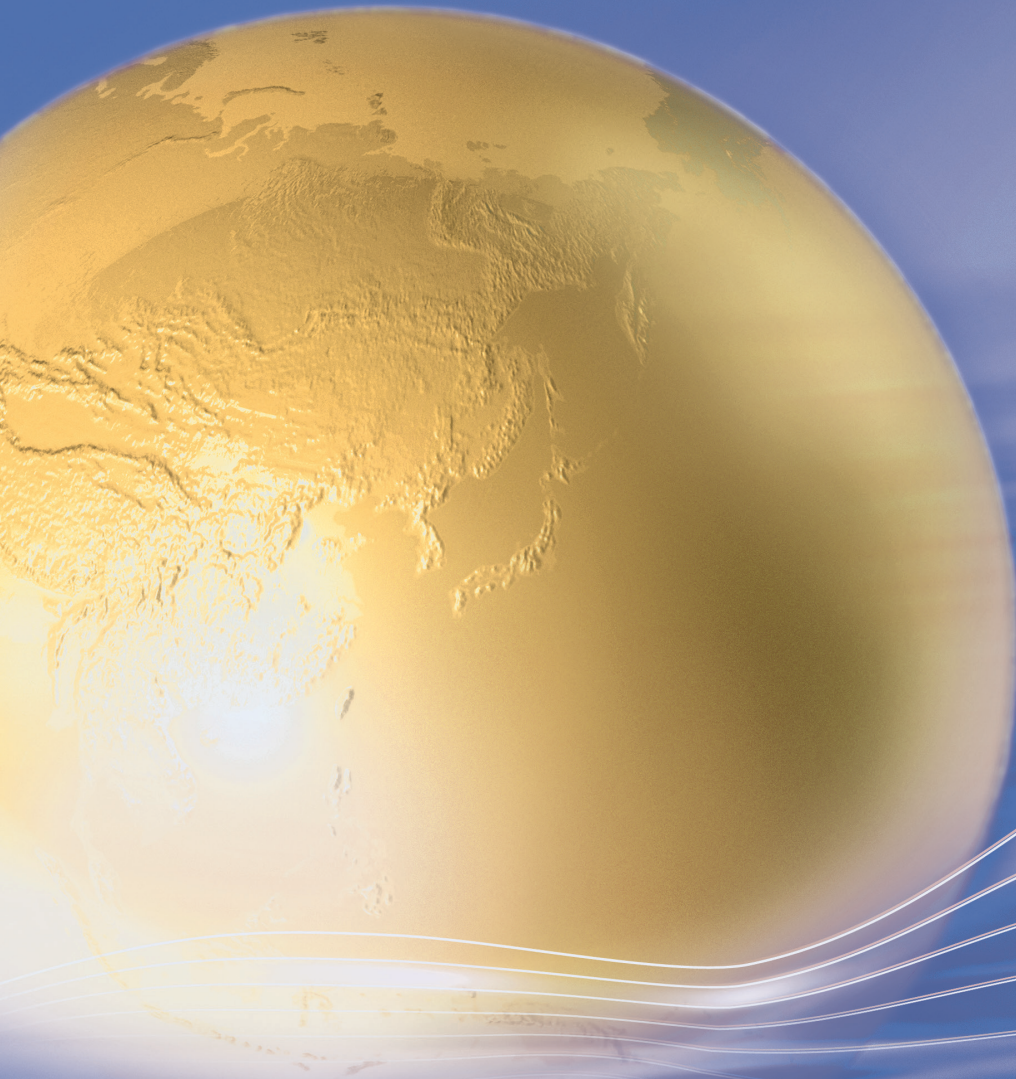


Strong Resilience in Challenging Times



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 2021

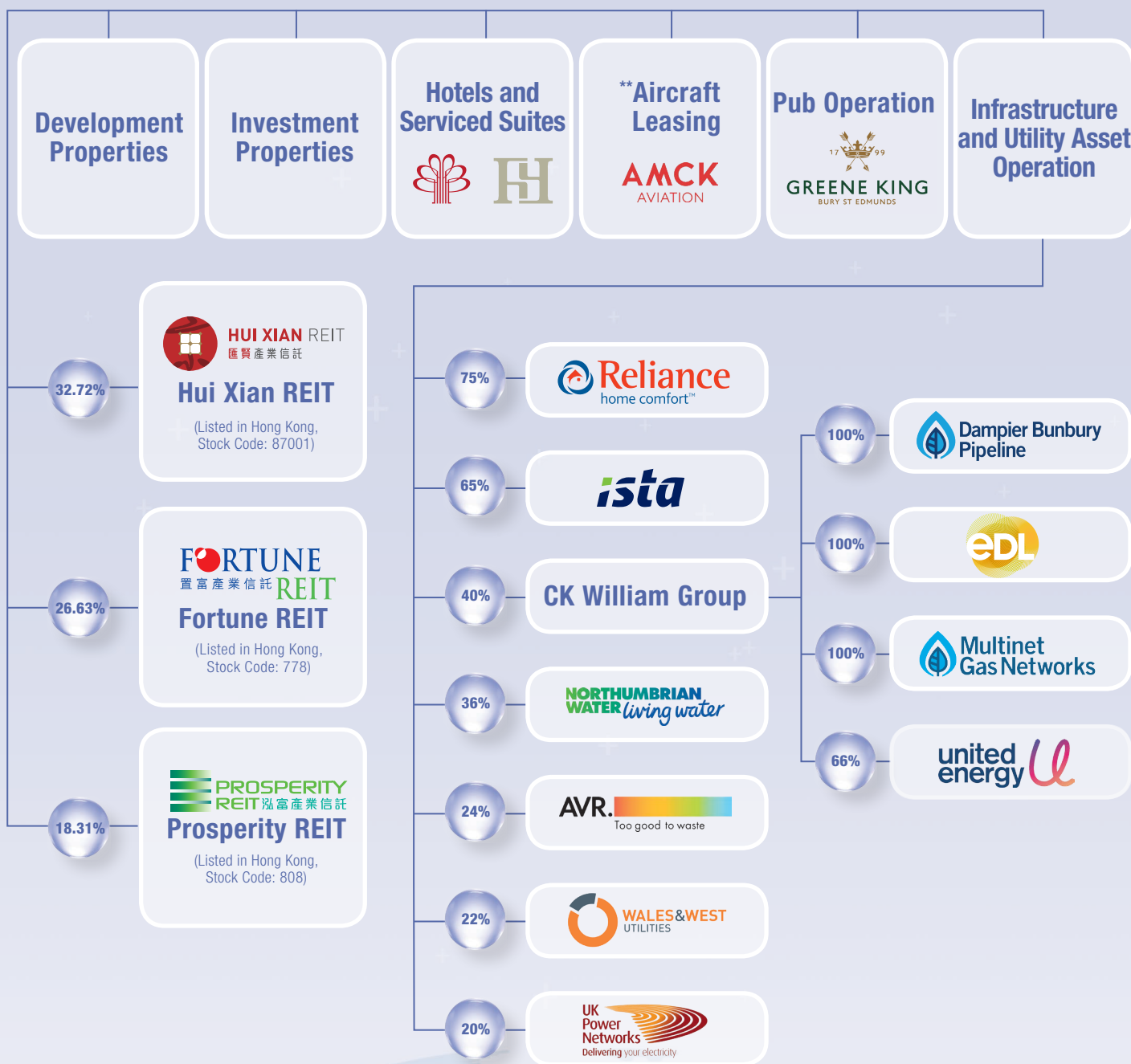
*Group Structure



CK ASSET HOLDINGS LIMITED

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

Stock Code: 1113



* As at 17 March 2022

** The Group agreed in December 2021 to dispose of its remaining interest in its fleet of aircraft and the aircraft leasing operation will be discontinued following the completion of the transaction. Completion is subject to the fulfilment of certain conditions as stated in the Company's announcement dated 24 December 2021.

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FIVE YEAR FINANCIAL SUMMARY

Consolidated Income Statement (HK\$ million)					
	2017	2018	2019	2020	2021
Group revenue (Note 1)	57,546	50,368	82,382	59,825	62,094
Share of revenue of joint ventures (Note 1)	6,234	14,113	13,937	14,327	21,147
Total	63,780	64,481	96,319	74,152	83,241
Profit attributable to shareholders	30,125	40,117	29,134	16,332	21,241
Consolidated Statement of Financial Position (HK\$ million)					
	2017	2018	2019	2020	2021
Fixed assets	35,337	37,660	97,519	95,101	76,444
Investment properties	135,998	123,478	119,832	128,683	132,324
Joint ventures	65,293	59,842	59,371	62,467	80,752
Associates	7,402	7,256	7,000	7,077	7,054
Other non-current assets	12,331	26,784	33,820	34,640	26,016
Net current assets	123,572	166,478	140,757	121,912	155,606
	379,933	421,498	458,299	449,880	478,196
Non-current liabilities	70,753	80,470	97,067	82,662	91,921
Net assets	309,180	341,028	361,232	367,218	386,275
Representing:					
Share capital and share premium	245,875	245,639	245,639	245,639	242,619
Reserves	45,677	77,881	98,614	109,000	128,609
Shareholders' funds	291,552	323,520	344,253	354,639	371,228
Perpetual capital securities	11,670	11,670	11,670	6,200	7,929
Non-controlling interests	5,958	5,838	5,309	6,379	7,118
Total equity	309,180	341,028	361,232	367,218	386,275
	2017	2018	2019	2020	2021
Shareholders' funds					
– book value per share (HK\$) (Note 2)	78.85	87.59	93.21	96.02	101.89
Earnings per share (HK\$) (Note 3)	8.07	10.85	7.89	4.42	5.77
Dividends per share (HK\$)	1.70	1.90	2.10	1.80	2.20
Interim dividend	0.42	0.47	0.52	0.34	0.41
Final dividend	1.28	1.43	1.58	1.46	1.79

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

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

Note 3: Calculation of earnings per share is based on the number of shares in issue or the weighted average number of shares in issue during the year.

THE YEAR AT A GLANCE



1

2

1 & 2. Release of the Group's annual results

1-3



- 📌 Selected units of Phase 1 of 21 BORRETT ROAD in Mid-Levels West were offered to the market with good response.
- 📌 161 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 18 consecutive years.
- 📌 CK Asset's properties participated in "Earth Hour 2021", the lights-out event held by World Wide Fund For Nature Hong Kong with aims to raise public awareness of energy saving and carbon reduction for a sustainable future.

THE YEAR AT A GLANCE (CONTINUED)

週六「公益金及時抗疫基金」籌款
您捐1蚊
長江集團聯同李嘉誠基金會雙倍支持捐2蚊

長江集團

LI KA SHING FOUNDATION
李嘉誠基金會

香港公益金
THE COMMUNITY CHEST



4-6

- 📍 The CK Group made contributions to The Community Chest Pandemic Rainbow Fund to support individuals and families who suffer from sudden hardship inflicted by the pandemic.
- 📍 Both apartments and villas of La Grande Ville were well received by purchasers.



1	3
2	4

1. Donation to The Community Chest of Hong Kong
2. Launch of La Grande Ville
- 3 & 4. 2021 Annual General Meeting and Extraordinary General Meeting of the Group

4-6

CA The Group's 2021 Annual General Meeting and Extraordinary General Meeting were convened as hybrid meetings amid the pandemic, enabling shareholders to attend the meetings and exercise their voting rights at home via our online platform.

THE YEAR AT A GLANCE (CONTINUED)



7-9

1	3 4
2	5

1. In support of the HKSAR Government's mass vaccination programme, the Group has collaborated with Li Ka Shing Foundation to give away HK\$20 million vouchers to the public via a lucky draw
2. Ceremony of The Community Chest of Hong Kong
3. Outstanding Corporate Strategy Awards 2021
4. "Carbon Neutrality" Partners 2021
5. Sale of Upper West Shanghai

🏆 In support of the COVID-19 Vaccination Programme of the HKSAR Government, the Group, CK Hutchison Holdings Limited and the Li Ka Shing Foundation gave away a total of HK\$20 million worth of vouchers to encourage vaccination amongst Hong Kong residents.

🏆 The CK Group was named one of The Community Chest's Top 3 Donors for 22 consecutive years.



7-9

- 🏆 The Group received the “Outstanding Corporate Strategy Awards 2021” presented by East Week Magazine.
- 🏆 The Group was one of the “Carbon Neutrality” Partners 2021 named by the Environment Bureau of the HKSAR Government in recognition of the Group’s effort in decarbonising the city and its pledge to pursue carbon neutrality.
- 🏆 The sale of street-level commercial space at Upper West Shanghai is in steady progress.

THE YEAR AT A GLANCE (CONTINUED)



10-12

- ④ Sale of Perfect Ten in Singapore was launched.
- ④ OP Mall in Tsuen Wan was officially opened in November.
- ④ The Group was awarded "The Best Real Estate Development Award of Guangdong-Hong Kong-Macao Greater Bay Area" in the "2nd Pilot '9+2' Guangdong-Hong Kong-Macao Greater Bay Area Development Forum and Award Ceremony" organised by Hong Kong Ta Kung Wen Wei Media Group.
- ④ Member companies of the Group were awarded the 2020-21 "Good MPF Employer", "MPF Support Award" and "e-Contribution Award" by the Mandatory Provident Fund Schemes Authority.



10-12

1	3
2	4

1. Perfect Ten in Singapore
2. OP Mall in Tsuen Wan
3. Launch of #LYOS
4. Online Directors' training

- 🏆 #LYOS in Hung Shui Kiu was well received by purchasers.
- 🏆 Online Directors' training was held on an interactive online platform with distinguished professionals on Environmental, Social and Governance, regulatory and compliance issues.
- 🏆 The Group was awarded the "Listed Company Awards of Excellence 2021" by 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 2021" presented by am730.
- 🏆 The Group agreed in December the sale of its aircraft leasing portfolio which is expected to complete in 2022.

CHAIRMAN'S STATEMENT

Strong Resilience
in Challenging Times



HIGHLIGHTS

Year ended 31 December	2021 HK\$ million	2020 HK\$ million	2021 HK\$ per share	2020 HK\$ per share	Change
Profit attributable to shareholders	21,241	16,332	5.77	4.42	+30.5%
Final dividend			1.79	1.46	+22.6%
Full year dividend			2.20	1.80	+22.2%

PROFIT FOR THE YEAR

The Group's profit attributable to shareholders for the year ended 31 December 2021 amounted to HK\$21,241 million (2020 – HK\$16,332 million). Earnings per share were HK\$5.77 (2020 – HK\$4.42), an increase of 30.5% as compared to last year.

The Group's profit attributable to shareholders amounted to HK\$21,241 million.

DIVIDEND

The Directors recommend the payment of a final dividend of HK\$1.79 per share in respect of 2021 to shareholders whose names appear on the Register of Members of the Company at the close of business on Wednesday, 25 May 2022. This together with the interim dividend of HK\$0.41 per share paid on 16 September 2021 gives a total of HK\$2.20 per share for the year (2020 – HK\$1.80 per share). The proposed final dividend will be paid on Thursday, 9 June 2022 following approval at the 2022 Annual General Meeting.

PROSPECTS

Business Review

Remarkable progress in vaccination campaigns and fiscal support in the major countries contributed to a steady increase in trading activities and production in various sectors. Despite a gradual improvement in market conditions and employment throughout 2021, the rampant spread of COVID variants continued to pose new challenges and undermine the uneven global economic recovery.

The Group remained resilient and maintained a strong financial position with its solid foundation and high quality assets, as it navigated through the market turbulence and weathered the COVID stress test with encouraging results. It continued to thrive in uncertainty and pursue new opportunities for long-term growth to strengthen its steady income base. During the year, the Group completed a major acquisition of infrastructure assets and a share buy-back initiative. In addition, an agreement was made to dispose of its interests in the aircraft fleet. The Group also raised funds amid the low interest rate environment, reinforcing its cash reserve in anticipation of suitable investments for shareholder value enhancement. While the Group's hotel operation and pub operation continued to be affected by the pandemic during the year, the majority of the Group's businesses delivered steady performance. An increase of 30.5% in profit attributable to shareholders was recorded in 2021 as compared to 2020.

CHAIRMAN'S STATEMENT (CONTINUED)

Property Sales

The property market in Hong Kong remained robust and transaction volume has increased during the year due to improved buyer sentiment and low interest rate. Sea to Sky was completely sold out and over 90% of Seaside Sonata and #LYOS were sold. The sales of 21 Borrett Road Phase 1 and El Futuro were progressing well. The Group recorded an increase in contribution from property sales in Hong Kong in 2021 as compared to 2020. During the year, the Group added a site in Kai Tak waterfront area and two sites in Yuen Long for development. In March 2022, it won in a tender for the redevelopment project in To Kwa Wan. The Group will continue to bid for land when suitable opportunities arise, and will explore different means to untap the development potential of its land bank.

On the Mainland, the Central Government adopted measures to ensure the orderly provision of property loans amid a series of credit events and tightening policies in the real estate industry. As the Central Government continued to promote the healthy development and virtuous circulation of the industry, the property market on the Mainland is expected to remain stable. The Group's property sales on the Mainland decelerated, and the Group recorded a lower contribution from property sales in 2021 as compared to 2020. The Group completed the sale of City Link in Shanghai in January 2022 and the related contribution will be recognised in the first half of 2022.

Property Rental

The demand for retail and office leasing improved in the second half of 2021 as tenants' confidence increased along with the improvement in labour market and local consumption sentiment. Contribution from property rental in 2021 decreased by 5% when compared to 2020 as the leasing market remained difficult due to the effects of the pandemic. The Group continued to adjust tenant mix from time to time to enhance the competitiveness of its investment properties. OP Mall recorded a good leasing performance and its official opening was launched at the end of 2021. The overall occupancy rate of the Group's properties remained stable during the year. The Group will continue to enrich its portfolio to maximise returns, and is poised to capture the post pandemic opportunities.

On 11 March 2022, the Group entered into an agreement and completed the disposal of its interests in 5 Broadgate in London. The Group acquired 5 Broadgate in 2018 and the Grade-A office building had contributed a steady income stream and attractive inflation-linked rental returns. The disposal allowed the Group to capture a sizeable disposal gain, details of which were stated in the Company's announcement of the same date.

Hotel and Serviced Suite Operation

Pandemic restrictions continued to plague the travel industry. Nevertheless, the Group's hotel and serviced suite operation recorded a positive contribution during the year and a growth over 2020 due to its increasing focus on long-term stay. The Group continued to reposition its hospitality service to capture additional domestic market share. Attractive long term occupancy packages were on offer and the high occupancy rate was maintained. Hotel Alexandra in North Point commenced operation of its food and beverage business in the first half of 2021 and its accommodation business in the second half.

Aircraft Leasing

COVID-19 has caused a paradigm shift in the aircraft leasing sector. The risk and return dynamics have become volatile and unpredictable, and the industry has undergone increased consolidation, mergers and acquisitions. In 2021, profit contribution from aircraft leasing decreased by 3%, excluding the aircraft disposal gain recognised in 2020. The Group's aircraft leasing portfolio progressively expanded and evolved over the years into a fleet of primarily younger narrow body aircraft leased to airline customers with solid credit profiles. The aircraft leasing operation had consistently delivered solid operational performance and generated exceptional returns prior to the pandemic. Following a shareholding consolidation of the Group's aircraft leasing business in December 2021, the Group together with Li Ka Shing (Global) Foundation, holder of a minority interest, agreed to dispose of their respective interests in the entire fleet of aircraft to an independent third party. The Group considered it an opportune time to exit the aircraft leasing sector and enhance its strategic focus. The transaction would allow the Group to unlock the underlying value of its aircraft portfolio and realise a satisfactory gain, creating values for its shareholders and allowing the Group to reallocate its capital in other investment opportunities. Completion of the transaction is subject to the fulfilment of certain conditions, details of which were stated in the Company's announcement dated 24 December 2021.

Pub Operation

COVID restrictions concerning the hospitality and pub industry in the UK were gradually eased since April 2021 and normal trading resumed in the second half of 2021 except for December when Omicron prompted the reintroduction of certain measures which affected trade significantly. Notwithstanding the substantial impact of the pandemic during the year, the trading performance of Greene King was more encouraging in the second half compared to the first. The pub operation recorded a smaller negative contribution on a full year basis as compared to last year. Although a goodwill impairment of HK\$2,005 million was recognised based on the year end assessment, it is expected that the pub operation would steadily recover following the lifting of all restrictions. Surging inflation, shortage of labour and supply bottlenecks will however impact the pace of recovery. Greene King will continue to build on its strong foundations to emerge from the pandemic stronger with the backing of the Group and a significant high-quality freehold asset base.

Infrastructure and Utility Asset Operation

The infrastructure and utility assets operation remained resilient due to its stable nature. During the year, the Group acquired from Li Ka Shing Foundation interests in UK Power Networks, Northumbrian Water, Wales & West Utilities and Dutch Enviro Energy and settled the consideration of HK\$17 billion by the issue of 333,333,333 shares. The Group also bought back 380,000,000 shares for HK\$19.38 billion to offset the dilution impact of issuing the consideration shares. The financially accretive transactions received tremendous support from shareholders as the share buy-back provided an opportunity for existing shareholders to realise their investment. The four infrastructure assets provided an additional recurrent income stream and immediate contributions to the Group. Our infrastructure and utility asset operation recorded a significant increase in contribution in 2021 as compared to 2020.

CK William Group, Reliance Home Comfort and ista contributed HK\$1,332 million, HK\$1,379 million and HK\$1,338 million respectively. Other infrastructure and utility assets, including the infrastructure businesses under an economic benefits agreement and the assets acquired from Li Ka Shing Foundation, made a total contribution of HK\$2,885 million. The Group will continue to source high quality global infrastructure and utility assets and related investment opportunities.

CHAIRMAN'S STATEMENT (CONTINUED)

Sustainability Initiatives and Response to COVID-19

The pandemic has accentuated the interconnectedness of the world and the fragility of our planet. As a global corporate citizen, the Group is committed to minimising the impact of its business activities on the environment and natural resources, and making its contribution towards a safer future for the global community. During the year, the Sustainability Committee accelerated its focus on ESG issues and enhanced the Group's ESG culture, performance and disclosure practices. The Group published its first standalone Sustainability Report in April 2021 and secured two sustainability-linked loans in the total amount of HK\$5.5 billion during the year which marked an important milestone for the Group in sustainable finance. The Group's developments Ocean Pride and My Central were both awarded BEAM Plus New Buildings Final Gold rating in 2021, symbolising its commitment to sustainable building practices. To address the pressing need to combat climate change, the Group has set environmental targets to manage relevant climate-related risks and prepare the Group for transition to carbon neutrality. The Group will continue to engage stakeholders in our green vision and strategy, and cultivate a strong internal awareness on environmental issues and sustainable practices.

The Group has maintained the stability of its global operations and implemented anti-pandemic measures to safeguard the health and well-being of its employees, tenants, customers and the community during the pandemic. Flexible work arrangement and digital communication were adopted where appropriate to balance employee and business needs. The Annual General Meeting and Extraordinary General Meeting of the Company in 2021 were convened as hybrid meetings. Shareholders could choose to attend and vote either in person or through an online platform. In support of the Government's mass vaccination programme, the Group has offered paid leave to its staff for each COVID-19 vaccination and collaborated with Li Ka Shing Foundation to give away HK\$20 million vouchers to the public during the year to encourage vaccination.

Outlook

Universal vaccination is expected to be the impetus for global economic recovery in 2022. The momentum of economic growth will depend on the path of the pandemic. Unsteady China-US relations, supply shortage and inflationary pressure, acceleration of rate hikes and the end of bond purchase in the US as well as geopolitical tensions further add to the uncertainties surrounding the economic environment.

The Mainland maintained steady economic recovery and recorded a positive real GDP year-on-year growth in 2021 despite growing internal and external uncertainties. It is expected to deepen reforms and promote high-quality development for pursuing common prosperity and sharing the affluence. Adequate liquidity in the market will be maintained through the implementation of stable and effective macro policies and the timely adjustment of reserve requirement ratio and interest rate. Market risks in the near term would be manageable, while the long-term prospect of the Mainland would remain stable and positive.

Hong Kong recorded a positive real GDP year-on-year growth of 6.4% in 2021, and the unemployment rate dropped from 7.2% at the start of the year to 3.9% at year end. The Government's Consumption Voucher Scheme stimulated consumer sentiment and boosted the economy. Although the dire spread of COVID variants in the local community presents renewed challenges and uncertainties, the outlook of Hong Kong remains optimistic in the long term. Hong Kong will continue its pivotal role as an international financial centre and an innovation and technology hub by leveraging the support from the Mainland. Land supply for housing is anticipated to increase in the short to medium term following the implementation of multi-pronged government policies and measures. Hong Kong's property market is expected to remain stable with constant and solid housing demand.

The Group has met the latest rounds of economic turmoil with a new-found resilience. Amid the prevailing difficult market conditions, the Group has continuously evolved to meet challenges with its solid foundation and high quality assets, demonstrating its agility without forgoing stability. The Group has ample liquidity for investing in further quality assets to enhance its recurring income base, and will proactively identify suitable opportunities for sustainable growth in accordance with our cautious and disciplined approach to development. The Group is optimistic that its operations will regain momentum of growth once the pandemic situation resolves and the global business environment improves. The property markets in Hong Kong and the Mainland will remain the Group's key markets and the Group is confident about their prospects.

