97 million principal amount of bonds which are listed on the Luxembourg Stock Exchange, with a fixed rate of 5.47% and final repayment in 2032.

On 16 October 2020, Radiant Access Limited, a wholly owned subsidiary of the Company, issued a notice of redemption to redeem all of the US\$1,500,000,000 4.60% Guaranteed Senior Perpetual Capital Securities ("4.60% Securities") and the distribution accrued on 18 November 2020. Upon completion of the redemption of the 4.60% Securities, there was no further 4.60% Securities in issue. Accordingly, an application was made to the Stock Exchange for the withdrawal of the listing of the 4.60% Securities, and the listing of the 4.60% Securities was withdrawn with effect upon the close of business on 26 November 2020.

Save as disclosed above, during the year ended 31 December 2020, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Equity-Linked Agreements

For the year ended 31 December 2020, the Company has not entered into any equity-linked agreement, and there did not subsist any equity-linked agreement entered into by the Company as at 31 December 2020.

REPORT OF THE DIRECTORS (CONTINUED)

Management Contracts

No contracts concerning to the management and administration of the whole or any substantial part of any business of the Group were entered into or existed during the year.

Sufficiency of Public Float

Based on information publicly available to the Company and within the knowledge of the Directors as at the date of this Report, the Company has maintained the prescribed public float under the Listing Rules.

Donations

During the year, the Group supported a wide variety of charitable activities of the community. Donations of approximately HK\$6 million were made by the Group to various charitable organisations.

Disclosure Under Chapter 13 of the Listing Rules

The following information is disclosed in accordance with Rule 13.22 of Chapter 13 of the Listing Rules:

As at 31 December 2020, the Group's financial assistance given to affiliated companies (as defined under Rule 13.11(2)(a) of the Listing Rules) exceeded 8% of the relevant percentage ratio under the Listing Rules. A combined statement of financial position of the affiliated companies as at 31 December 2020 is set out below:

HK\$ million	
Non-current assets	212,626
Current assets	12,915
Current liabilities	(17,530)
Non-current liabilities	(169,804)
Net assets	38,207
Share capital	22,861
Reserves	15,746
Non-controlling interests	(400)
Total equity	38,207

As at 31 December 2020, the consolidated attributable interest of the Group in these affiliated companies amounted to HK\$19,216 million.

Audit Committee

The Group's Annual Report for the year ended 31 December 2020 has been reviewed by the audit committee of the Company (the "Audit Committee"). Information on the work of Audit Committee and its composition are set out in the Code Provision C.3 of the Corporate Governance Report on pages 78 to 80.

Auditor

The consolidated financial statements for the year have been audited by Messrs. Deloitte Touche Tohmatsu who will retire and offer themselves for re-appointment at the 2021 annual general meeting.

On behalf of the Board

Victor T K Li

Chairman and Managing Director

Hong Kong, 18 March 2021

CORPORATE GOVERNANCE REPORT

The Board of Directors (“Board”) and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders’ value. The corporate governance principles of the Company emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders.

The Company had applied the principles and complied with all code provisions (except as stated below) and, where applicable, the recommended best practices of the Corporate Governance Code (“CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) throughout the year ended 31 December 2020.

In respect of code provision A.2.1 of the CG Code, the positions of the Chairman of the Board (“Chairman”) and the Managing Director are held by the same individual, namely, Mr. Victor T K Li. Although the positions of the Chairman and the Managing Director are not separately held, the Board is of the view that this is the most appropriate arrangement in the interest of the shareholders as a whole at present. All major decisions will, in accordance with current practice, be continued to be made in consultation with members of the Board and relevant board committees and key personnel of the Group after thorough discussions. The Board comprises six Independent Non-executive Directors who will continue to provide their views and comments to Mr. Victor T K Li as Chairman and Managing Director as they have done so previously. Furthermore, Mr. Li Ka-shing has been the Senior Advisor of the Company following his retirement as Chairman, and has in that capacity continued to contribute to the Group on significant matters. The Company established its nomination committee (“Nomination Committee”) in accordance with the terms of the code provision A.5.1 of the CG Code on 1 January 2019. The Nomination Committee currently comprises a majority of Independent Non-executive Directors and is chaired by an Independent Non-executive Director. During the period from 1 January 2020 to 30 November 2020, the Nomination Committee was chaired by the Chairman and comprised all the Directors of the Company, and when the need to select, nominate or re-elect Directors arose, the Nomination Committee established a sub-committee (“Sub-Committee”) chaired by the Chairman and comprising a majority of Independent Non-executive Directors in accordance with the requirements under the Listing Rules in relation to the composition of the nomination committee, to consider and if appropriate, recommend the nomination of Director to be appointed or re-elected.

Key corporate governance principles and corporate governance practices of the Company are summarised below:

I. Code Provisions

Code Ref.	Code Provisions	Comply (“C”)/ Explain (“E”)	Corporate Governance Practices																																		
A.	DIRECTORS																																				
A.1	The Board <i>Corporate Governance Principle</i> <i>The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company’s affairs.</i> <i>The Board should regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether he is spending sufficient time performing them.</i>																																				
A.1.1	Regular board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of majority of directors.	C	<ul style="list-style-type: none"> The Board meets regularly and held meetings in March, May, August and November of 2020. Directors’ attendance record in 2020 is as follows: <table border="1"> <thead> <tr> <th>Members of the Board</th> <th>Attendance</th> </tr> </thead> <tbody> <tr> <td colspan="2">Executive Directors</td> </tr> <tr> <td>Victor T K Li (<i>Chairman and Managing Director</i>)</td> <td>4/4</td> </tr> <tr> <td>KAM Hing Lam (<i>Deputy Managing Director</i>)</td> <td>4/4</td> </tr> <tr> <td>IP Tak Chuen, Edmond (<i>Deputy Managing Director</i>)</td> <td>4/4</td> </tr> <tr> <td>CHUNG Sun Keung, Davy</td> <td>4/4</td> </tr> <tr> <td>CHIU Kwok Hung, Justin</td> <td>4/4</td> </tr> <tr> <td>CHOW Wai Kam, Raymond</td> <td>4/4</td> </tr> <tr> <td>PAU Yee Wan, Ezra</td> <td>4/4</td> </tr> <tr> <td>WOO Chia Ching, Grace</td> <td>4/4</td> </tr> <tr> <td colspan="2">Independent Non-executive Directors</td> </tr> <tr> <td>CHEONG Ying Chew, Henry</td> <td>4/4</td> </tr> <tr> <td>CHOW Nin Mow, Albert</td> <td>4/4</td> </tr> <tr> <td>HUNG Siu-lin, Katherine</td> <td>4/4</td> </tr> <tr> <td>Colin Stevens RUSSEL</td> <td>3/4</td> </tr> <tr> <td>Donald Jeffrey ROBERTS</td> <td>4/4</td> </tr> <tr> <td>Stephen Edward BRADLEY*</td> <td>N/A</td> </tr> </tbody> </table> <p>* Appointed as an Independent Non-executive Director, members of the Audit Committee and the Nomination Committee with effect from 30 November 2020. No meeting was held during the term of his appointment in 2020.</p> <ul style="list-style-type: none"> The Directors may attend meetings in person, by phone or through means of electronic communication or by their alternate directors (if applicable) or proxies in accordance with the Company’s Amended and Restated Articles of Association (“Articles”). An updated and consolidated version of the Articles (both English and Chinese versions) are available on the websites of the Company and Hong Kong Exchanges and Clearing Limited (“HKEx”). The Company’s constitutional documents were amended during the year 2020. 	Members of the Board	Attendance	Executive Directors		Victor T K Li (<i>Chairman and Managing Director</i>)	4/4	KAM Hing Lam (<i>Deputy Managing Director</i>)	4/4	IP Tak Chuen, Edmond (<i>Deputy Managing Director</i>)	4/4	CHUNG Sun Keung, Davy	4/4	CHIU Kwok Hung, Justin	4/4	CHOW Wai Kam, Raymond	4/4	PAU Yee Wan, Ezra	4/4	WOO Chia Ching, Grace	4/4	Independent Non-executive Directors		CHEONG Ying Chew, Henry	4/4	CHOW Nin Mow, Albert	4/4	HUNG Siu-lin, Katherine	4/4	Colin Stevens RUSSEL	3/4	Donald Jeffrey ROBERTS	4/4	Stephen Edward BRADLEY*	N/A
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Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.1.2	All directors are given an opportunity to include matters in the agenda for regular board meetings.	C	<ul style="list-style-type: none"> All Directors are consulted as to whether they may wish to include any matter in the agenda before the agenda for each regular Board meeting is issued.
A.1.3	<ul style="list-style-type: none"> At least 14 days notice for regular board meetings. Reasonable notice for other board meetings. 	C C	<ul style="list-style-type: none"> Regular Board meetings in a particular year are usually scheduled towards the end of the immediately preceding year to give all Directors adequate time to plan their schedules to attend the meetings. At least 14 days formal notice would be given before each regular meeting.
A.1.4	Minutes of board meetings and meetings of board committees should be kept by a duly appointed secretary of the meeting and should be open for inspection at any reasonable time on reasonable notice by any director.	C	<ul style="list-style-type: none"> The Company Secretary prepares written resolutions or minutes and keeps records of substantive matters discussed and decisions resolved at all Board and Board Committee meetings. Board and Board Committee minutes are sent to all Directors/Board Committee members within a reasonable time after each Board and Board Committee meeting. Board and Board Committee minutes/resolutions are available for inspection by Directors/Board Committee members.
A.1.5	<ul style="list-style-type: none"> Minutes of board meetings and meetings of board committees should record in sufficient detail the matters considered and decisions reached. Draft and final versions of minutes for all directors to comment and to keep records within a reasonable time after the board meeting. 	C C	<ul style="list-style-type: none"> Minutes record in sufficient detail the matters considered by the Board/Board Committees and decisions reached. Directors are given an opportunity to comment on draft Board minutes. Final version of Board minutes is placed on record within a reasonable time after the Board meeting.
A.1.6	<ul style="list-style-type: none"> A procedure agreed by the board to enable directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the company's expense. The board should resolve to provide separate independent professional advice to directors to assist them perform their duties to the company. 	C C	<ul style="list-style-type: none"> Directors have been advised that the Company Secretary can arrange independent professional advice at the expense of the Company should such advice be considered necessary by any Director.
A.1.7	<ul style="list-style-type: none"> If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should be dealt with by a physical board meeting rather than a written resolution. Independent non-executive directors who, and whose close associates, have no material interest in the transaction should be present at that board meeting. 	C C	<ul style="list-style-type: none"> Important matters are usually dealt with by way of written resolutions so that all Directors (including Independent Non-executive Directors) can note and comment, as appropriate, the matters before approval is granted. Director must declare his/her interest in the matters to be passed in the resolution, if applicable. If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with in accordance with applicable rules and regulations and, if appropriate, an independent Board Committee will be set up to deal with the matter.
A.1.8	Arrange appropriate insurance cover in respect of legal action against the directors.	C	<ul style="list-style-type: none"> The Company has arranged appropriate Directors and Officers liability insurance coverage for its Directors and officers since 3 June 2015 including the year 2020/2021.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices																				
A.2	Chairman and Chief Executive <i>Corporate Governance Principle</i> <i>There should be a clear division of responsibilities between the Chairman and the Managing Director of the Company to ensure a balance of power and authority.</i>																						
A.2.1	<ul style="list-style-type: none"> – Separate roles of chairman and chief executive not to be performed by the same individual. – Division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. 	<p>E</p> <p>E</p>	<ul style="list-style-type: none"> • During the year, the positions of Chairman and Managing Director are held by the same individual, namely, Mr. Victor T K Li. <p>Although the positions of Chairman and Managing Director are not separately held, the Board is of the view that this is the most appropriate arrangement in the interest of the shareholders as a whole at present.</p> <p>All major decisions will, in accordance with current practice, be continued to be made in consultation with members of the Board and relevant board committees and key personnel of the Group after thorough discussions.</p> <p>The Board comprises six Independent Non-executive Directors who will continue to provide their views and comments to Mr. Victor T K Li as Chairman and Managing Director as they have done so previously.</p> <p>Furthermore, Mr. Li Ka-shing has been the Senior Advisor of the Company following his retirement as Chairman, and has in that capacity continued to contribute to the Group on significant matters.</p> <ul style="list-style-type: none"> • Mr. Victor T K Li, the Chairman and Managing Director, determined the broad strategic direction of the Group in consultation with the Board. He was responsible for the high-level oversight of management, and the strategic planning of different business functions and day-to-day management and operation of the Group with the support of the Executive Directors. 																				
A.2.2	The chairman should ensure that all directors are properly briefed on issues arising at board meetings.	C	<ul style="list-style-type: none"> • With the support of the Executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and receive adequate and reliable information on a timely basis. • In addition to regular Board meetings, the Chairman met with the Independent Non-executive Directors without the presence of other Directors in May and November of 2020. Attendance record in 2020 is as follows: <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: right; border-top: 1px solid black; border-bottom: 1px solid black;">Attendance</th> </tr> </thead> <tbody> <tr> <td colspan="2" style="border-top: 1px solid black;">Chairman</td> </tr> <tr> <td style="width: 80%;">Victor T K Li</td> <td style="text-align: right; border-bottom: 1px solid black;">2/2</td> </tr> <tr> <td colspan="2" style="border-top: 1px solid black;">Independent Non-executive Directors</td> </tr> <tr> <td>CHEONG Ying Chew, Henry</td> <td style="text-align: right;">2/2</td> </tr> <tr> <td>CHOW Nin Mow, Albert</td> <td style="text-align: right;">2/2</td> </tr> <tr> <td>HUNG Siu-lin, Katherine</td> <td style="text-align: right;">2/2</td> </tr> <tr> <td>Colin Stevens RUSSEL</td> <td style="text-align: right;">2/2</td> </tr> <tr> <td>Donald Jeffrey ROBERTS</td> <td style="text-align: right;">2/2</td> </tr> <tr> <td>Stephen Edward BRADLEY*</td> <td style="text-align: right; border-bottom: 1px solid black;">N/A</td> </tr> </tbody> </table> <p>* Appointed as an Independent Non-executive Director, members of the Audit Committee and the Nomination Committee with effect from 30 November 2020. No meeting was held during the term of his appointment in 2020.</p>	Attendance		Chairman		Victor T K Li	2/2	Independent Non-executive Directors		CHEONG Ying Chew, Henry	2/2	CHOW Nin Mow, Albert	2/2	HUNG Siu-lin, Katherine	2/2	Colin Stevens RUSSEL	2/2	Donald Jeffrey ROBERTS	2/2	Stephen Edward BRADLEY*	N/A
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Stephen Edward BRADLEY*	N/A																						
A.2.3	The chairman should be responsible for ensuring that directors receive, in a timely manner, adequate information which must be accurate, clear, complete and reliable.	C	<ul style="list-style-type: none"> • The Board papers including supporting analysis and related background information are normally sent to the Directors at least three days before Board meetings. • Communications between Independent Non-executive Directors on the one hand, and the Company Secretary as co-ordinator for the other business units of the Group on the other, is a dynamic and interactive process to ensure that queries raised and clarification sought by the Directors are dealt with and further supporting information and/or documentation is provided as appropriate. 																				

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.2.4	<ul style="list-style-type: none"> – The chairman should provide leadership for the board. – The chairman should ensure that the board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner. – The chairman should be primarily responsible for drawing up and approving the agenda for each board meeting. He should take into account, where appropriate, any matters proposed by the other directors for inclusion in the agenda. The chairman may delegate this responsibility to a designated director or the company secretary. 	<p>C</p> <p>C</p> <p>C</p>	<ul style="list-style-type: none"> • The Chairman is an Executive Director who is responsible for the leadership and effective running of the Board. • The Chairman determines the broad strategic direction of the Group in consultation with the Board and is responsible for the high-level oversight of management. • The Board meets regularly and held meetings in March, May, August and November of 2020. • With the support of the Executive Directors and the Company Secretary, the Chairman ensures that all Directors are properly briefed on all key and appropriate issues on a timely manner. • The Company Secretary assists the Chairman in preparing the agenda for each Board meeting and ensures that, where applicable, matters proposed by other Directors are included in the agenda; and that all applicable rules and regulations are followed.
A.2.5	The chairman should take primary responsibility for ensuring that good corporate governance practices and procedures are established.	C	<ul style="list-style-type: none"> • The Board as a whole and the management of the Company are committed to the maintenance of good corporate governance practices and procedures.
A.2.6	<ul style="list-style-type: none"> – The chairman should encourage all directors to make a full and active contribution to the board's affairs and take the lead to ensure that it acts in the best interests of the company. – The chairman should encourage directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that board decisions fairly reflect board consensus. 	<p>C</p> <p>C</p>	<ul style="list-style-type: none"> • Please refer to A.2.3 and A.2.4 above for the details.
A.2.7	The chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors.	C	<ul style="list-style-type: none"> • In addition to regular Board meetings, the Chairman met with the Independent Non-executive Directors without the presence of other Directors in May and November of 2020. Please refer to A.2.2 above for the attendance record.
A.2.8	The chairman should ensure that appropriate steps are taken to provide effective communication with shareholders and that their views are communicated to the board as a whole.	C	<ul style="list-style-type: none"> • The Company establishes different communication channels with shareholders and investors, including (i) printed copies of corporate communications (including but not limited to annual reports, interim reports, notices of meetings, circulars and proxy forms) required under the Listing Rules, and shareholders can choose to receive such documents using electronic means through the Company's website; (ii) the annual general meeting provides a forum for shareholders to raise comments and exchange views with the Board; (iii) updated and key information on the Group is available on the website of the Company; (iv) the Company's website offers a communication channel between the Company and its shareholders and stakeholders; (v) press conferences and briefing meetings with analysts are arranged from time to time, where applicable, to update on the performance of the Group; (vi) the Company's Hong Kong Share Registrar deals with shareholders for share registration and related matters; and (vii) the Corporate Affairs Department of the Company handles enquiries from shareholders and investors generally. • In February 2015, the Board has established a shareholders communication policy and has made it available on the Company's website in June 2015. The policy is subject to review on a regular basis to ensure its effectiveness.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.2.9	The chairman should promote a culture of openness and debate by facilitating the effective contribution of non-executive directors in particular and ensuring constructive relations between executive and non-executive directors.	C	<ul style="list-style-type: none"> The Chairman promotes a culture of openness and actively encourages Directors with different views to voice their opinion and be fully engaged in the Board's affairs so as to contribute to the Board's functions.
A.3	<p>Board composition</p> <p><i>Corporate Governance Principle</i></p> <p><i>The Board should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and should include a balanced composition of Executive and Non-executive Directors so that independent judgement can effectively be exercised.</i></p>		
A.3.1	Independent non-executive directors should be identified in all corporate communications that disclose the names of directors.	C	<ul style="list-style-type: none"> The composition of the Board, by category and position of Directors including the names of the Chairman, the Executive Directors and the Independent Non-executive Directors, is disclosed in all corporate communications. The Board consists of a total of fourteen Directors, comprising eight Executive Directors and six Independent Non-executive Directors. More than one-third of the Board are Independent Non-executive Directors and more than one of them have appropriate professional qualifications, or accounting or related financial management expertise. Details of the composition of the Board are set out on page 188. The Directors' biographical information and the relationships among the Directors are set out on pages 28 to 30. Review of the Board composition is made regularly through the Nomination Committee to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company.
A.3.2	The company should maintain on its website and on HKEx's website an updated list of its directors identifying their role and function and whether they are independent non-executive directors.	C	<ul style="list-style-type: none"> The Company maintains on its website an updated list of its Directors identifying their respective roles and functions together with their biographical information, and whether they are independent non-executive directors. Since June 2015, the updated list of Directors has been posted on the website of HKEx which has been revised from time to time. The Company has also posted on its website and/or the website of HKEx the Terms of Reference of its Board Committees to enable the shareholders to understand the roles played by those Independent Non-executive Directors who serve on the relevant Board Committees.
A.4	<p>Appointments, re-election and removal</p> <p><i>Corporate Governance Principle</i></p> <p><i>There should be a formal, considered and transparent procedure for the appointment of new Directors and plans in place for orderly succession for appointments. All Directors should be subject to re-election at regular intervals.</i></p>		
A.4.1	Non-executive directors should be appointed for a specific term, subject to re-election.	C	<ul style="list-style-type: none"> All Directors (including Independent Non-executive Directors) are subject to retirement by rotation once every three years and are subject to re-election in accordance with the Articles and the CG Code.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.4.2	<ul style="list-style-type: none"> - All directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. - Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. 	<p>C</p> <p>C</p>	<ul style="list-style-type: none"> • In accordance with the Articles, newly appointed Directors are required to offer themselves for re-election at the next following general meeting (in the case of filling a casual vacancy) or at the next following annual general meeting (in the case of an addition to the Board) following their appointment. • Under the Articles, the Board may from time to time appoint a Director either to fill a casual vacancy or as an addition to the Board. Any such new Director shall hold office until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board) and shall then be eligible for re-election at the same general meeting. • All Directors (including Independent Non-executive Directors) are subject to retirement by rotation once every three years and are subject to re-election in accordance with the Articles and the CG Code. • The structure, size and composition of the Board are reviewed from time to time to ensure the Board has a balanced and diversified composition of skills and experience appropriate for the requirements of the businesses of the Company. The independence of the Independent Non-executive Directors is assessed according to the relevant rules and requirements under the Listing Rules. • Each of the Independent Non-executive Directors makes an annual confirmation of independence pursuant to the requirements of the Listing Rules. The Company is of the view that all Independent Non-executive Directors meet the independence guidelines set out in the relevant requirements of the Listing Rules and are independent in accordance with the terms of the guidelines. • The Company has published on its website the procedures for shareholders to propose a person for election as a Director.
A.4.3	<ul style="list-style-type: none"> - If an independent non-executive director serves more than 9 years, his further appointment should be subject to a separate resolution to be approved by shareholders. - The papers to shareholders accompanying that resolution should include the reasons why the board believes he is still independent and should be re-elected. 	<p>C</p> <p>C</p>	<ul style="list-style-type: none"> • Each Independent Non-executive Director who is subject to retirement by rotation will be appointed by a separate resolution in the Company's annual general meeting. Each Independent Non-executive Director who is eligible for re-election at the annual general meeting will make a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. • Currently, there is no Independent Non-executive Director who has served more than nine years. The Board has expressed the view in its circular for 2021 annual general meeting that each Independent Non-executive Director who is eligible for re-election has met the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines. In accordance with the CG Code, the Company has to include its own recommendation in the circular to explain why a particular candidate should be re-elected. As their relevant credentials have been included in the circular for the shareholders' information, the Company opines that it is more important for the shareholders themselves to make their own independent decision on whether to approve a particular re-election or not.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.5	Nomination Committee Corporate Governance Principle <i>In carrying out its responsibilities, the nomination committee should give adequate consideration to the principles under Sections A.3 and A.4 in the CG Code.</i>		
A.5.1	The company should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors.	C	<ul style="list-style-type: none"> • The Company established its Nomination Committee on 1 January 2019 which currently comprises a majority of Independent Non-executive Directors and is chaired by an Independent Non-executive Director. The Nomination Committee comprises Mr. Stephen Edward Bradley, an Independent Non-executive Director as Chairman, Mr. Victor T K Li and Mr. Donald Jeffrey Roberts, an Independent Non-executive Director, as members. • During the period from 1 January 2020 to 30 November 2020, the Nomination Committee was chaired by the Chairman of the Board and comprised all the Directors of the Company, and when the need to select, nominate or re-elect Directors arose, the Nomination Committee established a Sub-Committee chaired by the Chairman and comprising a majority of Independent Non-executive Directors in accordance with the requirements under the Listing Rules in relation to the composition of the nomination committee, to consider and if appropriate, recommend the nomination of Director to be appointed or re-elected. • A Sub-Committee comprising a majority of Independent of Non-executive Directors, with Mr. Victor T K Li as Chairman and Mr. Chow Nin Mow, Albert and Mr. Donald Jeffrey Roberts, both Independent Non-executive Directors as members, was established in March 2020 for the purpose of considering and recommending the retiring Directors for re-election at the 2020 annual general meeting. • Nomination Committee meeting was held in March 2020. During the period from 1 January 2020 to 30 November 2020, the Nomination Committee was chaired by the Chairman of the Board and comprised all the Directors of the Company. All members (except an Independent Non-executive Director, Mr. Colin Stevens Russel) attended the Nomination Committee meeting held in March 2020. • A Sub-Committee comprising a majority of Independent of Non-executive Directors, with Mr. Victor T K Li as Chairman and Mr. Cheong Ying Chew, Henry and Mr. Donald Jeffrey Roberts, both Independent Non-executive Directors as members, was established in November 2020 for the purpose of considering and recommending the appointment of Mr. Stephen Edward Bradley as an Independent Non-executive Director of the Company.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.5.2	<ul style="list-style-type: none"> - The nomination committee should be established with specific written terms of reference which deal clearly with its authority and duties. - It should perform the following duties: <ol style="list-style-type: none"> 1. review the structure, size and composition (including the skills, knowledge and experience) of the board at least annually and make recommendations on any proposed changes to the board to complement the company's corporate strategy; 2. identify individuals suitably qualified to become board members and select or make recommendations to the board on the selection of individuals nominated for directorships; 3. assess the independence of independent non-executive directors; and 4. make recommendations to the board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive. 	<p>C</p> <p>C</p>	<ul style="list-style-type: none"> • The terms of reference of the Nomination Committee follow closely the requirements of the CG Code. In connection with the change of composition of the Nomination Committee, the terms of reference of the Nomination Committee has been updated on 1 December 2020. • The Nomination Committee, with delegated responsibility, establishes the policy and procedures for nomination of directors, and determines the process and criteria to select and recommend candidates for directorship. • The following is a summary of the work of the Nomination Committee and the Sub-Committee during 2020: <ol style="list-style-type: none"> 1. Review the structure, size, diversity profile and skills matrix of the Board and the needs of the Board, and make recommendations on any proposed changes, where applicable; 2. Facilitate the Board in the conduct of the selection and nomination process, including identify suitable candidates for consideration by the Board; 3. Assess the independence of the Independent Non-executive Directors having regard to the criteria under the Listing Rules; 4. Make recommendation to the Board on the re-election of Directors at the 2020 annual general meeting; and 5. Consider and recommend the appointment of Mr. Stephen Edward Bradley as an Independent Non-executive Director of the Company. • In February 2015, the Company has established a policy on diversity of Board members ("Board Diversity Policy") which has been modified from time to time, and the same is available on the Company's website. • In the Board Diversity Policy: <ol style="list-style-type: none"> 1. The Company recognises the benefits of a Board that possesses a balance of skills set, experience, expertise and diversity of perspectives appropriate for the strategies of the Company. The Company believes that board diversity enhances decision-making capability and thus the overall effectiveness of the Board in achieving sustainable business operation and enhancing shareholder value. 2. The Company takes into consideration the benefits of various aspects of diversity, including gender, age, culture, ethnicity, education background, professional experience and other factors that may be relevant from time to time towards achieving a diversified Board. 3. Appointment to the Board is based on merit and attributes that the selected candidate will bring to the Board to complement and expand the competencies, experience and perspectives of the Board as a whole, taking into account the corporate strategy of the Company. 4. The Nomination Committee of the Company is responsible for reviewing the structure, size, diversity profile and skills matrix of the Board, selecting individuals to be nominated as Directors, reviewing succession plan of Directors, and making recommendation on these matters to the Board for approval. To this end, the Company is mindful of having an appropriately structured recruitment, selection and training programme at appropriate levels so as to identify and prepare suitable talents for Board positions. • The Nomination Committee reviews from time to time the Board Diversity Policy and monitors its implementation to ensure its continued effectiveness and makes recommendation on any revision as may be required to the Board for approval. • In January 2019, the Company established a Director Nomination Policy which was modified in December 2020 to set out the approach and procedures the Board adopts for the nomination and selection of Directors of the Company, including the appointment of additional Directors, replacement of Directors and re-election of Directors.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.5.2 (cont'd)			<ul style="list-style-type: none"> • According to the Director Nomination Policy: <ol style="list-style-type: none"> 1. The Nomination Committee shall from time to time identify, assess, select and nominate suitable director candidates to the Board for it to consider for appointment. The ultimate responsibility for the selection and appointment of Directors rests with the Board as a whole. In the determination of the suitability of a candidate, the Nomination Committee shall consider the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, independence, age, culture, ethnicity and gender diversity and such other factors that it may consider appropriate for a position on the Board. The Board will take into consideration the benefits of a diversified Board when selecting Board candidates. 2. If the Nomination Committee determines that an additional or replacement Director is required, it will deploy multiple channels for identifying suitable director candidates. Where a retiring Director, being eligible, offers himself for re-election, the Nomination Committee shall consider and, if consider appropriate, make recommendation to the Board for its consideration, for such retiring Director to stand for re-election at a general meeting. A circular containing the requisite information on such retiring Director will be sent to shareholders prior to a general meeting in accordance with the Listing Rules. Shareholders of the Company may nominate a person to stand for election as a Director at a general meeting in accordance with the Articles and applicable laws and regulations. The procedures for such proposal are posted on the website of the Company. • The Director Nomination Policy is posted on the website of the Company. The Nomination Committee will from time to time review the Director Nomination Policy and monitor its implementation to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practices and makes recommendations on any proposed revisions as may be required to the Board for approval.
A.5.3	The nomination committee should make available its terms of reference explaining its role and the authority delegated to it by the board by including them on HKEx's website and the company's website.	C	<ul style="list-style-type: none"> • The terms of reference of the Nomination Committee (both English and Chinese versions) are posted on the websites of the Company and HKEx. • The principal responsibilities of the Nomination Committee are: <ol style="list-style-type: none"> 1. to review at least once annually the structure, size, diversity profile and skills matrix of the Board and the needs of the Board and make recommendation on any proposed changes to the Board to complement the Board to achieve the Group corporate strategy as well as promote shareholder value; 2. to identify suitable director candidates and select or make recommendation to the Board on the selection of individuals to be nominated as Directors; 3. to assess the independence of Independent Non-executive Directors having regard to the criteria under the Listing Rules; 4. to make recommendation to the Board on the appointment or re-appointment of Directors and succession planning for Directors; and 5. to review the Director Nomination Policy and the Board Diversity Policy of the Company periodically and make recommendation on any proposed revisions to the Board.
A.5.4	The company should provide the nomination committee sufficient resources to perform its duties. Where necessary, the nomination committee should seek independent professional advice, at the company's expense, to perform its responsibilities.	C	<ul style="list-style-type: none"> • The Nomination Committee is empowered by the Board to seek any information they require from senior management of the Company in order to perform their duties and to have access to independent professional advice where necessary.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.5.5	<p>Where the board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:</p> <ol style="list-style-type: none"> the process used for identifying the individual and why the board believes the individual should be elected and the reasons why it considers the individual to be independent; if the proposed independent non-executive director will be holding their seventh (or more) listed company directorship, why the board believes the individual would still be able to devote sufficient time to the board; the perspectives, skills and experience that the individual can bring to the board; and how the individual contributes to diversity of the board. 	<p>C</p> <p>C</p> <p>C</p> <p>C</p>	<ul style="list-style-type: none"> Please refer to A.4.3 above for the details. The following information has been set out in the Company's circular to shareholders for the proposed resolution to elect an individual as an Independent Non-executive Director at the 2020 Annual General Meeting: <ol style="list-style-type: none"> the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why the Board considers the individual to be independent; if the proposed Independent Non-executive Director will be holding their seventh (or more), where applicable, listed company directorship, why the board believes the individual would still be able to devote sufficient time to the board; the perspectives, skills and experience that the individual can bring to the Board; and how the individual contributes to diversity of the Board.
A.6	<p>Responsibilities of directors</p> <p><i>Corporate Governance Principle</i></p> <p><i>Every Director must always know his responsibilities as a Director of the Company and its conduct, business activities and development.</i></p>		
A.6.1	<p>Every newly appointed director of the company should receive a comprehensive, formal and tailored induction on appointment. Subsequently he should receive any briefing and professional development necessary to ensure that he has a proper understanding of the company's operations and business and is fully aware of his responsibilities under statute and common law, the Listing Rules, legal and other regulatory requirements and the company's business and governance policies.</p>	C	<ul style="list-style-type: none"> The Company Secretary and authorised officers liaise closely with newly appointed Directors both immediately before and after his/her appointment to acquaint them with the duties and responsibilities as a Director of the Company and the business operation of the Company. Briefing meetings will be arranged with key officers of the Company for newly appointed Directors to provide an orientation on matters such as business operation, finance, accounting and risk management. A package, which has been compiled and reviewed by the Company's legal advisers, setting out the duties and responsibilities of directors under the Listing Rules and relevant regulatory requirements is provided to each newly appointed Director. Further information package comprising the latest developments in laws, rules and regulations relating to the duties and responsibilities of directors will be forwarded to each Director from time to time for his/her information and ready reference. Guidelines for directors have also been forwarded to each Director for his/her information and ready reference. During the year, the Company had arranged at the cost of the Company, Directors' seminar sessions conducted by qualified professionals experienced on topics relating to the roles, functions and duties of the Directors. Attendance certificates would be issued to Directors who had attended the seminar sessions and requested the said certificates. In addition, the Company has from time to time provided information and briefings to Directors on the latest developments in the laws, rules and regulations relating to Directors' duties and responsibilities. The Company had also, on an individual basis, advised Directors on queries raised or issues which arise in the performance of their duties as directors.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices																																			
A.6.2	<p>The functions of non-executive directors include:</p> <ul style="list-style-type: none"> – bring independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct at board meetings; – take the lead on potential conflicts of interests; – serve on the audit, remuneration, nomination and other governance committees, if invited; and – scrutinise the company's performance in achieving agreed corporate goals and objectives, and monitoring performance reporting. 	C C C C	<ul style="list-style-type: none"> • The Independent Non-executive Directors exercise their independent judgement and advise on the future business direction and strategic plans of the Company. • The Independent Non-executive Directors review the financial information and operational performance of the Company on a regular basis. • Individual Independent Non-executive Directors serve on the different committees namely, audit committee ("Audit Committee"), remuneration committee ("Remuneration Committee"), Nomination Committee and sustainability committee ("Sustainability Committee") of the Company. • The table below provides membership information of these committees on which the Independent Non-executive Directors serve: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: center;">Board Committee Directors</th> <th style="text-align: center;">Audit Committee</th> <th style="text-align: center;">Remuneration Committee*</th> <th style="text-align: center;">Nomination Committee*</th> <th style="text-align: center;">Sustainability Committee*</th> </tr> </thead> <tbody> <tr> <td>CHEONG Ying Chew, Henry</td> <td style="text-align: center;">C</td> <td style="text-align: center;">M</td> <td></td> <td style="text-align: center;">M</td> </tr> <tr> <td>CHOW Nin Mow, Albert</td> <td style="text-align: center;">M</td> <td></td> <td></td> <td></td> </tr> <tr> <td>HUNG Siu-lin, Katherine</td> <td style="text-align: center;">M</td> <td style="text-align: center;">C</td> <td></td> <td></td> </tr> <tr> <td>Colin Stevens RUSSEL</td> <td style="text-align: center;">M</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Donald Jeffrey ROBERTS</td> <td style="text-align: center;">M</td> <td></td> <td style="text-align: center;">M</td> <td></td> </tr> <tr> <td>Stephen Edward BRADLEY[^]</td> <td style="text-align: center;">M</td> <td></td> <td style="text-align: center;">C</td> <td></td> </tr> </tbody> </table> <p style="margin-left: 20px;">* also comprises other Board members/key personnel C Chairman/Chairperson of the relevant Board Committees M Member of the relevant Board Committees [^] Appointed as an Independent Non-executive Director, members of the Audit Committee and the Nomination Committee with effect from 30 November 2020 and Chairman of the Nomination Committee with effect from 1 December 2020.</p>	Board Committee Directors	Audit Committee	Remuneration Committee*	Nomination Committee*	Sustainability Committee*	CHEONG Ying Chew, Henry	C	M		M	CHOW Nin Mow, Albert	M				HUNG Siu-lin, Katherine	M	C			Colin Stevens RUSSEL	M				Donald Jeffrey ROBERTS	M		M		Stephen Edward BRADLEY [^]	M		C	
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A.6.3	Every director should ensure that he can give sufficient time and attention to the company's affairs and should not accept the appointment if he cannot do so.	C	<ul style="list-style-type: none"> • There is satisfactory attendance at Board meetings during the year. Please refer to A.1.1 above for the attendance records. • Every Executive Director has hands-on knowledge and expertise in the areas and operation in which he/she is charged with. Appropriate attention to the affairs of the Company is measured in terms of time as well as the quality of such attention and the ability of the Directors to contribute with reference to his/her area of knowledge and expertise, and his/her global perspective. 																																			
A.6.4	The board should establish written guidelines no less exacting than the Model Code for relevant employees.	C	<ul style="list-style-type: none"> • The Company had adopted the model code for securities transactions by directors of listed issuers set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions effective from 3 June 2015 ("Model Code"). The Model Code has been reviewed by the Company from time to time to comply with the new requirements set out in Appendix 10 to the Listing Rules. • Confirmation has been received from all Directors that they complied with the required standards set out in the Model Code for the year ended 31 December 2020. • Written guidelines on no less exacting terms than the Model Code relating to securities transactions for employees are set out in the Employee Handbook of the Company. • Since February 2015, the Company has established a policy on handling of confidential information, information disclosure and securities dealing for all employees of the Group to comply with when they are in possession of confidential or inside information in relation to the Group. Such policy has complied with the requirements set out in Part XIVA of the Securities and Futures Ordinance. The policy has been revised in July 2020 and such policy has been posted on Company's intranet and disseminated to all employees of the Company. 																																			

