

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **Wing Tai Properties Limited**

**永泰地產有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 369)**

### **ANNOUNCEMENT OF 2020 ANNUAL RESULTS, FINAL DIVIDEND, RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS**

#### **CHAIRMAN'S STATEMENT**

Dear Shareholders,

The outbreak of COVID-19 pandemic has disrupted the global and Hong Kong economy throughout 2020. Despite the decline in our leasing profit due to drastic hit on hospitality business and gradual weakening of office leasing market, the Group has booked sales profit upon handover of our accumulated residential units sold at The Carmel in 2020. As a result, we managed to deliver a core consolidated profit attributable to shareholders of HK\$456 million in 2020, slightly higher than HK\$424 million in 2019, excluding downward fair value adjustment on investment properties and financial instruments.

However, fair value of our hospitality and office properties as well as financial instruments continued being marked down due to uncertain outlook amid economic downturn and interest rate drop. As a result, the Group reported net fair value loss of HK\$1,324 million and a total consolidated loss attributable to shareholders of HK\$674 million for the year ended 31 December 2020. Loss per share was HK\$0.50.

The Board of Directors has recommended a final dividend of HK21.0 cents per share. Together with the interim dividend of HK6.0 cents per share, total dividends for the year will be HK27.0 cents per share, same as last year.

Supported by low interest rate, demand from first-time local home buyers remained solid in the second half of 2020. Capturing such demand, the Group continued to sell our three "Upper Gold Coast series" residential units, and launched the sale of remaining house units of The Carmel in January and the pre-sale of apartment units of OMA by the Sea in May. As of 31 December 2020, around 97% of units of The Carmel were sold and mostly handed over to buyers, and over 70% and 80% of units of OMA by the Sea and OMA OMA were presold respectively. Meanwhile, in response to the weak sentiment in the high-end

residential property market, the Group continues to put the unsold units of Le Cap and La Vetta on leasing.

Starting from the second quarter of 2020, office leasing market in Hong Kong and London have been affected by slowdown in office space demand and downsizing of existing tenants in industries badly hit by the pandemic, leading to gradual decline in occupancy and rental rates. As a result, the Group suffered a slight drop in leasing profit and mark down in asset valuation in 2020.

In February 2021, to further expand and diversify our investment portfolio for recurring leasing income, we acquired a 21% interest in 66 Shoe Lane, a Grade A office building in a prime business hub on the western edge of The City of London, which office space is fully leased to a global Big Four accounting and professional services firm.

Suffering from global travel restrictions, our hospitality business has recorded an unprecedented operating loss and significant mark down in asset valuation in 2020, with drastic decline in both occupancy rate and average room rate of our Lanson Place hotels in Hong Kong and Kuala Lumpur.

Foundational work at the Gage Street/Graham Street comprehensive development in Central continued to progress. This project consists of a Grade A office tower, a hotel, retail units and open public spaces, and is expected to transform the old urban landscape in the prime central business and entertainment district in the future.

Management will continue to monitor the impact of the pandemic on our business performance and cash flow. In view of the economic downturn, the Group has tightened our bonus for 2020 and suspended salary adjustment in 2021 for all our employees. Taking this opportunity, I would like to express my gratitude and appreciation to our employees for their understanding and support to keep our operations running smoothly amid the pandemic.

I would also like to express my gratitude and appreciation to my fellow Board members, business partners, colleagues and stakeholders as a whole for their unreserved support during this challenging time.

**Cheng Wai Chee, Christopher**  
Chairman

Hong Kong, 25 March 2021

## FINANCIAL RESULTS

The Board of Directors (the “Directors”) of Wing Tai Properties Limited (the “Company”) presents the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2020, together with comparative figures for the previous year, as follows:

### CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
	Note	2020 HK\$'M	2019 HK\$'M
<b>Revenue</b>	3	2,777.8	829.5
Cost of sales		(1,777.7)	(163.1)
<b>Gross profit</b>		1,000.1	666.4
Other gains, net	4	215.6	12.7
Selling and distribution costs		(154.6)	(65.1)
Administrative expenses		(337.7)	(340.8)
Change in fair value of			
– investment properties		(1,064.5)	(126.4)
– financial instruments	5	(150.4)	19.0
		(1,214.9)	(107.4)
<b>(Loss)/profit from operations</b>	6	(491.5)	165.8
Finance costs		(96.0)	(61.7)
Finance income		41.0	74.1
Share of results of joint ventures		(12.3)	193.9
Share of results of associates		3.7	2.6
<b>(Loss)/profit before taxation</b>		(555.1)	374.7
Taxation	7	(60.8)	(69.7)
<b>(Loss)/profit for the year</b>		(615.9)	305.0
<b>(Loss)/profit for the year attributable to:</b>			
Shareholders of the Company		(674.4)	238.9
Holders of perpetual capital securities		63.8	64.9
Non-controlling interests		(5.3)	1.2
		(615.9)	305.0
<b>(Loss)/earnings per share attributable to shareholders of the Company</b>	8		
– Basic		(HK\$0.50)	HK\$0.18
– Diluted		(HK\$0.50)	HK\$0.18