As at 31 December 2021, the Group had a net debt to net total capital ratio of approximately 7.9%. The Group has maintained "A/Stable" and "A2 Stable" credit ratings from Standard & Poor's and Moody's respectively, demonstrating its stable outlook.

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 around the world for their hard work, adaptability, devotion and contributions during the year. Our employees strived to maintain the stability of our operations in Hong Kong and overseas notwithstanding the difficult and uncertain environment caused by the pandemic. I also take this opportunity to express my sincere gratitude to our board members for their unwavering dedication and our stakeholders for their continued support.

Victor T K Li

Chairman

Hong Kong, 17 March 2022

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^{Note}, 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.

Note: The Group agreed in December 2021 to dispose of its remaining interest in its fleet of aircraft and the aircraft leasing operation will be discontinued following the completion of the transaction. Completion is subject to the fulfilment of certain conditions as stated in the Company’s announcement dated 24 December 2021.

BUSINESS REVIEW

Major Business Activities

1. Developments Completed during 2021:

Name	Location	Gross Floor Area (sq.ft.)	Group's Interest
Seaside Sonata	New Kowloon Inland Lot No. 6506	595,701	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	333,349	80%
La Grande Ville Phase 5	Shun Yi District, Beijing	487,766	100%
Laguna Verona Phases D2c2 and G1b/G2a Zone 3	Hwang Gang Lake, Dongguan	1,788,960	99.8%
Noble Hills Phase 3B	Zengcheng, Guangzhou	272,520	100%
Regency Garden Phase 5B-1	Pudong New District, Shanghai	334,806	85%

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

2. Developments in Progress and Scheduled for Completion in 2022:

Name	Location	Gross Floor Area (sq.ft.)	Group's Interest
Borrett Road Project Phase 2	Inland Lot No. 8949	149,123	100%
El Futuro	Sha Tin Town Lot No. 614	244,084	100%
#LYOS	Lot No. 4328 in D.D. 124	138,876	100%
Upper West Shanghai Phase 3 Tender 2 (T1) Phase 4 Tender 2 (T14)	Putuo District, Shanghai	1,648,685	60%
Regency Hills Land No. 11B	Yangjiashan, Nanan District, Chongqing	207,485	95%
Laguna Verona Phase G1b/G2a Zone 4	Hwang Gang Lake, Dongguan	932,186	99.8%
Noble Hills Phases 3B and 3C	Zengcheng, Guangzhou	346,587	100%
Emerald Cove Phases 1 and 2	Daya Bay, Huizhou	2,505,405	100%
Regency Cove Phase 2B	Caidian District, Wuhan	651,621	100%
Chelsea Waterfront The Rotunda, East Tower and Block KC2A	Chelsea/Fulham, London	140,431	95%

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

- (1) 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 and estimated to have a developable gross floor area of approximately 648,137 sq.ft. (approximately 60,214 sq.m.).
- (2) March 2021: The Company announced on 18 March 2021 (“Announcement”) the proposal (“Proposal”) which comprised: (a) the proposed acquisition (“Proposed Acquisition”) of minority shareholding interests in four infrastructure companies from Li Ka Shing Foundation Limited (“LKSF”) for a total purchase price of HK\$17 billion, which would be satisfied by the issue to LKSF (or its affiliate) of 333,333,333 shares of the Company (the “Shares”) (“Consideration Shares”); (b) the Share buy-back proposal which comprised (i) a conditional cash offer to buy-back up to 380,000,000 Shares (“Maximum Number of Shares”, which was revised from 333,333,333 Shares, as announced by the Company on 14 April 2021) for cancellation at an offer price of HK\$51 per Share (the “Offer Price”) from all qualifying shareholders of the Company (“Share Buy-back Offer”), and (ii) the possible on-market buy-backs of any shortfall at a price not exceeding the Offer Price following completion of the Share Buy-back Offer if valid acceptances received under the Share Buy-back Offer was less than the Maximum Number of Shares by utilising the proposed general mandate to buy-back Shares (if approved by the shareholders at the 2021 annual general meeting of the Company); and (c) the application for the Whitewash Waiver (as defined in the Announcement) to waive any obligation on the part of LKSF to make a mandatory general offer for all of the Shares not already owned or agreed to be acquired by the Controlling Shareholder Group (as defined in the Announcement) as a result of the allotment and issue of the Consideration Shares to LKSF (or its affiliate) and the Share Buy-back Offer. The Proposal was approved by the independent shareholders of the Company at the extraordinary general meeting of the Company held on 13 May 2021. The Proposed Acquisition was completed in May 2021 and the Share Buy-back Offer was completed in June 2021.
- (3) May 2021: A wholly owned subsidiary of the Group reached a land exchange agreement with the Government in respect of a site at Kam Tai Road, Kam Tin, Yuen Long, New Territories (Lot No. 2206 in D.D. 109) for an area of approximately 171,986 sq.ft. (approximately 15,978 sq.m.). The site is designated for residential development and estimated to have a gross floor area of approximately 137,584 sq.ft. (approximately 12,782 sq.m.).
- (4) June 2021: The Company bought back a total of 3,150,000 Shares on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) with the aggregate consideration paid (before expenses) amounting to HK\$163,423,500. All the Shares bought back were cancelled on 2 July 2021.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

- (5) June 2021: A wholly owned subsidiary of the Group issued notes in aggregate nominal amounts of (i) US\$250 million at a fixed interest rate of 0.75% per annum with 3-year term; and (ii) US\$350 million at a fixed interest rate of 1.375% per annum with 5-year term under the US\$5,000,000,000 Euro Medium Term Note Programme (“Programme”), which is guaranteed by the Company (“Notes”). The Notes were sold to professional investors only and were listed on the Stock Exchange on 2 July 2021.
- (6) August 2021: A wholly owned subsidiary of the Group was awarded a Government tender for a site at junction of Lau Yip Street and Chung Yip Road, Yuen Long, New Territories (Lot No. 1677 in D.D. 115). With an area of approximately 163,697 sq.ft. (approximately 15,208 sq.m.), the site is designated for residential development and estimated to have a developable gross floor area of approximately 78,574 sq.ft. (approximately 7,299.8 sq.m.).
- (7) September 2021: A wholly owned subsidiary of the Group issued Guaranteed Senior Perpetual Capital Securities (“3.38% Securities”) in an aggregate principal amount of SGD300 million with an annual distribution rate of 3.38% which are guaranteed by the Company. The 3.38% Securities were listed on the Stock Exchange on 4 October 2021.
- (8) September 2021: On 17 September 2021, two indirect wholly owned subsidiaries of the Group (“Sellers”) entered into a sale and purchase agreement with Hysan (Shanghai) Limited (“Purchaser”) pursuant to which the Sellers conditionally agreed to sell and the Purchaser conditionally agreed to purchase (i) the entire issued shares of an indirect wholly owned subsidiary of the Group (“Target Company”) and (ii) the aggregate amount due and owing by the Target Company and its subsidiaries to the Sellers (“Transaction”). The Target Company, through its wholly owned subsidiary (“Intermediate HoldCo”), holds 60% equity interest in a company established in the PRC (“Project Company”) which is the registered owner of City Link (世紀盛薈廣場), a completed office/retail mixed use development in Shanghai, the PRC. The Transaction was conditional upon the Sellers, through the Intermediate HoldCo, acquiring the remaining 40% equity interest in the Project Company and thereafter holding 100% equity interest in the Project Company. The total consideration of the Transaction was approximately RMB3,500,000,000 (subject to adjustments) and the Transaction was completed in January 2022.
- (9) October 2021: A wholly owned subsidiary of the Group updated the Programme guaranteed by the Company for the purpose of issuing notes which may be denominated in any currency as agreed with the dealer(s) from time to time. The Programme was listed on 18 October 2021 on the Stock Exchange and notes issued under the programme may be listed on the Stock Exchange or such other stock exchange(s) as may be agreed with the relevant dealer(s).

- (10) December 2021: An indirect wholly owned subsidiary of the Group and an indirect 90% owned subsidiary of the Group (the “Aircraft Sellers”) entered into a sale and purchase agreement (the “SPA”) with Maverick Aviation Holdings Ltd. (as purchaser) and the Company (as guarantor for each of the Aircraft Sellers) in relation to the disposals of all of the issued ordinary shares in the capital of Accipiter Finance S.à r.l. and Manchester Aviation Finance S.à r.l. at the respective total consideration of approximately US\$2,441 million (equivalent to approximately HK\$18,921 million) and US\$1,840 million (equivalent to approximately HK\$14,258 million) in cash (subject to adjustments). The said disposals involve the sale of a total of 125 aircraft together with the leases with respect to such aircraft, and other aircraft in the order book. Completion of the disposals is subject to fulfilment of certain terms and conditions under the SPA as described in the Company’s announcement dated 24 December 2021.
- (11) March 2022: A wholly owned subsidiary of the Group was awarded a tender by the Urban Renewal Authority for the combined development of four projects covering two adjoining sites at Hung Fook Street/Kai Ming Street and Wing Kwong Street/Kai Ming Street, To Kwa Wan, Kowloon. With a total area of approximately 58,534 sq.ft. (approximately 5,438 sq.m.), the sites are designated for residential/retail development and estimated to have a total developable gross floor area of approximately 526,807 sq.ft. (approximately 48,942 sq.m.).
- (12) March 2022: An indirect wholly owned subsidiary of the Group entered into a sale and purchase agreement with Broadgate Five Holdings (Jersey) Limited (“Broadgate Buyer”) for the sale of the entire issued share capital of Bluebutton Holdco 5 Broadgate (Jersey) Limited (the “Broadgate Target”) to the Broadgate Buyer. The Broadgate Target’s wholly owned subsidiary holds 100% beneficial interest in the Grade-A office building, 5 Broadgate in London, the United Kingdom (the “Property”). The consideration for the sale of the Broadgate Target is GBP729.17 million (equivalent to approximately HK\$7,466.70 million) in cash, which has taken into account the value ascribed to the Property of GBP1,210 million (equivalent to approximately HK\$12,390 million) and the other assets and liabilities of the Broadgate Target and its subsidiaries. The transaction was completed on 11 March 2022, details of which was set out in the announcement of the same date.

Property Sales

Revenue of property sales (including share of joint ventures) recognised for the year was HK\$37,798 million (2020 – HK\$38,670 million), comprising mainly (i) sales of residential units of Seaside Sonata, Sea to Sky and 21 Borrett Road Phase 1 in Hong Kong; and (ii) on the Mainland, sales of residential units of Laguna Verona in Dongguan, Noble Hills in Guangzhou, Upper West Shanghai and Regency Garden in Shanghai, and is summarised by location as follows:

Location	2021 HK\$ Million	2020 HK\$ Million
Hong Kong	15,724	8,941
The Mainland	21,722	27,114
Overseas	352	2,615
	37,798	38,670

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Contribution for the year was HK\$18,146 million (2020 – HK\$19,112 million) and is summarised by location as follows:

Location	2021 HK\$ Million	2020 HK\$ Million
Hong Kong	6,995	3,880
The Mainland	11,141	14,626
Overseas	10	606
	18,146	19,112

During the year, the presales of residential units of El Futuro and #LYOS as well as the sales of luxury residential units of 21 Borrett Road Phase 1 in Hong Kong were well received, whereas the sales of various projects on the Mainland and in the United Kingdom slowed down.

In September 2021, the Group entered into an agreement for the sale of City Link developed in Shanghai, comprising a retail podium and an office tower, which was scheduled for completion in January 2022.

Property sales contracted but not yet recognised at 31 December 2021 are as follows:

Location	Schedule for Sale Recognition		
	2022 HK\$ Million	After 2022 HK\$ Million	Total HK\$ Million
Hong Kong	15,478	3,845	19,323
The Mainland	9,694	324	10,018
Overseas	–	195	195
	25,172	4,364	29,536

At the year end date, the Group had a development land bank (including developers' interests in joint development projects but excluding agricultural land and completed properties) of approximately 75 million sq.ft., of which 4 million sq.ft., 67 million sq.ft. and 4 million sq.ft. were located in Hong Kong, on the Mainland and overseas respectively.

Property Rental

Revenue of property rental (including share of joint ventures) for the year was HK\$6,693 million (2020 – HK\$6,751 million) and comprised rental income derived from leasing of retail, office, industrial and other properties as follows:

Use of Property	2021 HK\$ Million	2020 HK\$ Million
Retail	2,618	2,733
Office	2,644	2,840
Industrial	727	725
Others	704	453
	6,693	6,751

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

Contribution for the year was HK\$5,661 million (2020 – HK\$5,935 million), a decrease of HK\$274 million when compared with last year, mainly due to a decrease in occupancy of retail and office properties in Hong Kong under the pandemic, and is summarised by location as follows:

Location	2021 HK\$ Million	2020 HK\$ Million
Hong Kong	4,352	4,880
The Mainland	571	510
Overseas	738	545
	5,661	5,935

At the year end date, the Group had an investment property portfolio of approximately 17.6 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	–	1.2	2.7
	4.8	5.7	5.9	1.2	17.6

An increase of HK\$1,513 million (2020 – decrease of HK\$1,106 million) in fair value of investment properties was recorded at 31 December 2021 based on a professional valuation using capitalisation rates ranging from approximately 4% to 8%.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Hotel and Serviced Suite Operation

Revenue of hotel and serviced suite operation (including share of joint ventures) for the year was HK\$2,711 million (2020 – HK\$2,055 million) as hotel operation continued to be adversely impacted by the pandemic and hotel occupancy was still below pre-Covid-19 level.

During the year, the hotel operation of Harbour Grand Hotels, Harbour Plaza Hotels & Resorts and other group hotels reported on average a slightly improved occupancy rate of 37%, whereas Horizon Hotels & Suites and other serviced suite operations, including Hotel Alexandra which commenced its business in Hong Kong, managed to maintain an average occupancy rate of 93% with long stay guests.

Contribution for the year was HK\$399 million (2020 – HK\$260 million), as serviced suite contributions offset hotel losses, and is summarised by location as follows:

Location	2021 HK\$ Million	2020 HK\$ Million
Hong Kong	482	361
The Mainland	(83)	(101)
	399	260

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\$888 million (2020 – HK\$836 million) and mainly comprised management fees received for provision of property management and related services to properties developed by the Group.

Contribution for the year was HK\$355 million (2020 – HK\$355 million) and is summarised by location as follows:

Location	2021 HK\$ Million	2020 HK\$ Million
Hong Kong	256	275
The Mainland	58	58
Overseas	41	22
	355	355

At the year end date, approximately 269 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\$2,534 million (2020 – HK\$2,820 million), a decrease of HK\$286 million when compared with last year, and comprised income derived from leasing of narrow body aircraft and wide body aircraft to airlines. During the year, the Group strived to restructure lease terms with airline lessees to maintain aircraft on lease when airlines operated under difficult conditions.

Contribution for the year (including share of joint ventures) amounted to HK\$887 million (2020 – HK\$1,119 million), a decrease of HK\$232 million when compared with last year, in the absence of aircraft disposal gain (2020 – HK\$201 million) and a decline in leasing income due to the impacts of the pandemic. Contribution with reference to lessee's location of operation is summarised as follows:

Location	2021 HK\$ Million	2020 HK\$ Million
Asia	164	388
Europe	198	266
North America	436	471
Latin America	89	(6)
	887	1,119

In December 2021, the Group entered into an agreement with an independent third party for the disposal of its investment in the aircraft leasing business, comprising a portfolio of 120 narrow body aircraft and 5 wide body aircraft, for a total consideration of US\$4,281 million (approximately HK\$33,179 million). Subject to the fulfilment of certain terms and conditions, the disposal transaction is expected to be completed in the first half of 2022.

Pub Operation

The Group's pub businesses comprise 2 breweries and about 2,700 pubs, restaurants and hotels operated by Greene King across England, Wales and Scotland. Though most Covid restrictions have been lifted in the United Kingdom, the lockdown measures and restrictions implemented in the last two years were detrimental to all local pub businesses. The rapid spread of Omicron variant is still a cause for public health concerns, and return of normal pub business to pre-Covid-19 level is yet to come.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

During the year, the Group's pub businesses continued to be adversely impacted and pub operation was maintained at below pre-Covid-19 level. An operating loss of HK\$55 million (2020 – HK\$3,462 million), after provision of HK\$144 million (2020 – HK\$995 million) for asset impairment, was reported for the year and results by division of pub operation is as follows:

Division	2021		2020	
	Revenue HK\$ Million	Operating profit (loss) HK\$ Million	Revenue HK\$ Million	Operating profit (loss) HK\$ Million
Pub Company – operates food-led and drink-led destination pubs and restaurants and community-focused local pubs	11,486	(350)	7,636	(3,105)
Pub Partners – owns a portfolio of mainly drink-led pubs which are run as franchised or leased pubs	1,167	363	734	5
Brewing & Brands – sells and distributes a wide range of beers including ale brands brewed in own breweries	1,631	(68)	1,160	(362)
	14,284	(55)	9,530	(3,462)

Whereas the revival of normal pub operation and profitability is anticipated, a goodwill impairment of HK\$2,005 million was determined based on the assessment at the year end date, after two years of operating losses had been reported in 2020 and 2021.

Infrastructure and Utility Asset Operation

In May 2021, the Group completed the acquisition of (i) a 20% equity interest in UK Power Networks; (ii) a 20% equity interest in Northumbrian Water; (iii) a 10% equity interest in Wales & West Utilities; and (iv) a 10% equity interest in Dutch Enviro Energy (collectively the "Infrastructure Assets") from Li Ka Shing Foundation Limited for a total consideration of HK\$17 billion.

Following the acquisition of the Infrastructure Assets, the equity interests in Northumbrian Water, Wales & West Utilities and Dutch Enviro Energy are amalgamated with the Group's economic interests in these entities, and the Group's infrastructure and utility asset operation through joint venture interests are as follows:

	Principal Activity	Interest in Joint Venture
CK William JV	An owner and operator of energy utility assets in Australia, the United States, Canada and the United Kingdom	40%
CKP (Canada) JV	A building equipment and service provider under the consumer brand identity of "Reliance Home Comfort" in Canada	75%
Sarvana JV	A fully integrated energy management service provider operated by ista Group in Europe	65%
UK Power Networks JV	A power distributor that serves London, the South East and East of England	20%
Northumbrian Water JV	A regulated water and sewerage company in England and Wales	36%
Dutch Enviro Energy JV	An operator of energy-from-waste business in the Netherlands	24%
Wales & West Utilities JV	A gas distributor that serves Wales and the South West of England	22%

Revenue of the joint venture operations was shared by the Group for the year as follows:

	2021 HK\$ Million	2020 HK\$ Million
CK William JV	4,181	4,332
CKP (Canada) JV	4,217	3,749
Sarvana JV	5,820	5,409
UK Power Networks JV	2,757	–
Northumbrian Water JV	2,581	–
Dutch Enviro Energy JV	554	–
Wales & West Utilities JV	757	–
	20,867	13,490

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Furthermore, the Group has interests 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%
Australian Gas Networks	A distributor of natural gas in Australia	11%

Profit contribution for the year amounted to HK\$6,934 million (2020 – HK\$4,488 million) and is summarised by location as follows:

	Australia HK\$ Million	Europe HK\$ Million	North America HK\$ Million	2021 Total HK\$ Million	2020 Total HK\$ Million
CK William JV	1,224	63	45	1,332	1,369
CKP (Canada) JV	–	–	1,379	1,379	1,159
Sarvana JV	–	1,338	–	1,338	1,322
UK Power Networks JV	–	1,530	–	1,530	–
Northumbrian Water JV	–	617	–	617	–
Dutch Enviro Energy JV	–	78	–	78	–
Wales & West Utilities JV	–	255	–	255	–
Others	117	288	–	405	638
	1,341	4,169	1,424	6,934	4,488

During the year, cash distributions from UK Power Networks, Northumbrian Water, Wales & West Utilities and Dutch Enviro Energy comprising dividends, interest and others in the aggregate amount of HK\$940 million were received by the subsidiaries which acquired the Infrastructure Assets.

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	32.7%
Fortune REIT	Investment in retail properties in Hong Kong	26.7%
Prosperity REIT	Investment in office, retail and industrial properties in Hong Kong	18.3%

Hui Xian REIT is an associate and made a contribution of HK\$288 million (2020 – HK\$189 million) to group profit for the year, whereas distributions received during the year amounted to HK\$311 million (2020 – HK\$235 million).

Distributions received from Fortune REIT and Prosperity REIT during the year amounted to HK\$310 million (2020 – HK\$300 million) and were recognised as investment income. An increase of HK\$508 million (2020 – decrease of HK\$1,067 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 2021.

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. During the year, the Group issued HK\$3,790 million floating rate notes for a 3-year term at HIBOR+0.47% per annum and two tranches of US dollar fixed rate notes, US\$250 million for a 3-year term at 0.75% per annum and US\$350 million for a 5-year term at 1.375% per annum, under the Euro Medium Term Note Programme.

In September 2021, the Group issued SGD300 million perpetual capital securities with an annual distribution rate of 3.38%. The perpetual capital securities have no fixed redemption date and are redeemable at the Group's option on or after 30 September 2024.

At the year end date, the Group's bank and other loans amounted to HK\$96.5 billion, an increase of HK\$18.6 billion when compared with bank and other loans at 31 December 2020. The maturity profile was spread over a period of 15 years, with HK\$28.8 billion repayable within 1 year, HK\$52.1 billion within 2 to 5 years and HK\$15.6 billion beyond 5 years.

The Group's net debt to net total capital ratio at 31 December 2021 was approximately 7.9%. Net debt is arrived at by deducting bank balances and deposits of HK\$63.4 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 64% in HK\$ and US\$ and 36% 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\$, RMB and US\$. Income in foreign currencies is generated by overseas investments and operations, and cash in local currencies is maintained for operational requirements.

Charges on Assets

At the year end date, (i) properties amounting to HK\$6,159 million (2020 – HK\$15,924 million) were charged to secure bank loans arranged for property projects on the Mainland and in the United Kingdom; (ii) properties amounting to HK\$32,754 million (2020 – HK\$33,078 million) were charged to secure other loans arranged for pub operation in the United Kingdom; and (iii) aircrafts amounting to HK\$7,286 million were charged to secure bank loans.

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\$490 million (2020 – HK\$505 million); and (ii) mortgage loans provided by banks to purchasers of properties developed by the Group on the Mainland amounting to HK\$1,528 million (2020 – HK\$4,662 million).

Employees

At the year end date, the Group employed approximately 54,000 employees. The related employees' costs for the year (excluding directors' emoluments), before employment support subsidies from governments and other reimbursements, amounted to approximately HK\$11,631 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 57, joined the CK Group in 1985, and has been the Chairman since May 2018, the Managing Director since February 2015, and the Chairman of the Executive Committee of the Company since June 2015. He has been a member of the Remuneration Committee of the Company since May 2018, and also a member of the Nomination Committee of the Company since January 2019. Mr. Li has been a Director since January 2015 and an Executive Director of the Company since February 2015. He acted as the Deputy Chairman of the Company from February 2015 to May 2018. Mr. Li is the Chairman and Group Co-Managing Director of CK Hutchison Holdings Limited. He is also the Chairman of CK Infrastructure Holdings Limited and CK Life Sciences Int'l., (Holdings) Inc., a Non-executive Director of Power Assets Holdings Limited and HK Electric Investments Manager Limited ("HKEIM") as the trustee-manager of HK Electric Investments, and a Non-executive Director and the Deputy Chairman of HK Electric Investments Limited. Except for HKEIM, all the companies/investment trust mentioned above are listed in Hong Kong. Mr. Li is also the Deputy Chairman of Li Ka Shing Foundation Limited and Li Ka Shing (Global) Foundation, the Member Deputy Chairman of Li Ka Shing (Canada) Foundation, and a Director of The Hongkong and Shanghai Banking Corporation Limited. 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 75, joined the CK Group in 1993, and has been an Executive Director and Deputy Managing Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. He is Deputy Managing Director of CK Hutchison Holdings Limited, the Group Managing Director of CK Infrastructure Holdings Limited, and the President of CK Life Sciences Int'l., (Holdings) Inc. All the companies mentioned above are listed companies. Mr. Kam is also the Chairman of Hui Xian Asset Management Limited as the manager of Hui Xian REIT (listed in Hong Kong). He holds a Bachelor of Science degree in Engineering and a Master's degree in Business Administration. Mr. Kam is the brother-in-law of Mr. Li Ka-shing, the Senior Advisor of the Company and a substantial shareholder of the Company within the meaning of Part XV of the SFO, and an uncle of Mr. Li Tzar Kuoi, Victor, the Chairman and Managing Director of the Company and the Chairman of the Executive Committee of the Company.