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices																																		
A.6.5	All directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the board remains informed and relevant. The company should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of a listed company director.	C	<ul style="list-style-type: none"> • A package, which has been compiled and reviewed by the Company's legal advisers, setting out the duties and responsibilities of directors under the Listing Rules and relevant regulatory requirements, is provided to each newly appointed Director. Further information package comprising the latest developments in laws, rules and regulations relating to the duties and responsibilities of directors will be forwarded to each Director from time to time for his/her information and ready reference. Guidelines for directors have also been forwarded to each Director for his/her information and ready reference. • In addition, the Company has from time to time provided information and briefings to Directors on the latest developments in the laws, rules and regulations relating to Directors' duties and responsibilities. The Company had also, on an individual basis, advised Directors on queries raised or issues which arise in the performance of their duties as directors. • The Directors have provided to the Company their records of continuous professional development during the year 2020. • During the year, the Company had arranged at the cost of the Company, Directors' seminar sessions conducted by qualified professionals experienced on topics relating to the roles, functions and duties of the Directors. Attendance certificates would be issued to Directors who had attended the seminar sessions and requested the said certificates. Directors have also participated in continuous professional training organised by professional bodies and/or government authorities. <p>The Directors' knowledge and skills are continuously developed and refreshed by, inter alia, the following means:</p> <ol style="list-style-type: none"> 1. Reading memoranda issued or materials provided (for example, in-house directors' seminar) from time to time by the Company to Directors, and as applicable, briefings and reports by the Company Secretary, as regards legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties with the latest developments in public consultations, laws, rules and regulations relating to the duties and responsibilities of directors and corporate governance; 2. Participation in continuous professional training seminars/conferences/courses/workshops on subjects relating to directors' duties and corporate governance, etc. organised by the Company and/or professional bodies and/or government authorities; and 3. Reading news/journal/magazine/other reading materials as regards legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties. <ul style="list-style-type: none"> • Record of the Directors' training in 2020 is as follows: <table border="1" data-bbox="703 1375 1465 1871"> <thead> <tr> <th data-bbox="703 1375 938 1397">Members of the Board</th> <th data-bbox="1289 1375 1465 1397">Training received</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="703 1410 906 1431">Executive Directors</td> </tr> <tr> <td data-bbox="703 1446 1145 1468">Victor T K LI (<i>Chairman and Managing Director</i>)</td> <td data-bbox="1353 1446 1465 1468">(1), (2) & (3)</td> </tr> <tr> <td data-bbox="703 1472 1114 1494">KAM Hing Lam (<i>Deputy Managing Director</i>)</td> <td data-bbox="1385 1472 1465 1494">(1) & (3)</td> </tr> <tr> <td data-bbox="703 1498 1182 1519">IP Tak Chuen, Edmond (<i>Deputy Managing Director</i>)</td> <td data-bbox="1353 1498 1465 1519">(1), (2) & (3)</td> </tr> <tr> <td data-bbox="703 1524 943 1545">CHUNG Sun Keung, Davy</td> <td data-bbox="1385 1524 1465 1545">(1) & (3)</td> </tr> <tr> <td data-bbox="703 1550 938 1571">CHIU Kwok Hung, Justin</td> <td data-bbox="1353 1550 1465 1571">(1), (2) & (3)</td> </tr> <tr> <td data-bbox="703 1576 959 1597">CHOW Wai Kam, Raymond</td> <td data-bbox="1353 1576 1465 1597">(1), (2) & (3)</td> </tr> <tr> <td data-bbox="703 1601 890 1623">PAU Yee Wan, Ezra</td> <td data-bbox="1353 1601 1465 1623">(1), (2) & (3)</td> </tr> <tr> <td data-bbox="703 1627 938 1649">WOO Chia Ching, Grace</td> <td data-bbox="1353 1627 1465 1649">(1), (2) & (3)</td> </tr> <tr> <td colspan="2" data-bbox="703 1683 1086 1705">Independent Non-executive Directors</td> </tr> <tr> <td data-bbox="703 1720 970 1742">CHEONG Ying Chew, Henry</td> <td data-bbox="1353 1720 1465 1742">(1), (2) & (3)</td> </tr> <tr> <td data-bbox="703 1746 938 1767">CHOW Nin Mow, Albert</td> <td data-bbox="1353 1746 1465 1767">(1), (2) & (3)</td> </tr> <tr> <td data-bbox="703 1772 938 1793">HUNG Siu-lin, Katherine</td> <td data-bbox="1385 1772 1465 1793">(1) & (3)</td> </tr> <tr> <td data-bbox="703 1798 906 1819">Colin Stevens RUSSEL</td> <td data-bbox="1353 1798 1465 1819">(1), (2) & (3)</td> </tr> <tr> <td data-bbox="703 1823 938 1845">Donald Jeffrey ROBERTS</td> <td data-bbox="1385 1823 1465 1845">(1) & (3)</td> </tr> <tr> <td data-bbox="703 1849 959 1871">Stephen Edward BRADLEY*</td> <td data-bbox="1353 1849 1465 1871">(1), (2) & (3)</td> </tr> </tbody> </table>	Members of the Board	Training received	Executive Directors		Victor T K LI (<i>Chairman and Managing Director</i>)	(1), (2) & (3)	KAM Hing Lam (<i>Deputy Managing Director</i>)	(1) & (3)	IP Tak Chuen, Edmond (<i>Deputy Managing Director</i>)	(1), (2) & (3)	CHUNG Sun Keung, Davy	(1) & (3)	CHIU Kwok Hung, Justin	(1), (2) & (3)	CHOW Wai Kam, Raymond	(1), (2) & (3)	PAU Yee Wan, Ezra	(1), (2) & (3)	WOO Chia Ching, Grace	(1), (2) & (3)	Independent Non-executive Directors		CHEONG Ying Chew, Henry	(1), (2) & (3)	CHOW Nin Mow, Albert	(1), (2) & (3)	HUNG Siu-lin, Katherine	(1) & (3)	Colin Stevens RUSSEL	(1), (2) & (3)	Donald Jeffrey ROBERTS	(1) & (3)	Stephen Edward BRADLEY*	(1), (2) & (3)
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			* Appointed as an Independent Non-executive Director, members of the Audit Committee and the Nomination Committee with effect from 30 November 2020.																																		

CORPORATE GOVERNANCE REPORT (CONTINUED)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.6.6	Each director should disclose to the company at the time of his appointment, and in a timely manner for any change, the number and nature of offices held in public companies or organisations and other significant commitments. The identity of the public companies or organisations and an indication of the time involved should also be disclosed. The board should determine for itself how frequently this disclosure should be made.	C	<ul style="list-style-type: none"> The Directors have disclosed to the Company at the time of their appointment and from time to time thereafter the number and nature of offices held in public companies or organisations and other significant commitments, identifying the public companies or organisations involved.
A.6.7	Independent non-executive directors and other non-executive directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. Generally, they should also attend general meetings to gain and develop a balanced understanding of the views of shareholders.	C	<ul style="list-style-type: none"> There is satisfactory attendance at Board meetings, Board Committee meetings, the meetings between the Chairman and the Independent Non-executive Directors and the annual general meeting during the year. Please refer to A.1.1, A.2.2, A.5.1, B.1.2, C.3.3 and E.1.2 for the attendance records. Extent of participation and contribution should be viewed both quantitatively and qualitatively.
A.6.8	Independent non-executive directors and other non-executive directors should make a positive contribution to the development of the company's strategy and policies through independent, constructive and informed comments.	C	<ul style="list-style-type: none"> Please refer to A.6.7 above.
A.7	<p>Supply of and access to information</p> <p><i>Corporate Governance Principle</i></p> <p><i>Directors should be provided in a timely manner with appropriate information in the form and quality to enable them to make an informed decision and perform their duties and responsibilities.</i></p>		
A.7.1	<ul style="list-style-type: none"> Send agenda and full board papers to all directors at least 3 days before a regular board or board committee meeting. As far as practicable for other board or board committee meetings. 	C	<ul style="list-style-type: none"> Board/Board Committee papers are circulated not less than three days before the regular Board/Board Committee meetings to enable the Directors/Board Committee members to make informed decisions on matters to be raised at the Board/Board Committee meetings.
A.7.2	<ul style="list-style-type: none"> Management has an obligation to supply the board and its committees with adequate and reliable information in a timely manner to enable it to make informed decisions. The board and individual directors should have separate and independent access to the company's senior management for making further enquiries where necessary. 	C	<ul style="list-style-type: none"> The Company Secretary and the General Manager of the Accounts Department attend all regular Board meetings to advise on corporate governance, statutory compliance, and accounting and financial matters, as appropriate. Communication between Directors on the one hand, and the Company Secretary, who acts as co-ordinator for the other business units of the Group on the other, is a dynamic and interactive process to ensure that queries raised and clarification sought by the Directors are dealt with and that further supporting information is provided if appropriate.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.7.3	<ul style="list-style-type: none"> – All directors are entitled to have access to board papers and related materials. – Queries raised by directors should receive a prompt and full response, if possible. 	C	<ul style="list-style-type: none"> • Please refer to A.7.1 and A.7.2 above.
B. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT AND BOARD EVALUATION			
B.1	<p>The level and make-up of remuneration and disclosure</p> <p><i>Corporate Governance Principle</i></p> <p><i>The Company should disclose its Director's remuneration policy and other remuneration related matters. The procedure for setting policy on Executive Directors' remuneration and all Directors' remuneration packages should be formal and transparent.</i></p>		
B.1.1	The remuneration committee should consult the chairman and/or chief executive about their remuneration proposals for other executive directors and should have access to independent professional advice if necessary.	C	<ul style="list-style-type: none"> • The Remuneration Committee has consulted the Chairman and/or the Managing Director about proposals relating to the remuneration packages and other human resources issues of the Directors and senior management, including, without limitation, succession plan and key personnel movements as well as policies for recruiting and retaining qualified personnel. • The emoluments of Directors have been determined with reference to the skills, knowledge, involvement in the Company's affairs and the performance of each Director, and to the profitability of the Company and prevailing market conditions during the year. • To enable them to better advise on the Group's future remuneration policy and related strategies, the Remuneration Committee has been advised of the Group's existing remuneration policy and succession plan, including the corporate philosophy in formulating employees' remuneration packages, and market trends and related information. • The Remuneration Committee is satisfied that there is in place a clear system for determining remuneration, which is reasonable and has been followed consistently in its application.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices								
B.1.2	<p>The remuneration committee's terms of reference should include:</p> <ul style="list-style-type: none"> – recommend to the board on the company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; – review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives; – either to determine, with delegated responsibility, or to make recommendations to the board on the remuneration packages of individual executive directors and senior management; – recommend to the board on the remuneration of non-executive directors; – consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group; – review and approve compensation payable on loss or termination of office or appointment; – review and approve compensation arrangements relating to dismissal or removal of directors for misconduct; and – ensure that no director or any of his associates is involved in deciding his own remuneration. 	C	<ul style="list-style-type: none"> • The Company established its remuneration committee ("Remuneration Committee") on 26 February 2015. A majority of the members are Independent Non-executive Directors. • The Remuneration Committee comprises an Independent Non-executive Director, Ms. Hung Siu-lin, Katherine (Chairperson of the Remuneration Committee), the Chairman and Managing Director, Mr. Victor T K Li and an Independent Non-executive Director, Mr. Cheong Ying Chew, Henry. • The terms of reference of the Remuneration Committee follow closely the requirements of the CG Code. • The Remuneration Committee, with delegated responsibility, determines the remuneration packages of individual Executive Directors and senior management, and reviews the remuneration of Independent Non-executive Directors. • Since the publication of the Annual Report 2019 in April 2020, meeting of the Remuneration Committee was held in January 2021. Attendance record of the members of the Remuneration Committee is as follows: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Members of the Remuneration Committee</th> <th style="text-align: right;">Attendance</th> </tr> </thead> <tbody> <tr> <td>HUNG Siu-lin, Katherine (<i>Chairperson of the Remuneration Committee</i>)</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>Victor T K LI</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>CHEONG Ying Chew, Henry</td> <td style="text-align: right;">1/1</td> </tr> </tbody> </table> • The following is a summary of the work of the Remuneration Committee during the said meeting: <ol style="list-style-type: none"> 1. Review the remuneration policy for 2020/2021; 2. Recommend to the Board the Company's policy and structure for the remuneration of Directors and the management; 3. Review the remuneration packages of Executive Directors and the management with reference to the established system of the Company for determining the remuneration review; 4. Review and approve the remuneration of Independent Non-executive Directors; and 5. Review the annual bonus policy. • No Director or any of his/her associates was involved in deciding his/her own remuneration at the meeting of the Remuneration Committee held in January 2021. 	Members of the Remuneration Committee	Attendance	HUNG Siu-lin, Katherine (<i>Chairperson of the Remuneration Committee</i>)	1/1	Victor T K LI	1/1	CHEONG Ying Chew, Henry	1/1
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B.1.3	<p>The remuneration committee should make available its terms of reference, explaining its role and the authority delegated to it by the board by including them on HKEx's website and the company's website.</p>	C	<ul style="list-style-type: none"> • The terms of reference of the Remuneration Committee (both English and Chinese versions) are posted on the websites of the Company and HKEx. • The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration of Directors and the management, and reviewing the remuneration packages of all Executive Directors and the management with reference to the corporate goals and objectives of the Board resolved from time to time. 								
B.1.4	<p>The remuneration committee should be provided with sufficient resources to perform its duties.</p>	C	<ul style="list-style-type: none"> • The Human Resources Department provides administrative support and implements the approved remuneration packages and other human resources related decisions approved by the Remuneration Committee. 								
B.1.5	<p>The company should disclose details of any remuneration payable to members of senior management by band in the annual reports.</p>	C	<ul style="list-style-type: none"> • The Board has resolved that the senior management of the Company comprises only the Executive Directors of the Company. Please refer to note 4 in the Notes to Consolidated Financial Statements for details of the remuneration payable to the Directors. 								

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.	ACCOUNTABILITY AND AUDIT		
C.1	Financial reporting <i>Corporate Governance Principle</i> <i>The Board should present a balanced, clear and comprehensible assessment of the Company's performance, position and prospects.</i>		
C.1.1	Management should provide sufficient explanation and information to the board to enable it to make an informed assessment of financial and other information put before it for approval.	C	<ul style="list-style-type: none"> Directors are provided with a review of the Group's major business activities and key financial information on a quarterly basis.
C.1.2	Management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the company's performance, position and prospects in sufficient detail to enable the board as a whole and each director to discharge their duties.	C	<ul style="list-style-type: none"> Monthly updates had been provided to all members of the Board since 3 June 2015, for the purpose of providing a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail and to enable the Board as a whole and each Director to discharge their duties.
C.1.3	<ul style="list-style-type: none"> The directors should acknowledge in the Corporate Governance Report their responsibility for preparing the accounts. There should be a statement by the auditors about their reporting responsibilities in the auditor's report on the financial statements. Unless it is inappropriate to assume that the company will continue in business, the directors should prepare the accounts on a going concern basis, with supporting assumptions or qualifications as necessary. Where the directors are aware of material uncertainties relating to events or conditions that may cast significant doubt on the company's ability to continue as a going concern, they should be clearly and prominently disclosed and discussed at length in the Corporate Governance Report. 	<p>C</p> <p>C</p> <p>C</p> <p>N/A</p>	<ul style="list-style-type: none"> The Directors acknowledged in writing on an annual basis their responsibility for preparing the financial statements of the Group. Directors are not aware of material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern as referred to in C.1.3 of the CG Code. With the assistance of the Company's Accounts Department which is under the supervision of the General Manager who is a professional accountant, the Directors ensure the preparation of the financial statements of the Group are in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the publication of the financial statements of the Group is in a timely manner. The statement by the auditor of the Company regarding its reporting responsibilities on the Consolidated Financial Statements of the Group is set out in the Independent Auditor's Report on pages 162 to 167.
C.1.4	The directors should include in the separate statement containing a discussion and analysis of the group's performance in the annual report, an explanation of the basis on which the company generates or preserves value over the longer term (the business model) and the strategy for delivering the company's objectives.	C	<ul style="list-style-type: none"> The Board has included the separate statement containing a discussion and analysis of the Group's sustainable development strategy in the Management Discussion and Analysis of Annual Report 2020.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.1.5	The board should present a balanced, clear and understandable assessment in annual and interim reports, and other financial disclosures required by the Listing Rules. It should also do so for reports to regulators and information disclosed under statutory requirements.	C	<ul style="list-style-type: none"> The Board aims to present a clear, balanced and understandable assessment of the Group's performance and position in all shareholder communications. The Board is aware of and updated with the requirements under the applicable rules and regulations about timely disclosure of information or matters regarding the Company and will authorise the publication of such announcements as and when the occasion arises. The Company Secretary and key officers of the Company Secretarial Department work closely and in consultation with legal advisers to review the materiality and sensitivity of transactions and proposed transactions and advise the Board accordingly.
C.2	<p>Risk management and internal control</p> <p><i>Corporate Governance Principle</i></p> <p><i>The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board should oversee management in the design, implementation and monitoring of the risk management and internal control systems, and management should provide a confirmation to the Board on the effectiveness of these systems.</i></p>		
C.2.1 – C.2.5	<p>The board to oversee the company's risk management and internal control systems on an ongoing basis, to review the effectiveness of the company's and its subsidiaries' risk management and internal control systems has been conducted at least annually and to report that they have done so in the Corporate Governance Report.</p> <p>– The review should cover all material controls, including financial, operational and compliance controls.</p> <p>– The board's annual review should, in particular, ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the company's accounting, internal audit and financial reporting functions.</p> <p>– The board's annual review should, in particular, consider:</p> <p>(a) the changes, since the last annual review, in the nature and extent of significant risks, and the company's ability to respond to changes in its business and the external environment;</p>	C	<p>INTRODUCTION</p> <p>The Group strives to maintain high standards of corporate governance. It also maintains a robust internal controls system that is designed to provide reasonable, but not absolute, assurance regarding the prevention, detection and handling of any material misstatement or loss and to manage, rather than eliminate, the risk of failure in operating systems and in the achievement of its objectives. The main features of this system, which continue to operate, are described as below.</p> <p>Throughout the 2020 financial year, the Group has complied with the Provisions of the CG Code, as set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").</p> <p>In view of the requirements relating to Section C.2.1 of the CG Code, the Group has reviewed its risk management framework and processes and has implemented relevant measures resulting from this exercise that aim to enhance these. In particular, the Group has developed, approved and implemented an enterprise risk management ("ERM") system (the "ERM System"), which is defined in and supported by a risk management policy (the "RM Policy"). The RM Policy has been endorsed by the Audit Committee and has been reviewed in the 2020 financial year.</p> <p>The terms of reference of the Audit Committee, which were approved by the Board, include responsibility for the oversight of the Group's risk management and internal controls systems, as delegated by the Board. In addition, a Risk Management Taskforce ("RMTF") has been established and is the decision-making body for the operation of the ERM System.</p> <p>The ERM System defines the roles and responsibilities within the Group for risk management activity and describes the methodology and approach to risk identification and assessment that the Group has adopted. It also contains the established protocols for the communication of risks and measures to address them. The Board is ultimately responsible for determining and evaluating the risks it is willing to take in achieving the Group's objectives, ensuring it establishes and maintains effective risk management and internal controls systems, and overseeing these systems on an ongoing basis. The Group's management is responsible for designing, implementing and monitoring its risk management and internal controls systems.</p>


Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.2.1 – C.2.5 (cont'd)	<p>(b) the scope and quality of management's ongoing monitoring of risks and of the internal control system, and where applicable, the work of its internal audit function and other assurance providers;</p> <p>(c) the extent and frequency of communication of monitoring results to the board (or board committee(s)) which enables it to assess control of the company and the effectiveness of risk management;</p> <p>(d) significant control failings or weaknesses that have been identified during the period. Also, the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the company's financial performance or condition; and</p> <p>(e) the effectiveness of the company's processes for financial reporting and Listing Rules compliance.</p> <p>– The company should disclose, in the Corporate Governance Report, a narrative statement on how they have complied with the risk management and internal control code provisions during the reporting period. In particular, they should disclose:</p> <p>(a) the process used to identify, evaluate and manage significant risks;</p> <p>(b) the main features of the risk management and internal control systems;</p>		<p>Other than achieving compliance with the CG Code, the Group strives to enhance the communication of information on risk and controls between different levels and departments/functions/overseas subsidiaries within the Group for the purpose of obtaining practical business benefit.</p> <p>In addition, the RM Policy provides direction to management within the Group for applying consistent risk management practices in which its significant risks are identified, prioritised and addressed. It also serves to provide continuity in the Group's risk management activities, by facilitating transitioning as turnover of staff may take place.</p> <p>Overall, risk management activity is a key element of our corporate governance practices. We recognise that effective risk management is essential to the financial and operational success of the Group. The Group is committed to the continuous improvement of its risk management and internal control systems and will continue to conduct regular reviews to ensure that they are effective and appropriate, especially as business conditions and the organisation develops.</p> <p>A "Top-Down" approach is adopted for the Group's risk management system. This is manifested by strong oversight exercised by the Board, the Audit Committee, the RMTF and senior management in the establishment and maintenance of the ERM System.</p> <p>GOVERNANCE STRUCTURE FOR ENTERPRISE RISK MANAGEMENT</p> <p>The governance structure for our ERM System is as shown below:</p>