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2020	2019
	HK\$'M	HK\$'M
<b>(Loss)/profit for the year</b>	(615.9)	305.0
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
Release of other reserve upon disposal of a subsidiary	1.9	-
<b>Items that have been/may be reclassified subsequently to profit or loss:</b>		
Exchange differences on translation of foreign operations	58.7	1.0
Net (loss)/gain on net investment hedge		
– Fair value (losses)/gains	(3.7)	11.9
– Realised upon settlement	(4.4)	0.6
Net loss on cash flow hedge		
– Fair value losses	(4.3)	(3.6)
Release of other reserve upon disposal of subsidiaries	-	3.3
Release of translation reserve upon disposal of a subsidiary	0.6	-
Share of other comprehensive income/(loss) of a joint venture	0.5	(0.6)
	47.4	12.6
<b>Other comprehensive income for the year, net of tax</b>	49.3	12.6
<b>Total comprehensive (loss)/income for the year</b>	(566.6)	317.6
<b>Total comprehensive (loss)/income for the year attributable to:</b>		
Shareholders of the Company	(625.1)	251.5
Holders of perpetual capital securities	63.8	64.9
Non-controlling interests	(5.3)	1.2
<b>Total comprehensive (loss)/income for the year</b>	(566.6)	317.6

## CONSOLIDATED BALANCE SHEET

	Note	At 31 December	
		2020 HK\$'M	2019 HK\$'M
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Investment properties		20,375.6	20,427.3
Other properties, plant and equipment		82.3	74.7
Investments in joint ventures		1,365.3	1,566.1
Loans to joint ventures		3,868.3	3,919.7
Investments in associates		23.3	17.2
Loans to associates		22.4	22.4
Financial investments at amortised cost		293.3	385.3
Financial investments at fair value through profit or loss		537.8	603.7
Other non-current assets		1,500.7	147.9
Deferred tax assets		31.3	34.6
Derivative financial instruments		63.1	45.8
		<u>28,163.4</u>	<u>27,244.7</u>
<b>Current assets</b>			
Properties for sale		4,243.8	4,909.7
Trade and other receivables, deposits and prepayments	10	1,711.6	1,415.5
Financial investments at amortised cost		475.5	329.9
Financial investments at fair value through profit or loss		75.3	46.9
Other current assets		5.3	-
Derivative financial instruments		0.7	0.7
Sales proceeds held in stakeholders' accounts		1,375.1	616.0
Tax recoverable		5.0	2.9
Bank balances and cash		1,190.1	1,740.0
		<u>9,082.4</u>	<u>9,061.6</u>
Assets classified as held for sale		-	16.5
		<u>9,082.4</u>	<u>9,078.1</u>
<b>Current liabilities</b>			
Trade and other payables and accruals	11	4,655.5	2,466.5
Derivative financial instruments		32.6	18.1
Tax payable		11.9	23.2
Bank and other borrowings		725.9	146.6
		<u>5,425.9</u>	<u>2,654.4</u>
Liabilities directly associated with assets classified as held for sale		-	2.1
		<u>5,425.9</u>	<u>2,656.5</u>

## CONSOLIDATED BALANCE SHEET (Continued)

	At 31 December	
	2020	2019
	HK\$'M	HK\$'M
<b>Non-current liabilities</b>		
Bank and other borrowings	3,653.7	4,534.8
Other long-term liability	48.4	41.9
Derivative financial instruments	110.2	108.5
Deferred tax liabilities	366.6	357.6
	<u>4,178.9</u>	<u>5,042.8</u>
<b>NET ASSETS</b>	<u>27,641.0</u>	<u>28,623.5</u>
<b>EQUITY</b>		
<b>Shareholders' funds</b>		
Share capital	677.3	676.3
Reserves	25,448.3	26,425.9
	<u>26,125.6</u>	<u>27,102.2</u>
<b>Perpetual capital securities</b>	1,513.3	1,513.7
<b>Non-controlling interests</b>	2.1	7.6
<b>TOTAL EQUITY</b>	<u>27,641.0</u>	<u>28,623.5</u>

NOTES:

**1. Basis of preparation**

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and disclosure requirements of the Hong Kong Companies Ordinance (Cap.622).

These consolidated financial statements are presented in millions of Hong Kong dollars (HK\$’M).

**2. Significant accounting policies**

**(a) Amendments to standards effective for the current accounting period beginning on 1 January 2020 and relevant to the Group**

Amendments to HKAS 1 and HKAS 8	Definition of material
Amendments to HKFRS 3	Definition of a business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest rate benchmark reform
Conceptual framework for financial reporting 2018	Revised conceptual framework for financial reporting

The adoption of the above amendments to standards did not have any significant impact to the consolidated financial statements in the current and prior years.