IP Tak Chuen, Edmond, aged 69, joined the CK Group in 1993, and has been a Director since January 2015, Deputy Managing Director and an Executive Director of the Company since February 2015, an Executive Committee Member of the Company since June 2015 and the Chairman of the Sustainability Committee of the Company since December 2020. He is Deputy Managing Director of CK Hutchison Holdings Limited. He is also an Executive Director and Deputy Chairman of CK Infrastructure Holdings Limited, and the Senior Vice President and Chief Investment Officer of CK Life Sciences Int'l., (Holdings) Inc. All the companies mentioned above are listed companies. Mr. Ip is also a Non-executive Director of Hui Xian Asset Management Limited as the manager of Hui Xian REIT (listed in Hong Kong). He holds a Bachelor of Arts degree in Economics and a Master of Science degree in Business Administration. Mr. Ip is a director of certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the SFO.



CHUNG Sun Keung,
Davy

CHIU Kwok Hung,
Justin

CHOW Wai Kam,
Raymond

PAU Yee Wan,
Ezra

WOO Chia Ching,
Grace

CHUNG Sun Keung, Davy, aged 70, joined the CK Group in 1978, and has been an Executive Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. Mr. Chung is a Registered Architect. He was a member of the 11th Guangzhou Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. Mr. Chung is a director of a company controlled by a substantial shareholder of the Company within the meaning of Part XV of the SFO.

CHIU Kwok Hung, Justin, aged 71, joined the CK Group in 1997, and has been an Executive Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. Dr. Chiu is the Chairman of ARA Asset Management (Prosperity) Limited as the manager of Prosperity REIT (listed in Hong Kong); a Non-executive Director of ARA Asset Management (Fortune) Limited as the manager of Fortune REIT (listed in Hong Kong); and a Non-executive Director of ESR Cayman Limited (listed in Hong Kong). Dr. Chiu has more than 40 years of international experience in real estate in Hong Kong and overseas. He is a Fellow of The Royal Institution of Chartered Surveyors, a Council Member and a Fellow of The Hong Kong Institute of Directors, a Fellow of Hong Kong Institute of Real Estate Administrators, a Vice Chairman of the Board of Governors of Hong Kong Baptist University Foundation, an Honorary Associate Member of Business of Trent University, Canada, a member of the Singapore Management University International Advisory Council in China, an Adjunct Professor and a member of the Advisory Committee of the School of Business of Hong Kong Baptist University and a Senior Departmental Fellow of the Department of Land Economy at University of Cambridge, the United Kingdom. Dr. Chiu was previously an Honorary Professor of School of Pharmaceutical Sciences of Sun Yat-sen University and a member of the Standing Committee of the 12th Shanghai Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He holds a Bachelor of Arts degree in Sociology and Economics from Trent University, Canada and a degree of Doctor of Business Administration from Hong Kong Baptist University, and was conferred with the degree of Doctor of Social Sciences, honoris causa by Hong Kong Baptist University and the degree of Doctor of Laws, honoris causa by Trent University, Canada. Dr. Chiu is a director of certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the SFO.

CHOW Wai Kam, Raymond, JP, aged 74, has been an Executive Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. He joined the Hutchison Group in July 1995 and before his appointment on the Board, he was previously the Group Managing Director of the property and hotels divisions of the Hutchison Group. Mr. Chow is currently the Group Managing Director of Hutchison Property Group Limited, a wholly owned subsidiary of the Company. He is also a Non-executive Director of Continental Aerospace Technologies Holding Limited (formerly known as 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 66, joined the CK Group in 1982, and has been an Executive Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. Ms. Pau is a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO, and a director of certain companies controlled by certain substantial shareholders of the Company.

WOO Chia Ching, Grace, aged 65, joined the CK Group in 1987, and has been an Executive Director of the Company since February 2015, and an Executive Committee Member of the Company since June 2015. She holds a Bachelor of Arts degree from the University of Pennsylvania, U.S.A. and a Master's degree in City and Regional Planning from Harvard University, U.S.A. Ms. Woo is a director of certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the SFO.

DIRECTORS' BIOGRAPHICAL INFORMATION (CONTINUED)



CHEONG Ying Chew, Henry

CHOW Nin Mow, Albert

HUNG Siu-lin, Katherine

Colin Stevens RUSSEL

Donald Jeffrey ROBERTS

Stephen Edward BRADLEY

CHEONG Ying Chew, Henry, aged 74, has been an Independent Non-executive Director, the Chairman of the Audit Committee and a member of the Remuneration Committee of the Company since February 2015, and a member of the Sustainability Committee of the Company since December 2020. Mr. Cheong is also an Independent Non-executive Director of CK Infrastructure Holdings Limited, New World Department Store China Limited and Skyworth Group Limited, and an Independent Director of BTS Group Holdings Public Company Limited. Mr. Cheong is an Executive Director and Deputy Chairman of Worldsec Limited. All companies mentioned above are listed companies. Mr. Cheong holds a Bachelor of Science degree in Mathematics and a Master of Science degree in Operational Research and Management.

CHOW Nin Mow, Albert, aged 72, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since February 2015. Mr. Chow is the Chairman and Managing Director of Wah Yip (Holdings) Limited.

HUNG Siu-lin, Katherine, aged 74, joined the CK Group in March 1972, and has been an Independent Non-executive Director, the Chairperson of the Remuneration Committee and a member of the Audit Committee of the Company since February 2015. Ms. Hung is a Governing Committee Member of The Hong Kong Polytechnic University Foundation, an Honorary Court Member of The Hong Kong Polytechnic University, an Honorary Court Member of Lingnan University, President Consultant of Tianjin University and Honorary Vice Chairman of Chinese Academy of Governance (Hong Kong) Industrial and Commercial Professionals Alumni Association Limited. She was a member of the Tianjin Committee of the 12th and 13th Chinese People's Political Consultative Conference of the People's Republic of China from January 2008 to January 2018, a Court Member of The Hong Kong University of Science and Technology from 2011 to May 2016, an Executive Committee Member of Hong Kong Housing Society from September 2008 to August 2014 and a member of the Supervisory Board of Hong Kong Housing Society from September 2014 to August 2020, a Member of Estate Agents Authority from November 2006 to October 2012, and a Steering Committee Member of the Institute for Enterprise of The Hong Kong Polytechnic University from April 2000 to August 2011. Ms. Hung is a University Fellow of The Hong Kong Polytechnic University.

Colin Stevens RUSSEL, aged 81, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since March 2017. 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 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 70, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since March 2017, and a member of the Nomination Committee of the Company since January 2019. He is also an Independent Non-executive Director of CK Life Sciences Int'l., (Holdings) Inc. (listed in Hong Kong); an Independent Non-executive Director of HK Electric Investments Manager Limited, which is the trustee-manager of HK Electric Investments ("HKEI"), and HK Electric Investments Limited, a company listed together with HKEI in Hong Kong; an Independent Non-executive Director of Queen's Road Capital Investment Ltd. (listed in Canada); and an Independent Non-executive Director of NexGen Energy Ltd. (listed in both the U.S.A. and 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 63, 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 entered the British Diplomatic Service in 1981 and retired from the British Diplomatic Service in 2009. He served in various capacities including: Director of Trade & Investment Promotion (Paris) from 1999 to 2002; Minister, Deputy Head of Mission & Consul-General (Beijing) from 2002 to 2003; and HM Consul-General (Hong Kong) from 2003 to 2008. Mr. Bradley also worked in the private sector as Marketing Director, Guinness Peat Aviation (Asia) and Associate Director, Lloyd George Management (a part of BMO Global Asset Management). Mr. Bradley holds a Bachelor of Arts degree from Balliol College, University of Oxford, England and a post-graduate diploma from Fudan University, Shanghai.

KEY PERSONNEL'S BIOGRAPHICAL INFORMATION

Accounts Department

Man Ka Keung, Simon, aged 64, 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 41 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 58, Deputy Chief Manager, joined the CK Group in October 1987. He has over 39 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 73, Deputy Chief Manager, joined the CK Group in September 1993. She has over 49 years of experience in accounting and treasury. She holds a Bachelor of Business Administration degree in Accounting.

Lau Chi Ho, Elton, aged 41, Manager, joined the CK Group in September 2013. He has over 19 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 38, Manager, joined the CK Group in June 2014. She has over 16 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 53, Manager, joined the CK Group in October 2005. She has over 29 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 39, Manager, joined the CK Group in February 2013. He has over 17 years of experience in accounting and auditing. He holds a Bachelor of Business Administration degree with Honours in Accounting. He is a 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 38, Manager, joined the CK Group in April 2015. 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 Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Administration Department

Ng Po Lung, aged 60, Senior Manager, joined the CK Group in November 1993. He has over 37 years of experience in office administration management. He holds a Diploma in Legal Studies, a Bachelor of Social Science degree with Honours and a Master's degree in Business Administration.

Building Cost & Contract Department

Chee Chun Kit, aged 59, Chief Manager, joined the CK Group in December 1991. She has over 33 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 55, Contracts Manager, joined the CK Group in March 1998. He has over 36 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 56, Contracts Manager, joined the CK Group in April 1996. She has over 32 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 53, Contracts Manager, joined the CK Group in October 2000. He has over 31 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 49, Manager, joined the CK Group in April 2001. He has over 25 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 58, Manager, joined the CK Group in May 1987. She has over 38 years of experience in secretarial and office management.

China Department

Beijing

Yeung Shun Kiu, Eva, aged 45, Finance Manager, joined the CK Group in September 2008. She has over 23 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 58, 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 62, 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 35 years of experience in project management. He holds a Master's degree in Environmental Engineering Management and a Master's degree in Business Administration (Executive). He is a member of The Hong Kong Institution of Engineers.

Lam Ka Keung, aged 64, Project Manager, joined the CK Group in June 1994. He has over 44 years of experience in project management. He holds a Higher Certificate in Construction Technology.

Shanghai

Lam Yuk, Bruce, aged 53, 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 28 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 55, 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 29 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 58, Leasing Manager, joined the Group in November 2019. He is also the Chief Leasing Manager of our project Company in Shanghai. He has over 22 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 46, Finance Manager, joined the Group in September 2017. He is also the Financial Controller of our project Companies in Shanghai. He has over 21 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 59, 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 60, 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 Chartered Governance Institute.

Company Secretarial Department

Yeung, Eirene, aged 61, 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, Deputy Chairperson of the General Committee of The Chamber of Hong Kong Listed Companies and a member of the Personal Data (Privacy) Advisory Committee. She is a solicitor of the High Court of the Hong Kong Special Administrative Region and a non-practising solicitor of the Senior Courts of England and Wales. She is also a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. She holds a Master of Science degree in Finance, a Master's degree in Business Administration and a Bachelor's degree in Laws.

Cheung Yuen Sang, aged 62, Deputy Chief Group General Counsel, joined the CK Group in January 2015. He has over 33 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 52, Deputy Chief Group General Counsel, joined the CK Group in October 2010. He has over 29 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.

Cheng Shuk Chi, Bridie, aged 50, Assistant General Manager, joined the CK Group in September 2004. She has over 26 years of experience in the company secretarial field. She holds a Bachelor's degree with Honours in Business Administration. She is an associate member of The Hong Kong Chartered Governance Institute and an associate member of The Chartered Governance Institute.

Lee Ming Hua, Pauline, aged 50, Senior Group General Counsel, joined the Group in July 2017. She has over 16 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 40, Senior Group General Counsel, joined the Group in November 2018. She has over 15 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 Chartered Governance Institute and a fellow member of The Chartered Governance Institute.

Chan Cho Mui, Jo, aged 53, Senior Manager, joined the CK Group in November 2003. She has over 29 years of experience in the company secretarial field. She is an associate member of The Hong Kong Chartered Governance Institute and an associate member of The Chartered Governance Institute.

So Yee Kwan, Carrie, aged 40, Senior Manager, joined the Group in September 2021. She has over 17 years of experience in the company secretarial field. She holds a Bachelor of Arts degree with Honours in International Business Management and Master of Arts degree in Professional Accounting and Information Systems. She is a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute, holding Chartered Secretary and Chartered Governance Professional due designations.

Wong Yee Wah, Eva, aged 53, 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 37, Group General Counsel, joined the Group in November 2019. He has over 11 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 51, Manager, joined the CK Group in May 2009. She has over 27 years of experience in the company secretarial field. She holds a Bachelor of Business degree in Business Administration and a Master of Arts degree in Professional Accounting and Information Systems. She is an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute, holding Chartered Secretary and Chartered Governance Professional due designations.

Szeto Mei Sim, Veronica, aged 50, Manager, joined the CK Group in May 2004. She has over 23 years of experience in the company secretarial field. She holds a Bachelor of Arts degree with Honours in Information Systems, a Postgraduate Diploma in Corporate Administration and a Master's degree in Professional Accounting. She is an associate member of The Hong Kong Chartered Governance Institute and an associate member of The Chartered Governance Institute.

Construction Management Department

Shen Wai Yee, Grace, aged 70, Executive Committee Member & General Manager, Construction Management Department, joined the CK Group in September 1989. She has over 40 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 60, Senior Executive Manager, joined the CK Group in January 1994. He has over 39 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 46, Senior Manager, joined the CK Group in July 2009. He has over 23 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 47, Senior Manager, joined the CK Group in July 2008. He has over 29 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 49, Manager, joined the CK Group in September 2007. He has over 24 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 52, Manager, joined the CK Group in August 2004. She has over 27 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 61, 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 58, 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 53, 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 51, 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 45, 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.

Ngai Ching, Angie, aged 36, Marketing Communications Manager, joined the CK Group in June 2011. She has over 10 years of experience in the marketing communications field. She holds a Bachelor of Arts degree with Honours in Human Resource Management.

Corporate Business Development Department

Ma Lai Chee, Gerald, aged 54, 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 32 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 51, 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 29 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 50, Deputy Chief Manager, joined the CK Group in July 2000. He has over 27 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 52, Deputy Chief Manager, joined the Group in July 2016. He has over 26 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 42, Deputy Chief Manager, joined the CK Group in August 2000. She has over 21 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 57, Senior Manager, Project Management, joined the CK Group in August 2001. He has over 31 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 49, Senior Manager, Group Risk Management and Project Administration, joined the CK Group in February 1998. He has over 31 years of experience in sales & marketing. He holds a Bachelor's degree with Honours in Management Studies.

Yu Lok Lun, Lawrence, aged 32, Senior Manager, joined the CK Group in January 2015. He has over 10 years of experience in investment banking and business development. He holds a Bachelor of Science degree in Economics.

Au Chi Pun, Esmond, aged 55, Manager, Group Risk Management and Project Administration, joined the Group in July 2016. He has over 26 years of experience in mortgage underwriting. He holds a Master's degree in Business Administration.

Chan Chuen Kit, Dickie, aged 50, Manager, Engineering, joined the CK Group in August 1995. He has over 26 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 48, Manager, Group Risk Management and Project Administration, joined the CK Group in October 1995. He has over 26 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 36, Manager, joined the CK Group in November 2011. She has over 14 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 51, Manager, Engineering, joined the CK Group in May 2001. He has over 26 years of experience in networking & system engineering. He holds a Bachelor of Arts degree in Economics.

Lau Wai Kuen, Aden, aged 55, Manager, Group Risk Management and Project Administration, joined the Group in July 2016. He has over 28 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 52, Manager, Group Risk Management and Project Administration, joined the CK Group in April 2003. He has over 24 years of experience in sales & marketing. He holds a Bachelor of Science degree.

Leung Wai Ping, Ricky, aged 58, Manager, Project Management, joined the CK Group in June 1993. He has over 35 years of experience in project management. He holds a Diploma in Electrical Engineering.

Wu Cheuk Ying, Ivy, aged 45, Manager, Finance & Administration, joined the CK Group in April 2008. She has over 22 years of experience in accounting and auditing. She holds a Bachelor of Business Administration degree with Honours in Accountancy and a Master of Corporate Governance degree. She is a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Yip Lai On, Maggie, aged 43, Manager, Finance & Administration, joined the CK Group in May 2008. She has over 21 years of experience in accounting. She holds a Bachelor of Arts degree with Honours in Accountancy and a Master of Professional Accounting degree. She is a fellow member of The Association of Chartered Certified Accountants.

Yu Po Wah, Raymond, aged 36, Manager, Finance & Administration, joined the Group in August 2015. He has over 12 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 53, Deputy Chief Manager, joined the CK Group in July 1995. She has over 28 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 43, Senior Promotion Manager, joined the CK Group in March 2006. She has over 19 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 49, Senior Project Manager, joined the CK Group in June 2003. He has over 23 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 60, Senior Project Manager, joined the CK Group in December 1995. He has over 35 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 54, Senior Project Manager, joined the CK Group in May 1997. He has over 28 years of experience in project management. He holds a Bachelor of Arts degree with Honours in Architecture, a Master's degree in Architecture, and a Master's degree in Business Administration in Digital Technologies Management. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region, a member of The Hong Kong Institute of Architects, and a member of The Chartered Institute of Arbitrators.

Lam Pui Yu, Eric, aged 49, Senior Project Manager, joined the CK Group in November 2004. He has over 23 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.

KEY PERSONNEL'S BIOGRAPHICAL INFORMATION (CONTINUED)

Leung Chung Ping, Louis, aged 54, Senior Project Manager, joined the CK Group in November 2003. He is a Director of Property Enterprises Development (Singapore) Pte Limited. He has over 26 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.

Lo Kin Yip, Terence, aged 58, Senior Project Manager, joined the CK Group in January 1999. He has over 32 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 58, Senior Project Manager, Structural, joined the CK Group in September 1999. He has over 34 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.

Directors' Office

Lee Sheung Pui, Benjamin, aged 34, Senior Manager, joined the Group in May 2017. He has over 11 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 60, Senior Manager, joined the CK Group in April 2003. He has over 35 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 54, Deputy Senior Manager, joined the CK Group in July 2003. He has over 30 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 57, Manager, joined the CK Group in October 1999. She has over 34 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 58, Senior Manager, joined the CK Group in November 2003. He has over 32 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 53, Senior Manager, joined the CK Group in April 2002. He has over 29 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 54, Deputy Chief Manager, joined the CK Group in August 2000. He has over 31 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 51, Senior Manager, System Development, joined the CK Group in November 1994. He has over 27 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 56, Manager, Networking & Operations, joined the CK Group in July 2005. He has over 30 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 52, Manager, System Development, joined the Group in July 2016. He has over 26 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 66, Senior Manager, joined the CK Group in November 1987. He has over 44 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 55, Senior Manager, joined the CK Group in January 2009. He is the Internal Audit Manager of Hui Xian Asset Management Limited. He has over 30 years of experience in auditing. He holds a Master's degree in Business Administration, a Master of Science degree in Information Systems Management, a Master of Science degree in Investment Management, a Master of Laws degree in Common Law and a Juris Doctor degree. He is a fellow member of The Association of Chartered Certified Accountants, an associate member of The Chartered Institute of Management Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Chau Wai Keung, Allen, aged 67, Manager, joined the CK Group in November 1994. He has over 42 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 59, Manager, joined the CK Group in August 1995. He has over 33 years of experience in auditing. He holds a Professional Diploma in Accountancy and a Master of Business degree in Electronic Commerce. He is a fellow member of The Association of Chartered Certified Accountants, an associate member of The Institute of Chartered Accountants in England and Wales and a fellow of the Hong Kong Institute of Certified Public Accountants.

Lam Wai Choi, Nick, aged 51, Manager, joined the CK Group in March 2001. He has over 29 years of experience in auditing. He holds a Bachelor of Arts degree in Accountancy, a Master of Science degree in Risk Management and a Postgraduate Diploma in Enterprise Risk Management. He is a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Leasing Department

Wong See Hang, Resina, aged 58, 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 35 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 61, Assistant Chief Manager, Leasing, joined the CK Group in October 2003. She has over 40 years of experience in property leasing. She holds a Diploma in Business.

Wong Ling Fei, Mable, aged 59, Assistant Chief Manager, Leasing, joined the CK Group in September 2002. She has over 33 years of experience in property leasing.

Fung Kam Sun, Kam, aged 61, Senior Leasing Manager, joined the CK Group in June 2007. He has over 35 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 60, Senior Manager, E-Park, joined the CK Group in October 2007. He has over 28 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 49, Leasing Manager, joined the CK Group in March 2007. He has over 26 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 46, 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.

Cho Kau Ming, Iris, aged 53, Leasing Manager, joined the CK Group in May 1995. She has extensive experience in property sales and property leasing. She holds a Bachelor of Science degree in Business Administration.

Deng Chi Yung, Jonathan, aged 51, Leasing Manager, joined the CK Group in April 2008. He has over 25 years of experience in property leasing. He holds a Bachelor of Business degree in Property and a Master's degree in Business Administration. He is a member of The Hong Kong Institute of Surveyors.

Leung Ho Shan, Susana, aged 53, Leasing Manager, joined the CK Group in March 1996. She has over 32 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.

Mak Ying Kin, Albany, aged 46, Leasing Manager, joined the Group in October 2021. He has over 19 years of experience in property management and property leasing. He holds a Bachelor of Arts degree and a Professional Diploma in Housing Management. He is chartered member of Chartered Institute of Housing.

Tjer Hung Fu, Frederick, aged 54, Manager, Technical Support, joined the CK Group in May 1996. He has over 30 years of experience in building surveying, repair and maintenance. He holds a Bachelor of Science degree in Building Surveying.

Wong On Kei, Angela, aged 52, Leasing Manager, joined the Group in July 2018. She has over 18 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 69, Executive Committee Member & General Manager, Legal Department, joined the CK Group in July 1985. He has over 38 years of experience in the legal field. He holds a Diploma in Economics.

Wong Fung King, Amy, aged 62, Assistant Chief Manager, joined the CK Group in June 1998. She has over 36 years of experience in the legal field. She holds a Bachelor of Laws degree with Honours and a Postgraduate Certificate in Laws. She is a solicitor of the High Court of the Hong Kong Special Administrative Region.

Cheung Kam Heung, Bella, aged 53, Assistant Chief Manager, joined the CK Group in December 2002. She has over 30 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)

Ching Mei Yee, Elisa, aged 53, Senior Legal Manager, joined the CK Group in June 2006. She has over 30 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 55, Assistant Chief Manager, joined the CK Group in February 1997. She has over 32 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 59, Assistant Chief Manager, joined the CK Group in January 1994. He has over 32 years of experience in property development & investment, land management and property valuation. He holds a Bachelor of Science degree with Honours in 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 58, Assistant Chief Manager, joined the CK Group in July 2005. 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 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 50, Senior Manager, joined the CK Group in May 1996. He has over 27 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 48, Senior Manager, joined the CK Group in January 2008. He has over 26 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 63, 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 43 years of experience in property sales.

Kwok Tze Wai, William, aged 56, Deputy Chief Manager, Sales, joined the CK Group in May 1989. He is a Director of Cheung Kong Real Estate Limited. He has over 33 years of experience in property sales. He holds a Bachelor of Science degree in Business Administration Marketing.

Wong See Chung, Francis, aged 60, 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 26 years of experience in property sales. He holds a Master's degree in Business Administration.

Yeung Kwai Ling, Moni, aged 51, Senior Sales Manager, joined the CK Group in February 2013. She has over 21 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.

Ng Chui Ha, Fiona, aged 58, Senior Manager, Sales Administration, joined the CK Group in December 1990. She has over 35 years of experience in sales administration. She holds a Bachelor of Arts degree in History.

Tai Mei Ling, Marinda, aged 63, Senior Manager, Customer Service, joined the CK Group in August 1985. She has over 36 years of experience in customer service.

Nee Tak Sum, Sam, aged 50, Sales Manager, joined the CK Group in September 1995. He has over 26 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 55, Assistant Chief Manager, Building Management, joined the Group in January 2020. He is the General Manager of Goodwell Property Management Limited. He has over 33 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 60, Assistant Chief Manager, Building Management, joined the CK Group in September 2014. He is the General Manager of Citybase Property Management Limited. He has over 32 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 62, Manager, Building Management, joined the CK Group in May 1987. He is a Director of E-Park Parking Management Limited, Goodwell-Fortune Property Services Limited and Goodwell-Prosperty Property Services Limited. He has over 39 years of experience in building management. He holds a Bachelor of Arts degree with Honours in Business Studies and a Postgraduate Diploma in Surveying (Real Estate Development).

Senior Advisor's Office

Yue Shuk Chun, Jennie, aged 61, Manager & Secretary to Senior Advisor, joined the CK Group in March 1993. She has over 42 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 62, Deputy Managing Director, Hutchison Property Group Limited, joined the CK Group in June 1990. He has over 40 years of experience in property sales and leasing in Hong Kong, the PRC and the United Kingdom. He is a Registered Professional Surveyor, a professional member of the Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors.

Tam, Raymond, aged 68, Director – Finance, Hutchison Property Group Limited, joined the CK Group in May 1982. He has over 45 years of experience in accounting, taxation and finance in Hong Kong, the PRC and overseas. He holds a Master's degree in Business Administration. He is a fellow member of The Association of Chartered Certified Accountants, a fellow of the Hong Kong Institute of Certified Public Accountants, a fellow member of The Taxation Institute of Hong Kong and a fellow member of Institute of Chartered Accountants in England & Wales.