CORPORATE GOVERNANCE REPORT (CONTINUED)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.2.1 – C.2.5 (cont'd)	<p>(c) an acknowledgement by the board that it is responsible for the risk management and internal control systems and reviewing their effectiveness; the board to explain that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss;</p> <p>(d) the process used to review the effectiveness of the risk management and internal control systems and to resolve material internal control defects; and</p> <p>(e) the procedures and internal controls for the handling and dissemination of inside information.</p> <p>– The company should have an internal audit function. The company without an internal audit function should review the need for one on an annual basis and should disclose the reasons for the absence of such a function in the Corporate Governance Report.</p>		<p>The Board has overall responsibility for maintaining a sound and effective risk management and internal controls system for the Group including, but not limited to, the following tasks:</p> <ul style="list-style-type: none"> • Setting and communicating the Group's strategies and objectives; • Overseeing the Group's ERM System and activity, including internal controls, on an ongoing basis, having overall accountability for the effectiveness of these; • Evaluating and providing direction to the Group on the nature and extent of the risks that shall be taken to achieve its strategic objectives (i.e. setting the Risk Appetite); • Ensuring a review of the effectiveness of the Group's ERM System and material financial, operational and compliance controls is conducted at least annually, considering any significant failings or weaknesses identified in relation to these, their impact and how they are being addressed; • Reviewing changes in the nature and extent of significant risks from the last annual review and the Group's ability to respond to these and to changes in its business and external environment; and • Reviewing the scope and quality of management's ongoing monitoring of risks and internal controls, the extent and frequency of communication of the results of risk monitoring to the Board. <p>The Audit Committee also plays a vital role in overseeing the ERM System on behalf of the Board, including by way of the following:</p> <ul style="list-style-type: none"> • Reviewing and approving the RM Policy and changes to this that are requested or required; • On behalf of the Board, reviewing, on at least an annual basis, the Group's ERM System and internal controls with the RMTF and the Internal Audit Department to ensure that management has fulfilled its duties of establishing and maintaining an effective ERM system and internal controls; • Reviewing the results of the annual risk assessment, including changes in the nature, and extent of significant risks since the last review and the Group's ability to respond to changes in these, and in its business and the external environment; • Reviewing any enhancements to the ERM System proposed by the RMTF; • Assessing the extent and frequency of the communication of the monitoring results to the Board and the Audit Committee and the effectiveness of the ERM System, as well as processes for financial reporting and for achieving compliance with Listing Rules; • Considering the results of any investigation into the Group's risk management practices and internal controls, as delegated by the Board or that it performs on its own initiative, and management's responses to the findings of such investigations; • Identifying key risk issues that might require the Board's attention and reporting these accordingly; • Performing an annual review of the Internal Audit Department including the adequacy of its budget and resources, the qualifications and experience of its management and staff, and the quality of its training program, in order to ensure that it is able to provide sufficient coverage of the Group's key risk issues; and • Reviewing reports from the external auditor, Messrs. Deloitte Touche Tohmatsu ("Deloitte"), on matters relating to internal controls and financial reporting, in addition to management's review.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.2.1 – C.2.5 (cont'd)			<p>The RMTF is the decision-making body of the ERM System. It is chaired by an Executive Director of the Group and comprises of delegates of the Executive Directors and representatives from different functions of the Group, so as to provide effective coverage of the Group as a whole. The RMTF is responsible for the following:</p> <ul style="list-style-type: none"> • Assisting the Board and the Audit Committee with overseeing the ERM System and its implementation; • Making decisions relating to the design or modification of the ERM System, i.e. risk assessment approach/methodology; • Ensuring that a risk management culture is fostered and developed and that the ERM System is embedded over time into the Group's daily operations; • Performing ad hoc reviews of the ERM System, as needed; • Resolving and aligning any risk management practices and activities of different departments/functions/overseas subsidiaries that are inconsistent; • Ensuring that departments/functions/overseas subsidiaries of the Group commit sufficient resources to carrying out risk management activity in accordance with the RM Policy; • Reviewing and approving the Risk Inventory (which covered the operational, compliance, and environmental, social and governance risks) produced as part of the annual risk assessment process performed by Functional Heads and which summarizes all key strategic, financial, operational and compliance risks identified; • Reviewing the results of the annual risk assessment and submitting these to the Audit Committee for its own review; and • Proposing enhancements to the ERM System, including those required to fulfill any changes in regulatory requirements, and submitting these to the Audit Committee for review. <p>The Internal Audit Department acts as an independent assessor of the ERM System. In maintaining a sound ERM System, the Internal Audit Department's major responsibilities include but are not limited to the following:</p> <ul style="list-style-type: none"> • Carrying out independent assessments of the adequacy and effectiveness of the Group's ERM System; • Acting as an advisory member of the RMTF on such matters as the design, implementation and development of the ERM System, risk assessment practices, etc.; • Reporting to the Audit Committee on the results of its independent assessments, the scope, frequency and timing of which are subject to the discretion of the Audit Committee; and • Providing administrative support in relation to the Group's risk assessment process. <p>On top of the above responsibilities, Internal Audit Department also provides an independent appraisal of the Group's financial and operating activities, and makes constructive recommendations to relevant management regarding actions necessary to address any areas for improvement.</p> <p>The Internal Audit Department carries out an annual risk assessment of the Group's operations and derives a yearly audit plan based on the risk ratings of various auditable areas. The audit plan is reviewed and endorsed by the Audit Committee before execution. In addition to its agreed schedule of work derived from this plan, the Internal Audit Department conducts other review and investigative work as may be required. The results of internal audit reviews and agreed management action plans in response to the Internal Audit Department's recommendations are reported to the Executive Directors and Audit Committee periodically. The Internal Audit Department also follows up with management regarding the implementation of the agreed action plans, to ensure that internal controls are continuously enhanced.</p>

CORPORATE GOVERNANCE REPORT (CONTINUED)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.2.1 – C.2.5 (cont'd)			<p>Department/Functional Heads/Overseas Subsidiaries and their delegates are responsible for managing risks during their day-to-day operations. Their major responsibilities include, but are not limited to, the following:</p> <ul style="list-style-type: none"> • Operating in a manner that is consistent with the Group's risk appetite; • Embedding appropriate risk management processes and practices into day-to-day operations and fostering a risk culture within the departments/functions under their responsibility; • Supporting and participating in the implementation of the ERM System; • Attending meetings on risk assessment and other risk management-related meetings upon the request of the RMTF; • Identifying and assessing risks associated with business activities (including new business) within their own departments/functions; • Participating in the Group's control self-assessment process (which is performed semi-annually), in order to assess the effectiveness of controls over the reliability of financial reporting, the effectiveness and efficiency of operations, compliance with applicable laws and regulations as well as mitigation of the Group's risks; • Preparing for and seeking the approval of the responsible Executive Director for operational budgets, as well as complying with processes for appraising, reviewing and approving major capital and recurrent expenditure; • Reporting the results of operations against budgets to the Executive Directors on a regular basis; and • Developing and implementing risk action plans to address key risks for which systems, processes and controls are assessed as being ineffective. <p>ENTERPRISE RISK ASSESSMENT METHODOLOGY</p> <p>The Group adopted the Committee of Sponsoring Organizations of the Treadway Commission's ERM Framework in establishing the ERM System which illustrates the key components of any ERM system necessary for managing risks.</p> <p>Our ERM activity is integrated into our business and decision-making process, including with regards to the formulation of strategic objectives, business planning and development and daily operations.</p> <p>The Group's methodology for its risk assessment comprises four core stages that are shown below.</p> <div style="text-align: center;">  <p><i>Ongoing communication, monitoring and review</i></p> </div> <p>It mainly involves:</p> <ol style="list-style-type: none"> a) Risk Identification <p>Department Heads/Functional Heads/Overseas Subsidiaries identify risks in the operations they are responsible for as well as risks they believe are relevant to the Group as a whole. All the identified risks are consolidated into a risk inventory.</p> b) Risk Assessment <p>Risks in the Risk Inventory are evaluated by a range of senior individuals from the Group using predefined risk assessment criteria associated with two risk dimensions – (i) the impact of each risk on the Group; and (ii) the Group's vulnerability to each risk. The risk scoring and prioritization process is then performed.</p>

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.2.1 – C.2.5 (cont'd)			<p>c) Risk Response</p> <p>The prioritized risk ranking is then submitted to the Internal Audit Department for use in preparing the internal audit plan for the upcoming financial year and to the RMTF for review. Risk Owners are assigned for each selected risk, with more significant risks being assigned to more senior individuals. Risk Owners also formulate risk mitigation plans for the significant risks identified and relating to their areas of responsibility.</p> <p>When determining appropriate risk mitigation plans, four types of risk response are generally adopted:</p> <ul style="list-style-type: none"> • Acceptance: Risks are considered immaterial and are therefore accepted, based on the Group's risk appetite. No action is considered necessary. • Reduction: Risks cannot be considered immaterial and actions, such as implementing more effective controls, have to be taken to reduce their potential impact, and the Group's vulnerability to it, to an acceptable level. • Sharing: Risks cannot be considered immaterial and the Group itself cannot effectively reduce them to an acceptably low level in isolation. Therefore, a portion of the risks have to be transferred to, or shared with, other parties (by insurance, outsourcing, etc.). • Avoidance: Risks are so significant that there are no means, either through reduction or sharing, of reducing them to acceptable levels without incurring excessive costs. Therefore, activities giving rise to such risks should be avoided. <p>Such plans are reviewed and approved by the RMTF. The Internal Audit Department takes the finalised risk ranking account into its internal audit plan and revises this plan as needed. The revised internal audit plan will then be submitted to the Audit Committee for approval.</p> <p>d) Risk Monitoring and Reporting</p> <p>Risk monitoring and reporting are key components of the ERM System as they enable the Board, the Audit Committee, the RMTF and Department/Functional Heads to determine whether it is functioning effectively and whether risks are being properly addressed. This includes ensuring that risks are identified, prioritised and communicated to those responsible for taking action to address them, and that such actions have been taken and are operating effectively.</p> <p>Risk Owners are responsible for monitoring the implementation and effectiveness of the risk mitigation plans they are responsible for. They provide periodic updates to the RMTF regarding the progress of the implementation of their risk mitigation plans and on the performance of these plans, according to the frequency specified in each plan. Risk management monitoring activities and the effectiveness of the implementation of risk mitigation plans are made the subjects of review by the Internal Audit Department and are included in its internal audit plans.</p> <p>COMMUNICATION OF RISK EVENTS</p> <p>Where risk events arise, our communication, both within the Group and to external parties, is an integral part of the ERM System. To enable the Group to make appropriate decisions and responses to mitigate or address any risk event, relevant information on the incident is communicated by and to the right functions and individuals, completely and accurately, and in a timely manner.</p> <p>The Group has written procedures relating to the handling of confidential and inside information, including Price Sensitive Information in accordance with Hong Kong regulations, that meet many of the requirements for communication of information on risk events specified above. These procedures are posted on the Group's intranet and disseminated to all employees of the Group.</p> <p>In addition, various functions in the Group have established practices and protocols for the escalation and handling of crisis level events, involving the Executive Directors, senior management, the Corporate Affairs Department, etc., as appropriate. Group personnel refer to their functional/departmental leadership if they require further information or guidance relating to the crisis management practices and protocols that are relevant to them.</p>

CORPORATE GOVERNANCE REPORT (CONTINUED)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.2.1 – C.2.5 (cont'd)			<p>REVIEW OF THE EFFECTIVENESS OF ENTERPRISE RISK MANAGEMENT SYSTEM AND INTERNAL CONTROL</p> <p>As mentioned above, the Board is ultimately responsible for the Group's risk management and internal controls system and for reviewing its effectiveness.</p> <p>The Internal Audit Department conducts ongoing independent assessments of the Group's risk management and internal controls systems, including those of its subsidiaries, and reports on these to the Audit Committee. The Audit Committee also reviewed the effectiveness of the Group's risk management and internal controls systems and reported on these to the Board for the financial year.</p> <p>For the year ended 31 December 2020, the Board has received a confirmation from management on the effectiveness of the risk management and internal controls systems. The Board and its Audit Committee considered the risk management and internal controls system to be effective and adequate. They also considered the adequacy of resources, staff qualifications and experience, training and budget of its accounting, internal audit and financial reporting functions. No significant areas of concern that might affect our stakeholders, including our shareholders, were identified during the captioned period.</p>
C.3	Audit Committee		
	<i>Corporate Governance Principle</i>		
	<i>The Board should establish formal and transparent arrangements to consider how it will apply financial reporting, risk management and internal control principles and maintain an appropriate relationship with the Company's auditors.</i>		
C.3.1	<ul style="list-style-type: none"> – Full minutes of audit committee meetings should be kept by a duly appointed secretary of the meeting. – Draft and final versions of minutes should be sent to all committee members for their comment and records, within a reasonable time after the meeting. 	<p>C</p> <p>C</p>	<ul style="list-style-type: none"> • Minutes drafted by the Company Secretary are circulated to members of the Audit Committee within a reasonable time after each meeting.
C.3.2	A former partner of existing auditing firm shall not act as a member of the audit committee for two years from the date of his ceasing to be a partner of or to have any financial interest in, the firm, whichever is later.	C	<ul style="list-style-type: none"> • No member of the Audit Committee is a former partner of the existing auditing firm of the Company during the two years after he/she ceases to be a partner of the auditing firm. • The terms of reference of the Audit Committee were revised with effect from 1 January 2019 to comply with the new requirement under the Listing Rules for prohibiting a former partner of the Company's existing auditing firm from acting as a member of Audit Committee for a period of two years from the later of (a) the date of his/her ceasing to be a partner of the firm; or (b) the date of his/her ceasing to have any financial interest in the firm.

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C.3.3	<p>The audit committee's terms of reference should include:</p> <ul style="list-style-type: none"> – recommendations to the board on the appointment, reappointment and removal of external auditor and approval of their terms of engagement; – review and monitor external auditor's independence and objectivity and effectiveness of audit process; – develop and implement policy on engaging an external auditor to supply non-audit services; – review of the company's financial information; and – oversight of the company's financial reporting system, risk management and internal control systems, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the company's accounting and financial reporting function. 	C	<ul style="list-style-type: none"> • The terms of reference of the Audit Committee follow closely the requirements of the CG Code. • Audit Committee meetings were held in March, August and November 2020. Attendance record of the members of the Audit Committee in 2020 is as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Members of the Audit Committee</th> <th style="text-align: right;">Attendance</th> </tr> </thead> <tbody> <tr> <td>CHEONG Ying Chew, Henry (<i>Chairman of the Audit Committee</i>)</td> <td style="text-align: right;">3/3</td> </tr> <tr> <td>CHOW Nin Mow, Albert</td> <td style="text-align: right;">3/3</td> </tr> <tr> <td>HUNG Siu-lin, Katherine</td> <td style="text-align: right;">3/3</td> </tr> <tr> <td>Colin Stevens RUSSEL</td> <td style="text-align: right;">2/3</td> </tr> <tr> <td>Donald Jeffrey ROBERTS</td> <td style="text-align: right;">3/3</td> </tr> <tr> <td>Stephen Edward BRADLEY*</td> <td style="text-align: right;">N/A</td> </tr> </tbody> </table> * Appointed as an Independent Non-executive Director, members of the Audit Committee and the Nomination Committee with effect from 30 November 2020. No meeting was held during the term of his appointment in 2020. • The following is a summary of the work of the Audit Committee during 2020: <ol style="list-style-type: none"> 1. Review the financial reports for 2019 annual results and 2020 interim results; 2. Review the findings and recommendations of the Internal Audit Department on the work of various departments and related companies; 3. Review the effectiveness of the risk management and internal control systems; 4. Review the external auditor's audit findings; 5. Review the external auditor's remuneration; 6. Review the risks of different business units and analysis thereof provided by the relevant business units; 7. Review the control mechanisms for such risks and advising on action plans for improvement of the situations; 8. Review the arrangements employees can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters; and 9. Perform the corporate governance functions and review the corporate governance policies and practices. • After due and careful consideration of reports from management and the internal and external auditors, the Audit Committee noted that no suspected fraud or irregularities, significant internal control deficiencies, or significant suspected infringement of laws, rules, or regulations had been found, and concluded at the meeting held on 15 March 2021 that the risk management and internal control systems were adequate and effective. • On 15 March 2021, the Audit Committee met to review the Group's 2020 consolidated financial statements, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditor. After review and discussions with the management, internal auditor and external auditor, the Audit Committee endorsed the accounting treatment adopted by the Company, and the Audit Committee had to the best of its ability assured itself that the disclosure of the financial information in the Annual Report 2020 complied with the applicable accounting standards and Appendix 16 to the Listing Rules. The Audit Committee therefore resolved to recommend for the Board's approval the consolidated financial statements for the year ended 31 December 2020. • The Audit Committee also recommended to the Board the re-appointment of Deloitte as the Company's external auditor for 2021 and that the related resolution shall be put forth for shareholders' consideration and approval at the 2021 Annual General Meeting. • The Group's Annual Report 2020 has been reviewed by the Audit Committee. 	Members of the Audit Committee	Attendance	CHEONG Ying Chew, Henry (<i>Chairman of the Audit Committee</i>)	3/3	CHOW Nin Mow, Albert	3/3	HUNG Siu-lin, Katherine	3/3	Colin Stevens RUSSEL	2/3	Donald Jeffrey ROBERTS	3/3	Stephen Edward BRADLEY*	N/A
Members of the Audit Committee	Attendance																
CHEONG Ying Chew, Henry (<i>Chairman of the Audit Committee</i>)	3/3																
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CORPORATE GOVERNANCE REPORT (CONTINUED)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.3.4	The audit committee should make available its terms of reference, explaining its role and the authority delegated to it by the board by including them on HKEx's and the company's website.	C	<ul style="list-style-type: none"> The Listing Rules require every listed issuer to establish an audit committee comprising at least three members who must be non-executive directors only, and the majority thereof must be independent non-executive directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. The Company established the Audit Committee on 26 February 2015 with written terms of reference based on the guidelines recommended by the Hong Kong Institute of Certified Public Accountants. In accordance with the requirements of the CG Code, the terms of reference of the Audit Committee are revised from time to time in terms substantially the same as the provisions set out in the CG Code. The terms of reference of the Audit Committee (both English and Chinese versions) are posted on the websites of the Company and HKEx. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system, risk management and internal control systems, review of the Group's financial information, review of the relationship with the external auditor of the Company and performance of the corporate governance functions delegated by the Board. Regular meetings have been held by the Audit Committee since its establishment. The Audit Committee comprises six Independent Non-executive Directors, namely, Mr. Cheong Ying Chew, Henry (Chairman of the Audit Committee), Mr. Chow Nin Mow, Albert, Ms. Hung Siu-lin, Katherine, Mr. Colin Stevens Russel, Mr. Donald Jeffrey Roberts and Mr. Stephen Edward Bradley*. The Audit Committee held three meetings in 2020. <p>* Appointed as an Independent Non-executive Director, members of Audit Committee and Nomination Committee with effect from 30 November 2020.</p>
C.3.5	Where the board disagrees with the audit committee's view on the selection, appointment, resignation or dismissal of the external auditors, the company should include in the Corporate Governance Report a statement from the audit committee explaining its recommendation and also the reason(s) why the board has taken a different view.	N/A	<ul style="list-style-type: none"> The Audit Committee recommended to the Board that, subject to shareholders' approval at the forthcoming annual general meeting, Deloitte be re-appointed as the Company's external auditor for 2021. The fees for (i) audit services, (ii) tax services and (iii) advisory services provided by the external auditor of the Company for the year ended 31 December 2020 amounted to approximately HK\$30 million, HK\$2 million and HK\$31 million, respectively.
C.3.6	The audit committee should be provided with sufficient resources to perform its duties.	C	<ul style="list-style-type: none"> The Audit Committee has been advised that the Company Secretary can arrange independent professional advice at the expense of the Company should the seeking of such advice be considered necessary by the Audit Committee.
C.3.7	The terms of reference of the audit committee should also require it: <ul style="list-style-type: none"> to review arrangements employees of the company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The audit committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action; and to act as the key representative body for overseeing the company's relations with the external auditor. 	<p>C</p> <p>C</p>	<ul style="list-style-type: none"> The terms of reference of the Audit Committee were adopted with effect from 26 February 2015 to include the requirement to review arrangements that employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Company has established the Procedures for Reporting Possible Improprieties in Matters of Financial Reporting, Internal Control or Other Matters for employees and those who deal with the Group to raise concerns, in confidence, with the Audit Committee about possible improprieties in matters of financial reporting, internal control or other matters relating to the Group. Such procedures are included into the Company's Employee Handbook and posted on the Company's website. The Company has issued an Employee Handbook to its staff, which contains the mechanism for employees to raise any issues they may have to their department heads and to the Human Resources Department for necessary action (whether these relate to their career development or any other grievances and complaints they may have).

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
D.	DELEGATION BY THE BOARD		
D.1	Management functions <i>Corporate Governance Principle</i> <i>The Company should have a formal schedule of matters specifically reserved for Board approval and those delegated to management.</i>		
D.1.1	When the board delegates aspects of its management and administration functions to management, it must, at the same time, give clear directions as to the management's powers, in particular, where management should report back and obtain prior board approval before making decisions or entering into any commitments on the company's behalf.	C	<ul style="list-style-type: none"> Executive Directors are in charge of different businesses and functional divisions in accordance with their respective areas of expertise. Please refer to the Management Structure Chart set out on page 91. For matters or transactions of a material nature, the same will be referred to the Board for approval. For matters or transactions of a magnitude requiring disclosure under the Listing Rules or other applicable rules or regulations, appropriate disclosure will be made and where necessary, circular will be prepared and shareholders' approval will be obtained in accordance with the requirements of the applicable rules and regulations.
D.1.2	Formalise functions reserved to the board and those delegated to management and to review those arrangements periodically to ensure that they remain appropriate to the company's needs.	C	<ul style="list-style-type: none"> The Board is responsible for the Group's future development directions; overall strategies and policies; evaluation of the performance of the Group and the management; and approval of matters that are of a material or substantial nature. The management is responsible for the day-to-day operations of the Group.
D.1.3	The company should disclose the respective responsibilities, accountabilities and contributions of the board and management.	C	<ul style="list-style-type: none"> Please refer to the Management Structure Chart set out on page 91.
D.1.4	Directors should clearly understand delegation arrangements in place. The company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment.	C	<ul style="list-style-type: none"> In February 2015, formal letters of appointment have been issued to all Directors setting out the key terms and conditions of their respective appointment. Each newly appointed Director will also be issued with a letter of appointment.
D.2	Board Committees <i>Corporate Governance Principle</i> <i>Board Committees should be formed with specific written terms of reference which deal clearly with their authority and duties.</i>		
D.2.1	Where board committees are established to deal with matters, the board should give them sufficiently clear terms of reference to enable them to perform their functions properly.	C	<ul style="list-style-type: none"> Five Board Committees, namely, Audit Committee, Remuneration Committee, Nomination Committee, Sustainability Committee and Executive Committee, have been established with specific terms of reference.
D.2.2	The terms of reference of board committees should require them to report back to the board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).	C	<ul style="list-style-type: none"> Board Committees report to the Board of their decisions and recommendations at the Board meetings.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
D.3	Corporate Governance Functions		
D.3.1	<p>The terms of reference of the board (or a committee or committees performing this function) should include:</p> <ul style="list-style-type: none"> – develop and review the company's policies and practices on corporate governance and make recommendations to the board; – review and monitor the training and continuous professional development of directors and senior management; – review and monitor the company's policies and practices on compliance with legal and regulatory requirements; – develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and – review the company's compliance with the CG Code and disclosure in the Corporate Governance Report. 	C	<ul style="list-style-type: none"> • The terms of reference of the Audit Committee that were adopted with effect from 26 February 2015 includes the following corporate governance functions delegated by the Board: <ol style="list-style-type: none"> 1. Develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; 2. Review and monitor the training and continuous professional development of Directors and senior management; 3. Review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; 4. Develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and 5. Review the Company's compliance with the CG Code and disclosure in this Corporate Governance Report. • At the Audit Committee's meeting held in March 2021, the Audit Committee was satisfied that the above-mentioned corporate governance functions were adhered to, and members of the Audit Committee had examined the Company's policies and practices on corporate governance and compliance with legal and regulatory requirements including:- <ol style="list-style-type: none"> (1) Anti-Fraud and Anti-Bribery Policy; (2) Anti-Money Laundering Policy; (3) Board Diversity Policy; (4) Competition Compliance Policy; (5) Director Nomination Policy; (6) Employee Code of Conduct; (7) Information Security Policy; (8) Media, Public Engagement and Donation Policy; (9) Model Code for Securities Transactions by Directors; (10) Policy on Appointment of Third Party Representatives; (11) Policy on Handling of Confidential Information, Information Disclosure, and Securities Dealing; (12) Privacy Policy and Personal Information Collection Statement; (13) Procedures for Reporting Possible Improprieties in Matters of Financial Reporting, Internal Control or Other Matters; (14) Sanction Compliance Policy; and (15) Shareholders Communication Policy.
D.3.2	<p>The board should be responsible for performing the corporate governance duties set out in the terms of reference in D.3.1 or it may delegate the responsibility to a committee or committees.</p>	C	<ul style="list-style-type: none"> • The Board has delegated the responsibility of performing the corporate governance duties to the Audit Committee. To that effect, the terms of reference of the Audit Committee as set out in D.3.1 above include the corporate governance functions delegated by the Board.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices																																		
E.	COMMUNICATION WITH SHAREHOLDERS																																				
E.1	Effective communication <i>Corporate Governance Principle</i> <i>The Board should be responsible for maintaining an on-going dialogue with shareholders and in particular, use annual general meetings or other general meetings to communicate with them and encourage their participation.</i>																																				
E.1.1	For each substantially separate issue at a general meeting, a separate resolution should be proposed by the chairman of that meeting. The company should avoid "bundling" resolutions unless they are interdependent and linked forming one significant proposal. Where the resolutions are "bundled", the company should explain the reasons and material implications in the notice of meeting.	C	<ul style="list-style-type: none"> Separate resolutions are proposed at the general meetings of the Company on each substantially separate issue, including the election of individual directors. 																																		
E.1.2	<ul style="list-style-type: none"> The chairman of the board should attend the annual general meeting. He should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committee to be available to answer questions at the annual general meeting. The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders' approval. The company's management should ensure the external auditor attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence. 	C	<ul style="list-style-type: none"> In 2020, the Chairman and Chairman/Chairperson of each of the Audit Committee, the Remuneration Committee and the Nomination Committee attended the 2020 annual general meeting and were available to answer questions. Directors' attendance record of annual general meeting in 2020 is as follows: <table border="1"> <thead> <tr> <th>Members of the Board</th> <th>Attendance</th> </tr> </thead> <tbody> <tr> <td colspan="2">Executive Directors</td> </tr> <tr> <td>Victor T K LI (<i>Chairman and Chairman[^] of the Nomination Committee</i>)</td> <td>1/1</td> </tr> <tr> <td>KAM Hing Lam</td> <td>1/1</td> </tr> <tr> <td>IP Tak Chuen, Edmond</td> <td>1/1</td> </tr> <tr> <td>CHUNG Sun Keung, Davy*</td> <td>1/1</td> </tr> <tr> <td>CHIU Kwok Hung, Justin*</td> <td>1/1</td> </tr> <tr> <td>CHOW Wai Kam, Raymond *</td> <td>1/1</td> </tr> <tr> <td>PAU Yee Wan, Ezra*</td> <td>1/1</td> </tr> <tr> <td>WOO Chia Ching, Grace*</td> <td>1/1</td> </tr> <tr> <td colspan="2">Independent Non-executive Directors</td> </tr> <tr> <td>CHEONG Ying Chew, Henry* (<i>Chairman of the Audit Committee</i>)</td> <td>1/1</td> </tr> <tr> <td>CHOW Nin Mow, Albert*</td> <td>1/1</td> </tr> <tr> <td>HUNG Siu-lin, Katherine* (<i>Chairperson of the Remuneration Committee</i>)</td> <td>1/1</td> </tr> <tr> <td>Colin Stevens RUSSEL*</td> <td>1/1</td> </tr> <tr> <td>Donald Jeffrey ROBERTS*</td> <td>1/1</td> </tr> <tr> <td>Stephen Edward BRADLEY^{^^}</td> <td>N/A</td> </tr> </tbody> </table> <ul style="list-style-type: none"> * By video conference [^] Re-designated as member of the Nomination Committee with effect from 1 December 2020 ^{^^} Appointed as an Independent Non-executive Director, members of the Audit Committee and the Nomination Committee with effect from 30 November 2020; and re-designated as Chairman of the Nomination Committee with effect from 1 December 2020. No annual general meeting was held during the term of his appointment in 2020. In 2020, the Company's external auditor attended the annual general meeting and was available to answer questions. 	Members of the Board	Attendance	Executive Directors		Victor T K LI (<i>Chairman and Chairman[^] of the Nomination Committee</i>)	1/1	KAM Hing Lam	1/1	IP Tak Chuen, Edmond	1/1	CHUNG Sun Keung, Davy*	1/1	CHIU Kwok Hung, Justin*	1/1	CHOW Wai Kam, Raymond *	1/1	PAU Yee Wan, Ezra*	1/1	WOO Chia Ching, Grace*	1/1	Independent Non-executive Directors		CHEONG Ying Chew, Henry* (<i>Chairman of the Audit Committee</i>)	1/1	CHOW Nin Mow, Albert*	1/1	HUNG Siu-lin, Katherine* (<i>Chairperson of the Remuneration Committee</i>)	1/1	Colin Stevens RUSSEL*	1/1	Donald Jeffrey ROBERTS*	1/1	Stephen Edward BRADLEY ^{^^}	N/A
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E.1.3	The company should arrange for the notice to shareholders to be sent for annual general meeting at least 20 clear business days before the meeting and to be sent at least 10 clear business days for all other general meetings.	C	<ul style="list-style-type: none"> The Company's notice to shareholders for the 2020 annual general meeting were sent at least 20 clear business days before the meeting. 																																		