**(b) New standard, amendments and improvements to standards relevant to the Group that are not yet effective in 2020 and have not been early adopted by the Group**

The Group has not early adopted the following new standard, amendments and improvements to standards that have been issued but are not yet effective for the year ended 31 December 2020:

		<b>Effective for annual periods beginning on or after</b>
Amendments to HKFRS 16	COVID-19 – Related rent concessions	1 June 2020
Amendments to HKAS 16	Proceeds before intended use	1 January 2022
Amendments to HKAS 37	Onerous contracts – Cost of fulfilling a contract	1 January 2022
Amendments to HKFRS 3	Reference to Conceptual Framework	1 January 2022
Annual improvements HKFRS 17	Annual improvements 2018–2020 cycle	1 January 2022
Amendments to HKAS 1	Insurance contracts	1 January 2023
Amendments to HKAS 1	Classification of liabilities as current or non-current	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group is in the process of making an assessment of the impact of these new standard, amendments and improvements to standards and is not yet in a position to state whether they would have a significant impact on the Group’s results and financial position.

### 3. Revenue and segment information

Revenue represents the amounts received and receivable from third parties net of value-added tax and discounts in connection with the following activities:

	2020 HK\$'M	2019 HK\$'M
Sale of properties and project management income	2,021.6	21.8
Rental income and property management income	682.2	749.1
Interest income from financial investments	32.0	33.5
Interest income from mortgage loan receivables	25.7	3.3
Dividend income from financial investments	16.3	21.8
	<u>2,777.8</u>	<u>829.5</u>

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by Executive Directors in order to allocate resources to the segment and to assess its performance.

Segment information are analysed on the basis of the Group's operating divisions. They are (i) Property Development, (ii) Property Investment and Management, (iii) Hospitality Investment and Management and (iv) Others. Others mainly represent investing activities and corporate activities including central management and administrative function.



### 3. Revenue and segment information (Continued)

	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Others HK\$'M	Elimination HK\$'M	Total HK\$'M
<b>For the year ended 31 December 2020</b>						
<b>REVENUE</b>						
External sales	2,053.6	613.7	62.2	48.3	-	2,777.8
Inter-segment sales	1.5	15.8	-	-	(17.3)	-
<b>Total</b>	<b>2,055.1</b>	<b>629.5</b>	<b>62.2</b>	<b>48.3</b>	<b>(17.3)</b>	<b>2,777.8</b>
<b>RESULTS</b>						
Profit/(loss) before change in fair value of investment properties and financial instruments	318.4	391.2	(13.1)	26.9	-	723.4
Change in fair value of						
- investment properties	(3.9)	(886.9)	(173.7)	-	-	(1,064.5)
- financial instruments	(60.6)	(11.5)	-	(78.3)	-	(150.4)
<b>Profit/(loss) from operations</b>	<b>253.9</b>	<b>(507.2)</b>	<b>(186.8)</b>	<b>(51.4)</b>	<b>-</b>	<b>(491.5)</b>
Finance costs	(41.2)	(51.9)	(18.2)	(18.2)	33.5	(96.0)
Finance income	7.5	2.9	0.1	64.0	(33.5)	41.0
Share of results of joint ventures	59.2	(42.0)	(29.5)	-	-	(12.3)
Share of results of associates	-	3.7	-	-	-	3.7
<b>Profit/(loss) before taxation</b>	<b>279.4</b>	<b>(594.5)</b>	<b>(234.4)</b>	<b>(5.6)</b>	<b>-</b>	<b>(555.1)</b>
Taxation						(60.8)
<b>Loss for the year</b>						<b>(615.9)</b>
<b>Other item</b>						
Depreciation and amortisation	8.7	1.4	0.2	7.9	-	18.2

### 3. Revenue and segment information (Continued)

	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Others HK\$'M	Elimination HK\$'M	Total HK\$'M
<b>For the year ended 31 December 2019</b>						
<b>REVENUE</b>						
External sales	26.2	626.1	121.9	55.3	-	829.5
Inter-segment sales	1.4	14.8	-	1.8	(18.0)	-
Total	<u>27.6</u>	<u>640.9</u>	<u>121.9</u>	<u>57.1</u>	<u>(18.0)</u>	<u>829.5</u>
<b>RESULTS</b>						
Profit/(loss) before change in fair value of investment properties and financial instruments	(183.5)	431.8	10.9	14.0	-	273.2
Change in fair value of						
- investment properties	(2.1)	78.6	(202.9)	-	-	(126.4)
- financial instruments	(0.2)	(8.2)	-	27.4	-	19.0
Profit/(loss) from operations	<u>(185.8)</u>	<u>502.2</u>	<u>(192.0)</u>	<u>41.4</u>	<u>-</u>	<u>165.8</u>
Finance costs	(7.0)	(54.2)	(24.6)	(11.2)	35.3	(61.7)
Finance income	3.4	4.1	0.3	101.6	(35.3)	74.1
Share of results of joint ventures	204.7	4.8	(15.6)	-	-	193.9
Share of results of associates	-	2.6	-	-	-	2.6
Profit/(loss) before taxation	<u>15.3</u>	<u>459.5</u>	<u>(231.9)</u>	<u>131.8</u>	<u>-</u>	<u>374.7</u>
Taxation						(69.7)
Profit for the year						<u>305.0</u>
<b>Other item</b>						
Depreciation and amortisation	<u>4.3</u>	<u>1.4</u>	<u>-</u>	<u>7.9</u>	<u>-</u>	<u>13.6</u>

Inter-segment transactions are entered into under the normal commercial terms and conditions mutually agreed among group companies.