Tsui Ching Sang, Stephen, aged 61, Director – Projects, Hutchison Property Group Limited, joined the CK Group in April 1990. He has over 35 years of experience in project management and architectural design for various developments in Hong Kong, the PRC and the United Kingdom. He holds a Bachelor of Arts degree in Architectural Studies and a Bachelor's degree in Architecture. He is a Registered Architect, an Authorized Person (List of Architects) of the Hong Kong Special Administrative Region and a member of The Hong Kong Institute of Architects.

Tam Kin Yuk, Jason, aged 51, 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 61, Director – Cost Control, Hutchison Property Group Limited, joined the CK Group in December 1994. She has over 35 years of experience in contract management and quantity surveying in Hong Kong, the PRC and the United Kingdom. She holds a Master's degree in Construction Project Management. She is a Registered Professional Surveyor, a fellow member of the Royal Institution of Chartered Surveyors and a fellow member of The Hong Kong Institute of Surveyors.

Mak Kin Wo, Kenneth, aged 56, 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 73, 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 41 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 2021.

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^{Note}, 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 10 to 15 and pages 16 to 31 of this Annual Report. A description of the principal risks and uncertainties facing the Group are set out in the Risk Factors on pages 184 to 199 of this Annual Report. In addition, particulars of important events affecting the Group that have occurred since the end of the year 2021, if any, are set out in the Chairman's Statement from pages 10 to 15 of this Annual Report. The above discussions form part of this Report of the Directors.

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

The Group endeavours to minimise its environmental impact through various measures in resource reduction, climate change mitigation, and waste management initiatives. It has established the Corporate Social Responsibility Policy and Environmental Policy, which set out its corporate direction for environmental protection. The Group's property development projects "Ocean Pride" and "My Central" received the BEAM Plus Final Gold rating and its property development projects "Sea to Sky" and "Seaside Sonata" also received a BEAM Plus Provisional Gold rating.

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

Note: The Group agreed in December 2021 to dispose of its remaining interest in its fleet of aircraft and the aircraft leasing operation will be discontinued following the completion of the transaction. Completion is subject to the fulfilment of certain conditions as stated in the Company's announcement dated 24 December 2021.

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

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

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

The Board of Directors of the Company (“Board”) is ultimately responsible for sustainability, and is engaged in formulating related strategies and policies which provide direction and guidance to the Group. It oversees sustainability performance, and is responsible for ensuring effective risk (including ESG risk) management and internal controls. The Company has established the Sustainability Committee to oversee management and advise the Board on the development and implementation of the sustainability initiatives of the Group. The Group’s sustainability and corporate governance policies provide guidance on the integration of sustainability and purposeful governance into businesses. The Group will continue to publish its annual standalone Sustainability Report. To understand more about the Group’s sustainability practices, please refer to the Company’s Sustainability Report, which will be available on the website of Hong Kong Exchanges and Clearing Limited and the Company’s website at www.ckah.com for inspection and download.

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

REPORT OF THE DIRECTORS (CONTINUED)

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

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

In connection with the Group's hotel and serviced suite operation in Hong Kong, the Group ensures its compliance with the Hotel and Guesthouse Accommodation Ordinance, the Public Health and Municipal Services Ordinance, the Food Business Regulations and the Dutiable Commodities (Liquor) Regulations and the Group has maintained requisite licences such as hotel and guesthouse licence, hotel television (transmission) licence, restaurant 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 2021 are set out in the consolidated income statement on page 130.

The Directors recommend the payment of a final dividend of HK\$1.79 per share which, together with the interim dividend of HK\$0.41 per share paid on 16 September 2021, makes a total dividend of HK\$2.20 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.

REPORT OF THE DIRECTORS (CONTINUED)

Directors

The Directors of the Company in office at the date of this Annual Report are listed on page 200. The Directors' biographical information is set out on pages 32 to 34.

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. Kam Hing Lam, Mr. Chung Sun Keung, Davy, Ms. Pau Yee Wan, Ezra, Ms. Hung Siu-lin, Katherine and Mr. Colin Stevens Russel will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming 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.

Directors' Interests in Transactions, Arrangements or Contracts

Save for otherwise disclosed under the section headed "Continuing Connected Transactions and Connected Transactions", there were no other transactions, arrangements or contracts of significance in relation to the businesses of the Company and its subsidiaries to which the Company or any of its 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 2021 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 2021, 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	527,803,183 (Note 1)	1,160,195,710 (Note 2)	1,688,624,093	46.34%
Kam Hing Lam	Beneficial owner & interest of child or spouse	51,040	57,360	-	-	108,400	0.00297%
Ip Tak Chuen, Edmond	Beneficial owner	300,000	-	-	-	300,000	0.0082%
Chow Nin Mow, Albert	Beneficial owner	66	-	-	-	66	≈0%
Hung Siu-lin, Katherine	Beneficial owner	43,256	-	-	-	43,256	0.0012%
Donald Jeffrey Roberts	Interests held jointly	-	-	-	167,396 (Note 3)	167,396	0.00459%

REPORT OF THE DIRECTORS (CONTINUED)

(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 4)	15	15%
Jabrin Limited	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	2,000 (Note 4)	2,000	20%
Mightycity Company Limited	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	168,375 (Note 4)	168,375	1.53%

Notes:

- (1) The 527,803,183 shares of the Company comprise:
- 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.
 - 106,126,471 shares held by Li Ka Shing Foundation Limited ("LKSF") and 314,156,862 shares held by certain subsidiaries of 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.
 - 51,342,500 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:
- 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) Such 167,396 shares are jointly held by Mr. Donald Jeffrey Roberts and his wife.
- (4) 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.

REPORT OF THE DIRECTORS (CONTINUED)

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 31 December 2021, 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 2021, shareholders of the Company (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long Positions of Substantial Shareholders in the Shares of the Company

Name of Shareholder	Capacity	Number of Ordinary Shares	Total	Approximate% of Shareholding
Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust	Trustee	1,003,380,744	1,003,380,744 (Note 1)	27.53% (Note 4)
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)	27.53% (Note 4)
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)	27.53% (Note 4)
Li Ka-shing	(i) Interest of controlled corporations (ii) Founder of discretionary trusts	531,440,633) 1,160,195,710)	1,691,636,343 (Note 2)	46.42% (Note 4)
Li Ka Shing Foundation Limited	(i) Beneficial owner (ii) Interest of controlled corporations	106,126,471) 314,156,862)	420,283,333 (Note 3)	11.53% (Note 4)

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 1,691,636,343 shares of the Company comprise:
 - (a) 531,440,633 shares of the Company of which:
 - (i) 59,814,800 shares held by certain companies of which Mr. Li Ka-shing is entitled to exercise or control the exercise of one-third or more of the voting power at the general meetings.
 - (ii) 106,126,471 shares held by LKSF and 314,156,862 shares held by certain subsidiaries of 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) 51,342,500 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) The 420,283,333 shares of the Company comprise:
 - (a) 106,126,471 shares held by LKSF.
 - (b) 314,156,862 shares held by certain subsidiaries of LKSF.
- (4) The approximate percentages of shareholding were based on the issued share capital of the Company as at 31 December 2021 (i.e. 3,643,583,833 shares).

Save as disclosed above, as at 31 December 2021, 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.

REPORT OF THE DIRECTORS (CONTINUED)

Continuing Connected Transactions and Connected Transactions

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

1. Continuing Connected Transactions

The following transactions constituted continuing connected transactions of the Company (“Continuing Connected Transactions”) under the Listing Rules during the financial year ended 31 December 2021:

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

On 18 December 2020, the Company entered into an agreement with CK Hutchison to set out the framework terms governing the leasing transactions between the Group and the CK Hutchison Group (the “Leasing Transactions”) to be entered into for the period from 1 January 2021 to 31 December 2023 (the “Term”) (the “Master Leasing Agreement”). Pursuant to the Master Leasing Agreement, the Company agrees to lease or license or to procure its subsidiaries to lease or license the premises owned by the Group (including office space, car parks and building areas) to members of the CK Hutchison Group as and when reasonably requested by members of the CK Hutchison Group from time to time during the Term, at a rental or licence fee to be negotiated on a case-by-case and an arm’s length basis, and shall be on normal commercial terms.

The aggregate rental or licence fees of the Leasing Transactions are subject to the annual caps of HK\$849 million, HK\$940 million and HK\$987 million for the year ended 31 December 2021, and for the years ending 31 December 2022 and 31 December 2023 respectively. During the year ended 31 December 2021, HK\$671 million has been paid/payable by the CK Hutchison Group to the Group for the Leasing Transactions.

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

On 18 December 2020, the Company entered into an agreement with CK Hutchison to set out the framework terms governing the purchases of goods and services (the “Project Related Supplies”) by the Group from the CK Hutchison Group for use in connection with the Group’s property development projects (the “Project Related Supplies Transactions”) to be entered into for the Term (the “Master Purchase Agreement”). Pursuant to the Master Purchase Agreement, CK Hutchison agrees to provide, or to procure its subsidiaries to provide, the Project Related Supplies to members of the Group as and when reasonably requested by the members of the Group from time to time during the Term, at a fee or charge to be negotiated on a case-by-case and an arm’s length basis, and shall be on normal commercial terms.

The aggregate fees and charges of the Project Related Supplies Transactions are subject to the annual caps of HK\$228 million, HK\$313 million and HK\$313 million for the year ended 31 December 2021, and for the years ending 31 December 2022 and 31 December 2023 respectively. During the year ended 31 December 2021, HK\$93 million has been paid/payable by the Group to the CK Hutchison Group for the Project Related Supplies Transactions.

As Mr. Victor T K Li, the Chairman of the Board of Directors of the Company, might be regarded as having a material interest in the Continuing Connected Transactions, he voluntarily abstained from voting on the board resolutions of the Company approving the Continuing Connected Transactions. An announcement in respect of the above Continuing Connected Transactions was published on 18 December 2020 in accordance with the Listing Rules.

The Continuing Connected Transactions have been reviewed by the Independent Non-executive Directors. The Independent Non-executive Directors have confirmed that for the year 2021 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 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reported to the Board of Directors of the Company and confirmed that for the year 2021 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.

2. Connected Transactions

The following transaction constituted connected transaction of the Company under the Listing Rules during the financial year ended 31 December 2021 and up to the date of this Report:

On 18 March 2021 (after trading hours), the Company announced the proposal (the "Proposal") which comprised (a) the Proposed Acquisition and (b) the Share Buy-back Proposal (each as defined in the Company's announcement dated 18 March 2021 (the "Announcement")).

REPORT OF THE DIRECTORS (CONTINUED)

(a) Proposed Acquisition

The Company (as purchaser) and Li Ka Shing Foundation Limited (“LKSF”, as seller) entered into a share purchase agreement on 18 March 2021, pursuant to which the Company agreed to purchase, and LKSF agreed to sell or procure the sale of minority shareholding interests in four infrastructure companies (the “Target Holdcos”) including: (a) Eagle Frame Limited, which has an indirect 20% shareholding interest in UK Power Networks Holdings Limited (“UKPN”); (b) Mondrem Corporation, which has an indirect 20% shareholding interest in Northumbrian Water Group Limited (“NWG”); (c) Moonstone Global Investment Limited, which has an indirect 10% shareholding interest in Wales & West Utilities Limited (“WWU”); and (d) Gerbera Investments Limited, which has a direct 10% shareholding interest in Dutch Enviro Energy Holdings B.V. (“Dutch Enviro”, together with UKPN, NWG and WWU, the “Target Companies”). Further details of the Proposed Acquisition, including information of the Target Holdcos and the Target Companies and the reasons for and benefits of the Proposed Acquisition, were disclosed in the Company’s announcements dated 18 March 2021 and 14 April 2021 and the Company’s circular and offer document dated 27 April 2021 (“Circular and Offer Document”). The total purchase price of the Proposed Acquisition is HK\$17 billion, which was satisfied in full by the issue of 333,333,333 ordinary shares of the Company (the “Shares”) (“Consideration Shares”) to LKSF (or its affiliate); and

(b) Share Buy-back Proposal

The Share Buy-back Proposal comprised of (a) a conditional cash offer to buy-back up to 380,000,000 Shares (the “Maximum Number of Shares”, which was revised from 333,333,333 Shares, as announced by the Company on 14 April 2021) for cancellation at an offer price of HK\$51 per Share (the “Offer Price”) from all qualifying shareholders of the Company (the “Share Buy-back Offer”), and (b) the possible on-market buy-backs of any shortfall at a price not exceeding the Offer Price following completion of the Share Buy-back Offer if valid acceptances received under the Share Buy-back Offer was less than the Maximum Number of Shares by utilising the general mandate to buy-back Shares approved by the shareholders of the Company (the “Shareholders”) at the 2021 annual general meeting of the Company. The Proposed Acquisition and the Share Buy-back Offer were inter-conditional on each other.

An application for the Whitewash Waiver (as defined in the Announcement) was made to the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong to waive any obligation on the part of LKSF to make a mandatory general offer pursuant to Rule 26 of The Hong Kong Code on Takeovers and Mergers for all of the Shares not already owned or agreed to be acquired by the Controlling Shareholder Group (as defined in the Announcement, including Mr. Li Ka-shing and Mr. Victor T K Li, the relevant trust, LKSF and LKSGF) as a result of the allotment and issue of the Consideration Shares to LKSF (or its affiliate) and the Share Buy-back Offer.

The Proposal aimed to enhance the Company's investment portfolio of assets that provide stable recurrent cash flow while minimizing any dilutive impact on the shareholding interest of the Shareholders. The Proposed Acquisition allowed the Company to acquire a sizeable and high quality portfolio of assets. Although the purchase price for the Proposed Acquisition was settled in full by the issue of the Consideration Shares, when taken together with the effect of the Share Back-back Offer, the overall effect of the Proposal was the deployment of HK\$19.38 billion of cash to acquire cash flow generating assets and to buy-back additional Shares, thereby enhancing returns per Share to the Shareholders.

As at 18 March 2021, the Controlling Shareholder Group directly and/or indirectly held an aggregate of approximately 35.99% of the total issued Shares. LKSF is a person acting in concert with, and may be regarded as close associate of, Mr. Victor T K Li, the Chairman and Managing Director of the Company, and may therefore be regarded as a connected person of the Company under the Listing Rules. Accordingly, the Proposed Acquisition constituted a connected transaction of the Company under Chapter 14A of the Listing Rules, which was subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As LKSF is a person acting in concert with, and may be regarded as close associate of, Mr. Victor T K Li, Mr. Li had a material interest in the Proposal and therefore abstained from voting on the board resolutions of the Company for approving the Proposal (including the Proposed Acquisition and the Share Buy-back Proposal).

As Ms. Pau Yee Wan, Ezra is a Director and a LKSF Director, Ms. Pau had a material interest in the Proposal therefore abstained from voting on the board resolutions of the Company for approving the Proposal (including the Proposed Acquisition and the Share Buy-back Proposal).

As members of the Independent Board Committee (as defined in the Announcement), including Mr. Cheong Ying Chew, Henry, Mr. Chow Nin Mow, Albert, Ms. Hung Siu-lin, Katherine, Mr. Colin Stevens Russel, Mr. Donald Jeffrey Roberts and Mr. Stephen Edward Bradley, would provide their opinion after taking into account the advice of the Independent Financial Advisor (as defined in the Announcement), they had abstained from voting on the board resolutions of the Company for approving the Proposal (including the Proposed Acquisition and the Share Buy-back Proposal). The Independent Board Committee had included their opinion and recommendation to the Independent Shareholders (as defined in the Announcement) in a letter set out in the Circular and Offer Document.

The Proposal was approved by the Independent Shareholders at the extraordinary general meeting of the Company held on 13 May 2021. The Proposed Acquisition was completed in May 2021 and the Share Buy-back Offer was completed in June 2021.

REPORT OF THE DIRECTORS (CONTINUED)

Major Customers and Suppliers

During the year, 53% of the Group's purchases were attributable to the Group's five largest suppliers with the largest supplier accounted for 36% 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 2021, Ms. Pau Yee Wan, Ezra, the Executive Director of the Company and Mr. Donald Jeffrey Roberts, the Independent Non-Executive Director of the Company respectively held 3,908 and 50,000 shares of MTR Corporation Limited, being one of the five largest suppliers of the Group. 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

2. Interests in Competing Business

Name of Director	Name of Company	Nature of Interest	Competing Business (Note)
Victor T K Li	CK Hutchison Holdings Limited	Chairman and Group Co-Managing Director	(5) & (7)
	CK Infrastructure Holdings Limited	Chairman	(5) & (7)
	CK Life Sciences Int'l., (Holdings) Inc.	Chairman	(1)
	HK Electric Investments and HK Electric Investments Limited	Non-executive Director and Deputy Chairman	(7)
	Power Assets Holdings Limited	Non-executive Director	(7)
Kam Hing Lam	CK Hutchison Holdings Limited	Deputy Managing Director	(5) & (7)
	CK Infrastructure Holdings Limited	Group Managing Director	(5) & (7)
	CK Life Sciences Int'l., (Holdings) Inc.	President	(1)
	Hui Xian Asset Management Limited	Chairman	(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	Continental Aerospace Technologies Holding Limited (formerly known as "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.

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.

REPORT OF THE DIRECTORS (CONTINUED)

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 4 June 2021, a total of 380,000,000 Shares were bought back at the Offer Price for an aggregate consideration of HK\$19,380,000,000 (before expenses) pursuant to the Share Buy-back Offer and cancelled (details of which were disclosed in the Company's announcement dated 4 June 2021).

During the year ended 31 December 2021, the Company bought back a total of 3,150,000 Shares on the Stock Exchange for an aggregate consideration of HK\$163,423,500 (before expenses). All the Shares bought back were subsequently cancelled. As at 31 December 2021, the total number of Shares in issue was 3,643,583,833.

Particulars of the share buy-backs are as follows:

Month	Number of Shares bought back	Purchase price per Share		Aggregate consideration (before expenses) (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
June 2021	3,150,000	51.95	51.70	163,423,500

Save as disclosed above, during the year ended 31 December 2021, 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 2021, save for the share purchase agreement dated 18 March 2021 between the Company (as purchaser) and Li Ka Shing Foundation Limited (as seller) involving the issue of the Consideration Shares, details of which are disclosed in page 56 above, 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 2021.

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\$10 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 2021, 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 2021 is set out below:

HK\$ million	
Non-current assets	373,849
Current assets	19,448
Current liabilities	(29,786)
Non-current liabilities	(285,220)
Net assets	78,291
Share capital	26,706
Reserves	51,809
Non-controlling interests	(224)
Total equity	78,291

As at 31 December 2021, the consolidated attributable interest of the Group in these affiliated companies amounted to HK\$26,303 million.

REPORT OF THE DIRECTORS (CONTINUED)

Audit Committee

The Group's Annual Report for the year ended 31 December 2021 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 85 to 87.

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 2022 annual general meeting.

On behalf of the Board

Victor T K Li

Chairman and Managing Director

Hong Kong, 17 March 2022

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”) which was in force throughout the year ended 31 December 2021. Corporate Governance Report of 2022 and onward will be based on new CG Code which has been amended with effect from 1 January 2022.

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.

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, April, May, August and November of 2021. Directors’ attendance record in 2021 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>5/5</td> </tr> <tr> <td>KAM Hing Lam (<i>Deputy Managing Director</i>)</td> <td>5/5</td> </tr> <tr> <td>IP Tak Chuen, Edmond (<i>Deputy Managing Director</i>)</td> <td>5/5</td> </tr> <tr> <td>CHUNG Sun Keung, Davy</td> <td>5/5</td> </tr> <tr> <td>CHIU Kwok Hung, Justin</td> <td>5/5</td> </tr> <tr> <td>CHOW Wai Kam, Raymond</td> <td>5/5</td> </tr> <tr> <td>PAU Yee Wan, Ezra</td> <td>5/5</td> </tr> <tr> <td>WOO Chia Ching, Grace</td> <td>5/5</td> </tr> <tr> <td colspan="2">Independent Non-executive Directors</td> </tr> <tr> <td>CHEONG Ying Chew, Henry</td> <td>5/5</td> </tr> <tr> <td>CHOW Nin Mow, Albert</td> <td>5/5</td> </tr> <tr> <td>HUNG Siu-lin, Katherine</td> <td>5/5</td> </tr> <tr> <td>Colin Stevens RUSSEL</td> <td>5/5</td> </tr> <tr> <td>Donald Jeffrey ROBERTS</td> <td>5/5</td> </tr> <tr> <td>Stephen Edward BRADLEY</td> <td>5/5</td> </tr> </tbody> </table> 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”). There were no significant changes in the Company’s constitutional documents during the year 2021. 	Members of the Board	Attendance	Executive Directors		Victor T K LI (<i>Chairman and Managing Director</i>)	5/5	KAM Hing Lam (<i>Deputy Managing Director</i>)	5/5	IP Tak Chuen, Edmond (<i>Deputy Managing Director</i>)	5/5	CHUNG Sun Keung, Davy	5/5	CHIU Kwok Hung, Justin	5/5	CHOW Wai Kam, Raymond	5/5	PAU Yee Wan, Ezra	5/5	WOO Chia Ching, Grace	5/5	Independent Non-executive Directors		CHEONG Ying Chew, Henry	5/5	CHOW Nin Mow, Albert	5/5	HUNG Siu-lin, Katherine	5/5	Colin Stevens RUSSEL	5/5	Donald Jeffrey ROBERTS	5/5	Stephen Edward BRADLEY	5/5
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CORPORATE GOVERNANCE REPORT (CONTINUED)

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. 	<p>C</p> <p>C</p>	<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. 	<p>C</p> <p>C</p>	<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. 	<p>C</p> <p>C</p>	<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. 	<p>C</p> <p>C</p>	<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 2021/2022.

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 2021. Attendance record in 2021 is as follows: <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; border-bottom: 1px solid black;">Attendance</th> </tr> </thead> <tbody> <tr> <td colspan="2">Chairman</td> </tr> <tr> <td>Victor T K Li</td> <td style="text-align: right;">2/2</td> </tr> <tr> <td colspan="2">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;">2/2</td> </tr> </tbody> </table>		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	2/2
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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 promptly and further supporting information and/or documentation is provided as appropriate. 																				

CORPORATE GOVERNANCE REPORT (CONTINUED)

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, April, May, August and November of 2021. • 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 2021. Please refer to A.2.2 above for the attendance record.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
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 to communicate their views on various matters affecting the Company, 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. These channels allow the Company to receive feedback from our shareholders and investors. Any unanswered questions raised from the shareholders in the annual general meetings/extraordinary general meetings will be dealt with by the Company Secretarial Department and other appropriate departments. In addition, contact details of the Corporate Affairs Department are available at the Company's website for taking enquiries and receiving information requests from shareholders. Those enquiries and information requests will be handled by the Corporate Affairs Department and other appropriate departments. • 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 implementation and effectiveness.
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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
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. Six out of fourteen members of the Board are Independent Non-executive Directors. During the year, all Independent Non-executive Directors attend to the affairs of the Group through their participation at the annual general meeting/extraordinary general meeting, Board and Board Committee meetings and perusal of the Board papers. Three out of five committees established by the Board, namely the audit committee ("Audit Committee"), the nomination committee ("Nomination Committee") and the remuneration committee ("Remuneration Committee") are chaired by Independent Non-executive Directors. The Audit Committee comprises all Independent Non-executive Directors, while the Nomination Committee and the Remuneration Committee comprise a majority of Independent Non-executive Directors. The Company maintains the view that a Director's independence is a question of fact and this is formally recognised in the Company's policy on diversity of Board members ("Board Diversity Policy"). The Board is committed to assessing this on an ongoing basis with regard to all relevant factors concerned. Some of these factors include: the ability to continually provide constructive challenge for management and other Directors and to express one's own views independent of management or other fellow Directors and the gravitas inside and outside the boardroom context. These attributes and desired behaviour have been demonstrated by our Independent Non-executive Directors as circumstances require. Details of the composition of the Board are set out on page 200. The Directors' biographical information and the relationships among the Directors are set out on pages 32 to 34. 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. • The Board is of the view that a director's independence should not be defined by his/her tenure on the Board. The Board assesses a director's independence on a case-by-case basis with reference to the director's business acumen, experience in related industries, professional qualification, international business exposure and the nature of the businesses of the Company in addition to tenure. A director who has over time gained in-depth insight into the Company's operations and its markets are well-positioned to offer his/her perspective and advice for discussion at the Board and that he/she can bring valuable contribution to the Company with comprehensive understanding of the operations of the Company. • 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 2022 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.
A.5	<p>Nomination Committee</p> <p><i>Corporate Governance Principle</i></p> <p><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></p>		
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 an Independent Non-executive Director, Mr. Stephen Edward Bradley (Chairman of the Nomination Committee), the Chairman and Managing Director, Mr. Victor T K Li, and an Independent Non-executive Director, Mr. Donald Jeffrey Roberts.