CORPORATE GOVERNANCE REPORT (CONTINUED)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
E.1.4	The board should establish a shareholders' communication policy and review it on a regular basis to ensure its effectiveness.	C	<ul style="list-style-type: none"> • In February 2015, the Board established a shareholders communication policy and made it available on the Company's website in June 2015. The policy is subject to review on a regular basis to ensure its effectiveness. • The particulars of shareholders' rights relating to, inter alia, convening of general meetings and making enquiries to the Company are as follows: <ol style="list-style-type: none"> 1. The Company has only one class of shares. All shares have the same voting rights and are entitled to the dividends declared. The Articles set out the rights of shareholders. 2. Any two or more shareholders holding not less than one-tenth of the paid-up capital of the Company or any one shareholder which is a recognised clearing house (or its nominee(s)) holding not less than one-tenth of the paid-up capital of the Company may, in accordance with the requirements and procedures set out in the Articles, request the Board to convene an extraordinary general meeting pursuant to Article 73 of the Articles. The objects of the meeting must be stated in the written requisition which must be signed by the requisitioner(s) and deposited at the principal office of the Company in Hong Kong. The notice shall contain, inter alia, a description of the proposed resolution desired to be put forward at the meeting, the reasons for such proposal and any material interest of the proposing shareholder in such proposal. 3. Pursuant to Article 115 of the Articles, if a shareholder wishes to propose a person other than a retiring Director for election as a Director at a general meeting (including annual general meeting), the shareholder should lodge a written notice of his/her intention to propose such person for election as a Director with the Company Secretary during a period, as may from time to time be designated by the Company, of a seven-day period commencing on a day after the dispatch of the notice of the general meeting appointed for such election. If there is a different period for lodgement of the notice, such period shall in any event be a period of not less than seven days, commencing no earlier than the day after the dispatch of the notice of the general meeting and ending no later than seven days prior to the date of such general meeting. Such written notice must be accompanied by a notice signed by the person to be proposed of his/her willingness to be elected as a Director. 4. In conducting a poll, subject to any special rights, privileges or restrictions as to voting for the time being attached to any shares by or in accordance with the Articles, every shareholder present in person or by proxy or, in the case of a shareholder being a corporation, by its duly authorised representative, shall have one vote for each share registered in his/her/its name in the register. On a poll a shareholder entitled to more than one vote is under no obligation to cast all his/her/its votes in the same way. 5. Shareholders have the right to receive corporate communications issued by the Company in hard copies or through electronic means in accordance with the manner as specified in Article 176 of the Articles. 6. Shareholders whose shares are held in the Central Clearing and Settlement System (CCASS) may notify the Company from time to time through Hong Kong Securities Clearing Company Limited if they wish to receive the Company's corporate communications. 7. Shareholders and other stakeholders may send their enquiries and concerns, in written form, to the Board by addressing them to the Company Secretary at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.
E.1.5	The Company should have a policy on payment of dividends and should disclose it in the annual report.	C	<ul style="list-style-type: none"> • The Company adopted the Dividend Policy with effect from January 2019 whereby the Board is committed to maintaining an optimal capital structure and investment grade credit ratings. This is pursued to deliver returns to shareholders and ensure that adequate capital resources are available for business growth and investment opportunities. Subject to business conditions, market opportunities and maintenance of the Company's strong investment grade credit ratings, the Board aims to deliver a sustainable dividend that is in line with the earnings improvements and long-term growth of the Company.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices																																										
E.2	Voting by Poll <i>Corporate Governance Principle</i> <i>The Company should ensure that shareholders are familiar with the detailed procedures for conducting a poll.</i>																																												
E.2.1	The chairman of a meeting should ensure that an explanation is provided of the detailed procedures for conducting a poll and answer any questions from shareholders on voting by poll.	C	<ul style="list-style-type: none"> At the 2020 annual general meeting, the Chairman of the meeting explained (through the Company Secretary) the detailed procedures for conducting a poll, and answered questions from shareholders. At the 2020 annual general meeting, the Chairman of the meeting exercised his power under the Articles to put each resolution set out in the notice to be voted by way of a poll. Representatives of the Hong Kong Share Registrar of the Company were appointed as scrutineers to monitor and count the poll votes cast at the 2020 annual general meeting. All the resolutions (other than procedural or administrative resolutions) put to vote at the Company's general meetings were taken by poll. The percentage of votes cast in favour of the resolutions as disclosed in the announcement of the Company dated 14 May 2020 are set out below: <table border="1"> <thead> <tr> <th colspan="2">Resolutions proposed at the 2020 annual general meeting</th> <th>Percentage of Votes</th> </tr> </thead> <tbody> <tr> <td colspan="3">Ordinary Resolutions</td> </tr> <tr> <td>1</td> <td>To receive the audited Financial Statements, the Report of the Directors and the Independent Auditor's Report for the year ended 31 December 2019</td> <td>99.995247%</td> </tr> <tr> <td>2</td> <td>To declare a final dividend</td> <td>100.00%</td> </tr> <tr> <td>3(1)</td> <td>To elect Mr. Li Tzar Kuoi, Victor as Director</td> <td>85.366160%</td> </tr> <tr> <td>3(2)</td> <td>To elect Mr. Chiu Kwok Hung, Justin as Director</td> <td>75.146368%</td> </tr> <tr> <td>3(3)</td> <td>To elect Mr. Cheong Ying Chew, Henry as Director</td> <td>80.436940%</td> </tr> <tr> <td>3(4)</td> <td>To elect Ms. Hung Siu-lin, Katherine as Director</td> <td>92.346183%</td> </tr> <tr> <td>3(5)</td> <td>To elect Mr. Colin Stevens Russel as Director</td> <td>98.687643%</td> </tr> <tr> <td>4</td> <td>To appoint Messrs. Deloitte Touche Tohmatsu as Auditor and authorise Directors to fix their remuneration</td> <td>97.015936%</td> </tr> <tr> <td>5(1)</td> <td>To give a general mandate to Directors to issue additional shares of the Company</td> <td>92.571918%</td> </tr> <tr> <td>5(2)</td> <td>To give a general mandate to the Directors to buy back shares of the Company</td> <td>99.497803%</td> </tr> <tr> <td colspan="3">Special Resolution</td> </tr> <tr> <td>6</td> <td>To approve the amendments of the Company's Articles</td> <td>100.00%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Accordingly, all resolutions put to shareholders at the 2020 annual general meeting were duly passed as ordinary resolutions and special resolution respectively. Poll results were posted on the websites of the Company and HKEx. 	Resolutions proposed at the 2020 annual general meeting		Percentage of Votes	Ordinary Resolutions			1	To receive the audited Financial Statements, the Report of the Directors and the Independent Auditor's Report for the year ended 31 December 2019	99.995247%	2	To declare a final dividend	100.00%	3(1)	To elect Mr. Li Tzar Kuoi, Victor as Director	85.366160%	3(2)	To elect Mr. Chiu Kwok Hung, Justin as Director	75.146368%	3(3)	To elect Mr. Cheong Ying Chew, Henry as Director	80.436940%	3(4)	To elect Ms. Hung Siu-lin, Katherine as Director	92.346183%	3(5)	To elect Mr. Colin Stevens Russel as Director	98.687643%	4	To appoint Messrs. Deloitte Touche Tohmatsu as Auditor and authorise Directors to fix their remuneration	97.015936%	5(1)	To give a general mandate to Directors to issue additional shares of the Company	92.571918%	5(2)	To give a general mandate to the Directors to buy back shares of the Company	99.497803%	Special Resolution			6	To approve the amendments of the Company's Articles	100.00%
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CORPORATE GOVERNANCE REPORT (CONTINUED)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
F.	COMPANY SECRETARY		
	<p>Corporate Governance Principle</p> <p><i>The Company Secretary plays an important role in supporting the Board by ensuring good information flow within the Board and that Board policy and procedures are followed. The Company Secretary is responsible for advising the Board through the Chairman and/or the Managing Director on governance matters and should also facilitate induction and professional development of Directors.</i></p>		
F.1.1	The company secretary should be an employee of the company and have day-to-day knowledge of the company's affairs.	C	<ul style="list-style-type: none"> The Company has appointed an employee of the Company to be the Company Secretary of the Company since its incorporation in January 2015. The Company Secretary confirmed that she has complied with all the required qualifications, experience and training requirements under the Listing Rules for the year ended 31 December 2020. The Company Secretary ensures the effective conduct of Board meetings and that Board procedures are duly followed. The Company Secretary prepares written resolutions and minutes as appropriate and keeps records of substantive matters discussed and decisions resolved at all Board and Board Committee meetings. The Company Secretary advises the Board from time to time on compliance with all applicable laws, rules and regulations in relation to the investments of the Group and keeps the Board abreast of relevant legislative, regulatory and corporate governance developments.
F.1.2	The board should approve the selection, appointment or dismissal of the company secretary.	C	<ul style="list-style-type: none"> The appointment and removal of the Company Secretary is subject to Board approval in accordance with the Articles.
F.1.3	The company secretary should report to the board chairman and/or the chief executive.	C	<ul style="list-style-type: none"> The Company Secretary reports to the Board through the Chairman whilst all members of the Board have access to the advice of the Company Secretary.
F.1.4	All directors should have access to the advice and services of the company secretary to ensure that board procedures, and all applicable law, rules and regulations, are followed.	C	<ul style="list-style-type: none"> Directors have access to the Company Secretary and key officers of the Company Secretarial Department who are responsible to the Board for ensuring that Board procedures, and all applicable rules and regulations, are followed. Memoranda are issued and other resources (such as the Stock Exchange's webcasts on corporate governance) are relayed and directors' trainings are arranged to Directors from time to time to update them with legal and regulatory changes and matters of relevance to Directors in the discharge of their duties.

II. Recommended Best Practices

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.	DIRECTORS		
A.1	The Board <i>Corporate Governance Principle</i> <i>The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.</i> <i>The Board should regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether he is spending sufficient time performing them.</i>		
There is no recommended best practice under Section A.1 in the CG Code.			
A.2	Chairman and Chief Executive <i>Corporate Governance Principle</i> <i>There should be a clear division of responsibilities between the Chairman and the Managing Director of the Company to ensure a balance of power and authority.</i>		
There is no recommended best practice under Section A.2 in the CG Code.			
A.3	Board composition <i>Corporate Governance Principle</i> <i>The Board should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and should include a balanced composition of Executive and Non-executive Directors so that independent judgement can effectively be exercised.</i>		
A.3.3	The Board should state its reasons if it determines that a proposed director is independent notwithstanding that the individual holds cross-directorships or has significant links with other directors through involvements in other companies or bodies.	C	<ul style="list-style-type: none"> The Board considered that cross-directorships should not be regarded as having significant links with other directors and cross-directorships would not compromise the independence of the Company's Independent Non-executive Directors since they are professionals with high esteem and integrity, experts in their specific field with wide spectrum of skills and experience, and financially independent.
A.4	Appointments, re-election and removal <i>Corporate Governance Principle</i> <i>There should be a formal, considered and transparent procedure for the appointment of new Directors and plans in place for orderly succession for appointments. All Directors should be subject to re-election at regular intervals.</i>		
There is no recommended best practice under Section A.4 in the CG Code.			
A.5	Nomination Committee <i>Corporate Governance Principle</i> <i>In carrying out its responsibilities, the nomination committee should give adequate consideration to the principles under Sections A.3 and A.4 in the CG Code.</i>		
There is no recommended best practice under Section A.5 in the CG Code.			
A.6	Responsibilities of directors <i>Corporate Governance Principle</i> <i>Every Director must always know his responsibilities as a Director of the Company and its conduct, business activities and development.</i>		
There is no recommended best practice under Section A.6 in the CG Code.			

CORPORATE GOVERNANCE REPORT (CONTINUED)

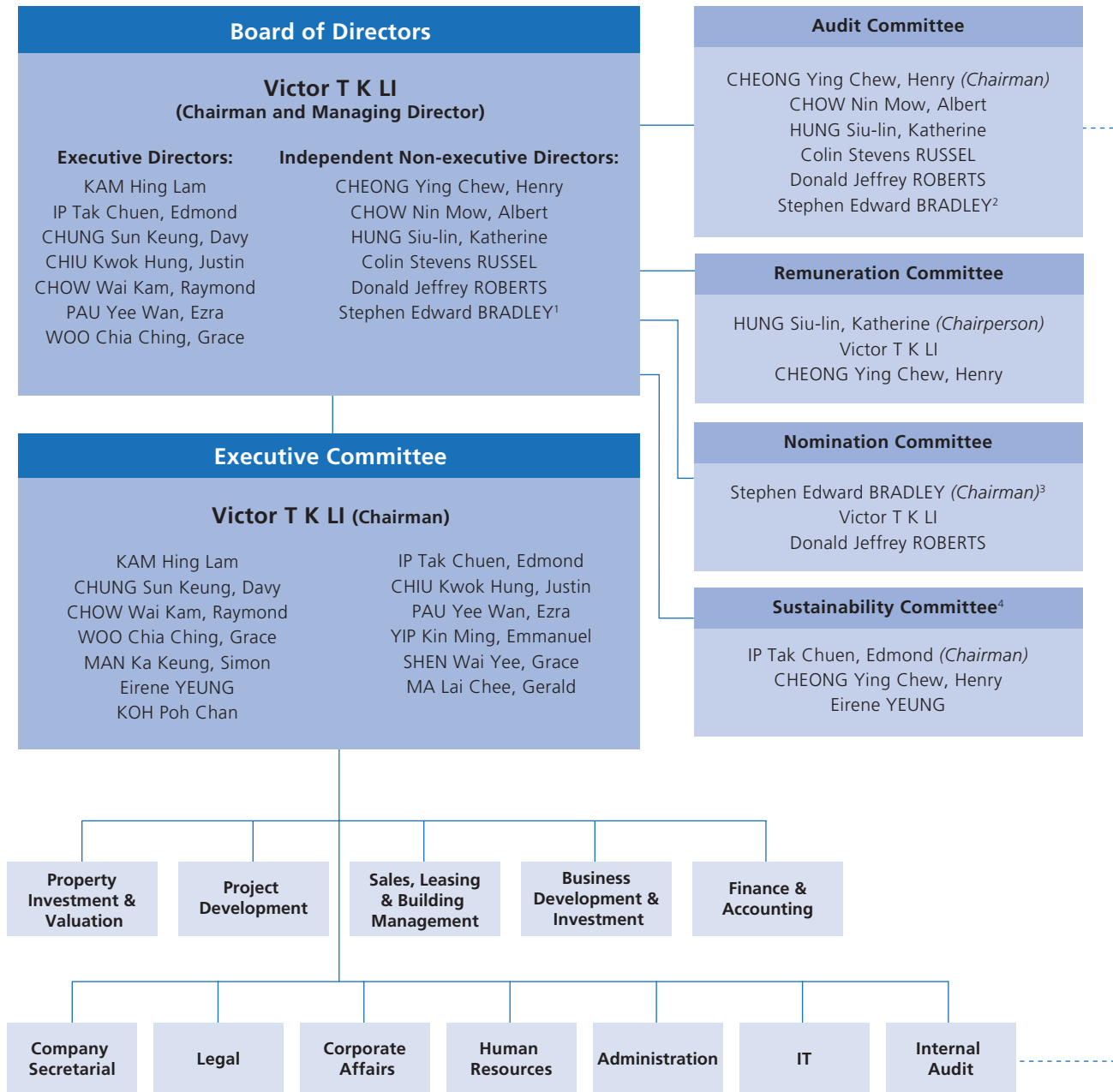
Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.7	<p>Supply of and access to information</p> <p><i>Corporate Governance Principle</i></p> <p><i>Directors should be provided in a timely manner with appropriate information in the form and quality to enable them to make an informed decision and perform their duties and responsibilities.</i></p>		
There is no recommended best practice under Section A.7 in the CG Code.			
B.	REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT AND BOARD EVALUATION		
B.1	<p>The level and make-up of remuneration and disclosure</p> <p><i>Corporate Governance Principle</i></p> <p><i>The Company should disclose its Director's remuneration policy and other remuneration related matters. The procedure for setting policy on Executive Directors' remuneration and all Directors' remuneration packages should be formal and transparent.</i></p>		
B.1.6	Where the board resolves to approve any remuneration or compensation arrangements with which the remuneration committee disagrees, the board should disclose the reasons for its resolution in its next Corporate Governance Report.	N/A	<ul style="list-style-type: none"> The Board has never approved any remuneration or compensation arrangements which have previously been rejected by the Remuneration Committee.
B.1.7	A significant proportion of executive directors' remuneration should link rewards to corporate and individual performance.	C	<ul style="list-style-type: none"> In 2020, a significant proportion of Executive Directors' remuneration has been structured to link rewards to corporate and individual performance. Please refer to note 4 in the Notes to Consolidated Financial Statements for details of discretionary bonus.
B.1.8	The company should disclose details of any remuneration payable to members of senior management, on an individual and named basis, in the annual reports.	C	<ul style="list-style-type: none"> The Board has resolved that the senior management of the Company comprises only the Executive Directors of the Company. Please refer to note 4 in the Notes to Consolidated Financial Statements for details of the remuneration payable to the Directors.
B.1.9	The board should conduct a regular evaluation of its performance.	E	<ul style="list-style-type: none"> The performances of the Board or individual Directors are best reflected by the Company's results and stock price performance, as well as the Company's decisions to retain the individuals as its Directors.

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C. ACCOUNTABILITY AND AUDIT			
C.1 Financial reporting			
Corporate Governance Principle			
<i>The Board should present a balanced, clear and comprehensible assessment of the Company's performance, position and prospects.</i>			
C.1.6 – C.1.7	<ul style="list-style-type: none"> – The company should announce and publish quarterly financial results within 45 days after the end of the relevant quarter. These should disclose sufficient information to enable shareholders to assess the company's performance, financial position and prospects. The company's quarterly financial results should be prepared using the accounting policies of its half-year and annual accounts. – Once the company announces quarterly financial results, it should continue to do so for each of the first 3 and 9 months periods of subsequent financial years. Where it decides not to continuously announce and publish its financial results for a particular quarter, it should announce the reason(s) for this decision. 	E	<ul style="list-style-type: none"> • The Company issued half-yearly financial results within 2 months after the end of the relevant period, and annual financial results within 3 months after the end of the relevant year. In addition, all significant transactions and inside information have been announced and disclosed in accordance with the Listing Rules during the year. The shareholders of the Company are therefore able to assess the performance, financial position and prospects of the Company. The Company does not consider it necessary, nor is it in the interests of the Company and its shareholders, to issue quarterly financial results. This would result in incurring costs disproportionate to any additional benefits to the shareholders. • Quarterly financial reports may not fairly reflect the actual performance of the Company given that the development cycle of property projects often spans a period of three to five years.
C.2 Risk management and internal control			
Corporate Governance Principle			
<i>The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board should oversee management in the design, implementation and monitoring of the risk management and internal control systems, and management should provide a confirmation to the Board on the effectiveness of these systems.</i>			
C.2.6	The board may disclose in the Corporate Governance Report that it has received a confirmation from management on the effectiveness of the company's risk management and internal control systems.	C	<ul style="list-style-type: none"> • Please refer to C.2.1 – C.2.5 above for the details.
C.2.7	The board may disclose in the Corporate Governance Report details of any significant areas of concern.	C	<ul style="list-style-type: none"> • Please refer to C.2.1 – C.2.5 above for the details.
C.3 Audit Committee			
Corporate Governance Principle			
<i>The Board should establish formal and transparent arrangements to consider how it will apply financial reporting, risk management and internal control principles and maintain an appropriate relationship with the Company's auditors.</i>			

CORPORATE GOVERNANCE REPORT (CONTINUED)

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.3.8	The audit committee should establish a whistleblowing policy and system for employees and those who deal with the company (e.g. customers and suppliers) to raise concerns, in confidence, with the audit committee about possible improprieties in any matter related to the company.	C	<ul style="list-style-type: none"> Please refer to C.3.7 above for the details.
D.	DELEGATION BY THE BOARD		
D.1	Management functions <i>Corporate Governance Principle</i> <i>The Company should have a formal schedule of matters specifically reserved for Board approval and those delegated to management.</i>		
	There is no recommended best practice under Section D.1 in the CG Code.		
D.2	Board Committees <i>Corporate Governance Principle</i> <i>Board Committees should be formed with specific written terms of reference which deal clearly with their authority and duties.</i>		
	There is no recommended best practice under Section D.2 in the CG Code.		
D.3	Corporate Governance Functions		
	There is no recommended best practice under Section D.3 in the CG Code.		
E.	COMMUNICATION WITH SHAREHOLDERS		
E.1	Effective communication <i>Corporate Governance Principle</i> <i>The Board should be responsible for maintaining an on-going dialogue with shareholders and in particular, use annual general meetings or other general meetings to communicate with them and encourage their participation.</i>		
	There is no recommended best practice under Section E.1 in the CG Code.		
E.2	Voting by Poll <i>Corporate Governance Principle</i> <i>The Company should ensure that shareholders are familiar with the detailed procedures for conducting a poll.</i>		
	There is no recommended best practice under Section E.2 in the CG Code.		
F.	COMPANY SECRETARY <i>Corporate Governance Principle</i> <i>The Company Secretary plays an important role in supporting the Board by ensuring good information flow within the Board and that Board policy and procedures are followed. The Company Secretary is responsible for advising the Board through the Chairman and/or the Managing Director on governance matters and should also facilitate induction and professional development of Directors.</i>		
	There is no recommended best practice under Section F in the CG Code.		

Management Structure Chart



Notes:

- ¹ Appointed on 30 November 2020
- ² Appointed on 30 November 2020
- ³ Appointed as Chairman of the Nomination Committee on 1 December 2020
- ⁴ Established on 1 December 2020

HIGHLIGHTS OF DEVELOPMENT PROPERTIES

EL FUTURO

Sha Tin

El Futuro is situated in the sought after and pleasant residential location of Kau To and embraced by hills and peaks with stunning sea views of the Tolo Harbour and Sha Tin Hoi.



WONG CHUK HANG STATION PACKAGE 3

Wong Chuk Hang

Erected above the Wong Chuk Hang MTR Station of the South Island Line, the residential development is conveniently connected to business hubs and other regions of the city.



HIGHLIGHTS OF DEVELOPMENT PROPERTIES (CONTINUED)

SEA TO SKY

Tseung Kwan O

Sea to Sky, the Phase VIII development of LOHAS Park, is a joint development with the MTR Corporation. Situated in close proximity to the LOHAS Park MTR Station of the Tseung Kwan O Line, the development possesses a waterfront superiority.



21 BORRETT ROAD PHASE 1

Mid-levels West

The project is built on a premium Mid-levels land plot commanding beautiful views of the Hong Kong Island's central business hub and the Victoria Harbour.



HIGHLIGHTS OF DEVELOPMENT PROPERTIES (CONTINUED)

LA GRANDE VILLE

Beijing

La Grande Ville is a luxury residential complex located in Shunyi County, Beijing. The concept of premium living is redefined through a combination of artistic architecture, stylish designs and opulent fittings.



CHELSEA WATERFRONT

London

Situated on the north bank of River Thames, Chelsea Waterfront comprises of two glass residential towers with unrivalled views over the Thames. It also includes riverside buildings and the refurbished 1902 historic Lots Road Power Station.



HIGHLIGHTS OF DEVELOPMENT PROPERTIES (CONTINUED)

EMERALD COVE

Huizhou

Located in Daya Bay Aotou District in Huizhou, Emerald Cove comprises luxurious low-density residential units and apartments. It offers a quality costal city living experience to residents.



EMERALD COVE

Zhongshan

Located in Wuguishan District in Zhongshan, Emerald Cove is situated next to Xiuli Lake. The development is a luxurious low-density residential community in Zhongshan. It contains a sumptuous recreational clubhouse as well as commercial amenities and a kindergarten.



HIGHLIGHTS OF DEVELOPMENT PROPERTIES (CONTINUED)

REGENCY PARK

Beijing

The residence is located in Chaoyang District with exquisite townhouses and highrise apartments within the 5th Ring Road of Beijing. Adjacent to 4 mature commercial districts and embraced by lush greenery, Regency Park enables the enjoyment of tranquil living and convenience.



LAGUNA VERONA

Dongguan

Located in Houjie Town in Dongguan, Laguna Verona is situated next to the renowned Harbour Plaza Golf Club and on the waterfront of Hwanggang Lake. The project is an esteemed golf villa community where tranquility meets convenience.



HIGHLIGHTS OF INVESTMENT PROPERTIES



1	2	4
	3	

1. Cheung Kong Center
2. 5 Broadgate, London
3. The Harbourfront
4. China Building

The Group has an investment property portfolio of approximately 17 million sq.ft., comprising mainly office, retail, and industrial properties. It continues to evaluate and strategically adjust the mix of investment properties from time to time in order to timely release the underlying value of the portfolio.



HIGHLIGHTS OF INVESTMENT PROPERTIES (CONTINUED)



1

1. Cheung Kong Center II*

* Previously known as Hutchison House (under redevelopment)

1881 HERITAGE

Located in the heart of Tsim Sha Tsui, this historical development represents a cultural and shopping landmark in Hong Kong.



HIGHLIGHTS OF HOTELS AND SERVICED SUITES



1	3
2	4

1 & 2. Harbour Grand Kowloon

3 & 4. Hotel Alexandra



The Group's hotel and serviced suite properties are mostly located in Hong Kong.



HIGHLIGHTS OF INFRASTRUCTURE AND UTILITY ASSET OPERATION

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

The Group has actively expanded its investment portfolio of businesses with stable recurrent income through various acquisitions. Its diversified businesses now include infrastructure and utility asset operations in Continental Europe, Australia, Canada and the United Kingdom.



ista



Reliance Home Comfort



1	2
3	4

1	2
3	4

1. Multinet Gas operates a regulated network which covers approximately 1,860 square kilometres in the eastern and south-eastern suburbs of Melbourne, the Yarra Ranges and South Gippsland.
2. Energy Developments specialises in producing electricity from safe, clean, low greenhouse gas emissions sources such as landfill gas, waste coal mine gas, wind, and solar; as well as providing energy solutions in remote regions.
3. Dampier Bunbury Pipeline is Western Australia's principal gas transmission pipeline.
4. United Energy distributes electricity across east and southeast Melbourne and the Mornington Peninsula.

1. ista is a leading global provider of sub-metering and related services.
2. Headquartered in Essen, Germany, ista's operations range from hardware development, manufacturing, installation and maintenance to meter reading, data collection and processing, individual billing, as well as energy data management.
3. Reliance Home Comfort is principally engaged in the home and commercial services sector providing the sale and rental of water heaters, HVAC (heating, ventilation and air conditioning) equipment, water purification, plumbing, electrical, comfort protection plans and other related services primarily in Ontario, Canada.
4. Reliance Home Comfort serves over 1.9 million customers in Canada.

HIGHLIGHTS OF PUB OPERATION



The Group has added to its investment portfolio a leading integrated brewer and pub retailer, Greene King, which operates pubs, restaurants and hotels across England, Wales and Scotland.



1	3	4
2		5

1. Ye Olde Trip to Jerusalem dates back to 1189AD and is part of Greene King's Premium, Urban and Venture division. The historic inn is built into the rocks of Nottingham Castle and attracts visitors from across the world to visit the pub and see its famous caves, which are carved out of the soft sandstone rock against which the building is set. The larger ground level caverns are now used as the pub's rear drinking rooms. There is also a network of caves beneath the building, originally used as a brewery. They seem to date from around the time of the construction of the castle (1068 AD).
2. The Stag and Hounds is a tenanted Greene King Pub Partners pub in the village of Farnham Common, in Buckinghamshire. It specialises in traditional pub food and real ales, serving food throughout the day.
3. The George in Southwark, South London, is the city's only surviving galleried coaching inn. Dating back to 1676, the Grade 1 listed property is leased to Greene King by the National Trust.
4. The Fort St George in Cambridge was one of the first Greene King pubs to reopen once COVID-19 restrictions were lifted in July 2020 and was used to demonstrate to national media Greene King's new safety measures to keep teams and customers safe.
5. Greene King's PUBSAFE promises were implemented in all managed pubs that reopened to look after team members and ensure customers could socialise safely. There were five promises to customers, from hand sanitising and hygiene to a safe socialising layout throughout our pubs.



HIGHLIGHTS OF AIRCRAFT LEASING

The aircraft leasing business provides steady income streams to the Group on a medium to long term basis. The Group (including interest in joint ventures) owned narrow body aircraft and wide body aircraft with an average age of 6.8 years and an average remaining lease term of 4.5 years.