### 3. Revenue and segment information (Continued)

The segment assets and liabilities at 31 December 2020 and 2019 and additions to non-current assets for the years then ended are as follows:

	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Others HK\$'M	Total HK\$'M
<b>At 31 December 2020</b>					
<b>ASSETS</b>					
Segment assets (Note a)	8,511.4	17,389.1	2,223.9	2,333.0	30,457.4
Investments in joint ventures and loans to joint ventures	5,691.5	854.8	96.3	-	6,642.6
Investments in associates and loans to associates	1.9	43.8	-	-	45.7
	<u>14,204.8</u>	<u>18,287.7</u>	<u>2,320.2</u>	<u>2,333.0</u>	<u>37,145.7</u>
Other assets (Note a)					100.1
Consolidated total assets					<u>37,245.8</u>
<b>LIABILITIES</b>					
Segment liabilities (Note b)	(4,319.7)	(226.2)	(66.1)	(91.9)	(4,703.9)
Other liabilities (Note b)					(4,900.9)
Consolidated total liabilities					<u>(9,604.8)</u>
<b>Additions to non-current assets (Note d)</b>	<u>7.2</u>	<u>1.7</u>	<u>2.2</u>	<u>2.2</u>	<u>13.3</u>
<b>At 31 December 2019</b>					
<b>ASSETS</b>					
Segment assets (Note a)	5,993.7	18,239.3	2,408.4	3,045.8	29,687.2
Investments in joint ventures and loans to joint ventures	5,529.4	865.9	116.7	-	6,512.0
Investments in associates and loans to associates	1.8	37.8	-	-	39.6
	<u>11,524.9</u>	<u>19,143.0</u>	<u>2,525.1</u>	<u>3,045.8</u>	<u>36,238.8</u>
Other assets (Note a)					84.0
Consolidated total assets					<u>36,322.8</u>
<b>LIABILITIES</b>					
Segment liabilities (Note b)	(2,116.4)	(231.7)	(83.4)	(79.0)	(2,510.5)
Other liabilities (Note b)					(5,188.8)
Consolidated total liabilities					<u>(7,699.3)</u>
<b>Additions to non-current assets (Note d)</b>	<u>12.9</u>	<u>99.5</u>	<u>35.4</u>	<u>1.4</u>	<u>149.2</u>

### 3. Revenue and segment information (Continued)

The following is an analysis of the Group's revenue by geographical areas in which the customer are located, irrespective of the origin of the goods/services:

	Year ended 31 December	
	2020	2019
	HK\$'M	HK\$'M
Hong Kong	2,673.6	710.7
United Kingdom	28.6	28.5
The PRC	23.8	29.9
Singapore	18.3	24.3
Others	33.5	36.1
	<u>2,777.8</u>	<u>829.5</u>

The followings are analyses of the Group's non-current assets including investment properties and other properties, plant and equipment, and additions to non-current assets by geographical areas in which the assets are located.

	Non-current assets		Additions to non-current assets	
	(Note c)		(Note d)	
	At 31 December		Year ended 31 December	
	2020	2019	2020	2019
	HK\$'M	HK\$'M	HK\$'M	HK\$'M
Hong Kong	19,088.3	19,127.8	13.3	149.2
United Kingdom	845.5	883.6	-	-
The PRC	524.1	490.6	-	-
	<u>20,457.9</u>	<u>20,502.0</u>	<u>13.3</u>	<u>149.2</u>

#### Notes:

- Segment assets consist primarily of investment properties, other properties, plant and equipment, financial investments at amortised cost, financial investments at fair value through profit or loss, other non-current assets, properties for sale, trade and other receivables, deposits and prepayments, other current assets, sales proceeds held in stakeholders' accounts, bank balances and cash and assets classified as held for sale. Other assets comprise mainly derivative financial instruments, tax recoverable and deferred tax assets.
- Segment liabilities comprise operating liabilities and liabilities directly associated with assets classified as held for sale. Other liabilities include tax payable, bank and other borrowings, deferred tax liabilities and derivative financial instruments.
- Non-current assets include investment properties and other properties, plant and equipment.
- Additions to non-current assets comprise additions to investment properties and other properties, plant and equipment.

The Group's operations are principally located in Hong Kong, the United Kingdom and the People's Republic of China other than Hong Kong (the "PRC").