CORPORATE GOVERNANCE REPORT (CONTINUED)

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 have been updated on 1 December 2020. Nomination Committee meeting was held in March 2021. Attendance record of the members of the Nomination Committee in 2021 is as follows:- <table border="1" style="margin-left: 20px; width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Members of the Nomination Committee</th> <th style="text-align: right;">Attendance</th> </tr> </thead> <tbody> <tr> <td>Stephen Edward BRADLEY (<i>Chairman of the Nomination 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>Donald Jeffrey ROBERTS</td> <td style="text-align: right;">1/1</td> </tr> </tbody> </table> • 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 during 2021: <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; and 4. Make recommendation to the Board on the re-election of Directors at the 2021 annual general meeting. • In February 2015, the Company has established the 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. • In terms of gender diversity, the Board currently comprises 3 female Directors, representing 21% of the Board. The Board has already developed a roadmap to achieve greater gender diversity during the year. • The Board and the Nomination Committee review from time to time the Board Diversity Policy, monitor its implementation to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practices and the Nomination Committee makes recommendation on any revision as may be required to the Board for approval. 	Members of the Nomination Committee	Attendance	Stephen Edward BRADLEY (<i>Chairman of the Nomination Committee</i>)	1/1	Victor T K LI	1/1	Donald Jeffrey ROBERTS	1/1
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Donald Jeffrey ROBERTS	1/1										

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.5.2 (cont'd)			<ul style="list-style-type: none"> • 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. • 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/herself 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, monitor its implementation to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practices and make 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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

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 2021 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. An induction 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.

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, 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"> <thead> <tr> <th>Board Committee</th> <th>Audit Committee</th> <th>Remuneration Committee*</th> <th>Nomination Committee*</th> <th>Sustainability Committee*</th> </tr> </thead> <tbody> <tr> <td>Directors</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>CHEONG Ying Chew, Henry</td> <td>C</td> <td>M</td> <td>-</td> <td>M</td> </tr> <tr> <td>CHOW Nin Mow, Albert</td> <td>M</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>HUNG Siu-lin, Katherine</td> <td>M</td> <td>C</td> <td>-</td> <td>-</td> </tr> <tr> <td>Colin Stevens RUSSEL</td> <td>M</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Donald Jeffrey ROBERTS</td> <td>M</td> <td>-</td> <td>M</td> <td>-</td> </tr> <tr> <td>Stephen Edward BRADLEY</td> <td>M</td> <td>-</td> <td>C</td> <td>-</td> </tr> </tbody> </table> <p>* also comprises other Board members/key personnel C Chairman/Chairperson of the relevant Board Committees M Member of the relevant Board Committees</p>	Board Committee	Audit Committee	Remuneration Committee*	Nomination Committee*	Sustainability Committee*	Directors					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 in-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 2021. • 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 the Company's intranet and disseminated to all employees of the Company. 																																								

CORPORATE GOVERNANCE REPORT (CONTINUED)

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"> An induction 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 2021. 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"> 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; 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 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 2021 is as follows: <table border="1"> <thead> <tr> <th>Members of the Board</th> <th>Training received</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>(1), (2) & (3)</td> </tr> <tr> <td>KAM Hing Lam (<i>Deputy Managing Director</i>)</td> <td>(1), (2) & (3)</td> </tr> <tr> <td>IP Tak Chuen, Edmond (<i>Deputy Managing Director</i>)</td> <td>(1), (2) & (3)</td> </tr> <tr> <td>CHUNG Sun Keung, Davy</td> <td>(1), (2) & (3)</td> </tr> <tr> <td>CHIU Kwok Hung, Justin</td> <td>(1), (2) & (3)</td> </tr> <tr> <td>CHOW Wai Kam, Raymond</td> <td>(1) & (2)</td> </tr> <tr> <td>PAU Yee Wan, Ezra</td> <td>(1) & (2)</td> </tr> <tr> <td>WOO Chia Ching, Grace</td> <td>(1) & (2)</td> </tr> <tr> <td colspan="2">Independent Non-executive Directors</td> </tr> <tr> <td>CHEONG Ying Chew, Henry</td> <td>(1) & (2)</td> </tr> <tr> <td>CHOW Nin Mow, Albert</td> <td>(1), (2) & (3)</td> </tr> <tr> <td>HUNG Siu-lin, Katherine</td> <td>(1) & (2)</td> </tr> <tr> <td>Colin Stevens RUSSEL</td> <td>(1) & (2)</td> </tr> <tr> <td>Donald Jeffrey ROBERTS</td> <td>(1) & (2)</td> </tr> <tr> <td>Stephen Edward BRADLEY</td> <td>(1) & (2)</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), (2) & (3)	IP Tak Chuen, Edmond (<i>Deputy Managing Director</i>)	(1), (2) & (3)	CHUNG Sun Keung, Davy	(1), (2) & (3)	CHIU Kwok Hung, Justin	(1), (2) & (3)	CHOW Wai Kam, Raymond	(1) & (2)	PAU Yee Wan, Ezra	(1) & (2)	WOO Chia Ching, Grace	(1) & (2)	Independent Non-executive Directors		CHEONG Ying Chew, Henry	(1) & (2)	CHOW Nin Mow, Albert	(1), (2) & (3)	HUNG Siu-lin, Katherine	(1) & (2)	Colin Stevens RUSSEL	(1) & (2)	Donald Jeffrey ROBERTS	(1) & (2)	Stephen Edward BRADLEY	(1) & (2)
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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 general meetings during the year. Please refer to A.1.1, A.2.2, A.5.2, 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	Supply of and access to information Corporate Governance Principle <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>		
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 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 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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

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.

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 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 2020 in April 2021, meeting of the Remuneration Committee was held in January 2022. Attendance record of the members of the Remuneration Committee is as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <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 2021/2022; 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 2022. 	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. 								

CORPORATE GOVERNANCE REPORT (CONTINUED)

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 174 to 177.
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 2021.

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> <ul style="list-style-type: none"> The review should cover all material controls, including financial, operational and compliance controls. 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. The board's annual review should, in particular, consider: <ul style="list-style-type: none"> (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; 	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 2021 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.</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>


CORPORATE GOVERNANCE REPORT (CONTINUED)

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> <p>Note:</p> <p>↑ Accountability, reporting ↓ Delegation, direction, resources, oversight ↔ Alignment, communication</p>

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 internal controls and relevant financial reporting matters, in addition to management's review.

CORPORATE GOVERNANCE REPORT (CONTINUED)

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>

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/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) 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>

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) 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/Overseas Subsidiaries to determine whether it is functioning effectively and whether risks are being properly addressed. This includes ensuring that risks are identified, prioritised and communicated to those responsible for taking action to address them, and that such actions have been taken and are operating effectively.</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 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>

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 2021, 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	<p>Audit Committee</p> <p><i>Corporate Governance Principle</i></p> <p><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></p>		
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. 	C C	<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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices														
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, May, August and November of 2021. Attendance record of the members of the Audit Committee in 2021 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;">4/4</td> </tr> <tr> <td>CHOW Nin Mow, Albert</td> <td style="text-align: right;">4/4</td> </tr> <tr> <td>HUNG Siu-lin, Katherine</td> <td style="text-align: right;">4/4</td> </tr> <tr> <td>Colin Stevens RUSSEL</td> <td style="text-align: right;">4/4</td> </tr> <tr> <td>Donald Jeffrey ROBERTS</td> <td style="text-align: right;">4/4</td> </tr> <tr> <td>Stephen Edward BRADLEY</td> <td style="text-align: right;">4/4</td> </tr> </tbody> </table> • The following is a summary of the work of the Audit Committee during 2021: <ol style="list-style-type: none"> 1. Review the financial reports for 2020 annual results and 2021 interim results, and unaudited financial results for the 1st quarter and the 3rd quarter of 2021; 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 14 March 2022 that the risk management and internal control systems were adequate and effective. • On 14 March 2022, the Audit Committee met to review the Group's 2021 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 2021 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 2021. • The Audit Committee also recommended to the Board the re-appointment of Deloitte as the Company's external auditor for 2022 and that the related resolution shall be put forth for shareholders' consideration and approval at the 2022 Annual General Meeting. • The Group's Annual Report 2021 has been reviewed by the Audit Committee. 	Members of the Audit Committee	Attendance	CHEONG Ying Chew, Henry (<i>Chairman of the Audit Committee</i>)	4/4	CHOW Nin Mow, Albert	4/4	HUNG Siu-lin, Katherine	4/4	Colin Stevens RUSSEL	4/4	Donald Jeffrey ROBERTS	4/4	Stephen Edward BRADLEY	4/4
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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 all 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.
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 2022. • 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 2021 amounted to approximately HK\$37 million, HK\$2 million and HK\$3 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	<p>The terms of reference of the audit committee should also require it:</p> <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 Whistleblowing Policy – Procedures for Reporting Possible Improprieties 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).

CORPORATE GOVERNANCE REPORT (CONTINUED)

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 99. 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 99.
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.

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 2022, 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) Sanctions Compliance Policy; (14) Shareholders Communication Policy; and (15) Whistleblowing Policy – Procedures for Reporting Possible Improprieties. • As mentioned above, the Company has established and from time to time updated the Whistleblowing Policy – Procedures for Reporting Possible Improprieties and system for employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, with the audit committee about possible improprieties in any matter related to the Company. • The Company has established Anti-Fraud and Anti-Bribery Policy and systems that promote and support anti-corruption laws and regulations.
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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
E.	COMMUNICATION WITH SHAREHOLDERS		
E.1	Effective communication		
	Corporate Governance Principle		
	<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. 	<p>C</p> <p>C</p> <p>C</p>	<ul style="list-style-type: none"> In 2021, the Chairman and Chairman/Chairperson of each of the Audit Committee, the Remuneration Committee, the Nomination Committee, the Sustainability Committee and the Executive Committee attended the 2021 annual general meeting and were available to answer questions. The Board established an independent board committee, a sub-committee of the Board, on 18 March 2021 ("IBC") to advise the independent shareholders of the Company in relation to the proposal announced on the same date, summary of which has been disclosed in page 19 of this annual report. The IBC comprised all six Independent Non-executive Directors, namely, Mr. Cheong Ying Chew, Henry (Chairman of the IBC), Mr. Chow Nin Mow, Albert, Ms. Hung Siu-lin, Katherine, Mr. Colin Stevens Russel, Mr. Donald Jeffrey Roberts and Mr. Stephen Edward Bradley. The Chairman of the IBC was available to answer questions at the extraordinary general meeting of the Company held on 13 May 2021 ("EGM").

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices																																		
E.1.2 (cont'd)			<ul style="list-style-type: none"> Directors' attendance records[^] of 2021 annual general meeting and the EGM are as follows: <table border="1" data-bbox="703 336 1469 836"> <thead> <tr> <th data-bbox="703 336 1337 364">Members of the Board</th> <th data-bbox="1337 336 1469 364">Attendance</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="703 372 1469 401">Executive Directors</td> </tr> <tr> <td data-bbox="703 407 1337 457">Victor T K LI (<i>Chairman of the Board and Chairman of the Executive Committee</i>)</td> <td data-bbox="1337 407 1469 457">2/2</td> </tr> <tr> <td data-bbox="703 457 1337 485">KAM Hing Lam</td> <td data-bbox="1337 457 1469 485">2/2</td> </tr> <tr> <td data-bbox="703 485 1337 513">IP Tak Chuen, Edmond (<i>Chairman of the Sustainability Committee</i>)</td> <td data-bbox="1337 485 1469 513">2/2</td> </tr> <tr> <td data-bbox="703 513 1337 541">CHUNG Sun Keung, Davy</td> <td data-bbox="1337 513 1469 541">2/2</td> </tr> <tr> <td data-bbox="703 541 1337 569">CHIU Kwok Hung, Justin</td> <td data-bbox="1337 541 1469 569">2/2</td> </tr> <tr> <td data-bbox="703 569 1337 597">CHOW Wai Kam, Raymond</td> <td data-bbox="1337 569 1469 597">2/2</td> </tr> <tr> <td data-bbox="703 597 1337 625">PAU Yee Wan, Ezra</td> <td data-bbox="1337 597 1469 625">2/2</td> </tr> <tr> <td data-bbox="703 625 1337 653">WOO Chia Ching, Grace</td> <td data-bbox="1337 625 1469 653">2/2</td> </tr> <tr> <td colspan="2" data-bbox="703 653 1469 681">Independent Non-executive Directors</td> </tr> <tr> <td data-bbox="703 687 1337 715">CHEONG Ying Chew, Henry (<i>Chairman of the Audit Committee</i>)</td> <td data-bbox="1337 687 1469 715">2/2</td> </tr> <tr> <td data-bbox="703 715 1337 743">CHOW Nin Mow, Albert</td> <td data-bbox="1337 715 1469 743">2/2</td> </tr> <tr> <td data-bbox="703 743 1337 771">HUNG Siu-lin, Katherine (<i>Chairperson of the Remuneration Committee</i>)</td> <td data-bbox="1337 743 1469 771">2/2</td> </tr> <tr> <td data-bbox="703 771 1337 799">Colin Stevens RUSSEL</td> <td data-bbox="1337 771 1469 799">2/2</td> </tr> <tr> <td data-bbox="703 799 1337 827">Donald Jeffrey ROBERTS</td> <td data-bbox="1337 799 1469 827">2/2</td> </tr> <tr> <td data-bbox="703 827 1337 855">Stephen Edward BRADLEY (<i>Chairman of the Nomination Committee</i>)</td> <td data-bbox="1337 827 1469 855">2/2</td> </tr> </tbody> </table> <p data-bbox="703 855 1090 883">[^] All Directors attended via video conferencing</p> <ul style="list-style-type: none"> In 2021, the Company's external auditor attended the annual general meeting via video conferencing and was available to answer questions. 	Members of the Board	Attendance	Executive Directors		Victor T K LI (<i>Chairman of the Board and Chairman of the Executive Committee</i>)	2/2	KAM Hing Lam	2/2	IP Tak Chuen, Edmond (<i>Chairman of the Sustainability Committee</i>)	2/2	CHUNG Sun Keung, Davy	2/2	CHIU Kwok Hung, Justin	2/2	CHOW Wai Kam, Raymond	2/2	PAU Yee Wan, Ezra	2/2	WOO Chia Ching, Grace	2/2	Independent Non-executive Directors		CHEONG Ying Chew, Henry (<i>Chairman of the Audit Committee</i>)	2/2	CHOW Nin Mow, Albert	2/2	HUNG Siu-lin, Katherine (<i>Chairperson of the Remuneration Committee</i>)	2/2	Colin Stevens RUSSEL	2/2	Donald Jeffrey ROBERTS	2/2	Stephen Edward BRADLEY (<i>Chairman of the Nomination Committee</i>)	2/2
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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 notices to shareholders for the 2021 annual general meeting and the EGM were sent at least 20 clear business days and at least 10 clear business days before the meetings respectively. 																																		

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.

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E.2	Voting by poll																																																		
	Corporate Governance Principle																																																		
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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 2021 annual general meeting and the EGM, the Chairman of the meeting explained (through the Company Secretary) the detailed procedures for conducting a poll, and answered questions from shareholders. At the 2021 annual general meeting and the EGM, the Chairman of the meeting exercised his power under the Articles to put each resolution set out in the notices of annual general meeting and EGM 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 2021 annual general meeting and the EGM. 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 announcements of the Company dated 13 May 2021 are set out below: <table border="1"> <thead> <tr> <th colspan="2">Resolutions proposed at the 2021 annual general meeting</th> <th>Percentage of Votes</th> </tr> </thead> <tbody> <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 2020.</td> <td>99.812136%</td> </tr> <tr> <td>2</td> <td>To declare a final dividend.</td> <td>99.318858%</td> </tr> <tr> <td>3(1)</td> <td>To elect Mr. Ip Tak Chuen, Edmond as Director.</td> <td>88.417183%</td> </tr> <tr> <td>3(2)</td> <td>To elect Mr. Chow Wai Kam, Raymond as Director.</td> <td>94.431541%</td> </tr> <tr> <td>3(3)</td> <td>To elect Ms. Woo Chia Ching, Grace as Director.</td> <td>94.432432%</td> </tr> <tr> <td>3(4)</td> <td>To elect Mr. Chow Nin Mow, Albert as Director.</td> <td>73.150283%</td> </tr> <tr> <td>3(5)</td> <td>To elect Mr. Donald Jeffrey Roberts as Director.</td> <td>78.351327%</td> </tr> <tr> <td>3(6)</td> <td>To elect Mr. Stephen Edward Bradley as Director.</td> <td>96.054557%</td> </tr> <tr> <td>4</td> <td>To appoint Messrs. Deloitte Touche Tohmatsu as Auditor and authorise the Directors to fix their remuneration.</td> <td>74.251835%</td> </tr> <tr> <td>5(1)</td> <td>To give a general mandate to the Directors to issue additional shares of the Company.</td> <td>94.000566%</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>99.512488%</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">Resolutions proposed at the EGM</th> <th>Percentage of Votes</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>To approve the share purchase agreement and the proposed acquisition and to grant the specific mandate.</td> <td>86.373282%</td> </tr> <tr> <td>2</td> <td>To approve the share buy-back offer.</td> <td>86.401880%</td> </tr> <tr> <td>3</td> <td>To approve the whitewash waiver.</td> <td>77.084609%</td> </tr> </tbody> </table> <p>Accordingly, all resolutions put to shareholders at the respective general meetings were duly passed as ordinary resolutions. Poll results were posted on the websites of the Company and HKEx.</p>	Resolutions proposed at the 2021 annual general meeting		Percentage of Votes	1	To receive the audited Financial Statements, the Report of the Directors and the Independent Auditor's Report for the year ended 31 December 2020.	99.812136%	2	To declare a final dividend.	99.318858%	3(1)	To elect Mr. Ip Tak Chuen, Edmond as Director.	88.417183%	3(2)	To elect Mr. Chow Wai Kam, Raymond as Director.	94.431541%	3(3)	To elect Ms. Woo Chia Ching, Grace as Director.	94.432432%	3(4)	To elect Mr. Chow Nin Mow, Albert as Director.	73.150283%	3(5)	To elect Mr. Donald Jeffrey Roberts as Director.	78.351327%	3(6)	To elect Mr. Stephen Edward Bradley as Director.	96.054557%	4	To appoint Messrs. Deloitte Touche Tohmatsu as Auditor and authorise the Directors to fix their remuneration.	74.251835%	5(1)	To give a general mandate to the Directors to issue additional shares of the Company.	94.000566%	5(2)	To give a general mandate to the Directors to buy back shares of the Company.	99.512488%	Resolutions proposed at the EGM		Percentage of Votes	1	To approve the share purchase agreement and the proposed acquisition and to grant the specific mandate.	86.373282%	2	To approve the share buy-back offer.	86.401880%	3	To approve the whitewash waiver.	77.084609%
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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 2021. 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)

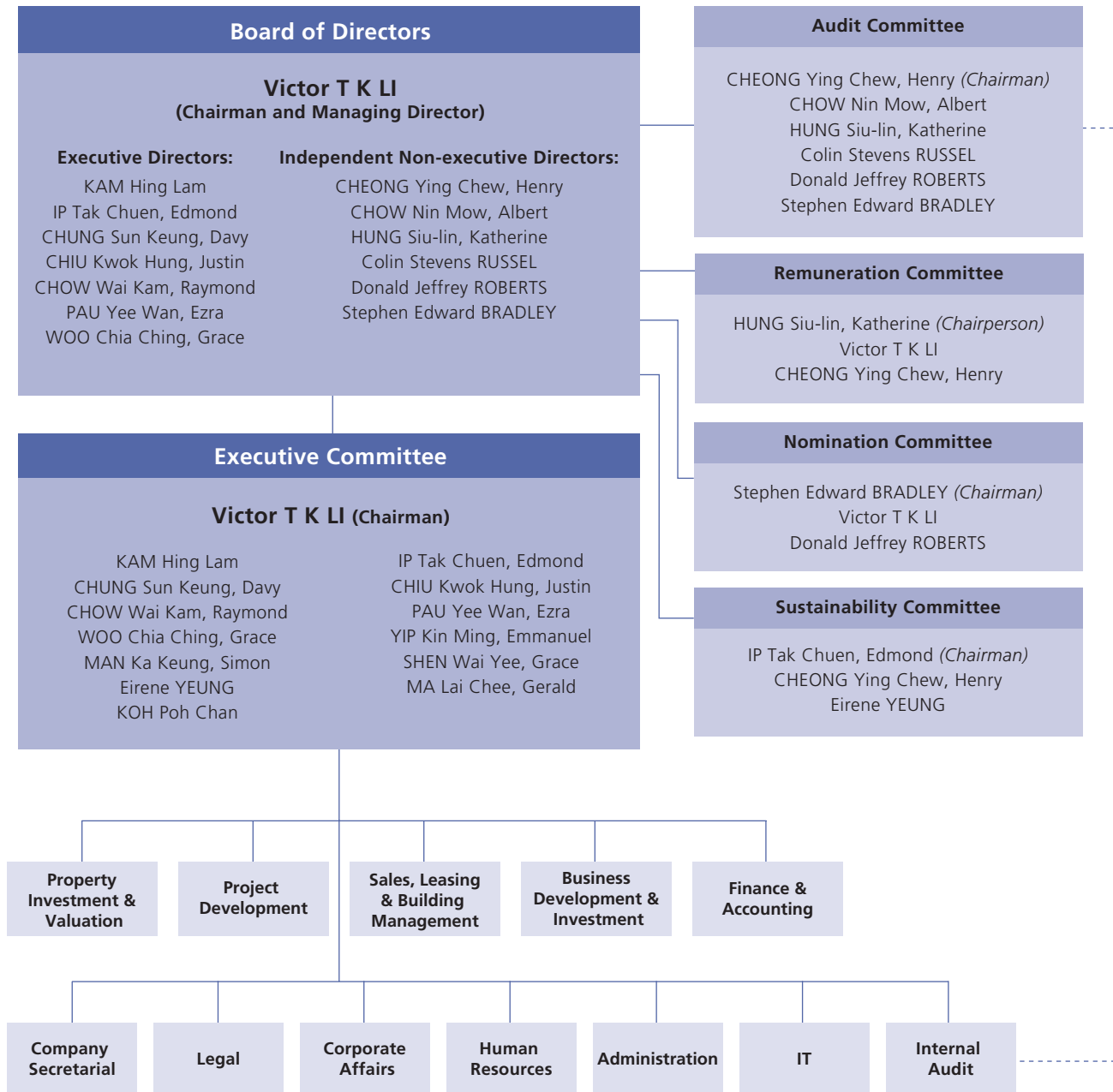
Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.7	Supply of and access to information <i>Corporate Governance Principle</i> <i>Directors should be provided in a timely manner with appropriate information in the form and quality to enable them to make an informed decision and perform their duties and responsibilities.</i>		
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	The level and make-up of remuneration and disclosure <i>Corporate Governance Principle</i> <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>		
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 2021, 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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
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.3.8	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



HIGHLIGHTS OF DEVELOPMENT PROPERTIES

SEASIDE SONATA

Cheung Sha Wan

Located at the Kowloon urban hub, this project enjoys the traffic convenience along the MTR lines stretching from the West Rail Line, Tung Chung Line and Tsuen Wan Line, and provides the residents with an array of catering, entertainment and leisure options through its clubhouse and the surrounding community.



#LYOS

Hung Shui Kiu and Ha Tsuen

Locating at the core district under the Northern Metropolis Development Strategy, #LYOS is able to enjoy the fruitful development of a center for economic, cultural and leisure interaction in the Northwest New Territories. This project offers a total of 290 flats and 51 maisonette units.



HIGHLIGHTS OF DEVELOPMENT PROPERTIES (*CONTINUED*)

SIU SAU TSUEN

Tuen Mun

Surrounding by spectacular mountain scenery, the development is situated at the Tai Lam section of Castle Peak Road and adjacent to the continuous coastline of Golden Beach. This project will be developed in two phrases with a total of 4 buildings, offering approximately 800 residential flats.



YUHU MINGDI

Guangzhou

This low-density premium residential property located at Guangzhou's Luogang district offers an exquisite lifestyle on a lakeside setting.



HIGHLIGHTS OF DEVELOPMENT PROPERTIES (CONTINUED)

UPPER WEST SHANGHAI

Shanghai

This mega development at Zhen Ru Fu Zhong Xin in the Putuo District represents a landmark in Shanghai featuring retail, office, residential premises and serviced apartments as well as a hotel.



CHELSEA WATERFRONT

London

Situated on the north bank of River Thames, Chelsea Waterfront comprises of the refurbished 1902 historic Lots Road Power Station, 4 riverside buildings and 2 glass residential towers of 37 and 25 floors with unrivalled views over the Thames.



HIGHLIGHTS OF DEVELOPMENT PROPERTIES (CONTINUED)

REGENCY PARK

Beijing

Situated within the 5th Ring Road of Chaoyang District, Regency Park comprises exquisite townhouses and high-rise apartments. Embracing by its lush greenery surroundings and exclusive location, the project provides a perfect balance of tranquility and convenience, offering a prestige living in Beijing.



REGENCY GARDEN

Shanghai

Located on Zhou Kang Road at Pudong New District, Regency Garden comprises townhouses and apartments. In the neighbourhood of Shanghai Disney Resort, Regency Garden is conveniently located adjacent to Metro Line 18 (Fanrong Road Station) that allows easy access to Pudong International Airport.