1	
2	

1. A 737-800 aircraft leased to Transavia France

2. A 777-367ER aircraft leased to Azur Air

HIGHLIGHTS OF ECONOMIC BENEFITS OF INFRASTRUCTURE BUSINESSES

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



1. Dutch Enviro Energy, an energy-from-waste company in the Netherlands
2. Australian Gas Networks, a distributor of natural gas in Australia
3. Park’N Fly, an off-airport car park provider in Canada
4. Wales & West Gas Networks, a gas distributor that serves Wales and the South West of England
5. Northumbrian Water, a regulated water and sewerage company in England and Wales
6. UK Rails, a rolling stock operating company in the United Kingdom

1	2
3	4
5	6

SCHEDULE OF MAJOR PROPERTIES

As at 31 December 2020

A. PROPERTIES FOR/UNDER DEVELOPMENT

Description	Lot Number/Location	Group's Interest	Approx. Site Area (sq. ft.)
Hong Kong			
21 Borrett Road, Mid-level	I.L. 8949	100.0%	112,892
El Futuro, Sha Tin	S.T.T.L. 614	100.0%	67,802
A site at Yuen Long	Lot 4328 in D.D. 124	100.0%	110,222
A site at Tuen Mun	T.M.T.L. 463	40.9%	266,945
Two sites at Yau Tong	Y.T.I.L. 45	100.0%	83,668
A site at Kwun Tong	Lot No. 1069 in Survey District No. 3	100.0%	217,076
A site at Fung Yuen, Tai Po	Various lots in D.D. 11	100.0%	747,564
A site at Yuen Long	Lot 1457 R.P. in D.D. 123 Y.L.	60.0%	8,610,937
A site at North District	Various lots	100.0%	1,206,353
Various sites at Yuen Long	Various lots	100.0%	2,095,602
Various sites at Tai Po	Various lots	100.0%	133,472
The Mainland			
La Grande Ville	Beijing	100.0%	560,283
The Greenwich	Beijing	100.0%	1,052,720
Beixinjiayuan	Beijing	100.0%	2,759,132
Noble Hills	Changsha	100.0%	543,878
Regency Hills	Chongqing	95.0%	9,062,440
The South Bay	Dalian	100.0%	3,007,111
Laguna Verona	Dongguan	99.8%	7,760,923
Yuhu Mingdi	Guangzhou	80.0%	639,776
Noble Hills	Guangzhou	100.0%	3,476,740
Emerald Cove	Huizhou	100.0%	861,672
Upper West Shanghai	Shanghai	60.0%	754,019
Regency Garden	Shanghai	85.0%	326,792

Approx. Floor Area Attributable to the Group (sq. ft.)	Existing Land Use	Stage of Completion	Estimated Date of Completion
286,163	Residential	Completed	Completed
149,123	Residential	Interior finishing	September, 2022
244,084	Residential	Superstructure in progress	January, 2022
138,876	Residential	Foundation work	November, 2022
142,073	Residential	Foundation work	June, 2024
418,339	Residential	Foundation work	June, 2024
1,089,145	Residential	Planning	June, 2025
–	Agricultural land	Planning	–
–	Agricultural land	Planning	–
–	Agricultural land	Planning	–
–	Agricultural land	Planning	–
–	Agricultural land	Planning	–
487,766	Residential	Interior finishing	June, 2021
2,814,114	Residential/Commercial	Superstructure in progress	December, 2022
861,112	Residential	Planning	–
1,065,626	Residential	Planning	September, 2023
189,401	Commercial	Superstructure in progress	June, 2022
3,335,073	Residential/Commercial	Site formation	September, 2023
3,587,556	Residential/Commercial	Site formation	June, 2024
4,099,229	Residential/Commercial	Site formation	June, 2025
16,080,544	Residential/Commercial	Planning	–
1,911,453	Residential	Planning	December, 2023
977,050	Residential	Planning	June, 2024
762,569	Commercial	Planning	–
1,230,876	Residential	Superstructure completed	January, 2021
554,918	Residential	Superstructure in progress	May, 2021
930,536	Residential	Foundation work	March, 2022
898,989	Residential	Planning	November, 2022
1,793,036	Residential	Planning	September, 2023
1,965,845	Residential	Planning	June, 2024
1,094,298	Residential/Commercial	Planning	June, 2025
266,795	Residential	Superstructure completed	March, 2021
479,603	Residential	Superstructure in progress	September, 2023
495,538	Residential	Superstructure in progress	June, 2021
123,569	Residential	Superstructure in progress	December, 2021
1,088,112	Residential	Planning	September, 2023
268,667	Residential	Planning	–
2,511,842	Residential/Commercial	Superstructure in progress	June, 2021
1,779,550	Commercial/Hotel	Completed	Completed
241,930	Commercial	Superstructure in progress	April, 2021
719,853	Commercial	Superstructure in progress	June, 2022
284,068	Residential	Superstructure in progress	March, 2021
220,343	Residential	Planning	March, 2023
326,045	Residential	Planning	March, 2024

SCHEDULE OF MAJOR PROPERTIES (CONTINUED)

A. PROPERTIES FOR/UNDER DEVELOPMENT (continued)

Description	Lot Number/Location	Group's Interest	Approx. Site Area (sq. ft.)
The Mainland (continued)			
Regency Cove	Wuhan	100.0%	6,882,319
Horizon Costa	Zhuhai	100.0%	2,152,780
Overseas			
Chelsea Waterfront, Chelsea	London, the United Kingdom	95.0%	237,979
A site at Convoys Wharf	London, the United Kingdom	100.0%	1,742,400
A site at Teversham Road, Fulbourn	Cambridgeshire, the United Kingdom	100.0%	737,327
A site at Bukit Timah Road	Singapore	100.0%	104,532

B. PROPERTIES IN WHICH THE GROUP HAS A DEVELOPMENT INTEREST

Description	Lot Number/Location	Approx. Site Area (sq. ft.)
Hong Kong		
Seaside Sonata, Sham Shui Po	N.K.I.L. 6506	80,805
Sea to Sky, Tseung Kwan O	T.K.O.T.L. 70 R.P., Site H	179,090
Wong Chuk Hang Station Package 3, Aberdeen	A.I.L. 467, Site C	240,928

Approx. Floor Area Attributable to the Group (sq. ft.)	Existing Land Use	Stage of Completion	Estimated Date of Completion
657,620	Residential/Commercial	Superstructure in progress	October, 2021
566,633	Residential	Planning	September, 2022
1,661,677	Residential/Commercial	Planning	June, 2023
2,852,434	Residential	Planning	March, 2024
4,399,507	Residential/Commercial	Planning	June, 2025
4,373,437	Residential/Commercial/Hotel	Planning	–
1,202,801	Residential/Commercial	Planning	June, 2024
1,354,314	Residential	Planning	June, 2025
134,214	Residential/Commercial	Facade & interior finishing	August, 2022
4,468	Commercial	Superstructure in progress	November, 2022
103,987	Residential	Superstructure in progress	January, 2023
124,784	Residential	Superstructure in progress	September, 2023
127,120	Residential/Commercial	Superstructure in progress	January, 2024
7,320	Commercial	Planning	November, 2022
415,383	Residential/Commercial	Planning	December, 2024
226,082	Residential/Commercial	Planning	March, 2025
222,772	Residential/Commercial	Planning	December, 2025
2,189,149	Residential/Commercial/Hotel	Planning	–
35,532	Residential	Planning	April, 2023
55,668	Residential	Planning	December, 2023
241,470	Residential	Planning	May, 2024
Approx. Floor Area of the Development (sq. ft.)	Existing Land Use	Stage of Completion	Estimated Date of Completion
595,702	Residential/Commercial	Interior finishing	March, 2021
1,044,104	Residential	Interior finishing	March, 2021
505,903	Commercial	Foundation work	June, 2023
999,966	Residential	Foundation work	December, 2024

SCHEDULE OF MAJOR PROPERTIES (CONTINUED)

C. PROPERTIES FOR INVESTMENT/OWN USE

Description	Lot Number/Location	Group's Interest
Hong Kong		
Cheung Kong Center, Central	I.L. 8887	100.0%
One and Two Harbourfront, Hung Hom	Sections A, B & R.P. of H.H.M.L. 6 & Extension	100.0%
Hutchison House, Central	I.L. 8286	100.0%
THE HUB, Aberdeen	A.I.L. 399	100.0%
Hutchison Telecom Tower (portion), Tsing Yi	T.Y.T.L. 139 section A	100.0%
China Building, Central	I.L. 2317	100.0%
Whampoa Garden (portion), Hung Hom	K.I.L. 10750 sections A to H & J to L	100.0%
OP Mall, Tsuen Wan	T.W.T.L. 401	100.0%
Aberdeen Centre (portion), Aberdeen	A.I.L. 302 & 304	100.0%
Victoria Mall, Tsim Sha Tsui	K.I.L. 11086 R.P.	85.0%
1881 Heritage, Tsim Sha Tsui	K.I.L. 11161 R.P.	100.0%
Harbourview Horizon All-Suite Hotel, Hung Hom Bay	K.I.L. 11103	100.0%
Harbourfront Horizon All-Suite Hotel and Kowloon Harbourfront Hotel, Hung Hom Bay	K.I.L. 11110	100.0%
Harbour Plaza Resort City, Tin Shui Wai	T.S.W.T.L. 4	98.5%
Horizon Suite Hotel at Tolo Harbour, Ma On Shan	S.T.T.L. 461	100.0%
Harbour Grand Kowloon, Hung Hom	Sections A, B & R.P. of H.H.M.L. 6 & Extension	100.0%
Harbour Plaza Metropolis, Hung Hom	K.I.L. 11077	100.0%
Harbour Grand Hong Kong, North Point	I.L. 7106 s.A & Extension	Development interest
Harbour Plaza North Point	I.L. 8885	100.0%
The Kowloon Hotel, Tsim Sha Tsui	K.I.L. 10737	100.0%
Hotel Alexandra, North Point	I.L. 8920	100.0%
Sheraton Hong Kong Hotel & Towers, Tsim Sha Tsui	K.I.L. 9172	39.0%
Harbour Plaza 8 Degrees, Kowloon City	K.I.L. 4013 R.P.	100.0%
The Apex Horizon, Kwai Chung	K.C.T.L. 467 R.P.	100.0%
Rambler Oasis Hotel, Tsing Yi	T.Y.T.L. 140	100.0%
Rambler Garden Hotel, Tsing Yi	T.Y.T.L. 140	100.0%
Hutchison Logistics Centre (portion), Kwai Chung	K.C.L. 4 & Extension	100.0%
Watson Centre, Kwai Chung	K.C.T.L. 258	100.0%
Conic Investment Building, Hung Hom	Subsection 1 of section O of K.M.L. 40	100.0%
The Mainland		
Century Place	Shenzhen	80.0%
Westgate Mall	Shanghai	60.0%
Kerry Everbright City	Shanghai	24.8%
The Great Wall Hotel Beijing	Beijing	49.8%
Sofitel Shenyang Lido	Shenyang	29.0%
Overseas		
5 Broadgate	London, the United Kingdom	100.0%
1 & 2 Heuston South Quarter	Dublin, Ireland	100.0%
Various premises at England, Wales and Scotland	The United Kingdom	100.0%
Various premises at England, Wales and Scotland	The United Kingdom	100.0%

Notes to Schedule of Major Properties:

- Properties which are insignificant, including overseas properties, agricultural land and completed properties for sales, are not included.
- Properties owned by associates are not included.
- For properties in which the Group has a development interest, other parties provide the land whilst the Group finances the construction costs and occasionally also the land costs, and is entitled to a share of the revenue/development profits/properties after completion in accordance with the terms and conditions of the joint development agreements.

Approx. Floor Area Attributable to the Group (sq. ft.)	Existing Use	Lease Term
1,289,356	Office/Retail	Medium Term Lease
938,308	Office/Retail	Long Lease
493,577	Under redevelopment	Long Lease
342,868	Office	Long Lease
300,268	Office	Medium Term Lease
258,751	Office/Retail	Long Lease
1,713,990	Retail	Long Lease
436,476	Retail	Medium Term Lease
345,026	Retail	Long Lease
143,040	Retail	Medium Term Lease
140,180	Retail/Hotel	Medium Term Lease
1,283,918	Hotel	Medium Term Lease
1,156,516	Hotel	Medium Term Lease
651,990	Hotel	Medium Term Lease
602,778	Hotel	Medium Term Lease
633,487	Hotel	Long Lease
461,309	Hotel	Medium Term Lease
444,988	Hotel	Medium Term Lease
343,078	Hotel	Medium Term Lease
329,486	Hotel/Retail	Medium Term Lease
322,917	Hotel	Medium Term Lease
260,061	Hotel/Retail	Long Lease
230,565	Hotel	Long Lease
228,087	Hotel	Medium Term Lease
213,233	Hotel	Medium Term Lease
211,111	Hotel	Medium Term Lease
4,705,141	Industrial/Office	Medium Term Lease
687,200	Industrial	Medium Term Lease
508,888	Under redevelopment	Medium Term Lease
454,346	Retail	Medium Term Lease
659,611	Retail/Office	Short Lease
112,978	Retail/Office	Medium Term Lease
437,393	Hotel	Short Lease
252,090	Hotel	Medium Term Lease
1,171,348	Office	Long Lease
242,115	Office	Freehold
873,570	Residential	Freehold
24 million	Pub operation	Freehold
2 million	Pub operation	Long and Medium Term Lease

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2020

	Note	2020 \$ Million	2019 \$ Million
Group revenue		59,825	82,382
Share of revenue of joint ventures		14,327	13,937
Total	(3)	74,152	96,319
Group revenue		59,825	82,382
Interest from joint ventures		1,918	1,966
Investment and other income		3,072	3,122
Operating costs			
Property and related costs		(19,612)	(42,546)
Pub product and related costs		(5,853)	(1,763)
Salaries and related expenses		(6,973)	(4,452)
Interest and other finance costs		(1,689)	(1,291)
Depreciation		(3,445)	(2,192)
Other expenses		(804)	(896)
		(38,376)	(53,140)
Gain on financial instruments		190	2,190
Change in fair value of investment properties		(1,106)	228
Impairment loss on fixed assets		(1,024)	–
Share of profit of joint ventures		518	587
Share of profit of associates		189	175
Profit before taxation	(4)	25,206	37,510
Taxation	(5)	(7,417)	(7,464)
Profit after taxation		17,789	30,046
Profit attributable to			
Non-controlling interests		(957)	(371)
Perpetual capital securities		(500)	(541)
Profit attributable to shareholders		16,332	29,134
Earnings per share	(6)	\$4.42	\$7.89

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	2020 \$ Million	2019 \$ Million
Profit after taxation	17,789	30,046
<hr style="border-top: 1px dashed black;"/>		
Other comprehensive income to be reclassified to income statement		
Exchange gain (loss) on translation of financial statements of operations outside Hong Kong	8,227	(304)
Exchange gain (loss) on translation of bank loans for hedging	(855)	106
Gain (loss) on derivative financial instruments		
Net investment hedges	(5,495)	(1,197)
Cash flow hedges	(339)	84
Change in fair value of investments	7	1
Share of other comprehensive loss of joint ventures	(329)	(228)
Exchange loss on translation of financial statements of operations outside Hong Kong reclassified to income statement	456	460
Other comprehensive income not to be reclassified to income statement		
Loss on remeasurement of defined benefit obligations	(129)	(117)
Share of other comprehensive loss of joint ventures and associates	(49)	(114)
Other comprehensive income	1,494	(1,309)
<hr style="border-top: 1px dashed black;"/>		
Total comprehensive income	19,283	28,737
<hr/>		
Total comprehensive income attributable to		
Non-controlling interests	(1,277)	(260)
Perpetual capital securities	(500)	(541)
Total comprehensive income attributable to shareholders	17,506	27,936

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	2020 \$ Million	2019 \$ Million
Non-current assets			
Fixed assets	(8)	95,101	97,519
Investment properties	(9)	128,683	119,832
Joint ventures	(10)	62,467	59,371
Associates	(11)	7,077	7,000
Investments	(12)	16,787	16,924
Goodwill	(13)	6,655	6,492
Deferred tax assets	(14)	3,102	2,688
Other non-current assets	(15)	8,096	7,716
		327,968	317,542
Current assets			
Properties for sale	(16)	121,737	121,930
Debtors, prepayments and others	(17)	10,414	6,754
Loan receivables		1,065	1,527
Bank balances and deposits		59,519	60,304
		192,735	190,515
Current liabilities			
Creditors, accruals and others	(18)	21,336	21,970
Bank and other loans	(19)	22,887	6,841
Customers' deposits received		22,303	15,459
Provision for taxation		4,297	5,488
		70,823	49,758
Net current assets		121,912	140,757
Non-current liabilities			
Bank and other loans	(19)	55,006	73,241
Deferred tax liabilities	(14)	14,938	13,836
Lease liabilities	(20)	6,980	6,636
Derivative financial instruments	(21)	5,568	3,218
Pension liabilities	(22)	170	136
		82,662	97,067
Net assets		367,218	361,232
Representing:			
Share capital and share premium	(23)	245,639	245,639
Reserves		109,000	98,614
Shareholders' funds		354,639	344,253
Perpetual capital securities	(24)	6,200	11,670
Non-controlling interests		6,379	5,309
Total equity		367,218	361,232

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Shareholders' funds				Perpetual capital securities \$ Million	Non-controlling interests \$ Million	Total equity \$ Million
	Share capital \$ Million	Share premium \$ Million	Reserves (Note) \$ Million	Total \$ Million			
Balance at 1 January 2019	3,694	241,945	77,881	323,520	11,670	5,838	341,028
Profit after taxation	-	-	29,134	29,134	541	371	30,046
Other comprehensive income							
Exchange loss on translation of financial statements of operations outside Hong Kong	-	-	(194)	(194)	-	(110)	(304)
Exchange gain on translation of bank loans for hedging	-	-	106	106	-	-	106
Gain (loss) on derivative financial instruments							
Net investment hedges	-	-	(1,197)	(1,197)	-	-	(1,197)
Cash flow hedges	-	-	84	84	-	-	84
Change in fair value of investments	-	-	1	1	-	-	1
Share of other comprehensive loss of joint ventures and associates	-	-	(342)	(342)	-	-	(342)
Exchange loss on translation of financial statements of operations outside Hong Kong reclassified to income statement	-	-	468	468	-	(8)	460
Loss on remeasurement of defined benefit obligations	-	-	(124)	(124)	-	7	(117)
Total comprehensive income	-	-	27,936	27,936	541	260	28,737
Change in non-controlling interests	-	-	-	-	-	(250)	(250)
Distribution of perpetual capital securities	-	-	-	-	(541)	-	(541)
Dividend paid to non-controlling interests	-	-	-	-	-	(539)	(539)
Dividend paid to shareholders							
2018 final dividend \$1.43 per share	-	-	(5,282)	(5,282)	-	-	(5,282)
2019 interim dividend \$0.52 per share	-	-	(1,921)	(1,921)	-	-	(1,921)
Balance at 31 December 2019	3,694	241,945	98,614	344,253	11,670	5,309	361,232
Balance at 1 January 2020	3,694	241,945	98,614	344,253	11,670	5,309	361,232
Profit after taxation	-	-	16,332	16,332	500	957	17,789
Other comprehensive income							
Exchange gain on translation of financial statements of operations outside Hong Kong	-	-	7,911	7,911	-	316	8,227
Exchange loss on translation of bank loans for hedging	-	-	(855)	(855)	-	-	(855)
Loss on derivative financial instruments							
Net investment hedges	-	-	(5,495)	(5,495)	-	-	(5,495)
Cash flow hedges	-	-	(339)	(339)	-	-	(339)
Change in fair value of investments	-	-	7	7	-	-	7
Share of other comprehensive loss of joint ventures	-	-	(378)	(378)	-	-	(378)
Exchange loss on translation of financial statements of operations outside Hong Kong reclassified to income statement	-	-	456	456	-	-	456
Loss on remeasurement of defined benefit obligations	-	-	(133)	(133)	-	4	(129)
Total comprehensive income	-	-	17,506	17,506	500	1,277	19,283
Change in non-controlling interests	-	-	-	-	-	(15)	(15)
Issue of perpetual capital securities	-	-	-	-	6,200	-	6,200
Costs for issue of perpetual capital securities	-	-	(29)	(29)	-	-	(29)
Redemption of perpetual capital securities	-	-	-	-	(11,670)	-	(11,670)
Distribution of perpetual capital securities	-	-	-	-	(500)	-	(500)
Dividend paid to non-controlling interests	-	-	-	-	-	(192)	(192)
Dividend paid to shareholders							
2019 final dividend \$1.58 per share	-	-	(5,835)	(5,835)	-	-	(5,835)
2020 interim dividend \$0.34 per share	-	-	(1,256)	(1,256)	-	-	(1,256)
Balance at 31 December 2020	3,694	241,945	109,000	354,639	6,200	6,379	367,218

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Note: Reserves

	Business combination reserve \$ Million	Capital redemption reserve \$ Million	Exchange reserve \$ Million	Hedging reserve \$ Million	Revaluation reserve \$ Million	Retained profits \$ Million	Total \$ Million
Balance at 1 January 2019	(69,014)	166	(2,742)	262	(8)	149,217	77,881
Profit after taxation	-	-	-	-	-	29,134	29,134
Other comprehensive income	-	-	(769)	(192)	1	(238)	(1,198)
Dividend paid to shareholders							
2018 final dividend \$1.43 per share	-	-	-	-	-	(5,282)	(5,282)
2019 interim dividend \$0.52 per share	-	-	-	-	-	(1,921)	(1,921)
Balance at 31 December 2019	(69,014)	166	(3,511)	70	(7)	170,910	98,614
Balance at 1 January 2020	(69,014)	166	(3,511)	70	(7)	170,910	98,614
Profit after taxation	-	-	-	-	-	16,332	16,332
Other comprehensive income	-	-	1,895	(546)	7	(182)	1,174
Costs for issue of perpetual capital securities	-	-	-	-	-	(29)	(29)
Dividend paid to shareholders							
2019 final dividend \$1.58 per share	-	-	-	-	-	(5,835)	(5,835)
2020 interim dividend \$0.34 per share	-	-	-	-	-	(1,256)	(1,256)
Balance at 31 December 2020	(69,014)	166	(1,616)	(476)	-	179,940	109,000

At the year end date, exchange reserve included accumulated loss on net investment hedges of \$4,553 million (31 December 2019 – gain of \$1,797 million, 1 January 2019 – gain of \$2,888 million).

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	Note	2020 \$ Million	2019 \$ Million
Operating activities			
Cash generated from operations	(a)	30,363	42,355
Interest received		2,212	4,080
Profits tax paid		(8,278)	(4,520)
Net cash from operating activities		24,297	41,915
Investing activities			
Investment in/loan advance to joint ventures		(87)	(658)
Dividend/loan repayment from joint ventures		715	1,047
Cash distribution from associates		190	517
Dividend/distribution from investments		482	867
Decrease in loan receivables		–	10,230
Acquisition of Greene King plc (“Greene King”)		–	(24,950)
Acquisition of investments		(125)	(16)
Acquisition of investment properties		(8,608)	(260)
Acquisition of aircraft		–	(3,546)
Acquisition of other fixed assets		(1,324)	(677)
Disposal of investment properties		–	398
Disposal of aircraft		996	286
Disposal of other fixed assets		221	138
Disposal of investments		–	665
Net cash received on hedging instruments		276	1,117
Net cash used in investing activities		(7,264)	(14,842)
Financing activities			
Borrowing of bank and other loans		11,718	1,512
Repayment of bank and other loans		(15,314)	(13,465)
Settlement of lease liabilities		(66)	(125)
Issue of perpetual capital securities		6,171	–
Redemption of perpetual capital securities		(11,670)	–
Distribution of perpetual capital securities		(536)	(541)
Dividend paid to non-controlling interests		(192)	(539)
Dividend paid to shareholders		(7,091)	(7,203)
Decrease in funding from non-controlling interests		(15)	(250)
Interest and other finance costs paid		(2,385)	(2,136)
Net cash used in financing activities		(19,380)	(22,747)
Net increase (decrease) in cash and cash equivalents		(2,347)	4,326
Translation differences		1,120	(302)
Cash and cash equivalents at 1 January		59,441	55,417
Cash and cash equivalents at 31 December	(b)	58,214	59,441

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Notes:

(a) Cash generated from operations

	2020 \$ Million	2019 \$ Million
Profit before taxation	25,206	37,510
Interest income	(2,716)	(3,989)
Interest and other finance costs	1,689	1,291
Dividend/distribution from investments	(948)	(999)
Depreciation	3,445	2,192
Gain on financial instruments	(190)	(2,190)
Change in fair value of investment properties	1,106	(228)
Impairment loss on fixed assets	1,024	–
Share of profit of joint ventures	(518)	(587)
Share of profit of associates	(189)	(175)
Others	122	349
Changes in operating working capital		
Decrease in properties for sale	3,674	21,036
Increase in debtors, prepayments and others	(3,552)	(1,258)
(Increase) decrease in loan receivables	(1,252)	5,906
(Increase) decrease in restricted bank balances	(442)	445
Increase (decrease) in creditors, accruals and others	(2,095)	1,216
Increase (decrease) in customers' deposits received	5,999	(18,164)
	2,332	9,181
	30,363	42,355

(b) Cash and cash equivalents

	2020 \$ Million	2019 \$ Million
Bank balances and deposits	59,519	60,304
Less: restricted bank balances	(1,305)	(863)
	58,214	59,441

Restricted bank balances represent property sale proceeds placed with banks in accordance with the requirements of property development on the Mainland and are restricted for use until certain conditions are fulfilled.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

The Company is an exempted company with limited liability incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited. The addresses of its registered office and principal place of business are set out on page 188 of the annual report.

The consolidated financial statements set out on pages 120 to 161 were reported in Hong Kong dollars and approved by the Board of Directors on 18 March 2021.

2. Principal Accounting Policies

(a) Basis of preparation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRSs”) under the historical cost convention except for investment properties, investments and derivative financial instruments which are stated at fair values as described in (g), (h) and (i).

The International Accounting Standards Board has issued a number of new and revised IFRSs. The application of those IFRSs effective for annual accounting periods beginning on 1 January 2020 has no significant impact on the Group’s results and financial position. For the following IFRSs which are not yet effective, the Group is in the process of assessing their impact on the Group’s results and financial position. Based on preliminary assessment, no significant impact is anticipated for the application of IFRSs scheduled to be effective in 2021.

Effective for annual accounting periods beginning on 1 January 2021

Amendments to IFRS 16	COVID-19 – Related Rent Concessions
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2

Effective for annual accounting periods beginning on 1 January 2022

Amendments to IFRSs	Annual Improvements 2018 – 2020 Cycle
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract

Effective for annual accounting periods beginning on 1 January 2023

IFRS 17	Insurance Contracts
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates

Effective date not yet determined

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Principal Accounting Policies (continued)

(b) Consolidation

The consolidated financial statements include the financial statements of the Company and its direct and indirect subsidiaries made up to the year end date, and incorporate the Group's interests in joint ventures and associates as described in (d) and (e).

Results of subsidiaries, joint ventures and associates acquired or disposed of during the year are included for the periods from the effective dates of acquisition to the year end date, or up to the dates of disposal, as the case may be. Goodwill on acquisition of subsidiaries is carried at cost and reviewed for impairment annually. Impairment, if any, is charged to consolidated income statement.

(c) Subsidiaries

A subsidiary is an entity which the Group has (i) power over the entity; (ii) exposure, or rights, to variable returns from involvement with the entity; and (iii) ability to use its power over the entity to affect the amount of returns.

(d) Joint ventures

A joint venture is an entity of which the Group shares joint control under contractual arrangements with other parties on decisions that significantly affect its returns.

Investments in joint ventures are carried in the consolidated financial statements at cost plus share of post-acquisition results less dividends received and provision for impairment.

Results of joint ventures are incorporated in the consolidated financial statements to the extent of the Group's share of total comprehensive income based on their financial statements made up to 31 December 2020 and where necessary, adjusted to ensure consistency with the Group's accounting policies.

(e) Associates

An associate is an entity, other than a subsidiary or a joint venture, of which the Group has significant influence over its financial and operating policy decisions.

Investments in associates are carried in the consolidated financial statements at cost plus share of post-acquisition results less dividends/distributions received and provision for impairment.

Results of associates are incorporated in the consolidated financial statements to the extent of the Group's share of total comprehensive income based on their financial statements made up to 31 December 2020 and where necessary, adjusted to ensure consistency with the Group's accounting policies.

2. Principal Accounting Policies *(continued)*

(f) Fixed assets

Fixed assets are stated at cost less depreciation, except for freehold land, and provision for impairment. Impairment, if any, is provided for after taking into consideration the fair value of fixed asset and its value in use.

For properties held for operation, leasehold land is amortised over the remaining term of the lease and buildings are depreciated over the shorter of 50 years or the remaining term of the underlying land lease, both on a straight-line basis after deducting estimated residual values.

Aircraft are depreciated over the expected remaining useful lives on a straight-line basis after deducting estimated residual values. Other fixed assets are depreciated over the useful lives on a straight-line basis.

(g) Investment properties

Investment properties held for rental are stated at fair value. Investment properties under development are stated at fair value when fair values become reliably determinable or upon completion of construction, whichever is the earlier, otherwise at cost less provision for impairment. Changes in fair value are recognised through profit or loss.

(h) Investments

Investments are stated at fair value. Depending on the nature and characteristics of the investments, changes in fair value are recognised either through other comprehensive income, or through profit or loss.

(i) Derivative financial instruments

Derivative financial instruments are stated at fair value and changes in fair value are recognised through profit or loss.

For derivative financial instruments that qualify for hedging as (i) fair value hedges-changes in fair value are recognised through profit or loss with the associated changes in fair value of the hedged assets or liabilities; (ii) net investment hedges-changes in fair value are recognised through other comprehensive income and the cumulated changes in fair value are reclassified to income statement upon disposal of the hedged investments; and (iii) cash flow hedges – changes in fair value are recognised through other comprehensive income and the relevant fair value gain or loss is reclassified to income statement when the hedged cash flow affects profit or loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Principal Accounting Policies (continued)

(j) Leased assets

Leased assets, which the Group has the right to use for a lease term, are stated initially at the present value of the minimum future lease payments and are depreciated over the term of lease on a straight-line basis.

(k) Properties for sale

Properties for sale are stated at the lower of cost and net realisable value. Net realisable value is determined with reference to sale proceeds received after the year end date less costs incurred, or by management estimates based on prevailing market conditions.

Costs of properties include acquisition costs, development expenditure, interest and other costs attributable to the properties. Costs of properties of subsidiaries are adjusted in the consolidated financial statements to reflect the Group's actual costs incurred where appropriate.

(l) Debtors and receivables

Debtors and receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method less provision for impairment.

(m) Bank and other loans

Bank and other loans are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(n) Creditors

Creditors are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(o) Lease liabilities

Lease liabilities are initially recognised at the present value of the minimum future lease payments and subsequently carried at amortised cost using the effective interest method.

(p) Pension obligations

Defined benefit obligations are stated at the present value of the estimated future cash outflows after taking into account the fair value of pension scheme assets. Gain or loss on remeasurement of defined benefit obligations is recognised through other comprehensive income.

Costs of defined benefit schemes are charged to income statement using the projected unit credit method to spread the costs over the service lives of employees. Contributions to defined contribution schemes are charged to income statement when services are provided by employees.

2. Principal Accounting Policies *(continued)*

(q) Revenue recognition

Revenue of property sale is recognised when control of the property is transferred with the associated risks and rewards to purchaser. Payments received from purchasers prior to revenue recognition are accounted for as customers' deposits received.

Revenue of property rental and aircraft leasing are recognised over the lease term on a straight-line basis. Revenue of hotel and serviced suite operation is recognised upon provision of services. Revenue of property and project management is recognised when services are rendered. Revenue of pub operation and infrastructure and utility asset operation are recognised upon provision of goods and services.

(r) Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the year end date. Transactions in foreign currencies are converted at the rates of exchange ruling at the transaction dates. Exchange differences are recognised through profit or loss.

For translation of financial statements of subsidiaries and joint ventures denominated in foreign currencies for consolidation, assets and liabilities are translated at the rates of exchange ruling at the year end date and results are translated at the average rates of exchange during the year. Exchange differences are recognised through other comprehensive income.

(s) Taxation

Profits tax is provided for, using the applicable enacted rates at the year end date, on estimated taxable profits less available tax relief for losses of each individual company comprising the Group.

Deferred tax liabilities are provided for, using the applicable enacted rates, on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets are recognised, using the applicable enacted rates, to the extent that deductible temporary differences and unexpired tax losses can be utilised to offset future available taxable profits.

(t) Borrowing costs

Borrowing costs incurred are charged to income statement unless they are capitalised as being directly attributable to property acquisition and development which necessarily take a substantial period of time to complete.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Revenue and Profit Contribution

The principal activities of the Group are property development and investment, hotel and serviced suite operation, property and project management, aircraft leasing, pub operation and investment in infrastructure and utility asset operation.