#### 4. Other gains, net

	2020 HK\$'M	2019 HK\$'M
Compensation income arising from early termination of tenancy agreements	2.4	-
Exchange losses, net	(2.5)	(5.7)
Forfeited deposits	5.0	1.3
Gain on disposal of other properties, plant and equipment	0.5	0.2
Gain on distribution in specie of a joint venture (Note)	193.5	-
Government grants and subsidies	19.1	-
(Loss)/gain on disposal of subsidiaries	(2.5)	5.9
(Provision for)/write back of provision for doubtful debts	(5.5)	1.7
Write back of provisions for claims	-	1.1
Write back of provision for disposal of a former joint venture	-	6.3
Others	5.6	1.9
	<u>215.6</u>	<u>12.7</u>

#### Note:

In September 2020, all unsold residential units of a joint venture project, Le Cap, were distributed to shareholders. The units are held for leasing and classified as investment properties. On the date of distribution, the Group's attributable residential units were distributed at fair value of HK\$977.7 million. Therefore, it resulted in a fair value gain of HK\$193.5 million, net of tax, which was recorded during the year.

#### 5. Change in fair value of financial instruments

	2020 HK\$'M	2019 HK\$'M
Net fair value gain/(loss) on derivative financial instruments	2.9	(8.0)
(Loss)/gain on financial liabilities at fair value through profit or loss classified under other long-term liability	(7.7)	4.8
(Loss)/gain on financial investments at fair value through profit or loss	(80.3)	22.4
Loss on mortgage loan receivables at fair value through profit or loss	(65.3)	(0.2)
	<u>(150.4)</u>	<u>19.0</u>

## 6. (Loss)/profit from operations

	2020 HK\$'M	2019 HK\$'M
(Loss)/profit from operations has been arrived at after charging/(crediting) the following:		
Staff costs including directors' remuneration	266.3	271.1
Retirement benefits costs	10.8	10.6
	<hr/>	<hr/>
Total staff costs (Note)	277.1	281.7
Share-based compensation expenses (Note)	14.3	14.7
Auditor's remuneration		
– Audit services	4.6	4.8
– Non-audit services	0.6	1.5
Cost of/(write-back of) properties included in cost of sales	1,609.3	(7.0)
Depreciation of other properties, plant and equipment	18.0	13.6
Direct operating expenses arising from investment properties generating rental income	145.8	142.2
Gain on disposal of other properties, plant and equipment	(0.5)	(0.2)
Loss/(gain) on disposal of subsidiaries	2.5	(5.9)
Gross rental income from investment properties	(656.9)	(717.1)
	<hr/> <hr/>	<hr/> <hr/>

### *Note:*

Share-based compensation expenses recognised in the consolidated income statement in respect of share options and incentive shares granted to certain directors and employees are not included in the total staff costs above.

## 7. Taxation

Hong Kong profits tax has been calculated at 16.5% (2019: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged/(credited) to the consolidated income statement represents:

	2020 HK\$'M	2019 HK\$'M
Current taxation		
– Current tax on profits for the year	57.6	52.8
– Over-provision in prior years	(0.3)	(0.1)
	<u>57.3</u>	<u>52.7</u>
Deferred taxation		
– Change in fair value of investment properties	(3.9)	15.8
– Temporary differences on tax depreciation	21.3	14.1
– Recognition of tax losses	(11.4)	(15.7)
– Other temporary differences	(2.5)	2.8
	<u>3.5</u>	<u>17.0</u>
Income tax expenses	<u>60.8</u>	<u>69.7</u>

## 8. (Loss)/earnings per share

### (a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	2020	2019
(Loss)/profit attributable to shareholders of the Company (expressed in HK\$'M)	<u>(674.4)</u>	<u>238.9</u>
Weighted average number of ordinary shares in issue	<u>1,354,460,672</u>	<u>1,352,408,895</u>
Basic (loss)/earnings per share	<u>(HK\$0.50)</u>	<u>HK\$0.18</u>

## 8. (Loss)/earnings per share (Continued)

### (b) Diluted

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares at the beginning of the year. The Company has share options and incentive shares outstanding during the year which are dilutive potential ordinary shares. Calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average daily market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options and incentive shares.

	2020	2019
(Loss)/profit attributable to shareholders of the Company (expressed in HK\$'M)	<u>(674.4)</u>	<u>238.9</u>
Weighted average number of ordinary shares in issue	1,354,460,672	1,352,408,895
Effect of dilutive potential shares issuable under the Company's share option plan and share incentive scheme	<u>230,246</u>	<u>2,283,733</u>
Weighted average number of shares for the purpose of calculating diluted (loss)/earnings per share	<u>1,354,690,918</u>	<u>1,354,692,628</u>
Diluted (loss)/earnings per share	<u>(HK\$0.50)</u>	<u>HK\$0.18</u>

## 9. Dividends

	2020 HK\$'M	2019 HK\$'M
Interim dividend paid on 7 October 2020 of HK6.0 cents (2019: HK6.0 cents) per ordinary share	81.3	81.2
Proposed final dividend of HK21.0 cents (2019: 21.0 cents) per ordinary share	<u>284.5</u>	<u>284.5</u>
	<u>365.8</u>	<u>365.7</u>

The final dividend is not accounted for as a dividend payable in these financial statements until it has been approved at the forthcoming annual general meeting of the Company.