HIGHLIGHTS OF DEVELOPMENT PROPERTIES (CONTINUED)

LAGUNA VERONA

Dongguan

Situated on the waterfront of Hwanggang Lake in Houjie Town and adjacent to the renowned Harbour Plaza Golf Club, Laguna Verona is an exclusive residential community in Dongguan. This peaceful enclave offers a quiet and low-density living, while benefits from the conveniences of modern city.



NOBLE HILLS

Guangzhou

A large-scale low-density residential project, Noble Hills is located next to the Zengcheng Licheng North Third Ring exit of Guangshan Highway, meanwhile adjacent to Guangzhou Metro Line 21, containing a sumptuous recreational clubhouse as well as commercial amenities and a kindergarten. Its close proximity to the centre of Zengcheng District offers a wide range of medical and educational facilities.



HIGHLIGHTS OF INVESTMENT PROPERTIES



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

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



HIGHLIGHTS OF INVESTMENT PROPERTIES (CONTINUED)

1
2

1 & 2. Cheung Kong Center II*

* Previously known as Hutchison House (under redevelopment)



1881 HERITAGE

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



HIGHLIGHTS OF HOTELS AND SERVICED SUITES



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



1	3
2	4

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

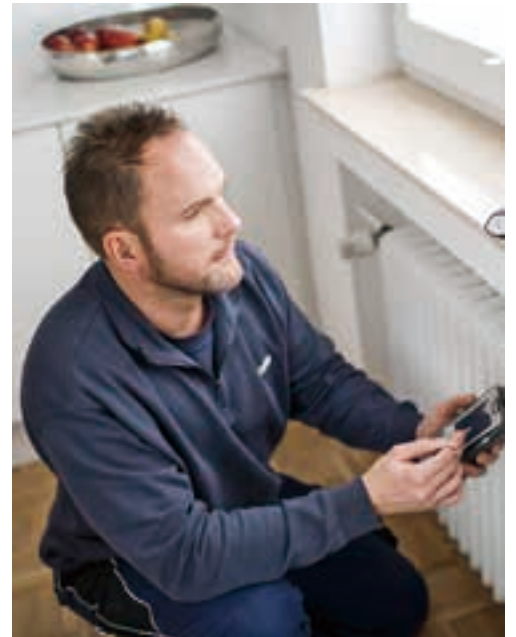
HIGHLIGHTS OF INFRASTRUCTURE AND UTILITY ASSET OPERATION

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

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



ista



Reliance Home Comfort



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	2
3	4

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.

Northumbrian Water



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

Dutch Enviro Energy



- AVR specialises in the processing of various types of residual waste: wastewater, paper pulp residue, household and commercial waste, waste wood and hazardous waste. In 2021, AVR has treated 2,266,000 tonnes of residual waste and converted it into energy and new resources.
- Since August 2019, AVR's facility in Duiven has included a unique CO₂ capture plant for the large-scale capture of the CO₂ in the Waste-to-Energy Plant's flue gases. AVR supplies the captured CO₂ to the greenhouse horticulture sector, which needs the CO₂ to grow their plants, fruit and vegetables. In 2021 AVR has supplied 42,000 Ton of CO₂.

Wales & West Utilities



- Wales & West Utilities is one of eight regulated gas distribution networks in the UK owning and operating the principal gas distribution network in Wales and the South West of England consisting of some 35,000 kilometres of mains pipeline.
- Wales & West Utilities has 2.5 million supply points and the network serves the communities of 7.5 million people over an area of 42,000 square kilometres.
- Wales & West Utilities has an industry leading safety record and have won 8 successive Gold Medals from the prestigious Royal Society for the Prevention of Accidents (RoSPA) Awards.
- Its 2000-strong team respond to gas emergencies to keep families safe, connect new homes and businesses, and upgrade the gas network to ensure it is safe, fit for the future and ready to transport green gas like hydrogen and biomethane.
- In 2021, Wales & West Utilities got the green light from the Health & Safety Executive (HSE) to inject gas containing up to 1% hydrogen into its gas network in Swindon, the first time that they have permitted natural gas with an elevated hydrogen level to be used in the national distribution network.

UK Power Networks

- UK Power Networks is Great Britain's biggest electricity distributor, making sure the lights stay on for more than 8 million homes and businesses across London, the South East and the East of England.



- Construction work for a new electricity substation in Battersea, London, included the delivery of two new transformers to site.
- New substation equipment being transported to Pharaoh's Island on the River Thames, near London. The island once belonged to Admiral Nelson.

HIGHLIGHTS OF PUB OPERATION



Greene King is a leading integrated brewer and pub retailer which operates pubs, restaurants and hotels across England, Wales and Scotland.



1	3
2	4

1. The Maldon Grey in Sudbury was the first site for Greene King Pub Partners new pub franchise concept, Hive Pubs, a branded community pub model, launched in 2021.
2. The Chesterfield Arms is a Metropolitan Pub Company site, part of Greene King's Premium, Urban & Venture division in Mayfair, London. The pub has been known as a number of names in its long history, although recently returning to its 1769 name, The Chesterfield Arms following an investment of £150,000 to rebrand from P&U Heritage to MPCo. Gastro.
3. The Bald Faced Stag, another of Metropolitan Pub Company's sites, was one of the first pubs to receive a £350,000 chic refurbishment as part of a major capex project following the COVID-19 pandemic.
4. Greene King IPA is the UK's second favourite cask ale and proud supporter of grassroots sports clubs. In 2021 the brand launched its Proud to Pitch In Campaign, raising money for community sports clubs.

Greene King Abbot Ale, the second most popular premium cask ale in the UK, enjoyed a rebrand in 2021. The clean, modern design celebrates the brand's heritage and will be further supported in 2022 with £500,000 investment into marketing and PR.



HIGHLIGHTS OF AIRCRAFT LEASING

The Group's aircraft leasing portfolio progressively expanded and evolved over the years into a fleet of primarily younger narrow body aircraft leased to airline customers with solid credit profiles. Disposal of the Group's aircraft leasing portfolio was agreed in December 2021 and the transaction is expected to complete in 2022.



1

1. An Airbus A321-231 aircraft leased to Wizz Air.

2

2. An Airbus A321-251NX aircraft leased to IndiGO.

HIGHLIGHTS OF ECONOMIC BENEFITS OF INFRASTRUCTURE BUSINESSES

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



1	2
3	

1. Park’N Fly, an off-airport car park provider in Canada
2. Australian Gas Networks, a distributor of natural gas in Australia
3. UK Rails, a rolling stock operating company in the United Kingdom

SCHEDULE OF MAJOR PROPERTIES

As at 31 December 2021

A. PROPERTIES FOR/UNDER DEVELOPMENT

Description	Lot Number/Location	Group's Interest	Approx. Site Area (sq. ft.)
Hong Kong			
El Futuro, Sha Tin	S.T.T.L. 614	100.0%	67,802
21 Borrett Road Phase 2, Mid-level	I.L. 8949	100.0%	112,892
#LYOS, Hung Shui Kiu	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 1069 in Survey District No. 3	100.0%	217,076
A site at Yuen Long	Lot 1677 in D.D. 115	100.0%	163,697
A site at Kai Tak	N.K.I.L. 6604	100.0%	117,843
A site at Kam Tin	Lot 2206 in D.D. 109	100.0%	171,986
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%	1,720,566
Various sites at Tai Po	Various lots	100.0%	133,472
The Mainland			
The Greenwich	Beijing	100.0%	1,052,720
Noble Hills	Changsha	100.0%	345,500
Regency Hills	Chongqing	95.0%	8,983,174
The South Bay			
The South Bay	Dalian	100.0%	3,007,111
Laguna Verona	Dongguan	99.8%	5,832,742
Noble Hills			
Noble Hills	Guangzhou	100.0%	2,945,065
Yuhu Mingdi			
Yuhu Mingdi	Guangzhou	80.0%	287,038
Emerald Cove			
Emerald Cove	Huizhou	100.0%	861,672
Upper West Shanghai			
Upper West Shanghai	Shanghai	60.0%	199,624
Regency Garden			
Regency Garden	Shanghai	85.0%	235,697

Approx. Floor Area Attributable to the Group (sq. ft.)	Existing Land Use	Stage of Completion	Estimated Date of Completion
244,084	Residential	Interior finishing	March, 2022
149,123	Residential	Interior finishing	September, 2022
138,876	Residential	Superstructure in progress	November, 2022
70,221	Residential	Superstructure in progress	June, 2023
71,852	Residential	Superstructure in progress	March, 2024
418,343	Residential	Foundation work	June, 2024
1,089,145	Residential	Foundation work	June, 2025
78,574	Residential	Planning	June, 2025
648,137	Residential/Commercial	Planning	December, 2025
137,584	Residential	Planning	June, 2026
–	Agricultural land	Planning	–
–	Agricultural land	Planning	–
–	Agricultural land	Planning	–
–	Agricultural land	Planning	–
–	Agricultural land	Planning	–
2,814,114	Residential/Commercial	Superstructure in progress	May, 2023
1,040,030	Residential	Planning	September, 2024
197,111	Commercial	Superstructure in progress	June, 2022
581,761	Residential/Commercial	Superstructure in progress	December, 2023
4,414,048	Residential/Commercial	Superstructure in progress	September, 2024
4,369,260	Residential/Commercial	Superstructure in progress	June, 2025
2,949,359	Residential/Commercial	Superstructure in progress	June, 2026
14,779,426	Residential/Commercial	Planning	–
2,846,546	Residential	Foundation work	June, 2024
762,568	Commercial	Planning	–
930,536	Residential	Superstructure in progress	December, 2022
921,102	Residential	Site formation	December, 2023
2,680,464	Residential	Site formation	December, 2024
2,149,732	Residential/Commercial	Planning	June, 2025
223,017	Residential	Interior finishing	March, 2022
123,570	Residential	Superstructure in progress	June, 2022
190,693	Residential	Planning	December, 2023
897,182	Residential	Planning	December, 2025
268,667	Residential	Planning	–
479,603	Residential	Superstructure in progress	April, 2025
2,505,405	Residential/Commercial	Superstructure in progress	September, 2022
241,929	Commercial	Superstructure in progress	March, 2022
747,282	Commercial	Superstructure in progress	June, 2022
225,988	Residential	Foundation work	June, 2023
329,360	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%	1,737,293
A site at Teversham Road, Fulbourn	Cambridgeshire, the United Kingdom	100.0%	737,327
Perfect Ten	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		
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
651,621	Residential/Commercial	Interior finishing	March, 2022
281,465	Residential	Foundation work	September, 2023
1,865,050	Residential/Commercial	Foundation work	June, 2024
1,107,896	Residential	Planning	September, 2024
3,239,977	Residential/Commercial	Planning	June, 2025
2,107,615	Residential	Planning	March, 2026
5,112,508	Residential/Commercial/Hotel	Planning	–
1,202,801	Residential/Commercial	Planning	June, 2025
1,354,314	Residential	Planning	June, 2026

133,409	Residential/Commercial	Interior finishing	August, 2022
109,851	Residential/Commercial	Facade & interior finishing	June, 2023
240,983	Residential/Commercial	Facade & interior finishing	February, 2024
7,320	Commercial	Planning	March, 2023
157,807	Residential	Foundation work	December, 2024
184,380	Residential/Commercial	Foundation work	June, 2025
42,270	Commercial	Planning	June, 2025
248,178	Residential/Commercial	Planning	December, 2025
296,075	Residential/Commercial	Planning	March, 2026
656,607	Residential/Commercial/Hotel	Planning	September, 2026
1,468,067	Residential/Commercial/Hotel	Planning	–
33,164	Residential	Planning	December, 2024
58,036	Residential	Planning	March, 2026
222,758	Residential	Demolition work	November, 2025

Approx. Floor Area of the Development (sq. ft.)	Existing Land Use	Stage of Completion	Estimated Date of Completion
505,903	Commercial	Superstructure in progress	June, 2023
999,966	Residential	Superstructure in progress	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%
Cheung Kong Center II, Central	I.L. 8286	100.0%
One and Two Harbourfront, Hung Hom	Sections A, B & R.P. of H.H.M.L. 6 & Extension	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%
The Whampoa, 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%
Harbour Plaza Metropolitan	Shanghai	60.0%
Metropolitan Residence	Shanghai	60.0%
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.
- 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
493,577	Under redevelopment	Long Lease
938,308	Office/Retail	Long Lease
342,868	Office	Long Lease
300,268	Office	Medium Term Lease
258,751	Office/Retail	Medium Term 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
196,475	Hotel	Medium Term Lease
131,223	Hotel	Medium Term Lease
437,393	Hotel	Short Lease
252,090	Hotel	Medium Term Lease
1,171,348	Office	Long Lease
242,115	Office	Freehold
1,251,213	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 2021

	Note	2021 \$ Million	2020 (Restated) \$ Million
Continuing operations			
Group revenue		62,094	57,623
Share of revenue of joint ventures		21,147	13,709
Total	(3)	83,241	71,332
Group revenue		62,094	57,623
Interest from joint ventures		2,152	1,918
Investment and other income		1,964	3,069
Operating costs			
Property and related costs		(19,848)	(19,612)
Pub product and related costs		(7,392)	(5,853)
Salaries and related expenses		(8,056)	(6,967)
Interest and other finance costs		(1,190)	(1,378)
Depreciation		(2,186)	(2,246)
Other expenses		(661)	(717)
		(39,333)	(36,773)
Gain on financial instruments		2,495	210
Change in fair value of investment properties		1,513	(1,106)
Impairment loss on fixed assets		(144)	(995)
Goodwill impairment		(2,005)	–
Share of profit of joint ventures		1,037	459
Share of profit of associates		288	189
Profit before taxation	(4)	30,061	24,594
Taxation	(5)	(8,533)	(7,395)
Profit for the year from continuing operations		21,528	17,199
Discontinued operation			
Profit for the year from discontinued operation	(32)	415	590
Profit for the year		21,943	17,789
Non-controlling interests – continuing operations		(464)	(957)
– discontinued operation		2	–
Perpetual capital securities – continuing operations		(240)	(500)
Profit attributable to shareholders		21,241	16,332
Profit attributable to shareholders			
Continuing operations		20,824	15,742
Discontinued operation		417	590
		21,241	16,332
Earnings per share	(6)		
Continuing operations		\$5.66	\$4.26
Discontinued operation		\$0.11	\$0.16
		\$5.77	\$4.42

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	2021 \$ Million	2020 \$ Million
Non-current assets			
Fixed assets	(8)	76,444	95,101
Investment properties	(9)	132,324	128,683
Joint ventures	(10)	80,752	62,467
Associates	(11)	7,054	7,077
Investments	(12)	12,104	16,787
Goodwill	(13)	4,609	6,655
Deferred tax assets	(14)	2,853	3,102
Other non-current assets	(15)	6,450	8,096
		322,590	327,968
Current assets			
Properties for sale	(16)	127,482	121,737
Aircraft assets for sale	(32)	31,748	–
Debtors, prepayments and others	(17)	8,086	10,414
Loan receivables		3,440	1,065
Bank balances and deposits		63,365	59,519
		234,121	192,735
Current liabilities			
Creditors, accruals and others	(18)	24,612	21,336
Bank and other loans	(19)	28,812	22,887
Customers' deposits received		17,613	22,303
Liabilities associated with aircraft for sale	(32)	2,482	–
Provision for taxation		4,996	4,297
		78,515	70,823
Net current assets		155,606	121,912
Non-current liabilities			
Bank and other loans	(19)	67,656	55,006
Deferred tax liabilities	(14)	15,974	14,938
Lease liabilities	(20)	6,099	6,980
Derivative financial instruments	(21)	2,152	5,568
Pension liabilities	(22)	40	170
		91,921	82,662
Net assets		386,275	367,218
Representing:			
Share capital and share premium	(23)	242,619	245,639
Reserves		128,609	109,000
Shareholders' funds		371,228	354,639
Perpetual capital securities	(24)	7,929	6,200
Non-controlling interests		7,118	6,379
Total equity		386,275	367,218

Victor T K Li
Director

Ip Tak Chuen, Edmond
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	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 2020	3,694	241,945	98,614	344,253	11,670	5,309	361,232
Profit for the year	-	-	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
Balance at 1 January 2021	3,694	241,945	109,000	354,639	6,200	6,379	367,218
Profit for the year	-	-	21,241	21,241	240	462	21,943
Other comprehensive income							
Exchange loss on translation of financial statements of operations outside Hong Kong	-	-	(2,203)	(2,203)	-	182	(2,021)
Exchange gain on translation of bank loans for hedging	-	-	513	513	-	-	513
Gain on derivative financial instruments							
Net investment hedges	-	-	3,645	3,645	-	-	3,645
Cash flow hedges	-	-	1,050	1,050	-	10	1,060
Share of other comprehensive income of joint ventures	-	-	1,053	1,053	-	-	1,053
Gain on remeasurement of defined benefit obligations	-	-	827	827	-	(6)	821
Total comprehensive income	-	-	26,126	26,126	240	648	27,014
Change in non-controlling interests	-	-	-	-	-	228	228
Issue of shares	333	16,667	-	17,000	-	-	17,000
Buy-back and cancellation of issued shares	(383)	(19,543)	383	(19,543)	-	-	(19,543)
Costs for share issue and buy-back	-	(94)	-	(94)	-	-	(94)
Issue of perpetual capital securities	-	-	-	-	1,729	-	1,729
Costs for issue of perpetual capital securities	-	-	(14)	(14)	-	-	(14)
Distribution of perpetual capital securities	-	-	-	-	(240)	-	(240)
Dividend paid to non-controlling interests	-	-	-	-	-	(137)	(137)
Dividend paid to shareholders							
2020 final dividend \$1.46 per share	-	-	(5,392)	(5,392)	-	-	(5,392)
2021 interim dividend \$0.41 per share	-	-	(1,494)	(1,494)	-	-	(1,494)
Balance at 31 December 2021	3,644	238,975	128,609	371,228	7,929	7,118	386,275

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 2020	(69,014)	166	(3,511)	70	(7)	170,910	98,614
Profit attributable to shareholders	-	-	-	-	-	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
Balance at 1 January 2021	(69,014)	166	(1,616)	(476)	-	179,940	109,000
Profit attributable to shareholders	-	-	-	-	-	21,241	21,241
Other comprehensive income	-	-	2,033	1,497	-	1,355	4,885
Buy-back and cancellation of issued shares	-	383	-	-	-	-	383
Costs for issue of perpetual capital securities	-	-	-	-	-	(14)	(14)
Dividend paid to shareholders							
2020 final dividend \$1.46 per share	-	-	-	-	-	(5,392)	(5,392)
2021 interim dividend \$0.41 per share	-	-	-	-	-	(1,494)	(1,494)
Balance at 31 December 2021	(69,014)	549	417	1,021	-	195,636	128,609

At the year end date, the cumulated loss included in exchange reserve on net investment hedges amounted to \$395 million (31 December 2020 – loss of \$4,553 million, 1 January 2020 – gain of \$1,797 million).

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Note	2021 \$ Million	2020 \$ Million
Operating activities			
Cash generated from operations	(a)	29,984	30,363
Interest received		2,453	2,212
Profits tax paid		(7,079)	(8,278)
Net cash from operating activities		25,358	24,297
Investing activities			
Investment in/loan advance to joint ventures		(697)	(87)
Dividend/loan repayment from joint ventures		1,337	715
Cash distribution from associates		311	190
Dividend/distribution from investments		776	482
Acquisition of investments		(378)	(125)
Acquisition of investment properties		(2,245)	(8,608)
Acquisition of fixed assets		(3,188)	(1,324)
Disposal of fixed assets		–	1,217
Redemption of investments		71	–
Net cash received (paid) on hedging instruments		(1,181)	276
Net cash upon obtaining control of subsidiaries	(c)	1,423	–
Net cash used in investing activities		(3,771)	(7,264)
Financing activities			
Borrowing of bank and other loans		43,547	11,718
Repayment of bank and other loans		(33,274)	(15,314)
Settlement of lease liabilities		(551)	(66)
Buy-back of issued shares		(19,543)	–
Costs for share issue and buy-back		(94)	–
Issue of perpetual capital securities		1,715	6,171
Redemption of perpetual capital securities		–	(11,670)
Distribution of perpetual capital securities		(225)	(536)
Dividend paid to non-controlling interests		(137)	(192)
Dividend paid to shareholders		(6,886)	(7,091)
Decrease in funding from non-controlling interests		(459)	(15)
Interest and other finance costs paid		(1,900)	(2,385)
Net cash used in financing activities		(17,807)	(19,380)
Net increase (decrease) in cash and cash equivalents		3,780	(2,347)
Translation differences		573	1,120
Cash and cash equivalents at 1 January		58,214	59,441
Cash and cash equivalents at 31 December	(b)	62,567	58,214

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Notes:

(a) Cash generated from operations

	2021 \$ Million	2020 \$ Million
Profit before taxation – continuing operations	30,061	24,594
– discontinued operation	432	612
Interest income	(2,668)	(2,716)
Interest and other finance costs	1,553	1,689
Dividend/distribution from investments	(740)	(948)
Depreciation	3,516	3,445
Gain on financial instruments	(2,499)	(190)
Change in fair value of investment properties	(1,513)	1,106
Impairment loss on fixed assets	192	1,024
Goodwill impairment	2,005	–
Share of profit of joint ventures	(955)	(518)
Share of profit of associates	(288)	(189)
Others	107	122
Changes in operating working capital		
(Increase) decrease in properties for sale	(5,330)	3,674
(Increase) decrease in debtors, prepayments and others	3,975	(3,552)
(Increase) decrease in loan receivables	1,802	(1,252)
(Increase) decrease in restricted bank balances	507	(442)
Increase (decrease) in creditors, accruals and others	4,957	(2,095)
Increase (decrease) in customers' deposits received	(5,130)	5,999
	781	2,332
	29,984	30,363

(b) Cash and cash equivalents

	2021 \$ Million	2020 \$ Million
Bank balances and deposits	63,365	59,519
Less: restricted bank balances	(798)	(1,305)
	62,567	58,214

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

Notes:

(c) Net cash upon obtaining control of subsidiaries

During the year, the Group increased its interest in a joint venture at the cash consideration of \$1,685 million and obtained control of subsidiaries. Upon obtaining the control of subsidiaries, the investment in joint venture was derecognised, and assets and liabilities were recognised with a non-controlling interest as follows:

	2021 \$ Million	2020 \$ Million
Fixed assets	12,319	–
Deferred tax assets	81	–
Other non-current assets	239	–
Debtors, prepayments and others	665	–
Bank balances and deposits	3,108	–
Creditors, accruals and others	(1,364)	–
Bank and other loans	(8,895)	–
Derivative financial instruments	(344)	–
Non-controlling interests	(687)	–
	5,122	–
Less: joint venture derecognised	(3,437)	–
Consideration paid	1,685	–

Net cash flow effect is as follows:

	2021 \$ Million	2020 \$ Million
Bank balances and deposits recognised	3,108	–
Less: consideration paid	(1,685)	–
Net cash upon obtaining control of subsidiaries	1,423	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

The Company is an exempted company with limited liability incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited. The addresses of its registered office and principal place of business are set out on page 200 of the annual report.

The consolidated financial statements set out on pages 130 to 173 were reported in Hong Kong dollars and approved by the Board of Directors on 17 March 2022.

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 2021 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 2022.

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 IFRS 16	COVID-19 – Related Rent Concessions beyond 30 June 2021
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
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective date not yet determined

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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2. Principal Accounting Policies *(continued)*

(b) Consolidation

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

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

(c) Subsidiaries

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

(d) Joint ventures

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

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

Results of joint ventures are incorporated in the consolidated financial statements to the extent of the Group's share of total comprehensive income based on their financial statements made up to 31 December 2021 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 2021 and where necessary, adjusted to ensure consistency with the Group's accounting policies.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Principal Accounting Policies (continued)

(f) Fixed assets

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

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

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.

2. Principal Accounting Policies *(continued)*

(j) Leased assets

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

(k) Properties for sale

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

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

(l) Debtors and receivables

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

(m) Bank and other loans

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

(n) Creditors

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

(o) Lease liabilities

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

(p) Pension obligations

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Principal Accounting Policies (continued)

(q) Revenue recognition

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

Revenue of property rental 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.

3. Revenue and Profit Contribution

During the year, the Group's principal activities of property development and investment, hotel and serviced suite operation, property and project management, pub operation and investment in infrastructure and utility asset operation were accounted for as continuing operations, and aircraft leasing was accounted for as discontinued operation (note 32).