Revenue by principal activities is as follows:

	Group		Joint ventures		Total	
	2020 \$ Million	2019 \$ Million	2020 \$ Million	2019 \$ Million	2020 \$ Million	2019 \$ Million
Property sales	38,653	64,099	17	9	38,670	64,108
Property rental	6,603	7,302	148	148	6,751	7,450
Hotel and serviced suite operation	2,039	4,168	16	17	2,055	4,185
Property and project management	798	827	38	41	836	868
Aircraft leasing	2,202	2,375	618	817	2,820	3,192
Pub operation	9,530	3,611	–	–	9,530	3,611
Infrastructure and utility asset operation	–	–	13,490	12,905	13,490	12,905
	59,825	82,382	14,327	13,937	74,152	96,319

and is summarised by location as follows:

	2020 \$ Million	2019 \$ Million
Hong Kong	16,792	60,337
The Mainland	28,425	14,713
The United Kingdom	10,790	5,074
Overseas	18,145	16,195
	74,152	96,319

3. Revenue and Profit Contribution *(continued)*

Profit contribution by principal activities after allocation of operating costs and other income is as follows:

	Group		Joint ventures		Total	
	2020 \$ Million	2019 \$ Million	2020 \$ Million	2019 \$ Million	2020 \$ Million	2019 \$ Million
Property sales	19,112	21,377	–	(5)	19,112	21,372
Property rental	5,813	6,766	122	131	5,935	6,897
Hotel and serviced suite operation	286	1,367	(26)	(22)	260	1,345
Property and project management	333	337	22	25	355	362
Aircraft leasing	864	1,048	255	467	1,119	1,515
Pub operation – operating results	(2,467)	555	–	–	(2,467)	555
– asset impairment	(995)	–	–	–	(995)	–
Infrastructure and utility asset operation	638	630	3,850	3,894	4,488	4,524
	23,584	32,080	4,223	4,490	27,807	36,570
Bank and other loan finance costs	(1,451)	(1,291)	(1,206)	(1,313)	(2,657)	(2,604)
	22,133	30,789	3,017	3,177	25,150	33,966
Gain on financial instruments					1,257	2,105
Interests in real estate investment trusts					489	494
Change in fair value						
Real estate investment trusts					(1,067)	85
Investment properties					(1,106)	228
Others					1,089	1,240
Taxation						
Group					(7,417)	(7,464)
Joint ventures					(606)	(608)
Profit attributable to non-controlling interests and perpetual capital securities					(1,457)	(912)
Profit attributable to shareholders					16,332	29,134

Information on profit contribution by principal activities is set out in management discussion and analysis on pages 14 to 27 of the annual report.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Profit before Taxation

	2020 \$ Million	2019 \$ Million
Profit before taxation is arrived at after charging:		
Interest and other finance costs		
Bank and other loans	1,956	1,984
Less: amount capitalised (note (a))	(505)	(732)
	1,451	1,252
Lease liabilities	238	39
Directors' emoluments (note (b))	308	337
Auditors' remuneration	36	31
Costs of properties sold	17,681	36,591
Costs of pub products sold	3,493	1,171
Commission for property sale	589	1,877
Provision for property stock	–	1,776
Change in fair value of investments	533	–
Loan receivables write off	354	–
Allowance for expected credit losses	180	–
Exchange differences	–	206
and after crediting:		
Interest income		
Bank balances and deposits	551	948
Loan receivables	242	1,071
Dividend/distribution from investments	948	999
Change in fair value of investments	–	750
Government subsidies – employment support	2,214	–
Exchange differences	231	–

Notes:

- (a) Interest and other finance costs on bank and other loans were capitalised to property development projects at rates which approximated to the weighted average cost of 2.2% (2019 – 2.9%) for general borrowings.

4. Profit before Taxation (continued)

- (b) Directors' emoluments paid to directors (including the five highest paid individuals in the Group) in connection with the management of affairs of the Company and its subsidiaries are as follows:

	Director's Fees \$ Million	Salaries, Allowances and Benefits in Kind \$ Million	Pension Scheme Contribution \$ Million	Discretionary Bonus \$ Million	Inducement or Compensation Fee \$ Million	2020 Total \$ Million	2019 Total \$ Million
Victor T K Li	0.28	58.09	5.80	26.05	-	90.22	96.88
Kam Hing Lam	0.22	24.86	2.48	0.89	-	28.45	28.66
Ip Tak Chuen, Edmond	0.22	23.05	2.30	2.25	-	27.82	28.37
Chung Sun Keung, Davy	0.22	12.90	1.29	17.95	-	32.36	36.85
Chiu Kwok Hung, Justin	0.22	13.10	1.31	17.96	-	32.59	37.10
Chow Wai Kam, Raymond	0.22	5.66	0.51	23.83	-	30.22	33.98
Pau Yee Wan, Ezra	0.22	14.63	1.46	14.25	-	30.56	34.12
Woo Chia Ching, Grace	0.22	14.64	1.46	17.88	-	34.20	38.67
Cheong Ying Chew, Henry	0.41	-	-	-	-	0.41	0.41
Chow Nin Mow, Albert	0.35	-	-	-	-	0.35	0.35
Hung Siu-lin, Katherine	0.41	-	-	-	-	0.41	0.41
Colin Stevens Russel	0.35	-	-	-	-	0.35	0.35
Donald Jeffrey Roberts	0.35	-	-	-	-	0.35	0.35
Stephen Edward Bradley	0.03	-	-	-	-	0.03	-
Total for 2020	3.72	166.93	16.61	121.06	-	308.32	
Total for 2019	3.69	166.98	16.61	149.22	-		336.50

All Directors received an annual fee of \$220,000 each. For those acting as members of the Audit Committee and Remuneration Committee, additional annual fees of \$130,000 and \$60,000 were paid to each member of the respective Committees. For those acting as members of the Nomination Committee and Sustainability Committee, additional annual fees of \$30,000 and \$30,000 would be paid to each member of the respective Committees effective from 1 December 2020.

5. Taxation

	2020 \$ Million	2019 \$ Million
Current tax		
Hong Kong	936	3,795
Outside Hong Kong	6,159	3,041
Deferred tax	322	628
	7,417	7,464

Profits tax is provided for at the rate of 16.5% (2019 – 16.5%) on the estimated taxable profits in Hong Kong. Tax outside Hong Kong is provided for at the local enacted rates on the estimated taxable profits of the individual company concerned.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Taxation (continued)

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

	2020 \$ Million	2019 \$ Million
Profit before taxation	25,206	37,510
Less: share of profit of joint ventures	(518)	(587)
share of profit of associates	(189)	(175)
	24,499	36,748
Tax calculated at the tax rate in Hong Kong, the principal place of business	4,042	6,063
Tax differences for place of business outside Hong Kong	4,088	1,976
Change in tax rate for place of business outside Hong Kong	146	–
Dividend/distribution income	(50)	(56)
Fair value changes of investment properties	166	(85)
Tax losses and deductible temporary differences	233	171
Non-assessable/deductible items	(872)	(749)
Deferred tax assets derecognised	–	139
Adjustments for prior years	(329)	–
Others	(7)	5
Taxation	7,417	7,464

6. Earnings Per Share

The calculation of earnings per share is based on profit attributable to shareholders and on 3,693,400,500 shares (2019 – 3,693,400,500 shares) in issue during the year.

7. Dividends

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

	2020 \$ Million	2019 \$ Million
Interim dividend paid at \$0.34 (2019 – \$0.52) per share	1,256	1,921
Final dividend proposed at \$1.46 (2019 – \$1.58) per share	5,392	5,835
	6,648	7,756

At the year end date, the Company's reserves available for distribution to shareholders amounted to \$261,911 million (2019 – \$259,771 million). Final dividend proposed for 2019 was approved by shareholders on 14 May 2020 and paid on 29 May 2020.

8. Fixed Assets

	Land and buildings						Total \$ Million
	Completed \$ Million	Under development \$ Million	Leasehold land \$ Million	Leased properties \$ Million	Aircraft \$ Million	Other assets \$ Million	
Cost							
At 1 January 2019	21,321	3,594	–	–	21,396	3,009	49,320
Additions	133	182	–	73	3,440	455	4,283
Transfer from investment properties	3,734	–	–	–	–	–	3,734
Acquisition of Greene King	40,571	–	–	7,491	–	4,898	52,960
Reclassification	(8,232)	(3,776)	11,987	–	–	21	–
Disposals	(131)	–	–	–	(302)	(103)	(536)
Translation differences	1,120	–	(2)	193	–	112	1,423
At 31 December 2019	58,516	–	11,985	7,757	24,534	8,392	111,184
Additions	425	–	–	239	–	838	1,502
Remeasurement	–	–	–	601	–	–	601
Disposals	(237)	–	–	(251)	(1,144)	(81)	(1,713)
Translation differences	1,203	–	4	238	–	193	1,638
At 31 December 2020	59,907	–	11,989	8,584	23,390	9,342	113,212
Accumulated depreciation/impairment							
At 1 January 2019	7,349	–	–	–	1,980	2,331	11,660
Reclassification	(3,623)	–	3,623	–	–	–	–
Depreciation	277	–	233	109	1,199	374	2,192
Disposals	(29)	–	–	–	(40)	(95)	(164)
Translation differences	(10)	–	(1)	–	–	(12)	(23)
At 31 December 2019	3,964	–	3,855	109	3,139	2,598	13,665
Depreciation	490	–	121	532	1,199	1,103	3,445
Impairment	719	–	–	153	29	123	1,024
Disposals	(10)	–	–	(10)	(190)	(72)	(282)
Translation differences	86	–	2	71	–	100	259
At 31 December 2020	5,249	–	3,978	855	4,177	3,852	18,111
Net book value							
At 31 December 2020	54,658	–	8,011	7,729	19,213	5,490	95,101
At 31 December 2019	54,552	–	8,130	7,648	21,395	5,794	97,519

Analysis of aircraft by geographical location is not practicable as aircraft are movable assets leased to airline operators. Other fixed assets are summarised by location as follows:

	2020 \$ Million	2019 \$ Million
Hong Kong	17,095	17,313
The United Kingdom	58,067	58,076
Other locations	726	735
	75,888	76,124

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Fixed Assets (continued)

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

	2020		2019	
	Depreciation \$ Million	Impairment \$ Million	Depreciation \$ Million	Impairment \$ Million
Property sales	32	–	39	–
Property rental	91	–	97	–
Hotel and serviced suite operation	457	–	569	–
Property and project management	21	–	23	–
Aircraft leasing	1,199	29	1,200	–
Pub operation	1,645	995	264	–
	3,445	1,024	2,192	–

Impairment was recognised for certain pub property assets in the United Kingdom due to underutilisation in the pandemic situation. The fair value and value in use of these assets were assessed, where appropriate by independent valuer, after taking into consideration the estimated impact of the COVID-19 pandemic on the projected cash flow, and the relevant discount and growth rates applicable to the location of these assets.

9. Investment Properties

	Completed \$ Million	Under development \$ Million	Total \$ Million
At 1 January 2019	123,478	–	123,478
Reclassification	(13,170)	13,170	–
Additions	220	24	244
Disposals	(401)	–	(401)
Change in fair value	52	176	228
Transfer to fixed assets/property development	(3,972)	–	(3,972)
Translation differences	255	–	255
At 31 December 2019	106,462	13,370	119,832
Additions	8,925	252	9,177
Change in fair value	(2,284)	1,178	(1,106)
Translation differences	780	–	780
At 31 December 2020	113,883	14,800	128,683

9. Investment Properties *(continued)*

Gross rental income and direct operating expenses of investment properties for the year amounted to \$6,036 million (2019 – \$6,551 million) and \$117 million (2019 – \$82 million) respectively.

At the year end date:

- (a) investment properties with carrying amounts of \$109,009 million (2019 – \$104,183 million) and \$19,674 million (2019 – \$15,649 million), based on independent professional valuation, were located in Hong Kong and outside Hong Kong respectively;
- (b) investment properties in Hong Kong were fair valued by Cushman & Wakefield Limited, independent professional valuers, using the valuation methods and inputs described in (c) and (d); and valuations were dependent on the determination of inputs which involved judgements and estimates after considering the information available;
- (c) fair values of completed investment properties were derived using the income capitalisation method and by adopting appropriate capitalisation rates ranging from 4% to 8% after the current rental income and reversionary income potential of the investment properties were considered;
- (d) investment properties under development were fair valued as if they had been completed using the income capitalisation method and a capitalisation rate of 4%, and then costs to completion and profit margins were deducted to arrive at their fair values using the residual method; and
- (e) capitalisation rates were adopted after analysis of relevant observable market transactions and interpretation of indirectly observable market information; and capitalisation rates adopted would be inversely related to the values derived.

10. Joint Ventures

	2020 \$ Million	2019 \$ Million
Investments in joint ventures – unlisted	21,852	22,104
Share of results less dividends	(823)	(243)
Translation differences	656	(558)
	21,685	21,303
Loans to joint ventures		
Interest bearing loans – repayable within 5 years	6,534	6,014
Interest bearing loans – repayable after 5 years	3,247	2,980
Subordinated interest bearing loans – repayable within 5 years	15,509	20,776
Subordinated interest bearing loans – repayable after 5 years	14,998	7,852
Non-interest bearing loans – no fixed repayment terms	494	446
	62,467	59,371

Loans to joint ventures are made on a pro rata basis and interest bearing loans carry interest at rates ranging from 3.4% to 7.5%.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Joint Ventures (continued)

At the year end date, particulars of the major joint ventures are as follows:

Joint venture	Equity interest of the Group	Principal activities and places of businesses
CK William UK Holdings Limited – incorporated in the United Kingdom for investment in the DUET Group (“CK William JV”)	40%	An owner and operator of energy utility assets in Australia, the United States, Canada and the United Kingdom
CKP (Canada) Holdings Limited – incorporated in Canada for investment in the Reliance Group (“CKP (Canada) JV”)	75%	A building equipment and service provider under the consumer brand identity of “Reliance Home Comfort” in Canada
Sarvana S.à r.l. – incorporated in Luxembourg for investment in the ista Group (“Sarvana JV”)	65%	A fully integrated energy management service provider operated by the ista Group in Europe

During the year, dividend received from CK William JV and CKP (Canada) JV amounted to \$55 million (2019 – Nil) and \$330 million (2019 – \$108 million) respectively, and no dividend was received from Sarvana JV.

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

For the year ended	CK William JV		CKP (Canada) JV		Sarvana JV	
	2020 \$ Million	2019 \$ Million	2020 \$ Million	2019 \$ Million	2020 \$ Million	2019 \$ Million
Revenue	10,830	10,394	4,999	4,723	8,321	8,008
Operating profit before interest, taxation, depreciation and amortisation	6,868	6,803	2,778	2,643	3,780	3,575
Interest and other finance costs	(2,276)	(2,598)	(1,162)	(1,223)	(1,915)	(1,767)
Depreciation and amortisation	(2,863)	(2,379)	(1,224)	(1,195)	(1,734)	(1,649)
Taxation	(563)	(591)	(112)	(56)	(489)	(514)
Net profit (loss)	1,166	1,235	280	169	(358)	(355)
Other comprehensive income	(493)	(558)	(18)	278	(80)	(322)
Non-controlling interests	(180)	(185)	–	–	–	–
Total comprehensive income	493	492	262	447	(438)	(677)

10. Joint Ventures (continued)

At the year end date	CK William JV		CKP (Canada) JV		Sarvana JV	
	2020 \$ Million	2019 \$ Million	2020 \$ Million	2019 \$ Million	2020 \$ Million	2019 \$ Million
Non-current assets	97,108	89,253	33,099	32,625	66,275	61,394
Current assets						
Cash and cash equivalents	2,500	1,527	125	191	871	1,015
Other current assets	1,971	1,870	709	665	1,765	1,670
	4,471	3,397	834	856	2,636	2,685
Current liabilities						
Bank and other loans	(1,438)	(5,065)	(3,873)	(1,798)	–	(13,929)
Creditors, provisions and others	(3,472)	(3,257)	(812)	(867)	(2,140)	(1,326)
Other financial liabilities	(383)	(551)	(262)	(252)	(143)	(117)
Other non-financial liabilities	(360)	(295)	(215)	(198)	(1,711)	(1,485)
	(5,653)	(9,168)	(5,162)	(3,115)	(3,994)	(16,857)
Non-current liabilities						
Shareholders' loan	(24,027)	(22,027)	(10,627)	(10,470)	(34,672)	(31,963)
Bank and other loans	(40,955)	(33,942)	(7,615)	(9,461)	(13,869)	–
Creditors, provisions and others	(4,587)	(4,375)	(85)	(76)	(342)	(173)
Other financial liabilities	(1,947)	(1,391)	(122)	(149)	(491)	(415)
Other non-financial liabilities	(3,124)	(2,586)	(3,532)	(3,345)	(10,595)	(9,771)
	(74,640)	(64,321)	(21,981)	(23,501)	(59,969)	(42,322)
Net assets	21,286	19,161	6,790	6,865	4,948	4,900
Non-controlling interests	421	358	–	–	–	–
Shareholders' equity	21,707	19,519	6,790	6,865	4,948	4,900
Shareholders' equity shared by the Group	8,683	7,808	5,093	5,149	3,216	3,185
Capitalised costs	55	55	–	–	72	72
Carrying amount	8,738	7,863	5,093	5,149	3,288	3,257

At the year end date, the aggregated carrying amount of other joint ventures was \$4,566 million (2019 – \$5,034 million) and the Group's share of results of other joint ventures are as follows:

For the year ended	2020 \$ Million	2019 \$ Million
Net profit	147	271
Other comprehensive income	(116)	(119)
Total comprehensive income	31	152

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Associates

	2020 \$ Million	2019 \$ Million
Investment in an associate – listed in Hong Kong	8,571	8,448
Share of results less distributions	(1,494)	(1,448)
	7,077	7,000
Market value on quoted market price	4,209	6,950

At the year end date, particulars of the associate are as follows:

Name	Equity interest of the Group	Principal activities and place of business
Hui Xian Real Estate Investment Trust (“Hui Xian REIT”)	32.5 %	Investment in hotels and serviced suites, office and retail properties on the Mainland

Summarised financial information of Hui Xian REIT is as follows:

For the year ended	2020 RMB Million	2019 RMB Million
Revenue	2,499	3,169
Profit (loss) attributable to unitholders	(672)	484

At the year end date	2020 RMB Million	2019 RMB Million
Non-current assets	36,863	39,521
Current assets	5,891	6,954
Current liabilities	(837)	(3,134)
Non-current liabilities	(16,230)	(16,523)
Non-controlling interests	(241)	(287)
Net assets before distribution payable	25,446	26,531

The Group’s share of net assets before distribution payable amounted to \$9,841 million (2019 – \$9,568 million) at the year end exchange rate. During the year, distribution received from Hui Xian REIT amounted to \$235 million (2019 – \$517 million).

12. Investments

	2020 \$ Million	2019 \$ Million
Investments measured at fair value through profit or loss		
Equity securities listed in Hong Kong	4,550	5,617
Equity securities listed outside Hong Kong	2	–
Equity securities unlisted	1,682	1,065
Debt securities listed in Hong Kong	80	–
Investments in infrastructure businesses	9,774	9,575
Investment in a hotel development project	614	589
	16,702	16,846
Investments measured at fair value through other comprehensive income		
Debt securities listed in Hong Kong	85	78
	16,787	16,924

13. Goodwill

	2020 \$ Million	2019 \$ Million
Pub operation in the United Kingdom		
At 1 January	6,492	–
Acquisition of Greene King	–	6,309
Translation differences	163	183
At 31 December	6,655	6,492

When assessing goodwill for impairment, the recoverable amount of pub operation was determined on a value in use basis after considering the estimated impact of the COVID-19 pandemic, using a 5 year projected cash flow from operation, a long term growth rate of 1.2% and a terminal value based on Gordon Growth Model. A pre-tax discount rate of 6.4% was applied to derive the present value of the recoverable amount. It was concluded that the recoverable amount of pub operation would not be less than the aggregate amount of its carrying costs and goodwill recognised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Deferred Tax

	2020 \$ Million	2019 \$ Million
Deferred tax assets	3,102	2,688
Deferred tax liabilities	(14,938)	(13,836)
Net deferred tax liabilities	(11,836)	(11,148)

Analysis of net deferred tax liabilities is as follows:

	2020 \$ Million	2019 \$ Million
Accelerated tax depreciation	(6,212)	(5,596)
Fair value changes of investment properties	(148)	(177)
Increase in value of properties	(7,273)	(5,664)
Retained earnings of subsidiaries	(820)	(890)
Tax losses	2,135	1,259
Other temporary differences	482	(80)
	(11,836)	(11,148)

Movements of net deferred tax liabilities are as follows:

	2020 \$ Million	2019 \$ Million
At 1 January	(11,148)	(9,340)
Net credit (charge) to profit or loss		
Accelerated tax depreciation	(536)	(402)
Fair value changes of investment properties	34	75
Increase in value of properties	(1,190)	(18)
Retained earnings of subsidiaries	121	148
Tax losses	811	(150)
Other temporary differences	438	(281)
Acquisition of Greene King	–	(1,359)
Translation differences	(366)	179
At 31 December	(11,836)	(11,148)

At the year end date, no deferred tax asset was recognised for (i) deductible temporary differences amounting to \$5,466 million (2019 – \$4,096 million); and (ii) tax losses amounting to \$5,488 million (2019 – \$5,141 million), and tax losses of \$1,263 million (2019 – \$954 million) would expire within 5 years.

15. Other Non-Current Assets

	2020 \$ Million	2019 \$ Million
Loan receivables	5,054	3,359
Derivative financial instruments (note 21)	1,616	2,892
Pension assets (note 22)	512	582
Other long term assets	914	883
	8,096	7,716

16. Properties for Sale

	2020 \$ Million	2019 \$ Million
Properties for/under development	50,282	46,149
Joint development projects	25,277	27,873
Completed properties	45,791	47,702
Commission for property sale	387	206
	121,737	121,930

At the year end date:

- (a) properties for sale amounting to \$57,842 million (2019 – \$55,462 million) and \$63,508 million (2019 – \$66,262 million) were located in Hong Kong and outside Hong Kong respectively; and
- (b) properties for/under development and joint development projects amounting to \$60,161 million (2019 – \$50,453 million) were not scheduled for completion within twelve months.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Debtors, Prepayments and Others

	2020 \$ Million	2019 \$ Million
Debtors	2,732	1,432
Derivative financial instruments	–	591
Deposits for derivative financial instruments	3,368	715
Prepayments and others	4,314	4,016
	10,414	6,754

Deposits for derivative financial instruments are deposits paid for unrealised fair value loss and are subject to set-off provisions in the contracts for derivative financial instruments as described in note 21.

Ageing analysis of debtors with reference to terms of agreements is as follows:

	2020 \$ Million	2019 \$ Million
Current to one month	2,280	1,177
Two to three months	132	92
Over three months	320	163
	2,732	1,432

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

	2020 \$ Million	2019 \$ Million
Overdue within one month	168	160
Overdue for two to three months	132	92
Overdue over three months	320	163
	620	415

18. Creditors, Accruals and Others

	2020 \$ Million	2019 \$ Million
Creditors	4,571	5,494
Accruals and other payables	13,707	15,799
Lease liabilities (note 20)	664	333
Derivative financial instruments (note 21)	1,435	344
Deposits for derivative financial instruments	959	–
	21,336	21,970

Deposits for derivative financial instruments are deposits received for unrealised fair value gain and are subject to set-off provisions in the contracts for derivative financial instruments as described in note 21.

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

	2020 \$ Million	2019 \$ Million
Current to one month	4,490	5,428
Two to three months	55	34
Over three months	26	32
	4,571	5,494

19. Bank and Other Loans

	2020 \$ Million	2019 \$ Million
Bank loans repayable		
within 1 year	15,195	6,083
after 1 year but not exceeding 2 years	18,200	16,321
after 2 years but not exceeding 5 years	14,629	26,504
after 5 years	–	1,412
	48,024	50,320
Other loans repayable		
within 1 year	7,692	758
after 1 year but not exceeding 2 years	2,252	4,719
after 2 years but not exceeding 5 years	2,761	4,216
after 5 years	17,164	20,069
	29,869	29,762
Less: amounts classified under current liabilities	(22,887)	(6,841)
Amounts classified under non-current liabilities	55,006	73,241

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Bank and Other Loans (continued)

Movements of bank and other loans are as follows:

	2020 \$ Million	2019 \$ Million
At 1 January	80,082	69,492
Borrowing of bank and other loans	11,718	1,512
Repayment of bank and other loans	(15,314)	(13,465)
Acquisition of Greene King	–	22,219
Amortisation of costs and fair value adjustments	(7)	67
Translation differences	1,414	257
At 31 December	77,893	80,082

At the year end date:

- (a) bank loans amounting to \$2,140 million (2019 – \$4,213 million) were secured by properties as described in note 26;
- (b) bank loans in RMB carried interest at rates based on loan prime rates quoted by banks on the Mainland plus a margin of less than 1%; bank loans in other currencies carried interest at rates based on inter-bank offered rates of the relevant currency plus a margin of less than 1%;
- (c) other loans included the following notes issued by CK Property Finance (MTN) Limited in Hong Kong and guaranteed by the Company:

HK\$750,000,000	2.29% due September 2026 (issued in 2016)
US\$500,000,000	LIBOR+0.78% due December 2021 (issued in 2016)
HK\$1,450,000,000	2.25% due August 2022 (issued in 2017)
HK\$1,100,000,000	3% due April 2027 (issued in 2017)
HK\$896,000,000	2.69% due September 2027 (issued in 2017)
HK\$2,000,000,000	3.57% due September 2028 (issued in 2018)

- (d) other loans included the following bonds which were repayable by quarterly instalments and were secured by properties as described in note 26:

- (i) issued by Greene King Finance plc and listed on the Irish Stock Exchange

Aggregate principal sum	Interest rate	Final repayment
GBP 950 million	Fixed rates from 3.59% to 5.32%	2031 – 2035
GBP 422 million	LIBOR + margins from 1.8% to 2.5%	2033 – 2036

The above bonds were also secured by charges over the future income stream of pledged properties.

- (ii) issued by Spirit Issuer plc and listed on the Luxemburg Stock Exchange

Aggregate principal sum	Interest rate	Final repayment
GBP 97 million	Fixed rates at 5.47%	2032

- (e) other loans included borrowings of GBP300 million drawn under the Covid Corporate Financing Facility in the United Kingdom which carry interest at 0.2358% and are guaranteed by the Company for repayment in March 2021.

20. Lease Liabilities

	2020 \$ Million	2019 \$ Million
Lease liabilities	7,644	6,969
Less: amounts classified under current liabilities (note 18)	(664)	(333)
Amounts classified under non-current liabilities	6,980	6,636

Movements of lease liabilities are as follows:

	2020 \$ Million	2019 \$ Million
At 1 January	6,969	–
New leases	239	73
Acquisition of Greene King	–	6,845
Lease payment	(304)	(164)
Interest accretion	238	39
Terminations	(264)	–
Remeasurement	601	–
Translation differences	165	176
At 31 December	7,644	6,969

21. Derivative Financial Instruments

	Assets		Liabilities	
	2020 \$ Million	2019 \$ Million	2020 \$ Million	2019 \$ Million
Currency swaps and forward contracts	1,464	3,374	4,748	993
Interest rate swaps	–	100	2,255	2,569
Price index swaps	152	9	–	–
	1,616	3,483	7,003	3,562
Less: maturities within 1 year (note 17, 18)	–	(591)	(1,435)	(344)
	1,616	2,892	5,568	3,218

During the year, a gain of \$723 million (2019 – \$1,440 million) on financial instruments was recognised through profit or loss due to ineffectiveness of hedging instruments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Derivative Financial Instruments (continued)

At the year end date:

- (a) the following currency swaps and forward contracts were in place to hedge the net foreign exchange exposure of investments and operations outside Hong Kong:

Pay	Receive	Maturities
AUD1,250 million	US\$881 million	2022
CAD2,145 million	US\$1,592 million	2021 – 2022
EUR3,046 million	US\$3,619 million	2021 – 2025
GBP5,358 million	US\$7,222 million	2021 – 2028
SGD400 million	US\$291 million	2021

- (b) the following interest rate swaps were in place to manage the exposure to interest rate fluctuations:

Notional amount	Pay fixed interest rate	Receive floating interest rate	Maturities
US\$1,339 million	0.37% – 3.2%	LIBOR	2021 – 2028
GBP1,119 million	0.83% – 5.16%	LIBOR	2027 – 2036

- (c) the following price index and currency swaps were contracted to replace the annual retail price index adjusted rental cash flow in GBP with US\$ amount adjusted annually at fixed rates:

Notional amount	Pay	Receive	Maturities
GBP44 million	Annual retail price index adjusted GBP amount	US\$61 million adjusted annually at fixed rates	2035

22. Pension

	2020		2019	
	Greene King Schemes \$ Million	Schemes A and B \$ Million	Greene King Schemes \$ Million	Schemes A and B \$ Million
Present value of defined benefit obligations	(10,017)	(930)	(8,757)	(849)
Less: fair value of scheme assets	10,529	760	9,339	713
Pension assets (liabilities)	512	(170)	582	(136)

Employees pension schemes include defined benefit schemes which are closed to new entrants and defined contribution schemes. Assets of the employees pension schemes are held independently of the Group's assets.

Defined benefit schemes include: (i) provision of benefits based on employer and employee vested contributions plus interest at 6% per annum, or a sum derived by a formula using the final salary and years of service, whichever is greater ("Scheme A"); and (ii) provision of benefits based on employer vested contributions only plus interest at 5% per annum ("Scheme B").

For Scheme A's funding purpose, an independent actuarial valuation as at 30 September 2019 reported a funding level of 103 % of the accrued actuarial liabilities on an ongoing basis. The valuation was performed by Tian Keat Aun, a Fellow of The Institute and Faculty of Actuaries, of Towers Watson Hong Kong Limited using the attained age valuation method which adopted an investment return of 2.75% per annum and a salary increment of 4% per annum as the main assumptions. For Scheme B, the vested benefits were fully funded.