## 10. Trade and other receivables, deposits and prepayments

	2020 HK\$'M	2019 HK\$'M
Trade receivables (Note a)	14.8	17.6
Deferred rent receivables	13.6	14.1
Amounts due from joint ventures	7.4	7.6
Loans to joint ventures	1,409.0	1,026.2
Contract assets (Note b)	178.3	143.5
Other receivables, deposits and prepayments	88.5	206.5
	<u>1,711.6</u>	<u>1,415.5</u>

### Notes:

- (a) The Group allows different credit periods to its customers. Credit periods vary from 30 to 90 days in accordance with industry practice. Sales proceeds receivable from sale of properties are settled in accordance with the terms of respective contracts. The following is an ageing analysis of the Group's trade receivables (net of provision) at 31 December, based on the invoice dates:

	2020 HK\$'M	2019 HK\$'M
0 – 30 days	9.1	13.1
31 – 90 days	2.6	1.0
Over 90 days	3.1	3.5
	<u>14.8</u>	<u>17.6</u>

- (b) It mainly represents sales commissions incurred for obtaining property sales contracts.

## 11. Trade and other payables and accruals

	2020 HK\$'M	2019 HK\$'M
Trade payables (Note a)	8.8	46.6
Contract liabilities (Note b)	3,817.7	1,603.7
Rental deposits received	161.3	165.9
Construction costs payable	211.4	200.7
Amounts due to joint ventures	70.3	113.7
Other creditors and accruals	386.0	335.9
	<u>4,655.5</u>	<u>2,466.5</u>

## 11. Trade and other payables and accruals (Continued)

Notes:

- (a) The ageing analysis of the Group's trade payables based on invoice date at 31 December is as follows:

	2020 HK\$'M	2019 HK\$'M
0 – 30 days	7.2	42.2
31 – 90 days	1.2	1.0
Over 90 days	0.4	3.4
	<u>8.8</u>	<u>46.6</u>

- (b) It represents sales deposits received from property sales.

## 12. Event subsequent to year end

On 26 February 2021, the Group formed a joint venture, of which the Group has 21% equity interest, to acquire a commercial property at 66 Shoe Lane, London, with approximately 158,000 square feet of office, retail space and ancillary space. The joint venture's shareholders have committed to contribute £258.0 million (equivalent to approximately HK\$2,829.3 million). The Group's share of capital contribution to the joint venture is approximately £54.2 million (equivalent to approximately HK\$594.4 million). The transaction is targeted for completion around 9 April 2021.

## 13. Scope of work of PricewaterhouseCoopers

The financial figures in respect of this results announcement for the year ended 31 December 2020 have been agreed by the Group auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2020. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the announcement.

## **FINAL DIVIDEND, RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS**

### **FINAL DIVIDEND AND RECORD DATE**

The Directors recommend the payment of a final dividend of HK21.0 cents (2019: HK21.0 cents) per share for the year ended 31 December 2020. Including the interim dividend of HK6.0 cents (2019: HK6.0 cents) per share distributed on 7 October 2020, the total dividend payout for the year ended 31 December 2020 shall be HK27.0 cents (2019: HK27.0 cents) per share. Subject to the passing of the relevant resolution at an annual general meeting to be held on 1 June 2021 (the “AGM”), the final dividend will be distributed on or around 24 June 2021 to shareholders whose names appear on the register of members of the Company at the close of business on 7 June 2021 (the Record Date).

In order to qualify for the entitlement of the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 7 June 2021.

### **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 24 May 2021 to 25 May 2021 (both days inclusive), during which period the registration of transfers of shares will be suspended. In order to be eligible to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 21 May 2021.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

For the year ended 31 December 2020, the Group's revenue was HK\$2,778 million compared with HK\$830 million in 2019. The increase was due to revenue recognition on The Carmel during the year.

Consolidated loss for the year was HK\$616 million, a decrease of HK\$921 million compared with profit of HK\$305 million in 2019. The decrease was mainly attributable to (i) an increase in fair value loss on investment properties and financial instruments including joint ventures of HK\$1,324 million in 2020 as compared to HK\$191 million in 2019, offset by (ii) HK\$127 million higher profit from the property development segment due to profit recognised from The Carmel and (iii) HK\$193 million one-off valuation gain from distribution in specie from the joint venture of Le Cap project.

The fair value loss on investment properties and financial instruments including joint ventures of HK\$1,324 million were mainly attributable to the impact of the COVID-19 pandemic (“pandemic”). The loss was comprised of (i) HK\$1,099 million valuation loss on investment properties, mainly Landmark East and Lanson Place Causeway Bay hotel in Hong Kong; and (ii) HK\$225 million mark-to-market loss from financial instruments, mainly interest rate swap contracts and investments in Singapore REITS.

Consolidated loss attributable to shareholders was HK\$674 million, a decrease of HK\$913 million compared with consolidated profit of HK\$239 million in 2019.

Core consolidated profit attributable to shareholders, excluding one-off valuation gain and change in fair value on investment properties and financial instruments including joint ventures, was HK\$456 million, an increase of HK\$32 million, compared with HK\$424 million in 2019.