Revenue by continuing operations is as follows:

	Group		Joint ventures		Total	
	2021 \$ Million	2020 \$ Million	2021 \$ Million	2020 \$ Million	2021 \$ Million	2020 \$ Million
Property sales	37,760	38,653	38	17	37,798	38,670
Property rental	6,543	6,603	150	148	6,693	6,751
Hotel and serviced suite operation	2,691	2,039	20	16	2,711	2,055
Property and project management	816	798	72	38	888	836
Pub operation	14,284	9,530	–	–	14,284	9,530
Infrastructure and utility asset operation	–	–	20,867	13,490	20,867	13,490
	62,094	57,623	21,147	13,709	83,241	71,332

and is summarised by location as follows:

	2021 \$ Million	2020 \$ Million
Hong Kong	23,805	16,792
The Mainland	22,912	28,164
The United Kingdom	21,603	10,771
Others	14,921	15,605
	83,241	71,332

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Revenue and Profit Contribution (continued)

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

	Group		Joint ventures		Total	
	2021 \$ Million	2020 \$ Million	2021 \$ Million	2020 \$ Million	2021 \$ Million	2020 \$ Million
Continuing operations						
Property sales	18,127	19,112	19	–	18,146	19,112
Property rental	5,541	5,813	120	122	5,661	5,935
Hotel and serviced suite operation	421	286	(22)	(26)	399	260
Property and project management	314	333	41	22	355	355
Pub operation	(55)	(3,462)	–	–	(55)	(3,462)
Infrastructure and utility asset operation	405	638	6,529	3,850	6,934	4,488
	24,753	22,720	6,687	3,968	31,440	26,688
Discontinued operation						
Aircraft leasing	844	864	43	255	887	1,119
	25,597	23,584	6,730	4,223	32,327	27,807
Bank and other loan finance costs	(1,331)	(1,451)	(1,983)	(1,206)	(3,314)	(2,657)
	24,266	22,133	4,747	3,017	29,013	25,150
Gain on financial instruments					1,179	1,257
Interests in real estate investment trusts					598	489
Change in fair value						
Real estate investment trusts					508	(1,067)
Investment properties					1,513	(1,106)
Goodwill impairment					(2,005)	–
Others					510	1,089
Taxation						
Group					(8,550)	(7,417)
Joint ventures					(823)	(606)
Profit attributable to non-controlling interests and perpetual capital securities					(702)	(1,457)
Profit attributable to shareholders					21,241	16,332

Information on profit contribution by principal activities is set out in management discussion and analysis on pages 16 to 31 of the annual report.

4. Profit before Taxation

	2021	2020 (Restated)
	\$ Million	\$ Million
Profit before taxation (continuing operations) is arrived at after charging:		
Interest and other finance costs		
Bank and other loans	1,195	1,645
Less: amount capitalised (note (a))	(227)	(505)
	968	1,140
Lease liabilities	222	238
Directors' emoluments (note (b))	330	308
Auditors' remuneration	37	34
Costs of properties sold	16,955	17,681
Costs of pub products sold	3,896	3,493
Commission for property sale	894	589
Cost of hedging derivative financial instruments	(440)	–
Change in fair value of investments	–	516
Loan receivables write off	–	354
Allowance for expected credit losses	–	180
and after crediting:		
Interest income		
Bank balances and deposits	344	549
Loan receivables	152	242
Dividend/distribution from investments	740	948
Gain on derivative financial instruments	500	–
Change in fair value of investments	1,556	–
Government subsidies – employment support	1,522	2,214
Reversal of allowance for expected credit losses	45	–
Exchange differences	90	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 1.5% (2020 – 2.2%) for general borrowings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Profit before Taxation (continued)

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

	Director's Fees \$ Million	Salaries, Allowances and Benefits in Kind \$ Million	Pension Scheme Contribution \$ Million	Discretionary Bonus \$ Million	Inducement or Compensation Fee \$ Million	2021 Total \$ Million	2020 Total \$ Million
Victor T K Li	0.31	58.05	5.80	30.07	-	94.23	90.22
Kam Hing Lam	0.22	24.85	2.48	1.02	-	28.57	28.45
Ip Tak Chuen, Edmond	0.25	23.04	2.30	5.58	-	31.17	27.82
Chung Sun Keung, Davy	0.22	12.89	1.29	20.65	-	35.05	32.36
Chiu Kwok Hung, Justin	0.22	13.10	1.31	20.65	-	35.28	32.59
Chow Wai Kam, Raymond	0.22	5.76	0.51	27.23	-	33.72	30.22
Pau Yee Wan, Ezra	0.22	14.63	1.46	16.39	-	32.70	30.56
Woo Chia Ching, Grace	0.22	14.63	1.46	20.57	-	36.88	34.20
Cheong Ying Chew, Henry	0.44	-	-	-	-	0.44	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	0.38	-	-	-	-	0.38	0.35
Stephen Edward Bradley	0.38	-	-	-	-	0.38	0.03
Total for 2021	4.19	166.95	16.61	142.16	-	329.91	
Total for 2020	3.72	166.93	16.61	121.06	-		308.32

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

5. Taxation

	2021 \$ Million	2020 (Restated) \$ Million
Current tax		
Hong Kong	1,412	936
Outside Hong Kong	6,335	6,157
Deferred tax	786	302
	8,533	7,395

Profits tax is provided for at the rate of 16.5% (2020 – 16.5%) on the estimated taxable profits in Hong Kong. Tax outside Hong Kong is provided for at the local enacted rates on the estimated taxable profits of the individual company concerned.

5. Taxation (continued)

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

	2021	2020
	\$ Million	(Restated) \$ Million
Profit before taxation (continuing operations)	30,061	24,594
Less: share of profit of joint ventures	(1,037)	(459)
share of profit of associates	(288)	(189)
	28,736	23,946
Tax calculated at the tax rate in Hong Kong, the principal place of business	4,741	3,951
Tax differences for place of business outside Hong Kong	4,835	4,093
Change in tax rate for place of business outside Hong Kong	335	146
Dividend/distribution income	(54)	(50)
Fair value changes of investment properties	(169)	166
Goodwill impairment	331	–
Tax losses and deductible temporary differences	(275)	233
Non-assessable/deductible items	(784)	(805)
Adjustments for prior years	(438)	(329)
Others	11	(10)
Taxation	8,533	7,395

6. Earnings Per Share

The calculation of earnings per share is based on profit attributable to shareholders and on the weighted average of 3,677,489,596 shares (2020 – 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:

	2021	2020
	\$ Million	\$ Million
Interim dividend paid at \$0.41 (2020 – \$0.34) per share	1,494	1,256
Final dividend proposed at \$1.79 (2020 – \$1.46) per share	6,522	5,392
	8,016	6,648

At the year end date, the Company's reserves available for distribution to shareholders amounted to \$262,746 million (2020 – \$261,911 million). Final dividend proposed for 2020 was approved by shareholders on 13 May 2021 and paid on 3 June 2021.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Fixed Assets

	Land and building \$ Million	Leased properties \$ Million	Aircraft \$ Million	Other assets \$ Million	Total \$ Million
Cost					
At 1 January 2020	70,501	7,757	24,534	8,392	111,184
Additions	425	239	–	838	1,502
Remeasurement	–	601	–	–	601
Disposals/terminations	(237)	(251)	(1,144)	(81)	(1,713)
Translation differences	1,207	238	–	193	1,638
At 31 December 2020	71,896	8,584	23,390	9,342	113,212
Additions	2,843	300	906	754	4,803
Upon obtaining control of subsidiaries	–	–	12,314	5	12,319
Remeasurement	–	611	–	–	611
Disposals/terminations	(60)	(1,410)	–	(119)	(1,589)
Transfer to aircraft assets for sale	–	–	(36,610)	–	(36,610)
Translation differences	(175)	(55)	–	(12)	(242)
At 31 December 2021	74,504	8,030	–	9,970	92,504
Accumulated depreciation/impairment					
At 1 January 2020	7,819	109	3,139	2,598	13,665
Depreciation	611	532	1,199	1,103	3,445
Impairment	719	153	29	123	1,024
Disposals/terminations	(10)	(10)	(190)	(72)	(282)
Translation differences	88	71	–	100	259
At 31 December 2020	9,227	855	4,177	3,852	18,111
Depreciation	604	530	1,330	1,052	3,516
Impairment	83	41	48	20	192
Disposals/terminations	(10)	(138)	–	(131)	(279)
Transfer to aircraft assets for sale	–	–	(5,555)	–	(5,555)
Translation differences	78	(7)	–	4	75
At 31 December 2021	9,982	1,281	–	4,797	16,060
Net book value					
At 31 December 2021	64,522	6,749	–	5,173	76,444
At 31 December 2020	62,669	7,729	19,213	5,490	95,101

At the year end date, land and building included freehold land and leasehold land amounting to \$15,754 million (2020 – \$15,394 million) and \$8,103 million (2020 – \$8,011 million) respectively.

8. Fixed Assets (continued)

Fixed assets are summarised by geographical location as follows:

	2021 \$ Million	2020 \$ Million
Hong Kong	16,704	17,095
The United Kingdom	57,547	58,067
Other locations	2,193	726
	76,444	75,888

Depreciation and impairment for the year by continuing operations are as follows:

	2021		2020	
	Depreciation \$ Million	Impairment \$ Million	Depreciation \$ Million	Impairment \$ Million
Property sales	29	–	32	–
Property rental	91	–	91	–
Hotel and serviced suite operation	473	–	457	–
Property and project management	19	–	21	–
Pub operation	1,574	144	1,645	995
	2,186	144	2,246	995

9. Investment Properties

	Completed \$ Million	Under development \$ Million	Total \$ Million
At 1 January 2020	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
Additions	1,816	400	2,216
Change in fair value	423	1,090	1,513
Translation differences	(88)	–	(88)
At 31 December 2021	116,034	16,290	132,324

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Investment Properties (continued)

Gross rental income and direct operating expenses of investment properties for the year amounted to \$5,905 million (2020 – \$6,036 million) and \$198 million (2020 – \$117 million) respectively.

At the year end date:

- (a) investment properties with carrying amounts of \$110,458 million (2020 – \$109,009 million) and \$21,866 million (2020 – \$19,674 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

	2021 \$ Million	2020 \$ Million
Investments in joint ventures – unlisted	38,197	21,852
Share of results less dividends	366	(823)
Translation differences	(444)	656
	38,119	21,685
Loans to joint ventures		
Interest bearing loans – repayable within 5 years	9,267	6,534
Interest bearing loans – repayable after 5 years	59	3,247
Subordinated interest bearing loans – repayable within 5 years	14,510	15,509
Subordinated interest bearing loans – repayable after 5 years	18,291	14,998
Non-interest bearing loans – no fixed repayment terms	506	494
	80,752	62,467

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

10. Joint Ventures (continued)

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

Joint venture	Equity interest of the Group	Principal activities and places of businesses
CK William UK Holdings Limited – incorporated in the United Kingdom for investment in the DUET Group (“CK William JV”)	40%	An owner and operator of energy utility assets in Australia, the United States, Canada and the United Kingdom
CKP (Canada) Holdings Limited – incorporated in Canada for investment in the Reliance Group (“CKP (Canada) JV”)	75%	A building equipment and service provider under the consumer brand identity of “Reliance Home Comfort” in Canada
Sarvana S.à r.l. – incorporated in Luxembourg for investment in the ista Group (“Sarvana JV”)	65%	A fully integrated energy management service provider operated by the ista Group in Europe
UK Power Networks Holdings Limited – incorporated in the United Kingdom for investment in the UK Power Networks Group (“UK Power JV”)	20%	A power distributor that serves London, the South East and East of England

During the year, dividend received from CK William JV, CKP (Canada) JV and UK Power JV amounted to \$194 million (2020 – \$55 million), \$229 million (2020 – \$330 million) and \$294 million respectively, and no dividend was received from Sarvana JV.

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

	CK William JV		CKP (Canada) JV		Sarvana JV		UK
	2021	2020	2021	2020	2021	2020	Power JV
For the year ended	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
Revenue	10,452	10,830	5,622	4,999	8,954	8,321	13,786
Operating profit before net interest, taxation, depreciation and amortisation	6,477	6,864	3,185	2,778	3,889	3,777	8,569
Interest income	9	4	–	–	8	3	213
Interest and other finance costs	(2,102)	(2,276)	(1,180)	(1,162)	(1,850)	(1,915)	(2,385)
Depreciation and amortisation	(2,766)	(2,863)	(1,340)	(1,224)	(1,826)	(1,734)	(2,086)
Taxation	(590)	(563)	(179)	(112)	(416)	(489)	(775)
Net profit (loss)	1,028	1,166	486	280	(195)	(358)	3,536
Other comprehensive income	1,188	(493)	34	(18)	16	(80)	19
Non-controlling interests	(33)	(180)	–	–	–	–	–
Total comprehensive income	2,183	493	520	262	(179)	(438)	3,555

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Joint Ventures (continued)

At year end date	CK William JV		CKP (Canada) JV		Sarvana JV		UK Power JV
	2021 \$ Million	2020 \$ Million	2021 \$ Million	2020 \$ Million	2021 \$ Million	2020 \$ Million	2021 \$ Million
Non-current assets	93,517	97,108	34,307	33,099	61,669	66,275	130,445
Current assets							
Cash and cash equivalents	1,772	2,500	256	125	649	871	1,859
Other current assets	2,853	1,971	939	709	1,761	1,765	3,287
	4,625	4,471	1,195	834	2,410	2,636	5,146
Current liabilities							
Bank and other loans	(3,113)	(1,438)	(2,258)	(3,873)	–	–	–
Creditors, provisions and others	(3,964)	(3,472)	(803)	(812)	(1,784)	(2,140)	(9,765)
Other financial liabilities	(375)	(383)	(255)	(262)	(130)	(143)	(71)
Other non-financial liabilities	(722)	(360)	(215)	(215)	(1,712)	(1,711)	–
	(8,174)	(5,653)	(3,531)	(5,162)	(3,626)	(3,994)	(9,836)
Non-current liabilities							
Shareholders' loan	(22,827)	(24,027)	(10,767)	(10,627)	(32,439)	(34,672)	(8,168)
Bank and other loans	(35,791)	(40,955)	(10,188)	(7,615)	(12,857)	(13,869)	(51,007)
Creditors, provisions and others	(4,233)	(4,587)	(93)	(85)	(551)	(342)	(7,856)
Other financial liabilities	(1,264)	(1,947)	(107)	(122)	(460)	(491)	(4,929)
Other non-financial liabilities	(3,800)	(3,124)	(3,728)	(3,532)	(9,750)	(10,595)	(14,236)
	(67,915)	(74,640)	(24,883)	(21,981)	(56,057)	(59,969)	(86,196)
Net assets	22,053	21,286	7,088	6,790	4,396	4,948	39,559
Non-controlling interests	246	421	–	–	–	–	–
Shareholders' equity	22,299	21,707	7,088	6,790	4,396	4,948	39,559
Shareholders' equity shared							
by the Group	8,920	8,683	5,316	5,093	2,857	3,216	7,912
Capitalised costs	55	55	–	–	72	72	–
Carrying amount	8,975	8,738	5,316	5,093	2,929	3,288	7,912

At the year end date, the aggregated carrying amount of other joint ventures was \$12,987 million (2020 – \$4,566 million) and the Group's share of results of those joint ventures are as follows:

For the year ended	2021 \$ Million	2020 \$ Million
Net profit (loss)	(306)	147
Other comprehensive income	436	(116)
Total comprehensive income	130	31

11. Associates

	2021 \$ Million	2020 \$ Million
Investment in an associate – listed in Hong Kong	8,571	8,571
Share of results less distributions	(1,517)	(1,494)
	7,054	7,077
Market value on quoted market price	3,454	4,209

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

Name	Equity interest of the Group	Principal activities and places of businesses
Hui Xian Real Estate Investment Trust ("Hui Xian REIT")	32.7%	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	2021 RMB Million	2020 RMB Million
Revenue	2,560	2,499
Loss attributable to unitholders	(219)	(672)

At the year end date	2021 RMB Million	2020 RMB Million
Non-current assets	35,057	36,863
Current assets	6,029	5,891
Current liabilities	(2,080)	(837)
Non-current liabilities	(14,186)	(16,230)
Non-controlling interests	(205)	(241)
Net assets before distribution payable	24,615	25,446

The Group's share of net assets before distribution payable amounted to \$9,900 million (2020 – \$9,841 million) at the year end exchange rate. During the year, distribution received from Hui Xian REIT amounted to \$311 million (2020 – \$235 million).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Investments

	2021 \$ Million	2020 \$ Million
Investments measured at fair value through profit or loss		
Equity securities listed in Hong Kong	5,058	4,550
Equity securities listed outside Hong Kong	–	2
Equity securities unlisted	2,344	1,682
Debt securities listed in Hong Kong	80	80
Investments in infrastructure businesses	3,949	9,774
Investment in a hotel development project	657	614
	12,088	16,702
Investments measured at fair value through other comprehensive income		
Debt securities listed in Hong Kong	16	85
	12,104	16,787

13. Goodwill

	2021 \$ Million	2020 \$ Million
Pub operation in the United Kingdom		
At 1 January	6,655	6,492
Impairment	(2,005)	–
Translation differences	(41)	163
At 31 December	4,609	6,655

At the year end date, the goodwill of pub operation in the United Kingdom was assessed for impairment and an impairment of \$2,005 million was determined as a result of a projection of weaker operating cash flow under the impacts of the pandemic and the application of a higher discount rate due to adverse changes in the economic environment. When assessing goodwill for impairment, the recoverable amount of pub operation was determined on a value in use basis using a 5 year projected cash flow from operation, a long term growth rate of 1.2% and a terminal value based on Gordon Growth Model. A pre-tax discount rate of 6.9% (2020 – 6.4%) was applied to derive the present value of the recoverable amount.

14. Deferred Tax

	2021 \$ Million	2020 \$ Million
Deferred tax assets	2,853	3,102
Deferred tax liabilities	(15,974)	(14,938)
Net deferred tax liabilities	(13,121)	(11,836)

Analysis of net deferred tax liabilities is as follows:

	2021 \$ Million	2020 \$ Million
Accelerated tax depreciation	(7,873)	(6,212)
Fair value changes of investment properties	(296)	(148)
Increase in value of properties	(6,903)	(7,273)
Retained earnings of subsidiaries	(998)	(820)
Tax losses	3,004	2,135
Other temporary differences	(55)	482
	(13,121)	(11,836)

Movements of net deferred tax liabilities are as follows:

	2021 \$ Million	2020 \$ Million
At 1 January	(11,836)	(11,148)
Net credit (charge) to profit or loss		
Accelerated tax depreciation	(888)	(536)
Fair value changes of investment properties	(147)	34
Increase in value of properties	600	(1,190)
Retained earnings of subsidiaries	(147)	121
Tax losses	33	811
Other temporary differences	(252)	438
Net credit (charge) to other comprehensive income		
Cash flow hedges	(106)	–
Remeasurement of defined benefit obligations	(202)	–
Upon obtaining control of subsidiaries	81	–
Translation differences	(257)	(366)
At 31 December	(13,121)	(11,836)

At the year end date, no deferred tax asset was recognised for (i) deductible temporary differences amounting to \$4,641 million (2020 – \$5,466 million); and (ii) tax losses amounting to \$4,579 million (2020 – \$5,488 million), and tax losses of \$1,160 million (2020 – \$1,263 million) would expire within 5 years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Other Non-Current Assets

	2021 \$ Million	2020 \$ Million
Loan receivables	783	5,054
Derivative financial instruments (note 21)	3,542	1,616
Pension assets (note 22)	1,443	512
Other long term assets	682	914
	6,450	8,096

16. Properties for Sale

	2021 \$ Million	2020 \$ Million
Properties for/under development	63,511	50,282
Joint development projects	22,313	25,277
Completed properties	41,301	45,791
Commission for property sale	357	387
	127,482	121,737

At the year end date:

- properties for sale amounting to \$65,010 million (2020 – \$57,842 million) and \$62,115 million (2020 – \$63,508 million) were located in Hong Kong and outside Hong Kong respectively; and
- properties for/under development and joint development projects amounting to \$63,897 million (2020 – \$60,161 million) were not scheduled for completion within twelve months.

17. Debtors, Prepayments and Others

	2021 \$ Million	2020 \$ Million
Debtors	1,551	2,732
Derivative financial instruments (note 21)	875	–
Deposits for derivative financial instruments	602	3,368
Prepayments and others	5,058	4,314
	8,086	10,414

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.

17. Debtors, Prepayments and Others *(continued)*

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

	2021 \$ Million	2020 \$ Million
Current to one month	1,240	2,280
Two to three months	125	132
Over three months	186	320
	1,551	2,732

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

	2021 \$ Million	2020 \$ Million
Overdue within one month	191	168
Overdue for two to three months	125	132
Overdue over three months	186	320
	502	620

18. Creditors, Accruals and Others

	2021 \$ Million	2020 \$ Million
Creditors	5,201	4,571
Accruals and other payables	14,911	13,707
Lease liabilities (note 20)	414	664
Derivative financial instruments (note 21)	954	1,435
Deposits for derivative financial instruments	3,132	959
	24,612	21,336

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:

	2021 \$ Million	2020 \$ Million
Current to one month	5,156	4,490
Two to three months	17	55
Over three months	28	26
	5,201	4,571

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Bank and Other Loans

	2021 \$ Million	2020 \$ Million
Bank loans repayable		
within 1 year	26,564	15,195
after 1 year but not exceeding 2 years	17,873	18,200
after 2 years but not exceeding 5 years	21,282	14,629
after 5 years	270	–
	65,989	48,024
Other loans repayable		
within 1 year	2,248	7,692
after 1 year but not exceeding 2 years	842	2,252
after 2 years but not exceeding 5 years	12,051	2,761
after 5 years	15,338	17,164
	30,479	29,869
	96,468	77,893
Less: amounts classified under current liabilities	(28,812)	(22,887)
Amounts classified under non-current liabilities	67,656	55,006

Movements of bank and other loans are as follows:

	2021 \$ Million	2020 \$ Million
At 1 January	77,893	80,082
Borrowing of bank and other loans	43,547	11,718
Repayment of bank and other loans	(33,274)	(15,314)
Upon obtaining control of subsidiaries	8,895	–
Amortisation of costs and fair value adjustments	(65)	(7)
Translation differences	(528)	1,414
At 31 December	96,468	77,893

19. Bank and Other Loans (continued)

At the year end date:

- (a) bank loans amounting to \$6,333 million (2020 – \$2,140 million) were secured by assets as described in note 26;
- (b) bank loans in RMB carried interest at rates based on loan prime rates quoted by banks on the Mainland plus a margin of less than 1%; bank loans in other currencies carried interest at rates based on market benchmark rates of the relevant currency plus a margin of less than 1%;
- (c) other loans included the following notes issued by CK Property Finance (MTN) Limited in Hong Kong and guaranteed by the Company:

HK\$750,000,000	2.29% due September 2026 (issued in 2016)
HK\$1,450,000,000	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)
HK\$3,790,000,000	HIBOR+0.47% due April 2024 (issued in 2021)
US\$250,000,000	0.75% due June 2024 (issued in 2021 and listed in Hong Kong)
US\$350,000,000	1.375% due June 2026 (issued in 2021 and listed in Hong Kong)

- (d) other loans included the following bonds 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
GBP914 million	Fixed rates from 3.59% to 5.32%	2031 – 2035
GBP411 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
GBP97 million	Fixed rate at 5.47%	2032

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Lease Liabilities

	2021 \$ Million	2020 \$ Million
Lease liabilities	6,513	7,644
Less: amounts classified under current liabilities (note 18)	(414)	(664)
Amounts classified under non-current liabilities	6,099	6,980

Movements of lease liabilities are as follows:

	2021 \$ Million	2020 \$ Million
At 1 January	7,644	6,969
New leases	254	239
Lease payment	(773)	(304)
Interest accretion	222	238
Terminations	(1,390)	(264)
Remeasurement	611	601
Translation differences	(55)	165
At 31 December	6,513	7,644

21. Derivative Financial Instruments

	Assets		Liabilities	
	2021 \$ Million	2020 \$ Million	2021 \$ Million	2020 \$ Million
Currency swaps and forward contracts	4,194	1,464	1,533	4,748
Interest rate swaps	223	–	1,542	2,255
Price index swaps	–	152	31	–
	4,417	1,616	3,106	7,003
Less: maturities within 1 year (note 17, 18)	(875)	–	(954)	(1,435)
	3,542	1,616	2,152	5,568

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\$1,679 million	2022
EUR3,046 million	US\$3,707 million	2022 – 2028
GBP7,016 million	US\$9,714 million	2022 – 2031
SGD400 million	US\$295 million	2022

- (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\$2,215 million	0.29% – 3.2%	LIBOR	2022 – 2028
GBP1,208 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
GBP45 million	Annual retail price index adjusted GBP amount	US\$63 million adjusted annually at fixed rates	2035

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Pension

	2021		2020	
	Greene King Schemes \$ Million	Schemes A and B \$ Million	Greene King Schemes \$ Million	Schemes A and B \$ Million
Present value of defined benefit obligations	(9,135)	(842)	(10,017)	(930)
Less: fair value of scheme assets	10,578	802	10,529	760
Pension assets (liabilities)	1,443	(40)	512	(170)

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. The independent annual actuarial report as at 5 April 2020 for one of the schemes reported a funding shortfall of GBP 40 million and the valuation was performed by Lisa Whitby, a Fellow of The Institute and Faculty of Actuaries using the defined accrued benefit method. The independent annual actuarial report as at 30 June 2020 for the other scheme reported a funding surplus of GBP 21 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 \$44 million (2020 – \$47 million) were charged to income statement and a gain of \$1,023 million (2020 – loss of \$129 million) on remeasurement of defined benefit obligations was recognised in other comprehensive income. Employers' contributions to defined benefit schemes amounted to \$83 million (2020 – \$87 million) for the year and forfeited contributions amounting to \$1 million (2020 – \$1 million) had been used to reduce the employers' contributions.