For pub operation in the United Kingdom, two other defined benefit schemes ("Greene King Schemes") are maintained for employees whose benefits relating to salary and years of service are closed to future accruals. An independent actuarial valuation as at 5 April 2018 for one of the schemes reported a funding shortfall of GBP 25 million and the valuation was performed by Lisa Whitby, a Fellow of The Institute and Faculty of Actuaries using the defined accrued benefit method. An independent actuarial valuation as at 30 June 2018 for the other scheme reported a funding surplus of GBP 11 million and the valuation was performed by Roger Moring, a Fellow of The Institute and Faculty of Actuaries using the projected unit method.

Costs of defined benefit schemes amounting to \$47 million (2019 – \$52 million) were charged to income statement and a loss of \$129 million (2019 – \$117 million) on remeasurement of defined benefit obligations was recognised in other comprehensive income. Employers' contributions to defined benefit schemes amounted to \$87 million (2019 – \$42 million) for the year and forfeited contributions amounting to \$1 million (2019 – \$3 million) had been used to reduce the employers' contributions.

Defined contribution schemes include occupational retirement schemes and mandatory pension schemes. For occupational retirement schemes, contributions are made either by employer only or by both employer and employees at rates ranging from 5% to 10% of the employees' salary. For mandatory pension schemes, contributions are made by both employer and employees based on the employees' relevant monthly income at rates in compliance with statutory requirements. Employers' contributions to defined contribution schemes amounted to \$317 million (2019 – \$317 million) for the year and forfeited contributions amounting to \$2 million (2019 – \$4 million) had been used to reduce the employers' contributions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Share Capital and Share Premium

	Number of shares	Share capital \$ Million	Share premium \$ Million
Authorised share capital			
Shares of \$1 each	8,000,000,000	8,000	
Issued share capital			
Shares of \$1 each issued			
At 31 December 2019	3,693,400,500	3,694	241,945
At 31 December 2020	3,693,400,500	3,694	241,945

24. Perpetual Capital Securities

	2020 \$ Million	2019 \$ Million
Listed in Hong Kong		
US\$1,500 million issued in 2017 (note (a))	–	11,670
US\$300 million issued in 2020 (note (b))	2,325	–
US\$500 million issued in 2020 (note (c))	3,875	–
	6,200	11,670

The perpetual capital securities have no fixed maturity. Distribution to holders of perpetual capital securities may be deferred at the Group's discretion and in which event, the Company and the issuer will not declare/pay any dividends or distributions, redeem, reduce, cancel or buy-back any of the Company's share capital, the issuer's share capital and/or the perpetual capital securities issued.

Notes:

- (a) The US\$1,500 million perpetual capital securities issued in 2017 with an annual distribution rate of 4.6% were redeemed in November 2020.
- (b) The US\$300 million perpetual capital securities were issued in September 2020 with an annual distribution rate of 3.8% and are redeemable at the Group's option on or after 17 September 2023.
- (c) The US\$500 million perpetual capital securities were issued in December 2020 with an annual distribution rate of 3.5% and are redeemable at the Group's option on or after 22 December 2023.

25. Operating Leases

Operating leases are generally contracted with a 2 to 6 year term for property rental and a 8 to 12 year term for aircraft leasing. Some operating leases for property rental in the United Kingdom have longer terms up to 30 years. Analysis of future minimum lease payment receivable under non-cancellable operating leases after the year end date is as follows:

	2020 \$ Million	2019 \$ Million
Future minimum lease payment receivable		
in the first year	7,924	8,789
in the second year	6,046	6,885
in the third year	4,505	4,765
in the fourth year	3,145	3,549
in the fifth year	2,703	2,637
thereafter	12,562	9,859
	36,885	36,484

26. Charges on Assets

At the year end date, properties amounting to \$15,924 million (2019 – \$16,021 million) were charged to secure bank loans arranged for property projects on the Mainland, and properties amounting to \$33,078 million (2019 – \$37,058 million) were charged to secure other loans arranged for pub operation in the United Kingdom.

27. Commitments

At the year end date, the Group had capital commitments for (i) development of investment properties amounting to \$3,286 million (2019 – \$4,136 million); (ii) acquisition of aircraft amounting to \$9,579 million (2019 – \$12,301 million); and (iii) addition of other fixed assets amounting to \$197 million (2019 – \$386 million).

28. Contingent Liabilities

At the year end date, the Group provided guarantees for (i) revenue shared by land owner of a hotel project amounting to \$505 million (2019 – \$521 million); (ii) mortgage loans provided by banks to purchasers of properties developed by the Group on the Mainland amounting to \$4,662 million (2019 – \$1,975 million); and (iii) loans provided by banks to a joint venture amounting to \$3,781 million (2019 – \$3,502 million).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Financial Risks and Management

The Group's financial assets and financial liabilities include investments, bank balances and deposits, debtors and loan receivables, loans to joint ventures, creditors, bank and other loans, derivative financial instruments and lease liabilities. Treasury policies and management of risks and liquidity are described below.

(a) Treasury policies

The Group maintains a conservative approach on foreign exchange exposure management and borrows principally on a floating rate basis. The Group manages and reviews its exposure to foreign exchange rates and interest rates regularly. For investment overseas and at times of financial uncertainty or volatility, hedging instruments including swaps and forwards are used in the management of exposure to foreign exchange rate and interest rate fluctuations.

At the year end date, the Group's borrowings were 55% in HK\$ and US\$ and 45% in other currencies, including AUD, GBP and RMB, which had been arranged for investments and operations in Australia, the United Kingdom and on the Mainland. The Group derives its revenue from property businesses mainly in HK\$ and RMB and maintains bank balances and deposits substantially in HK\$ and RMB. Income in foreign currencies is generated by overseas investments and operations, and cash in local currencies is maintained for operational requirements.

(b) Risk management

The outstanding amounts of debtors, loan receivables and loans to joint ventures are the main exposure to credit risks. Collaterals including properties and other assets are arranged as much as possible to minimise credit risks. Bank balances and deposits are placed with a number of banks to mitigate bank default risk.

Credit risks of debtors and loan receivables are assessed generally on a collective basis, unless collection of outstanding amounts from specific debtors become doubtful. Credit risks of loans to joint ventures and other significant transactions are assessed separately. Outstanding balances are reviewed regularly and follow-up actions are carried out promptly on overdue amounts to minimise credit losses.

Allowance for expected credit losses is measured based on the probability of default after taking into account past experience, impact of market conditions and the realisable value of collaterals. When recoveries of outstanding debtors and loan receivables become unrealistic, the outstanding amounts are written off.

At the year end date, allowance for expected credit losses of debtors and loan receivables amounted to \$143 million and \$106 million respectively, and was mainly required for the pub operation in the United Kingdom which had been severely impacted by the COVID-19 pandemic. Loans to joint ventures were fully recoverable based on the current financial positions of joint ventures.

The exposure of investments to price changes is managed by closely monitoring changes in market conditions that may have an impact on prices or factors affecting their fair value. If the fair value of investments was 5% higher/lower at the year end date, profit for the year would increase/decrease by \$835 million (2019 – \$842 million) and investment revaluation reserve would increase/decrease by \$4 million (2019 – \$4 million).

29. Financial Risks and Management *(continued)*

(b) Risk management *(continued)*

The Group's borrowings are exposed to interest rate fluctuation. An increase/decrease of 1% in interest rates would increase/decrease interest costs for the year by \$386 million (2019 – \$430 million), assuming the change in interest rates had been applied to the Group's borrowings at the year end date which were kept constant throughout the year, and interest amount capitalised would increase/decrease by \$100 million (2019 – \$159 million) using the proportion of interest amount capitalised during the year.

(c) Liquidity management

The Group monitors its liquidity requirements on a short to medium term basis and arranges bank and other borrowings accordingly. With plenty of cash on hand as well as available banking facilities, the Group's liquidity position remains strong and the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

At the year end date, the undiscounted contractual cash outflows (including interest payments after interest rate swaps where applicable) of the Group's borrowings by maturities were as follows:

	2020 \$ Million	2019 \$ Million
Within 1 year	24,363	9,339
After 1 year but not exceeding 2 years	21,721	23,172
After 2 years but not exceeding 5 years	19,992	34,472
After 5 years	20,528	25,910
	86,604	92,893

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

	2020 \$ Million	2019 \$ Million
Within 1 year	880	606
After 1 year but not exceeding 2 years	577	554
After 2 years but not exceeding 5 years	1,539	1,511
After 5 years	10,073	10,395
	13,069	13,066

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Financial Risks and Management (continued)

(c) Liquidity management (continued)

At the year end date, the undiscounted contractual cash inflows and outflows of the currency swaps and forward contracts designated to hedge the net foreign exchange exposure of overseas investments and operations by maturities were as follows:

	2020	2019
	\$ Million	\$ Million
Cash inflows		
Within 1 year	31,193	26,900
After 1 year but not exceeding 2 years	30,906	23,593
After 2 years but not exceeding 5 years	39,166	43,500
After 5 years	4,654	4,682
	105,919	98,675
Cash outflows		
Within 1 year	32,448	26,004
After 1 year but not exceeding 2 years	32,495	23,030
After 2 years but not exceeding 5 years	39,406	41,330
After 5 years	4,240	4,136
	108,589	94,500

30. Fair Value of Financial Assets and Financial Liabilities

Investments and derivative financial instruments are measured at fair value using value inputs in the following categories:

Level 1: quoted prices in active markets

Level 2: inputs other than quoted prices that are observable either directly or indirectly

Level 3: inputs which are not observable market data including discounted cash flow on projections and estimates based on assumptions

The fair values of investments and derivative financial instruments are summarised by level as follows:

	Level 1		Level 2		Level 3	
	2020 \$ Million	2019 \$ Million	2020 \$ Million	2019 \$ Million	2020 \$ Million	2019 \$ Million
Investments						
Listed securities	4,717	5,695	–	–	–	–
Unlisted securities	–	–	–	–	1,682	1,065
Investments in infrastructure businesses	–	–	–	–	9,774	9,575
Investment in a hotel development project	–	–	–	–	614	589
Derivative financial instruments						
– assets	–	–	1,616	3,483	–	–
– liabilities	–	–	(7,003)	(3,562)	–	–

For fair value measurement of investments using level 3 value inputs, fair value is determined using valuation techniques with reference to projected cash flow, price of recent transaction and other specific inputs relevant to the particular investment. Change of the value inputs reasonably to possible alternatives would not have material effect on the Group's results and financial position. Fair value movement during the year of investments using level 3 value inputs is as follows:

	2020 \$ Million	2019 \$ Million
At 1 January	11,229	11,203
Additions	265	26
Change in fair value recognised through income statement	576	–
At 31 December	12,070	11,229

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Capital Management

The Group manages its capital to ensure that it will continue as a going concern while maximising returns to shareholders through the optimisation of debt and equity balances. The Group's capital structure consists of bank and other loan borrowings, shareholders' funds, perpetual capital securities and non-controlling interests as set out in the consolidated statement of financial position. The Group reviews its capital structure on a regular basis and maintains a low net debt to net total capital ratio calculated as follows:

	2020 \$ Million	2019 \$ Million
Bank and other loans	77,893	80,082
Less: bank balances and deposits	(59,519)	(60,304)
Net debt	18,374	19,778
Total equity	367,218	361,232
Net debt	18,374	19,778
Net total capital	385,592	381,010
Net debt to net total capital ratio	4.8%	5.2%

32. Statement of Financial Position of the Company

	As at 31 December	
	2020	2019
	\$ Million	\$ Million
Non-current assets		
Fixed assets	7	5
Subsidiaries (note (a))	239,567	227,709
	239,574	227,714
Current assets		
Debtors, prepayments and others	39	84
Bank balances and deposits	26,309	36,080
	26,348	36,164
Current liabilities		
Creditors, accruals and others	273	329
Provision for taxation	44	84
	317	413
Net current assets	26,031	35,751
Net assets	265,605	263,465
Representing:		
Share capital and share premium	245,639	245,639
Reserves (note (b))	19,966	17,826
Shareholders' funds	265,605	263,465

Notes:

- (a) Particulars regarding the principal subsidiaries are set out in the Appendix.
- (b) Movements of reserves are as follows:

	Capital redemption reserve	Retained profits	Total
	\$ Million	\$ Million	\$ Million
At 1 January 2019	166	15,132	15,298
Profit for the year	–	9,731	9,731
Dividend paid	–	(7,203)	(7,203)
At 31 December 2019	166	17,660	17,826
Profit for the year	–	9,231	9,231
Dividend paid	–	(7,091)	(7,091)
At 31 December 2020	166	19,800	19,966

Victor T K Li
Director

Ip Tak Chuen, Edmond
Director

PRINCIPAL SUBSIDIARIES

Appendix

The Directors are of the opinion that a full list of subsidiaries will result in particulars of excessive length. Therefore the following list contains only the particulars of subsidiaries which principally affect the revenue, results, net assets or business aspects of the Group. Unless otherwise stated, the subsidiaries were incorporated in Hong Kong and the principal place of operation was in Hong Kong.

Name	Paid up share/ registered capital	Effective percentage held by the Group	Principal activities
Accipiter Holdings Designated Activity Company ¹	US\$ 390,565,356	100	Aircraft leasing
Albany Investments Limited	HK\$ 1	100	Property development
Art Champion Investment Limited	HK\$ 1	100	Property development
Art Rich Investment Limited	HK\$ 1	100	Property development
Beijing Chang Le Real Estates Development Co., Ltd. ²	US\$ 29,000,000	100	Property development
Beijing Po Garden Real Estates Development Co., Ltd. ²	US\$ 29,000,000	100	Property development
Bermington Investment Limited	HK\$ 2	100	Hotel & serviced suite operation
Bluebutton (5 Broadgate) UK Limited ³	GBP 235,718,934	100	Property investment
Bradford Investments Limited	HK\$ 1	80	Property development
Bristow Investments Limited	HK\$ 1	100	Property development
Cheung Kong Property Development Limited	HK\$ 2	100	Project management
Circadian Limited ³	GBP 100	95	Property development
Citybase Property Management Limited	HK\$ 100,000	100	Property management
CK Global Holdings Limited ⁴	US\$ 2,000	100	Property investment
CK Property Finance Limited ⁵	US\$ 1	100	Finance
CK Property Finance (MTN) Limited ⁶	US\$ 1,000	100	Finance
Consolidated Hotels Limited	HK\$ 78,000,000	39	Hotel & serviced suite operation
Crown Treasure Investments Limited	HK\$ 1	100	Property development
Dongguan Asia Commercial Hwang Gang Lake Development Company Limited ²	US\$ 49,510,000	99.82	Property development
Elbe Office Investments Limited	HK\$ 2	100	Property investment
Flying Snow Limited	HK\$ 2	100	Property investment
Galaxy Power Investment Limited	HK\$ 2	100	Property development
Global Coin Limited	HK\$ 2	100	Property investment
Goodwell Property Management Limited	HK\$ 100,000	100	Property management
Great Wall Hotel Joint Venture of Beijing ⁷	US\$ 40,000,000	49.82	Hotel & serviced suite operation
Greene King Finance plc ³	GBP 12,502	100	Finance
Greene King Limited ³	GBP 39,008,829	100	Pub operation
Harbour Grand Hong Kong Limited	HK\$ 2	100	Hotel & serviced suite operation
Harbour Plaza 8 Degrees Limited	HK\$ 2	100	Hotel & serviced suite operation
Harbour Plaza Hotel Management Limited	HK\$ 2	100	Hotel management
Harbour Plaza Metropolis Limited ⁵	US\$ 1	100	Hotel & serviced suite operation
Harbour Plaza Resort City Limited ⁵	US\$ 10,000	98.47	Hotel & serviced suite operation
Hongville Limited	HK\$ 2	100	Property investment
Hutchison Estate Agents Limited	HK\$ 50,000	100	Property agency
Hutchison Hotel Hong Kong Limited	HK\$ 2	100	Hotel & serviced suite operation
Hutchison Property Group Limited ⁵	US\$ 1	100	Project management
Hutchison Whampoa Properties (Chongqing Nanan) Limited ⁷	RMB 3,300,000,000	95	Property development
Hutchison Whampoa Properties (Nanjing) Limited ⁸	HK\$ 215,200,000	100	Property development
Hutchison Whampoa Properties (Qingdao) Limited ⁸	US\$ 75,000,000	90	Property development
Hutchison Whampoa Properties (Wuhan Jiangnan South) Limited ⁸	US\$ 178,700,000	100	Property development

Name		Paid up share/ registered capital	Effective percentage held by the Group	Principal activities
Japura Development Pte Ltd ⁹	SGD	3,000,000	100	Property development
Jubilee Year Investments Limited	HK\$	1	100	Property development & investment
Kingsmark Investments Limited	HK\$	1	100	Property development & investment
Korn Reach Investment Limited	HK\$	1	100	Property development
Kovan Treasure Pte. Ltd. ⁹	SGD	1,000,000	100	Property development
Matrica Limited	HK\$	20	100	Hotel & serviced suite operation
Ocean Century Investments Limited	HK\$	1	100	Property development & hotel & serviced suite operation
Panther Ventures Limited ⁵	US\$	1	100	Finance
Pearl Wisdom Limited	HK\$	2	100	Hotel & serviced suite operation
Queen Investments Limited	HK\$	1	100	Property development
Radiant Access Limited ⁵	US\$	1	100	Finance
Randash Investment Limited	HK\$	110	100	Hotel & serviced suite operation
Rhine Office Investments Limited	HK\$	2	100	Property investment
Rich View Investments Limited	HK\$	1	100	Property development
Sai Ling Realty Limited	HK\$	10,000	100	Property development
Shanghai Changrun Jianghe Property Development Co., Ltd. ⁷	RMB	2,645,560,000	60	Property development
Shanghai Heya Property Development Co., Ltd. ¹⁰	RMB	700,000,000	100	Property development
Shanghai Westgate Mall Co., Ltd. ²	US\$	40,000,000	60	Property investment
Shenzhen Century Place Shopping Mall Limited ²	RMB	620,000,000	80	Property development & investment
SHP Holding Limited ¹¹	GBP	1	100	Property investment
Sino China Enterprises Limited	HK\$	2	100	Hotel & serviced suite operation
Spirit Issuer plc ³	GBP	12,502	100	Finance
Swiss Investments Limited	HK\$	1	100	Property development
Team Ace Enterprises Limited ¹²	US\$	1	100	Investment holding
The Kowloon Hotel Limited ¹³	US\$	5	100	Hotel & serviced suite operation
Towerich Limited	HK\$	2	100	Hotel & serviced suite operation
Turbo Top Limited	HK\$	2	100	Property investment
Ultimate Sino Investments Limited ⁵	US\$	40,800	100	Finance
Vember Lord Limited	HK\$	2	100	Property investment
Winchesto Finance Company Limited	HK\$	15,000,000	100	Finance

1 Incorporated and operated in Ireland

2 Cooperative joint venture registered and operated on the Mainland

3 Incorporated and operated in the United Kingdom

4 Incorporated in the Cayman Islands and operated in Ireland

5 Incorporated in the British Virgin Islands

6 Incorporated in the Cayman Islands

7 Equity joint venture registered and operated on the Mainland

8 Wholly foreign owned enterprise registered and operated on the Mainland

9 Incorporated and operated in Singapore

10 Registered and operated on the Mainland

11 Incorporated in Jersey and operated in the United Kingdom

12 Incorporated in the British Virgin Islands and invested overseas

13 Incorporated in The Bahamas

INDEPENDENT AUDITOR'S REPORT

Deloitte.

德勤

TO THE MEMBERS OF CK ASSET HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of CK Asset Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 120 to 161, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition of property sales</p> <p>We identified revenue recognition of property sales as a key audit matter as it is quantitatively significant to the consolidated income statement and there is judgement involved in determining the appropriate point at which to recognise revenue from property sales.</p> <p>The Group's revenue from property sales for the year ended 31 December 2020 amounted to HK\$38,653 million, which is disclosed in note 3 to the consolidated financial statements, represented 65% of the Group revenue. As disclosed in note 2(q) to the consolidated financial statements, revenue of property sale is recognised when control of the property is transferred with the associated risks and rewards to purchaser.</p>	<p>Our procedures in relation to revenue recognition of property sales included:</p> <ul style="list-style-type: none"> • Testing the management's key controls over revenue recognition; and • Evaluating whether the control of the properties, with the associated risks and rewards, have been transferred to the purchasers, on a sample basis, with reference to the correspondences issued by the relevant government authorities and/or the terms set out in the sale and purchase agreements; assessing the progress of the transfer of the properties to the purchasers and the settlement of the considerations for the property sales.
<p>Valuation of investment properties</p> <p>We identified the valuation of investment properties as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the judgements involved in determining the inputs used in the valuation.</p> <p>As at 31 December 2020, the Group's investment properties amounted to HK\$128,683 million and represented 25% of the Group's total assets. As disclosed in note 9 to the consolidated financial statements, the Group's investment properties were stated at fair values based on valuation performed by independent professional valuers ("Valuers"). For the completed investment properties, the fair values were derived using income capitalisation method; and for the investment properties under development, they were fair valued as if they had been completed using the income capitalisation method and then costs to completion and profit margins were deducted to arrive at their fair values using the residual method. The valuations were dependent on certain significant inputs that involve judgements, including reversionary income, appropriate capitalisation rates, costs to completion and profit margins.</p>	<p>Our procedures in relation to the valuation of the investment properties included:</p> <ul style="list-style-type: none"> • Evaluating the competence, capabilities and objectivity of the Valuers; • Assessing the appropriateness and reasonableness of the valuation methodology and significant inputs of a selection of investment properties used in the valuations; and • Evaluating the reasonableness of source data of significant inputs, including reversionary income, capitalisation rates, costs to completion and profit margins used by the Valuers in the valuations of a selection of investment properties.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
<p>Determination of the net realisable value of the Properties</p> <p>We identified the assessment of whether the properties for/under development, joint development projects and completed properties (the "Properties") were stated at the lower of cost and net realisable value ("NRV") as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole and the involvement of estimations in the assessment. As disclosed in note 2(k) to the consolidated financial statements, the Properties are stated at the lower of cost or NRV. As at 31 December 2020, the Properties amounted to HK\$121,350 million and represented 23% of the Group's total assets. The determination of the NRV involves estimates based on prevailing market conditions and also taking into account the estimated future costs to completion.</p>	<p>Our procedures in relation to assessing whether the Properties were stated at the lower of cost and NRV included:</p> <ul style="list-style-type: none"> Assessing the management's process in estimating the future costs to completion of a selection of the Properties, by comparing them to the actual development cost of similar completed properties of the Group with the adjustments made according to current market data; and Assessing the appropriateness of the NRV of the Properties, on a sample basis, by comparing the NRV to market prices achieved in the same projects or comparable properties based on the current market transactions.

Other Information

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon ("Other Information").

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and the Audit Committee for the Consolidated Financial Statements

The Directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors, in particular the Audit Committee, are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (*continued*)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Li Man Kei.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
18 March 2021

LISTED REAL ESTATE INVESTMENT TRUSTS



HUI XIAN REIT
匯賢產業信託

Hui Xian REIT is the first RMB-denominated REIT listed in Hong Kong. Its property portfolio spans retail, office, serviced apartment and hotel sectors on the Mainland. The assets are namely Beijing Oriental Plaza, Chongqing Metropolitan Oriental Plaza, Sofitel Shenyang Lido, Hyatt Regency Liberation Square Chongqing and Sheraton Chengdu Lido Hotel.



1	2	3	4
	5		
	6	7	

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



LISTED REAL ESTATE INVESTMENT TRUSTS (CONTINUED)

FORTUNE

置富產業信託 REIT

Fortune REIT was established in 2003 and is the first REIT to hold assets in Hong Kong. It is currently listed on the Main Board of The Stock Exchange of Hong Kong Limited and holds a portfolio of 16 private housing estate retail properties in Hong Kong, comprising 3.0 million sq.ft. of retail space and 2,713 car parking spaces.





1,2.+WOO, located in the heart of Tin Shui Wai. It is the largest mall within the district and next to the MTR Light Rail Ginza Station.

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

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

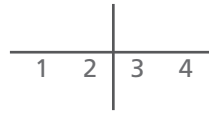
5. Fortune Metropolis, located in the Kowloon transportation hub of Hung Hom. It is directly connected to Hung Hom MTR Station with the Cross Harbour Tunnel just minutes away.

LISTED REAL ESTATE INVESTMENT TRUSTS (CONTINUED)



Prosperity REIT is the first private sector REIT listed on the Main Board of The Stock Exchange of Hong Kong Limited. It owns a diverse portfolio of seven properties in the decentralised business districts of Hong Kong, with a total gross rentable area of 1,275,153 sq.ft., and a total of 498 car park spaces.





1. The Metropolis Tower – Flagship property of Prosperity REIT at Hung Hom Station of the MTR East Rail Line, enjoys convenient transportation access and panoramic sea views of the Victoria Harbour.
2. Prosperity Millennia Plaza – It is strategically located in the Island East office district and adjacent to Harbour Plaza North Point Hotel.
3. 9 Chong Yip Street – It is a Grade A office building located in Kwun Tong which is progressing to CBD2.
4. Prosperity Place – Located in Kwun Tong, within close vicinity of major shopping malls and commercial buildings, positioned as a vertical shopping spot with retail and service trade tenants. With a spacious main lobby with wide street frontage, plus a café and living green wall, it is the most eye catching building on Shing Yip Street.

RISK FACTORS

The Group's businesses, financial conditions, results of operations and growth prospects may be affected by risks and uncertainties directly or indirectly pertaining to the Group's businesses. The risk factors set out below are those that could result in the Group's businesses, financial conditions, results of operations or growth prospects differing materially from expected or historical results. Such factors are by no means exhaustive or comprehensive, and there may be other risks in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future. In addition, this Annual Report does not constitute a recommendation or advice to invest in the shares or other securities of the Company and investors are advised to make their own judgment or consult their own investment advisors before making any investment in the shares or other securities of the Company.

Global Economy

The ongoing COVID-19 pandemic and associated community shutdowns have a widespread and severe impact on worldwide economic activity. The uncertainties arising from the pandemic, including the length of the pandemic, the efficacy and availability of vaccines and the extent of production and business disruptions, may significantly worsen the global economic recovery and outlook. Trade frictions between the United States and certain major nations, uncertainties following Brexit, the fluctuation of the US dollar against major currencies, the increasing geopolitical tensions as well as the volatility of oil prices, all have created uncertainties in the world economy and global financial market. A severe slowdown in global economic growth could lead to economic contractions in certain markets, commercial and consumer delinquencies, weakened consumer confidence and increased market volatility. The Group is a leading multinational corporation with businesses in Hong Kong, the Mainland, Singapore, the United Kingdom ("UK"), Continental Europe, Australia, Canada and the United States. Any adverse economic conditions in those countries and places in which the Group operates may potentially impact on the Group's businesses, financial conditions, results of operations or growth prospects.

Outbreak of Highly Contagious Disease

The continuing COVID-19 pandemic in different parts of the world, including the places of businesses at which the Group operates, has a significant adverse impact on most economies due to the community standstill, disruption of business activities, behavioral change, weakened sentiment in consumption and tourism related sectors, restricted labour supply and production, and confidence effects. Although COVID-19 vaccines have been developed and large-scale vaccination programmes have been launched by certain countries, the situation of this highly infectious disease is still evolving. The heightened uncertainties surrounding the pandemic including the spread of new COVID-19 variants may pose a negative impact on the Group's businesses, financial conditions, results of operations or growth prospects. There can be no assurance that there will not be another significant global outbreak of a severe communicable disease, and if such an outbreak were to occur, it may have an adverse impact on the operations of the Group and its results of operations may suffer.

Potential Risks in relation to Brexit

The UK voted in 2016 to leave the European Union (“EU”), resulting in financial market volatility and a fall in the value of the British pound. The UK ceased to be a member state of the EU on 31 January 2020 and the transition period ended on 31 December 2020, symbolizing that the UK has completely separated from the EU and opened a new page in the relationship with the EU. Although the EU-UK Trade and Cooperation Agreement sets out preferential arrangements in various areas, further negotiations are expected to continue to fill the gaps and the arrangements remain uncertain. In any event, Brexit has created significant uncertainty about the future relationship between the UK and the EU.

The Group has expanded its presence in the UK through investments in the property, infrastructure and pub businesses, and is, and may increasingly become, exposed to changes in the local political, economic, and regulatory conditions. While the long term implication of Brexit remains to be seen, the continuing uncertainties following Brexit could adversely affect the UK economy and the strength of the British pound, which may in turn potentially impact on the Group’s businesses, asset values and reported profits derived from its operations in the UK.

Industry Trends and Interest Rates

The trends in the industries in which the Group operates, including the market sentiment and conditions, asset values, the mark to market value of investment securities, the currency environment and interest rate cycles, may pose significant risks to the Group’s businesses, financial conditions, results of operations or growth prospects. There can be no assurance that the combination of industry trends and interest rates the Group experiences in the future will not adversely affect its businesses, financial conditions, results of operations or growth prospects.

In particular, income from finance and treasury operations is dependent upon the capital markets, interest rate and currency environment, and the worldwide economic and market conditions, and therefore there can be no assurance that changes in these conditions will not adversely affect the Group’s businesses, financial conditions, results of operations or growth prospects. The volatility in the financial markets may also adversely affect the income to be derived by the Group from its finance and treasury activities.

Currency Fluctuations

The Group is a leading multinational corporation with businesses in Hong Kong, the Mainland, Singapore, the UK, Continental Europe, Australia, Canada and the United States, and is exposed to potential currency fluctuations in these countries and places in which the Group operates. The results of the Group are reported in Hong Kong dollars but its various subsidiaries, associates and joint ventures may receive revenue and incur expenses in other currencies. Any currency fluctuations on translation of the accounts of these subsidiaries, associates and joint ventures and also on the repatriation of earnings, equity investments and loans may therefore impact on the Group’s financial conditions, results of operations, asset values or liabilities.

RISK FACTORS (CONTINUED)

To minimise currency risk exposure in respect of its investments in other countries, the Group generally hedges those investments with (a) currency swaps and (b) appropriate level of borrowings denominated in the local currencies. The Group has not entered into any speculative derivative transaction.

Although currency exposures have been managed by the Group, a depreciation or fluctuation of the currencies in which the Group conducts operations relative to the Hong Kong dollars could adversely affect its businesses, financial conditions, results of operations or growth prospects.