Loss per share attributable to shareholders was HK\$0.50, compared with earnings per share attributable to shareholders of HK\$0.18 in 2019.

## **Property Development**

The property development segment revenue was HK\$2,054 million in 2020 compared with HK\$26 million in 2019. Segment profit before taxation (including fair value changes) was HK\$279 million compared with HK\$15 million in 2019. Excluding fair value changes in investment properties and financial instruments including joint ventures (2020 was fair value loss of HK\$58 million; 2019 was fair value loss of HK\$2 million) and HK\$193 million one-off valuation gain from distribution in specie from a joint venture, segment profit before taxation was HK\$144 million in 2020, compared with HK\$17 million in 2019, as a result of sold units of The Carmel handed over to buyers during the year.

Since January 2020, the pandemic had slowed down the primary residential property market, in particular, the high-end property market.

### *Wholly-owned projects*

The Carmel, a low-density residential site in Siu Sau, Tai Lam, Tuen Mun, provides a saleable area of approximately 147,000 square feet for 178 residential units of apartment and house. In 2020, around 8% (in terms of number) of the residential units, mainly house units, were sold. Cumulatively, as at 31 December 2020, around 97% (in terms of number) of the residential units were sold. Around 97% (in terms of number) of the residential units were handed over to buyers with related revenue recognised in 2020.

OMA OMA, a medium-density residential site on So Kwun Wat Road, So Kwun Wat, Tuen Mun, provides a saleable area of approximately 234,000 square feet for 466 residential apartment units. Superstructure work is underway and the project is scheduled for completion in 2021. In 2020, around 15% (in terms of number) of the residential units were pre-sold. Cumulatively, as at 31 December 2020, around 86% (in terms of number) of the residential units were pre-sold. Related revenue and profit of the pre-sold units will be recognised upon handover to buyers prior to the project's material date in 2021.

#### *Majority-owned project*

The Group has a 70% interest in OMA by the Sea, the site adjacent to The Carmel in Siu Sau, Tai Lam, Tuen Mun, a medium-density residential site that offers a saleable area of approximately 252,000 square feet. Pre-sale consent was obtained in March 2020 and pre-sale was launched in May 2020. Superstructure work has commenced and the project is scheduled for completion in 2022. As at 31 December 2020, around 74% (in terms of number) of the residential units were pre-sold. Related revenue and profit of the pre-sold units will be recognised upon handover to buyers prior to the project's material date that falls in 2022.

#### *Joint venture projects*

The Group has a 35% interest in two low-density residential projects, Le Cap and La Vetta. Both of them are located in Kau To, Shatin, offering a saleable area of approximately 460,000 square feet altogether. In 2020, around 2% and 5% (in terms of number) of the residential units of Le Cap and La Vetta were sold, respectively. Cumulatively, as at 31 December 2020, around 30% and 32% (in terms of number) of the residential units of Le Cap and La Vetta were sold, respectively. Around 4% (in terms of number) of Le Cap and 6% (in terms of number) of La Vetta's residential units were handed over to buyers respectively, with related revenue recognised in 2020. The Group is the joint project manager and lead sales and marketing manager for both projects. In September 2020, all unsold units of Le Cap were distributed to shareholders. After distribution, the Group has approximately 36,000 square feet saleable area of houses and apartments, and 22 car parking spaces, which are held for leasing.

The Group has a 50% interest in a commercial complex site in Central, through the tender for Site C of the Gage Street/Graham Street project as put up by the Urban Renewal Authority. Advantageously located in the heart of the bustling Central financial hub, the site provides a gross floor area of up to 433,500 square feet to be developed into a Grade A office tower, a hotel, retail shops, as well as public open space with green facilities for the neighbourhood. The Group is the lead project manager and lead leasing manager for this project. The foundation work for the project is in progress.

## Property Investment and Management

The property investment and management segment revenue reduced slightly to HK\$614 million in 2020, compared with HK\$626 million in 2019. Segment loss before taxation (including fair value changes) was HK\$595 million, compared with segment profit of HK\$460 million in 2019. Excluding fair value changes in investment properties and financial instruments, including joint ventures (2020 was fair value loss of HK\$985 million; 2019 was fair value gain of HK\$3 million) and one-off items, segment profit before taxation was HK\$397 million, compared with HK\$419 million in 2019. The decrease was mainly attributable to lower leasing income due to the pandemic.

Since the second quarter of 2020, office leasing market in Hong Kong and London have been affected by slowdown in office space demand and downsizing of industries badly hit by the pandemic.

As at 31 December 2020, the Group's portfolio of investment properties, mostly Grade A office buildings, has a total area of approximately 1,886,000 square feet with an aggregate attributable fair market valuation of around HK\$19,800 million. The portfolio encompasses 1,525,000 square feet in Hong Kong, 295,000 square feet in London and 6,200 square metre in Beijing.