Defined contribution schemes include occupational retirement schemes and mandatory pension schemes. For occupational retirement schemes, contributions are made either by employer only or by both employer and employees based on employees' salary. For mandatory pension schemes, contributions are made by both employer and employees based on the employees' relevant monthly income at rates in compliance with statutory requirements. Employers' contributions to defined contribution schemes amounted to \$410 million (2020 – \$317 million) for the year and forfeited contributions amounting to \$3 million (2020 – \$2 million) had been used to reduce the employers' contributions.

23. Share Capital and Share Premium

	Number of shares	Share capital \$ Million	Share premium \$ Million	Total \$ Million
Authorised share capital				
Shares of \$1 each	8,000,000,000	8,000		
Shares of \$1 each issued				
At 1 January 2021	3,693,400,500	3,694	241,945	245,639
Issue of shares	333,333,333	333	16,667	17,000
Buy-back and cancellation	(383,150,000)	(383)	(19,543)	(19,926)
Costs for share issue and buy-back	–	–	(94)	(94)
At 31 December 2021	3,643,583,833	3,644	238,975	242,619
At 31 December 2020	3,693,400,500	3,694	241,945	245,639

On 21 May 2021, the Company issued 333,333,333 shares at \$51 per share to acquire (i) a 20% equity interest in UK Power Networks; (ii) a 20% equity interest in Northumbrian Water; (iii) a 10% equity interest in Wales & West Utilities; and (iv) a 10% equity interest in Dutch Enviro Energy from Li Ka Shing Foundation Limited for a total consideration of \$17,000 million.

On 4 June 2021, the Company completed the cash offer to buy-back 380,000,000 shares at \$51 per share for a total amount of \$19,380 million and cancelled the shares bought back. During the year, the Company bought back 3,150,000 shares on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) with an aggregate consideration of \$163 million and these shares were cancelled. The particulars of share buy-backs on the Stock Exchange are as follows:

Month	Number of shares bought back	Purchase price per share		Aggregate consideration
		Highest	Lowest	
June 2021	3,150,000	\$51.95	\$51.70	\$163,423,500

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Perpetual Capital Securities

	2021 \$ Million	2020 \$ Million
Listed in Hong Kong		
US\$300 million issued in 2020 (note (a))	2,325	2,325
US\$500 million issued in 2020 (note (b))	3,875	3,875
SGD300 million issued in 2021 (note (c))	1,729	–
	7,929	6,200

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\$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.
- (b) 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.
- (c) The SGD300 million perpetual capital securities were issued in September 2021 with an annual distribution rate of 3.38% and are redeemable at the Group's option on or after 30 September 2024.

25. Operating Leases

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

	2021 \$ Million	2020 \$ Million
Future minimum lease payment receivable		
in the first year	5,776	7,924
in the second year	4,375	6,046
in the third year	2,956	4,505
in the fourth year	2,248	3,145
in the fifth year	2,099	2,703
thereafter	13,549	12,562
	31,003	36,885

26. Charges on Assets

At the year end date, (i) properties amounting to \$6,159 million (2020 – \$15,924 million) were charged to secure bank loans arranged for property projects on the Mainland and in the United Kingdom; (ii) properties amounting to \$32,754 million (2020 – \$33,078 million) were charged to secure other loans arranged for pub operation in the United Kingdom; and (iii) aircraft amounting to \$7,286 million were charged to secure bank loans.

27. Commitments

At the year end date, the Group had capital commitments for (i) development of investment properties amounting to \$3,252 million (2020 – \$3,286 million); and (ii) addition of fixed assets amounting to \$486 million (2020 – \$197 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 \$490 million (2020 – \$505 million); and (ii) mortgage loans provided by banks to purchasers of properties developed by the Group on the Mainland amounting to \$1,528 million (2020 – \$4,662 million).

29. Financial Risks and Management

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

(a) Treasury policies

The Group maintains a conservative approach on foreign exchange 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 64% in HK\$ and US\$ and 36% 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\$, RMB and US\$. Income in foreign currencies is generated by overseas investments and operations, and cash in local currencies is maintained for operational requirements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Financial Risks and Management *(continued)***(b) Risk management**

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

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

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

At the year end date, allowance for expected credit losses of debtors and loan receivables amounted to \$101 million (2020 – \$143 million) and \$86 million (2020 – \$106 million) respectively, and was mainly required for the pub operation in the United Kingdom which had been severely impacted by the 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 \$604 million (2020 – \$835 million) and investment revaluation reserve would increase/decrease by \$1 million (2020 – \$4 million).

The Group's borrowings are exposed to interest rate fluctuation. An increase/decrease of 1% in interest rates would increase/decrease interest costs for the year by \$574 million (2020 – \$386 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 \$84 million (2020 – \$100 million) using the proportion of interest amount capitalised during the year. Interest rates offered by banks are subject to interest rate benchmark reform. The Group is closely monitoring the development of new benchmark rates under the reform and will make arrangements with banks to facilitate the transition to new benchmark rates for the relevant borrowings and interest rate swaps when appropriate.

29. Financial Risks and Management *(continued)*

(c) Liquidity management

The Group monitors its liquidity requirements on a short to medium term basis and arranges 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:

	2021 \$ Million	2020 \$ Million
Within 1 year	30,499	24,363
After 1 year but not exceeding 2 years	20,103	21,721
After 2 years but not exceeding 5 years	36,119	19,992
After 5 years	18,367	20,528
	105,088	86,604

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

	2021 \$ Million	2020 \$ Million
Within 1 year	594	880
After 1 year but not exceeding 2 years	473	577
After 2 years but not exceeding 5 years	1,253	1,539
After 5 years	7,086	10,073
	9,406	13,069

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:

	2021	2020
	\$ Million	\$ Million
Cash inflows		
Within 1 year	50,854	31,193
After 1 year but not exceeding 2 years	20,986	30,906
After 2 years but not exceeding 5 years	28,665	39,166
After 5 years	26,650	4,654
	127,155	105,919
Cash outflows		
Within 1 year	50,894	32,448
After 1 year but not exceeding 2 years	19,811	32,495
After 2 years but not exceeding 5 years	28,480	39,406
After 5 years	24,475	4,240
	123,660	108,589

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	
	2021	2020	2021	2020	2021	2020
	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
Investments						
Listed securities	5,154	4,717	–	–	–	–
Unlisted securities	–	–	–	–	2,344	1,682
Investments in infrastructure businesses	–	–	–	–	3,949	9,774
Investment in a hotel development project	–	–	–	–	657	614
Derivative financial instruments						
– assets	–	–	4,417	1,616	–	–
– liabilities	–	–	(3,106)	(7,003)	–	–

30. Fair Value of Financial Assets and Financial Liabilities *(continued)*

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

Movement of investments using level 3 value inputs is as follows:

	2021 \$ Million	2020 \$ Million
At 1 January	12,070	11,229
Investments made	392	265
Fair value gain recognised through income statement	1,062	576
Transfer of investments in infrastructure businesses to joint ventures	(6,574)	–
At 31 December	6,950	12,070

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

31. Capital Management

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

	2021 \$ Million	2020 \$ Million
Bank and other loans	96,468	77,893
Less: bank balances and deposits	(63,365)	(59,519)
Net debt	33,103	18,374
Total equity	386,275	367,218
Net debt	33,103	18,374
Net total capital	419,378	385,592
Net debt to net total capital ratio	7.9%	4.8%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Discontinued Operation/Aircraft Assets for Sale and Liabilities Associated

In December 2021, the Group entered into an agreement for the disposal of its remaining investment in aircraft leasing business. Hence, the aircraft leasing business was accounted for as a discontinued operation. The disposal transaction is expected to be completed in the first half of 2022.

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

	2021 \$ Million	2020 \$ Million
Revenue	2,110	2,202
Other income	287	3
Operating costs	(1,839)	(1,603)
Gain (loss) on financial instruments	4	(20)
Impairment loss on fixed assets	(48)	(29)
Share of profit (loss) of joint venture	(82)	59
Profit before taxation	432	612
Taxation	(17)	(22)
Profit for the year	415	590

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

	2021 \$ Million	2020 \$ Million
Net cash from operating activities	2,225	1,896
Net cash from investing activities	363	1,104
Net cash used in financing activities	(327)	(341)
Net cash inflow	2,261	2,659

At the year end date, aircraft assets for sale included the following:

	2021 \$ Million	2020 \$ Million
Fixed assets – aircraft	31,055	–
Other non-current assets	693	–
	31,748	–

and liabilities associated with aircraft for sale included the following:

	2021 \$ Million	2020 \$ Million
Creditors, accruals and others	2,482	–

33. Statement of Financial Position of the Company

	As at 31 December	
	2021	2020
	\$ Million	\$ Million
Non-current assets		
Fixed assets	5	7
Subsidiaries (note (a))	244,338	239,567
	244,343	239,574
Current assets		
Debtors, prepayments and others	54	39
Bank balances and deposits	22,313	26,309
	22,367	26,348
Current liabilities		
Creditors, accruals and others	320	273
Provision for taxation	–	44
	320	317
Net current assets	22,047	26,031
Net assets	266,390	265,605
Representing:		
Share capital and share premium	242,619	245,639
Reserves (note (b))	23,771	19,966
Shareholders' funds	266,390	265,605

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 2020	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
Profit for the year	–	10,308	10,308
Buy-back and cancellation of issued shares	383	–	383
Dividend paid	–	(6,886)	(6,886)
At 31 December 2021	549	23,222	23,771

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 235,718,935	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
City Champion Investments Limited	HK\$ 1	100	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 Gain Investments Limited	HK\$ 1	100	Property development
Delight World Limited	HK\$ 2	100	Property development
Dongguan Asia Commercial Hwang Gang Lake Development Company Limited 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 (Beijing Chaoyang) Limited ²	US\$ 81,579,000	100	Property development
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
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
Randash Investment Limited	HK\$	110	100	Hotel & serviced suite operation
Rhine Office Investments Limited	HK\$	2	100	Property investment
Rich View Investments Limited	HK\$	1	100	Property development
Shanghai Changrun Jianghe Property Development Co., Ltd. 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\$	41,105	100	Finance
Vember Lord Limited	HK\$	2	100	Property investment
Vermillion Aviation Holdings Limited ¹⁴	US\$	967,964,244	90	Aircraft leasing
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

14 Operated in Ireland

INDEPENDENT AUDITOR'S REPORT

Deloitte.

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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 130 to 173, which comprise the consolidated statement of financial position as at 31 December 2021, 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 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

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

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of investment properties</p> <p>We identified the valuation of investment properties as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the judgements involved in determining the inputs used in the valuation.</p> <p>As at 31 December 2021, the Group's investment properties amounted to HK\$132,324 million and represented 24% of the Group's total assets. As disclosed in note 9 to the consolidated financial statements, the Group's investment properties were stated at fair values based on valuation performed by independent professional valuers ("Valuers"). For the completed investment properties, the fair values were derived using income capitalisation method; and for the investment properties under development, they were fair valued as if they had been completed using the income capitalisation method, and then costs to completion and profit margins were deducted to arrive at their fair values using the residual method. The valuations were dependent on certain significant inputs that involve judgements, including reversionary income, appropriate capitalisation rates, costs to completion and profit margins.</p>	<p>Our procedures in relation to the valuation of the investment properties included:</p> <ul style="list-style-type: none"> • Evaluating the competence, capabilities and objectivity of the Valuers; • Assessing the appropriateness and reasonableness of the valuation methodology and significant inputs of a selection of investment properties used in the valuations; and • Checking the reasonableness of source data of significant inputs, including reversionary income, capitalisation rates, costs to completion and profit margins used by the Valuers in the valuations of a selection of investment properties.
<p>Determination of the net realisable value of the Properties</p> <p>We identified the assessment of whether the properties for/under development, joint development projects and completed properties (the "Properties") were stated at the lower of cost and net realisable value ("NRV") as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole and the involvement of estimations in the assessment. As disclosed in note 2(k) to the consolidated financial statements, the Properties are stated at the lower of cost or NRV. As at 31 December 2021, the Properties amounted to HK\$127,125 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 estimated selling prices to market prices achieved in the same projects or comparable properties, based on the current market transactions.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

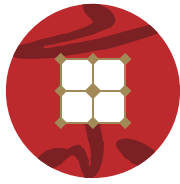
Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

17 March 2022

LISTED REAL ESTATE INVESTMENT TRUSTS



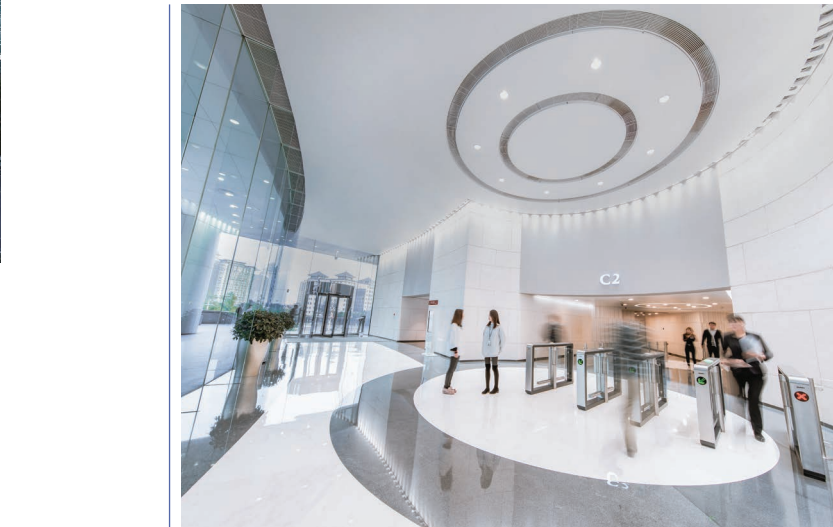
HUI XIAN REIT
匯賢產業信託

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.

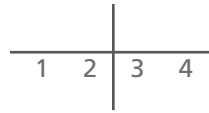


LISTED REAL ESTATE INVESTMENT TRUSTS (CONTINUED)



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

RISK FACTORS

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

Global Economy

The ongoing COVID-19 pandemic continues to bring about widespread and severe impacts on worldwide economic activities. Despite some signs of recovery of the global economy from the COVID-19 pandemic, the momentum could be dampened due to possible emergence of new COVID-19 variants. The pace of recovery could also be constrained by uneven vaccination across countries. The global economic outlook still depends on the development of the health crisis, including the duration, spread, severity and any recurrence of the pandemic, the efficacy and availability of vaccines, and the nature and severity of measures adopted by governments. International trade relations, uncertainties following Brexit, supply chain disruptions, the fluctuation of major currencies, the increasing geopolitical tensions, as well as the development of inflation, interest rate and energy costs in major economies, all have created uncertainties in the world economy and global financial markets. A severe slowdown in global economic growth could lead to economic contractions in certain markets, commercial and consumer delinquencies, weakened consumer confidence, increased market volatility and decline in the value of the assets. The Group is a leading multinational corporation with businesses in Hong Kong, the Mainland, Singapore, the United Kingdom ("UK"), Continental Europe, Australia, Canada, the United States and the Republic of Ireland. 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 and the spread of new coronavirus variants in different parts of the world, including the places of businesses in which the Group operates, has a significant adverse impact on most economies due to the disruption of business activities, behavioral change, weakened sentiment in consumption and tourism related sectors, restricted labour supply and production, and confidence effects. Despite the situation of COVID-19 outbreak has now begun to stabilise following the rollout of vaccines, the pandemic remains highly volatile and unpredictable due to the potential emergence of new coronavirus variants. The threat of new COVID-19 variants may cause setback to the global economic recovery and disruption of operational activities and loss of life, and 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 left the European Union (“EU”) on 31 January 2020 and the transition period ended on 31 December 2020, symbolising that the UK has completely separated from the EU and opened a new page in the relationship with the EU. The Trade and Cooperation Agreement made between the UK and the EU in December 2020 and entered into force in May 2021 sets out preferential arrangements in various areas. Brexit has created significant uncertainty about the new economic and social partnership between the UK and the EU, and have impacted upon labour availability, supply chain and exchange rates. The COVID-19 pandemic has caused such distortions that have affected the extent to which the Group can clearly assess and manage the risk of Brexit.

The Group has significant presence in the UK through investments in the property, infrastructure and pub businesses, and is, and may increasingly become, exposed to changes in the local political, economic, and regulatory conditions. 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.

A general interest rate hike cycle may impact on the aggregate demand from all sectors, which may in turn affect the businesses of the Group. While the Group regularly reviews its exposure to interest rate fluctuations and may manage such exposure using hedging instruments, there can be no guarantee that the Group will not be affected by the interest rate exposure.

In particular, certain businesses of the Group are subject to regulatory regimes in which local interest rates are taken into account in the calculation of the regulated cost of capital, which flows through to allowed revenue. There can be no assurance that any changes in the regulated cost of capital can be fully mitigated by the businesses. Furthermore, income from finance and treasury operations is dependent upon the capital markets, interest rate and currency environment, and the worldwide economic and market conditions, and therefore there can be no assurance that changes in these conditions will not adversely affect the Group’s business, 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.

RISK FACTORS (CONTINUED)

Currency Fluctuations

The Group is a leading multinational corporation with businesses in Hong Kong, the Mainland, Singapore, the UK, Continental Europe, Australia, Canada, the United States and the Republic of Ireland, 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.

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.

Impact of Possible Economic Sanctions on Business Partners, Suppliers, Customers or Businesses in General

Governments and multinational organisations (including but not limited to the State Department and the Department of the Treasury's Office of Foreign Assets Control of the United States, Her Majesty's Treasury, the Office of Financial Sanctions Implementation or other UK government agency, the EU or any member state thereof and the United Nations), from time to time administer certain laws and regulations that impose restrictions with respect to activities, transmission of funds or transactions with certain countries, governments, entities and individuals that are the subject of economic sanctions. There can be no assurance that such sanctions or other restrictions will not affect the jurisdictions in which the Group conducts its business, any of the Group's business partners, suppliers, customers or otherwise. To the extent that any such sanction or restriction is imposed in any jurisdictions where the Group's business operates, the Group may need to cease operations in those jurisdictions and suffer losses in that regard. If any of the Group's business partners or suppliers are impacted by sanctions or restrictions, provision of goods, services or support by them may be disrupted or discontinued, which may affect the Group's ability to continue to operate related businesses. If any of the Group's business partners are affected by sanctions or restrictions, the continuation or disruption of strategic alliance with such business partners may also affect the Group's ability to continue to operate related businesses and/or may result in suspension of operations. There can be no assurance that the Group will be able to obtain alternative goods, services, support or alliance it needs for the operation of its business, in a timely manner or on competitive terms, and no assurance that any compensation recoverable from business partners or suppliers for the discontinued or disrupted supply, service, support or alliance will be available or adequate. If any of the Group's customers are affected by sanctions or restrictions, the Group may be forced to discontinue the provision of services or goods to such customers and the Group will suffer losses in that regard. If any of the Group's assets are in the possession of such customers, there can be no assurance that such assets can be repossessed by the Group especially if such assets are located in countries or other regions subject to sanctions or restrictions and no assurance that any compensation recoverable from such customers or insurers for the Group's failure to repossess such assets will be available. Any of these factors could have a material adverse effect on the Group's financial condition and results of operations.

Compliance with Personal Data Protection Legislation

In the ordinary course of its operations, various businesses of the Group collect, store and use data that is protected by personal data protection laws in the different countries in which they operate. As regulatory focus on privacy 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 expenses on remediation, 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.

RISK FACTORS (CONTINUED)

Cybersecurity

With the fast expanding adoption of internet and networking operational technology, cyber attacks and security breaches around the world are occurring at a higher frequency and intensity. The Group's critical utility and information assets are exposed to attack, damage or unauthorised access in the cyberspace. Cybersecurity risks could have material adverse effect on the operational and business performance, as well as the business reputation of the Group. The Group continuously strives to enhance the cybersecurity protection of its business.

There can be no assurance that the Group will be free from cyber attacks or security breaches or that it will not experience any major damage to its assets or activities from cyber attacks. Cyber attacks or security breaches of the Group's system could result in significant impact on the Group's 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, the United States and the Republic of Ireland. 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 employees 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.

Transition Risks

Many countries where the Group has material business operations seek to transition to low-carbon economies. Governments are introducing legislations and taking policy actions to restrict emissions and implementing measures which would incentivise environmental protection activities. There is increasing pressure on the Group's business to support transition to low-carbon economy.

In the journey to a low-carbon economy, the use of resources of low-carbon emission are encouraged or made compulsory over time, while the consumption of conventional resources of high carbon emission are progressively reduced, replaced or prohibited. Changes to governmental policy, legal and regulatory requirements, opinions of the investment community, financial markets, technology, supply chain and consumer behaviour as a result of the transition may occur in ways unexpected by or faster than the anticipation of the Group's business, which could have a material impact on the Group's businesses and adversely affect the Group's financial conditions, results of operations and reputation.

Natural Disasters

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

RISK FACTORS (CONTINUED)

Property Developments

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

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.

The Hotel Industry

The hotel industry has been cyclical and may be affected by various factors which are beyond the Group's control, including (a) supply of and demand for accommodation properties; (b) the rate of economic growth; (c) interest rates; (d) political environment and economic developments; (e) seasonal factors; and (f) weather conditions. Furthermore, hotel guests are mostly short-term occupants of the hotel rooms and as a result, hotel occupancy rates and room rates are subject to a high degree of variability. Consumer's confidence, desire, willingness and ability to travel may also be affected by availability of transportation and travel disruptions caused by extreme weather conditions, natural disasters or epidemics. Any such factors may result in reduced demand for our hospitality services and downward pressure on the daily room rates, and may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

Meanwhile, various control measures have been implemented by the Hong Kong government to contain the spread of COVID-19 and its new variants, including but not limited to border restrictions, quarantine measures, and limitations on the utilisation of seating capacity and the maximum number of people seated per table in restaurants. These measures have resulted in significant adverse impact on the Group's hospitality services. The pace of recovery depends on the development of COVID-19 situation and the effectiveness of mass vaccination programmes. In view of the uncertainty over the emergence of new COVID-19 variants, the potential effects on the hotel industry remain unpredictable and may pose significant adverse impact on the Group's business, financial conditions, results of operations or growth prospects.

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.

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.

RISK FACTORS (CONTINUED)

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.

Completion Risk of the Proposed Disposal

The Company announced on 24 December 2021 the proposed disposal of its interest in the aircraft fleet, which is subject to the fulfilment of certain terms and conditions including anti-trust and regulatory approvals by the relevant authorities. If such terms and conditions are not fulfilled or the requisite regulatory approvals are not obtained and the proposed disposal is not completed, the Group may incur significant legal, accounting and other costs in connection with the disposal without realising the anticipated benefits and continue to be exposed to the industry risks discussed above.

The UK Pub Industry

Deterioration in Market Conditions and Change of Consumer Demand

While improving conditions have allowed most of the control measures designed to contain the spread of COVID-19 in the UK to be lifted by the government, the pandemic continues to be evolving. In view of the uncertainty over the emergence of new COVID-19 variants which could be more infectious and of higher mortality rate, the resulting effect on the industry remains 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 the effectiveness of 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 as a result of Brexit and 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.

The operating conditions in the sector have been further impacted by labour availability, which leads to staff shortage and pay inflation. 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. In addition, due to COVID-19, some workers in the hospitality sector have moved to other businesses with lower perceived risk such as retail and online delivery, which puts further strain on labour shortage. 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, water, gas and electricity) are subject to regulatory pricing and strict adherence must be made to the licence requirements, codes and guidelines established by the relevant regulatory authorities from time to time. Failure to comply with these licence requirements, codes or guidelines may lead to penalties, or, in extreme circumstances, amendment, suspension or cancellation of the relevant licences by the authorities. Many of these regulated businesses have recently been 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 the local or national Government directly, and may ultimately lead to more stringent regulatory resets, regulatory oversight as well as negative publicity that could also have a reputational impact. Infrastructure projects are capital intensive, and with only a few major players in the market, there can be no assurance of ready buyers on disposal.

The distribution and transmission networks of the Group's utilities investments are also exposed to supply interruptions. If a severe earthquake, storm, flood, fire, sabotage, terrorist attack, 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	17 March 2022
Closure of Register of Members (for determination of shareholders who are entitled to attend and vote at Annual General Meeting)	16 to 19 May 2022 (both days inclusive)
Annual General Meeting	19 May 2022
Record Date (for determination of shareholders who qualify for the Final Dividend)	25 May 2022
Payment of Final Dividend	9 June 2022

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

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

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 2021 (“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.