Impact of Local, National and International Regulations

The local business risks in different countries and cities in which the Group operates could have a material impact on the businesses, financial conditions, results of operations or growth prospects. The Group has investments in different countries and cities around the world and the Group is, and may increasingly become, exposed to different and changing political, social, legal, tax, regulatory and environmental requirements at the local, national or international level. Also, new guidelines, directives, policies or measures by governments, whether fiscal, tax, regulatory, environmental or other competitive changes, may lead to an increase in additional or unplanned operating expenses and capital expenditures, increase in market capacity, reduction in government subsidies, pose a risk to the overall investment return of the Group's businesses and may delay or prevent the commercial operation of a business with resulting loss of revenue and profit, which may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

Compliance with Personal Data Protection Legislation

In the ordinary course of its operations, various businesses of the Group collect, store and use data that is protected by personal data protection laws in the different countries in which they operate. As regulatory focus on privacy issue continues to increase and worldwide laws and regulations concerning the handling of personal information expand and become more complex, potential risks related to personal data collection and use within the Group's businesses are expected to intensify.

In the event that any relevant business of the Group is unable to meet its obligations under applicable data protection laws, it may be subject to regulatory action or civil claims. The cost of regulatory or legal action, and any monetary and/or reputational damage suffered as a result of such action, could have a material adverse effect on the Group's financial conditions and results of operations.

Cybersecurity

With the fast expanding adoption of internet and networking operational technology, cyberattacks around the world are occurring at a higher frequency and intensity. The Group's critical utility and information assets are exposed to attack, damage or unauthorised access in the cyberworld. Cybersecurity risks could have material adverse effect on the operational and business performance, as well as the business reputation of the Group.

Although the Group has not experienced any major damage to its assets or activities from cyberattacks to date, there can be no assurance that future cyberattacks or breaches of the Group's cybersecurity will not occur and result in significant impact on the Group's reputation, businesses, financial conditions, results of operations or growth prospects.

Impact of New Accounting Standards

The International Accounting Standards Board has from time to time issued new and revised International Financial Reporting Standards (“IFRS”). As accounting standards continue to develop, the International Accounting Standards Board may in the future issue more new and revised IFRS and the Group may be required to adopt new accounting policies which might or could have a significant impact on the Group’s financial position or results of operations.

Social Incidents and Terrorist Threat

The Group is a leading multinational corporation with businesses in Hong Kong, the Mainland, Singapore, the UK, Continental Europe, Australia, Canada and the United States. In recent years, a series of social incidents and terrorist activities occurred across the globe that resulted in economic losses, multiple deaths and casualties. There can be no assurance that countries in which the Group operates will not have any social incidents or they will be immune from terrorist threat, and if these events occur, they may have an adverse impact on the Group’s businesses, financial conditions, results of operations or growth prospects.

Climate Change

Some of the Group’s assets and businesses, and many of the Group’s customers and suppliers are located in areas that would be affected in the medium to long term by climate change. Climate change may increase the frequency and intensity of extreme weather events, and some of which can result in natural disasters. It could disrupt supply chains, interrupt business operations and cause financial and physical damages. Alternation in weather patterns, such as typhoons, droughts, or rain amount may cause shortage of crops for food and other natural resources. The harsher temperatures in some locations may also pose increased risk for colleagues working in those locations. Changes in microclimates for certain locations may render certain businesses obsolete. Some governments are also beginning to introduce legislations or requirements to restrict emissions and other environmental protective measures. Regulations, disruption and damage arising from climate change could have a material impact on the Group’s businesses and adversely affect the Group’s financial conditions and results of operations.

Although the Group has not experienced any significant disruption or damage from climate change thus far, there can be no assurance that climate change and its impact including rising sea levels, prolonged droughts or heat waves and other extreme weather patterns will not occur and result in major disruption or damage to the Group’s assets and businesses, which could materially and adversely affect the Group’s financial condition and results of operations.

RISK FACTORS (CONTINUED)

Natural Disasters

Some of the Group's assets and businesses, customers and suppliers are located in areas at risk of damage from earthquakes, floods, drought, fire, frost and similar disasters and the occurrence of any of these disasters could disrupt the Group's businesses and materially and adversely affect the Group's businesses, financial conditions, results of operations or growth prospects. There can be no assurance that earthquakes, floods, drought or other natural disasters will not occur and result in major damage to the Group's property development projects, infrastructure and utility assets, or assets or facilities or on the general supporting infrastructure facilities in the vicinity, which could adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

Property Developments

There exist general risks inherent in property developments and in the ownership of properties, including, among other things, rising construction costs, risks that financing for developments may not be available on favourable terms, that construction may not be completed on schedule or within budget especially due to issues such as inclement weather, aging workforce, labour shortage, skills mismatch and succession gap as well as the escalation of material prices, that long-term financing may not be available on completion of construction, that developed properties may not be sold or leased on profitable terms, that there will be intense competition from other developers or property owners which may lead to vacant properties or an inability to sell or rent properties on favourable terms, that purchasers or tenants may default, that properties held for rental purpose will need to be renovated, repaired and re-let on a periodic basis, that it may not be possible to renew leases or re-let spaces when existing leases expire, and that the property market conditions are subject to changes in environmental laws and regulations and zoning laws and other governmental rules and fiscal policies. Property values and rental values are also affected by factors such as the changes in the relationships between countries or sovereign states, the state of the local economy, political and societal developments, governmental regulations and changes in planning or tax laws, levels of interest rates and consumer prices, the overall supply of properties, and the imposition of governmental measures to dampen property prices. Taxes, levies, stamp duties and similar taxes or charges payable for the vacancy of first-hand private residential units, the property management services, the sale or transfer of residential properties, as well as policies and rules on profit repatriation may be imposed by the relevant authorities from time to time.

Investment in property is generally illiquid, which may limit the ability of the Group to timely monetise property assets.

Supply of land is subject to the development of land policies in different markets. Acquisition of land in Hong Kong, the Mainland and overseas markets may be subject to various regulatory requirements or restrictions as well as changes in demand and supply dynamics. Future growth prospects of the property development business are therefore affected by the availability and price levels of prime sites in Hong Kong, the Mainland and overseas markets.

The Group may be subject to fines or sanctions if it does not pay land premiums or does not develop properties according to the terms of the land grant documents. Under the Mainland laws and regulations relating to idle land, if a developer fails to develop land according to the terms of the land grant contracts (including but not limited to, the payment of fees, the designated uses of land and the time for commencement and completion of development of the land), the relevant authorities may issue a warning to or impose a fine on the developer or require the developer to forfeit the land use rights. Any violation of the terms of the land grant contracts may also restrict a developer's ability to participate, or prevent it from participating, in future land bidding. Furthermore, there are specific requirements regarding idle land and other aspects of land use rights grant contracts in many cities on the Mainland, and the local authorities are expected to enforce such rules in accordance with the instructions from the central government of the Mainland.

Circumstances leading to the repossession of land or delays in the completion of a property development may arise, in particular, in view of the increasing complications in governmental approval process and if the Group's land is repossessed, the Group will not be able to continue its property development on the forfeited land, recover the costs incurred for the initial acquisition of the repossessed land or recover development costs and other costs incurred up to the date of the repossession. Furthermore, regulations relating to idle land or other aspects of land use rights may become more restrictive or punitive in the future. If the Group does not comply with the terms of any land use rights grant contracts as a result of delays in project development, or as a result of other factors, the Group may lose the opportunity to develop the project, as well as its past investments in the land, which may materially and adversely impact its businesses, financial conditions, results of operations or growth prospects.

Properties could suffer physical damage by fire or other causes and the Group may be exposed to any potential risks associated with public liability claims, resulting in losses (including loss of rent and value of properties) which may not be fully compensated for by insurance proceeds, and such events may in turn affect the Group's financial conditions or results of operations. There is also the possibility of other losses for which the Group may not obtain insurance at a reasonable cost or at all. Should an uninsured loss or a loss in excess of insured limits occur, payment of compensation may be required and this may affect the returns on capital invested in that property. The Group would also remain liable for any debt or other financial obligation, such as committed capital expenditures, related to that property. In addition, insurance policies will have to be renewed every year and acceptable terms for coverage will have to be negotiated, thus exposing the Group to the volatility of the insurance markets, including the possibility of rate increases. Any such factors may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

RISK FACTORS (CONTINUED)

The Aviation Industry

Cyclicality of Supply and Demand for Aircraft

The commercial jet aircraft leasing and sales industry has periodically experienced cycles of aircraft oversupply and undersupply. The oversupply of a specific type of aircraft in the market is likely to depress aircraft lease rates and values of that type of aircraft.

The supply and demand of aircraft is affected by various cyclical factors that are not under the Group's control, including (a) passenger air travel demand; (b) airline profitability; (c) fuel costs and general economic condition; (d) geopolitical events; (e) outbreaks of infectious, pandemic diseases and natural disasters; (f) governmental regulations, including new Airworthiness Directives and environmental and safety regulations; (g) interest rates; (h) airline restructurings and bankruptcies; (i) cancellation or deferral of orders for aircraft; (j) delays in delivery by manufacturers; (k) the cost and availability of credit; (l) manufacturer production levels and technological innovation, including introduction of new generation aircraft; (m) retirement and obsolescence of aircraft models; (n) manufacturers merging or exiting the industry or ceasing to produce aircraft or engine types; (o) accuracy of estimates relating to future supply and demand made by manufacturers and airlines; (p) re-introduction into service of aircraft previously in storage; and (q) airport and air traffic control infrastructure constraints.

Any such factors may produce sharp decreases or increases in aircraft values and lease rates, which may adversely affect on the Group's businesses, financial conditions, results of operations or growth prospects.

Deterioration in the Financial Conditions of the Commercial Airline Industry

The financial conditions of the commercial airline industry generally may have an impact on the Group's businesses, financial conditions, results of operations or growth prospects. Business and leisure travelling has been reduced sharply given the contingent measures including travel restrictions and new border control measures implemented in many countries or places to prevent the spread of COVID-19. Severe fallout has been witnessed in the aviation industry as a large number of airlines have significantly cut flights and grounded planes. If the situation continues, the Group may experience (a) a higher incidence of lessee defaults, lease restructurings, repossessions and airline bankruptcies and restructurings, resulting in lower lease rates and effective margins and/or increased costs due to maintenance, insurance, storage and legal costs associated with the repossession, as well as lost revenue for the time the aircraft are off lease; (b) an inability to lease aircraft on commercially acceptable terms, or at all, upon repossession, resulting in lower lease margins due to aircraft not earning revenue and resulting in maintenance, insurance and storage costs; and (c) downward pressure on demand for the aircraft in the Group's fleet and reduced market lease rates and effective lease margins, as well as reduced aircraft values. Any such factors may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

Aircraft Repossession Rights and Other Remedies

In the event that an aircraft lessee defaults on its obligations under an aircraft lease, the lessor will be entitled to exercise certain remedies, including the right to terminate the leasing of the aircraft, take possession and control of the aircraft, and procure the de-registration, exportation and physical transfer of the aircraft from the territory in which it is located. The lessor's ability to exercise such remedies in a cost effective and timely manner will vary significantly depending upon the jurisdiction in question and whether the aircraft is returned voluntarily by the lessee through negotiation. If the lessor cannot obtain the lessee's co-operation, enforcement of the lessor's rights under the lease may need to be sought through the courts, which may be difficult, expensive and time-consuming, particularly if the proceedings are contested by the lessee.

Increased lessee defaults as a result of the effects of the COVID-19 pandemic may require the lessor to exercise its remedies earlier than anticipated. In the current environment, it is more difficult, expensive and time-consuming for the lessor to repossess aircraft and procure its de-registration, exportation and physical transfer. This could result in increased risk to the aircraft's value where its maintenance condition deteriorates while repossession, de-registration and exportation of the aircraft are being pursued, and increased costs and expenses due to unexpected maintenance, insurance, storage and legal costs, as well as lost revenue for the time the aircraft are off lease. Additionally, the return condition of repossessed aircraft may not be as expected and maintenance costs associated with bringing the aircraft to airworthiness may be incurred. Any of the foregoing may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

Furthermore, the COVID-19 pandemic and current market conditions have increased the likelihood that lessees encountering financial difficulties may initiate or enter into a bankruptcy, insolvency or similar proceeding. Any such proceeding may result in the aircraft being grounded or the lease being restructured or rejected, which could result in lower effective margins and/or higher maintenance, insurance, storage and legal costs, as well as lost revenue for the time the aircraft are off lease, all of which may depress the aircraft's market value and adversely affect the ability to re-lease the aircraft on commercially acceptable terms, and adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

Where the lessee is the subject of bankruptcy, insolvency or similar proceedings, the lessor's ability to exercise its remedies under the lease will be affected by the insolvency laws of the jurisdiction in question, which may not have an equivalent of the protections provided by Section 1110 of the U.S. Bankruptcy Code in U.S. domestic airline bankruptcies. Moreover, the recent introduction of insolvency and restructuring reforms in a number of jurisdictions has increased the likelihood of a lessee seeking to implement a balance-sheet restructuring enforceable against its creditors under the insolvency laws of a jurisdiction other than its own.

RISK FACTORS (CONTINUED)

Remedies under the Cape Town Convention on International Interests in Mobile Equipment and the related Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment (collectively, the “Cape Town Convention”), which include the ability to obtain possession of aircraft after a prescribed stay period, mitigate some of these risks. However, there are many jurisdictions in the world that have not ratified and fully implemented the Cape Town Convention.

In jurisdictions that have newly enacted insolvency laws, or that have recently adopted the Cape Town Convention, there may be limited experience in their application and limited jurisprudence that would indicate how such insolvency laws or the Cape Town Convention (or any inconsistencies between existing law and such insolvency laws or the Cape Town Convention) will be implemented, interpreted, applied or enforced by the courts or government agencies, and there can be no assurance that any court or government agency interpreting the Cape Town Convention will do so in a manner that maximises the benefits of the Cape Town Convention for the lessor. Any application of such insolvency laws in an adverse manner, and any interpretation of the Cape Town Convention by a court or government agency in a manner that does not maximise the benefits of the Cape Town Convention with respect to the lessor, may materially and adversely affect the lessor’s ability to exercise its remedies under the lease and present significant and firm hurdles to effect repossession, de-registration and exportation of the aircraft, which will have an impact on the Group’s businesses, financial conditions, results of operations or growth prospects.

Dependence on Aircraft and Engine Manufacturers

The supply of large passenger jet aircraft is dominated by a small number of airframe manufacturers, and a limited number of engine manufacturers. The Group therefore depends on these manufacturers’ success in remaining financially stable, producing aircraft and related components that meet technical and regulatory requirements and airlines’ demands and providing ongoing and reliable customer support. Should the manufacturers fail to respond appropriately to market changes, or to fulfil their contractual obligations or to produce aircraft or components that meet technical or regulatory requirements, the Group may experience (a) poor customer support from the manufacturers of aircraft and components resulting in reduced demand for a particular manufacturer’s product, creating downward pressure on demand for those aircraft and components of those types in the Group’s fleet and reduced market lease rates for aircraft of those types; (b) a reduction in the Group’s competitiveness due to deep discounting by the manufacturers, which may lead to reduced market lease rates and may adversely affect the value of the Group’s portfolio and the Group’s ability to remarket or sell some of the aircraft; and (c) poor customer support from the manufacturers of associated components resulting in disruption to the lessees’ operations and consequent loss of revenue for the lessees. Any such factors may adversely affect the Group’s businesses, financial conditions, results of operations or growth prospects.

Effects of Fuel Costs

Fuel costs represent a major expense to companies operating within the airline industry. Fuel prices fluctuate widely depending primarily on international market conditions, geopolitical and environmental events, natural disasters, outbreaks and spreads of epidemics, as well as regulatory changes and currency exchange rates. Significant changes in fuel prices could have a material adverse impact on airline profitability (including the profitability of the initial lessees) and may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

Effects of Environmental Regulations

Many aspects of commercial airlines' operations are subject to increasingly stringent federal, state, local and foreign laws protecting the environment, including the imposition of additional taxes on airlines or their passengers. Regulatory actions that may be taken in the future by the relevant governments and authorities may have a materially adverse impact on the airline industry, particularly if regulators were to conclude that emissions from commercial aircraft cause significant harm to the upper atmosphere or have a greater impact on climate change. Potential actions may include the imposition of requirements to purchase emission offsets or credits, which could require participation in emission trading, substantial taxes on emissions and growth restrictions on airline operations, among other potential regulatory actions. Any such factors may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

The UK Pub Industry

Deterioration in market Conditions and Change of Consumer Demand

Various control measures have been implemented by the UK government to contain the spread of COVID-19 and its new variants, including but not limited to the statutory business closure of all pubs and restaurants temporarily and social distancing which, to a great extent, restricts dine-in patronage and social gatherings. This has resulted in a sudden tremendous plunge in consumption of products and services provided by the pubs and restaurants in the UK. In view of the uncertainty over the duration of such control measures, the resulting effect on the industry is unpredictable and may pose significant adverse impact on the Group's business, financial conditions, results of operations or growth prospects. The pace of recovery depends on the development of COVID-19 situation and mass vaccination programmes. In relation to non-recourse debt financing, the Group has obtained waivers from the relevant creditors (except for one debenture) in respect of covenant breaches as a result of COVID-19. There is no assurance that such waivers could always be obtained in future.

Brexit and the knock-on effects cast another layer of uncertainty and it remains unclear how consumer confidence will be impacted upon as Brexit unfolds. The Group's business operates in a market where consumer behavior may change from time to time. The use of digital media, including the expanding food delivery market, also adds to the competition. Failure to respond to increased competition, to refine segmentation and adopt branding effectively, to price products appropriately and to align the portfolio of product offerings to meet the demand of consumers could all lead to reduced revenue, profitability and lower than anticipated market share and growth rates.

RISK FACTORS (CONTINUED)

Supply Chain and Distribution

The footprint of the Group's pub operations cover most parts of England, Wales and Scotland. The Group manages the supply chain by a combination of internal logistic resources and also by relying on a number of key suppliers and third party distributors to supply and deliver goods, including in particular food and drinks. These suppliers also provide raw materials to the breweries operated by the Group to produce and package beers under the brands owned by the Group. Short term or prolonged disruption of such suppliers and distributors caused by events such as outbreaks of epidemic could lead to interruption of delivery of products or services to customers, resulting in a loss of revenue. Long term failure or withdrawal of key suppliers or distributors could, in addition, lead to significantly increased costs in procuring alternatives. Moreover, failure to brew, package and distribute beers for extended periods could also have long term adverse effects on revenue and profitability.

Mounting Cost Pressures

The Group continues to face cost headwinds amongst some significant areas of expenditure for pubs managed by the Group, including pressure from increasing food prices, the National Living Wage/National Minimum Wage, the Apprenticeship Levy, business rates, utilities taxes as well as costs of additional safety and hygiene measures in response to COVID-19. A lot of these cost factors are beyond the control of the Group. Failure to mitigate effectively against them could lead to reduced revenue, profitability and lower growth rates. Apart from pubs managed by the Group, any difficulties the licensees in tenanted pubs face may also impact on their ability to keep up with their rental payments and to pay for their purchases from the Group.

Whilst the long term impact of Brexit is yet to be fully understood, there has been reduced migration of working population from the EU to the UK. This could add to the cost and challenges in recruiting and retaining enough talented people. Similar issues are faced by the licensees in tenanted pubs.

Health, Safety, Employment and Data Protection Regulations

Failure to comply with major health and safety legislation and the causing of serious injury or loss of life to any customers, employees or tenants in the pubs managed by the Group or pubs tenanted by licensees, offices or breweries could have a significant impact on the reputation of the Group. It could further lead to investigations by relevant authorities and potentially significant financial loss. If there is an issue in the food supply chain, including the provision of incorrect allergen information, that leads to serious illness or loss of life to any customer, it could also lead to a significant impact on the reputation of the Group, restrictions in supply, potential increases in the cost of goods, reduced sales revenue and profitability.

Failure to comply with employment-related legislation such as those relating to the National Living Wage/National Minimum Wage and right to work could lead to HM Revenue and Customs fines, additional expense and reduced profitability and an adverse impact on the Group's reputation and ability to recruit and retain talented people.

A significant personal data breach through failure to comply with the UK Data Protection Act 2018 and UK version of the General Data Protection Regulation could impact the Group's ability to do business and reputation, leading to loss of revenue and potentially significant risk of financial damage from fines or compensation.

Infrastructure Market

Some of the investments owned by the Group (for example, gas and electricity) are subject to regulatory pricing and strict adherence must be made to the licence requirements, codes and guidelines established by the relevant regulatory authorities from time to time. Failure to comply with these licence requirements, codes or guidelines may lead to penalties, or, in extreme circumstances, amendment, suspension or cancellation of the relevant licences by the authorities. Many of these regulated businesses have recently or will soon be undergoing challenging regulatory resets. Against an environment of ultra-low interest and inflation rates as well as tougher stances adopted by regulators, the outcome is expected to be lower revenues arising from lower allowed returns. Any operational practices that are significantly out of step with community expectations can lead to brinkmanship, concerns being raised with regulators or even the local Government directly, and may ultimately lead to more stringent regulatory resets as well as bad publicity that could also have a reputational impact. Infrastructure projects are capital intensive, and with only a few major players in the market, there can be no assurance of ready buyers on disposal.

The distribution and transmission networks of the Group's utilities investments are also exposed to supply interruptions. If a severe earthquake, storm, flood, fire, sabotage, terrorist attack, outbreaks of epidemics or other unplanned event interrupts service, the loss of cash flow resulting from the interruption and the cost of recovery from network damage could be considerable and potentially cause poor customer perception and may also lead to claims and litigations. Moreover, some losses from events such as terrorist attacks may not be recoverable. Increases in the number or duration of supply interruptions could result in material increases in the costs associated with the operation of the distribution and transmission networks. All of these uncertain factors could have a material adverse effect on the businesses, financial conditions, results of operations or growth prospects of the Group.

Highly Competitive Markets

The Group's business operations face significant competition across the markets in which they operate. New market entrants and intensified price competition among existing market players could adversely affect the Group's businesses, financial conditions, results of operations or growth prospects. Competition risks faced by the Group include (a) an increasing number of developers undertaking property investment and development in Hong Kong, the Mainland and in other overseas markets, which may affect the market share and returns of the Group; and (b) significant competition and pricing pressure from other competitors which may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

RISK FACTORS (CONTINUED)

New Business Ventures and Investments

To balance and mitigate the inherent risks associated with the cyclical nature of property development, or generally, the Group is committed to balancing and strengthening its business portfolio through global quality investments to enhance its recurrent income base and quality of earnings. The Group has taken steps to create and will continue to explore ways to create new sources of recurring revenue by investing into new business sectors and geographical regions if appropriate in respect of investments that meet its criteria. However, there can be no assurance that the Group will implement its business expansion strategies successfully or that its strategies will be able to deliver the results as anticipated. In pursuit of new business opportunities, the Group is experiencing more intense competition where competing bidders are more aggressive in the valuation of the assets on the back of abundant market liquidity and lower return requirements. Also, expansion into new sectors and markets may expose the Group to new uncertainties including but not limited to risks relating to insufficient operating experience in certain sectors and markets, changes in governmental policies and regulations and other adverse developments affecting such sectors and markets. There is also no assurance that all investors would favour the new ventures or investments that may be made by the Group.

Acquisitions

The Group has undertaken acquisition activities in the past and may continue to do so if there are appropriate acquisition opportunities in the market. Although due diligence and detailed analysis are conducted before acquisition activities are undertaken, there can be no assurance that these can fully expose all hidden problems, potential liabilities and unresolved disputes that the target company may have. In addition, valuations and analyses on the target company conducted by the Group and by professionals alike are based on numerous assumptions, and there can be no assurance that those assumptions are correct or appropriate or that they will receive universal recognition. Relevant facts and circumstances used in the analyses could have changed over time, and new facts and circumstances may come to light as to render the previous assumptions and the valuations and analyses based thereon obsolete. COVID-19 has introduced more market uncertainty and has also imposed logistical restrictions on the ability to conduct due diligence according to the Group's usual procedures.

Some of these acquisition activities are subject to regulatory approvals in overseas countries and there can be no assurance that such approvals will be obtained, and even if granted, that there will be no burdensome conditions attached to such approvals. The Group may not necessarily be able to successfully integrate the target business into the Group and may not be able to derive any synergy from the acquisition, leading to an increase in costs, time and resources. For acquisition activities undertaken overseas, the Group may also be exposed to different and changing political, social, legal and regulatory requirements at the local, national and international level. The Group may also need to face different cultural issues when dealing with local employees, customers, governmental authorities and pressure groups.

Strategic Partners

Some of the businesses of the Group are conducted through non-wholly owned subsidiaries, associates and joint ventures in which the Group shares control (in whole or in part) and strategic alliances had been formed by the Group with other strategic or business partners. There can be no assurance that any of these strategic or business partners will continue their relationships with the Group in the future or that the Group will be able to pursue its stated strategies with respect to its non-wholly owned subsidiaries, associates and joint ventures and the markets in which they operate. Furthermore, the joint venture partners may (a) have economic or business interests or goals that are inconsistent with those of the Group; (b) take actions contrary to the Group's policies or objectives; (c) undergo a change of control; (d) experience financial and other difficulties; or (e) be unable or unwilling to fulfil their obligations under the joint ventures, which may affect the Group's businesses, financial conditions, results of operations or growth prospects.

Connected Transactions

CK Hutchison Holdings Limited ("CK Hutchison") is also listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). CK Hutchison has been deemed by the Stock Exchange to be a connected person of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). Although the Group believes that its relationship with CK Hutchison provides it with significant business advantages, the relationship results in various connected transactions under the Listing Rules and accordingly any transactions entered into between the Group and CK Hutchison or its subsidiaries are connected transactions, which, unless one of the exemptions is available, will be subject to compliance with the applicable requirements of the Listing Rules, including the issuance of announcements, the obtaining of independent shareholders' approval at general meetings and disclosure in annual reports and financial statements. Independent shareholders' approval requirements may also lead to unpredictable outcomes causing disruptions to as well as an increase in the risks of the Group's business activities. Independent shareholders may also take actions that are in conflict with the interests of the Group.

Past Performance and Forward-Looking Statements

The past performance and the results of operations of the Group as contained in this Annual Report are historical in nature and past performance can be no guarantee of future results of the Group. This Annual Report may contain forward-looking statements and opinions that involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. Neither the Group nor the directors, employees or agents of the Group assume (a) any obligation to correct or update the forward-looking statements or opinions contained in this Annual Report; and (b) any liability in the event that any of the forward-looking statements or opinions does not materialise or turns out to be incorrect.

CORPORATE INFORMATION AND KEY DATES

Board of Directors

LI Tzar Kuoi, Victor
KAM Hing Lam
IP Tak Chuen, Edmond
CHUNG Sun Keung, Davy
CHIU Kwok Hung, Justin
CHOW Wai Kam, Raymond
PAU Yee Wan, Ezra
WOO Chia Ching, Grace

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

CHEONG Ying Chew, Henry
CHOW Nin Mow, Albert
HUNG Siu-lin, Katherine
Colin Stevens RUSSEL
Donald Jeffrey ROBERTS
Stephen Edward BRADLEY

Independent Non-executive Director
Independent Non-executive Director
Independent Non-executive Director
Independent Non-executive Director
Independent Non-executive Director
Independent Non-executive Director

Senior Advisor

LI Ka-shing

Audit Committee

CHEONG Ying Chew, Henry (*Chairman*)
CHOW Nin Mow, Albert
HUNG Siu-lin, Katherine
Colin Stevens RUSSEL
Donald Jeffrey ROBERTS
Stephen Edward BRADLEY

Remuneration Committee

HUNG Siu-lin, Katherine (*Chairperson*)
LI Tzar Kuoi, Victor
CHEONG Ying Chew, Henry

Nomination Committee

Stephen Edward BRADLEY (*Chairman*)
LI Tzar Kuoi, Victor
Donald Jeffrey ROBERTS

Sustainability Committee

IP Tak Chuen, Edmond (*Chairman*)
CHEONG Ying Chew, Henry
Eirene YEUNG

Stock Codes

The Stock Exchange of Hong Kong Limited: 1113
Bloomberg: 1113 HK
Reuters: 1113.HK

Website

www.ckah.com

Key Dates

Annual Results Announcement	18 March 2021
Closure of Register of Members (for determination of shareholders who are entitled to attend and vote at Annual General Meeting)	10 to 13 May 2021 (both days inclusive)
Annual General Meeting	13 May 2021
Record Date (for determination of shareholders who qualify for the Final Dividend)	20 May 2021
Payment of Final Dividend	3 June 2021

Executive Committee

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

IP Tak Chuen, Edmond
CHIU Kwok Hung, Justin
PAU Yee Wan, Ezra
YIP Kin Ming, Emmanuel
SHEN Wai Yee, Grace
MA Lai Chee, Gerald

Company Secretary

Eirene YEUNG

Authorised Representatives

IP Tak Chuen, Edmond
Eirene YEUNG

General Manager, Accounts Department

MAN Ka Keung, Simon

Principal Bankers

Bank of China (Hong Kong) Limited
MUFG Bank, Ltd.
Mizuho Bank, Ltd.
DBS Bank Ltd., Hong Kong Branch
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Sumitomo Mitsui Banking Corporation
The Bank of Nova Scotia, Hong Kong Branch
Industrial and Commercial Bank of China Limited

Auditor

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

Legal Advisers

Woo, Kwan, Lee & Lo

Registered Office

PO Box 309, Uglan House, Grand Cayman,
KY1-1104, Cayman Islands

Principal Place of Business

7th Floor, Cheung Kong Center,
2 Queen's Road Central, Hong Kong

Principal Share Registrar and Transfer Office

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall, Cricket Square,
Grand Cayman, KY1-1102, Cayman Islands

Hong Kong Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Rooms 1712-1716, 17th Floor, Hopewell Centre,
183 Queen's Road East, Hong Kong

This annual report 2020 (“Annual Report”) is available in both English and Chinese versions. Shareholders who have received either the English or the Chinese version of the Annual Report may request a copy in the other language by writing to the Company c/o the Company’s Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong or by email to ckah.ecom@computershare.com.hk.

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

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

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



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