### *Wholly-owned properties in Hong Kong*

Landmark East is the Group's flagship property located in Kowloon East. This property is a Grade A office complex comprising twin towers of 36 floors and 34 floors respectively with a total gross floor area of approximately 1,338,000 square feet and 454 car parking spaces. As at 31 December 2020, the property achieved an occupancy of approximately 87%.

Shui Hing Centre is an industrial building in Kowloon Bay, with a gross floor area of approximately 187,000 square feet. As at 31 December 2020, the property achieved an occupancy of approximately 85%. The building has obtained a waiver for revitalization in November 2019 and waiting for the Town Planning Board approval for redevelopment.

### *Wholly-owned properties in London, the United Kingdom*

The commercial property located at Savile Row/Vigo Street, West End, has a net internal area of approximately 14,000 square feet of Grade A office and retail space.

The high-end commercial property located on Brook Street, West End, offers easy access to the upcoming Bond Street Station of London Crossrail and has a net internal area of approximately 19,000 square feet of Grade A office and retail space.

The commercial property located at Berkeley Square, West End, has a net internal area of approximately 7,900 square feet of Grade A office space.

As at 31 December 2020, the above three wholly-owned properties achieved an average occupancy of approximately 91%.

### *Joint venture properties in London, the United Kingdom*

The Group has a 25% interest in a commercial property located on Fleet Place, the City. The property has a net internal area of approximately 192,000 square feet of Grade A office and retail space.

The Group has a 33% interest in a commercial property located at Cavendish Square, West End. The property has a net internal area of approximately 13,000 square feet of Grade A office space.

The Group has a 50% interest in a commercial property located at 30 Gresham Street, City of London. The property has a net internal area of approximately 404,000 square feet of Grade A office, retail space and ancillary accommodation, with 48 car parking spaces.

As at 31 December 2020, the above three joint venture properties achieved an average occupancy of approximately 86%.

### *Acquisition of a joint venture property in London, the United Kingdom*

In February 2021, to further expand and diversify our investment portfolio for recurring leasing income, we formed a joint venture to acquire from an European investment fund 100% equity interest of the owner of the property situated at 66 Shoe Lane. We own a 21% interest in this joint venture. The Group's share of capital contribution to the joint venture is approximately £54.2 million (equivalent to approximately HK\$594.4 million). This property is a Grade A office building in a prime business hub on the western edge of The City of London. It started a refurbishment program in 2018 which was completed in last quarter of 2020. The office space is fully leased to a global Big Four accounting and professional services firm. The transaction is targeted for completion around 9 April 2021. This represents the Group's seventh commercial property in Central London.

### *Wholly-owned property in Beijing, China*

The Group has 33 residential units at Central Park, Beijing with a gross floor area of approximately 6,200 square metre. As at 31 December 2020, approximately 97% of the units (in terms of number) were leased.

## Hospitality Investment and Management

The hospitality investment and management segment revenue was HK\$62 million in 2020 compared with HK\$122 million in 2019. Segment loss before taxation (including fair value changes) was HK\$234 million in 2020 compared with segment loss of HK\$232 million in 2019. Excluding fair value changes in investment properties and financial instruments, including joint ventures (2020 was fair value loss of HK\$202 million; 2019 was fair value loss HK\$219 million), segment loss before taxation was HK\$32 million in 2020, compared with loss of HK\$13 million in 2019.

The wholly-owned Lanson Place Causeway Bay hotel in Hong Kong and 50% owned Lanson Place Bukit Ceylon in Kuala Lumpur has suffered from the pandemic throughout the year, resulted in a drastic drop in both occupancy and average room rates in 2020. The situation has not been improved given travel restrictions and quarantine measures were imposed globally, resulting in operating loss.

Lanson Place Waterfront Suites, our wholly-owned prime harbour-front furnished residence in Sai Wan Ho, was opened in April 2019 for leasing, and occupancy continued to build up although the pace has slowed down due to the pandemic.

Lanson Place Hospitality Management and the properties under the brand continue to gain good recognition from travelers. Lanson Place Causeway Bay, Lanson Place Bukit Ceylon and Lanson Place Waterfront Suites have each taken home an award from World Luxury Hotel Awards 2020, a world-renowned accolade which acknowledges and rewards high-quality accommodation around the world. In Kuala Lumpur, Lanson Place Bukit Ceylon continues to shine in the industry by taking home the “Malaysia's Leading Serviced Apartments 2020” at the World Travel Awards 2020, and “The Best Luxury Hotels in Malaysia” at the Luxury Lifestyle Awards 2020.

## Others

This segment represents investing activities and central management and administrative expenses. Segment revenue was HK\$48 million in 2020, compared with HK\$55 million in 2019.

Segment loss before taxation (including fair value changes) was HK\$6 million in 2020 compared with a segment profit of HK\$132 million in 2019, which was mainly attributable to the fair value loss of HK\$78 million (2019 was fair value gain of HK\$18 million) from the Group's investment in Singapore REITs, which are listed on the Singapore Exchange, mainly reflected a drop in market price of the units in Suntec REIT as compared to the unit market price at 31 December 2019 as a result of the pandemic.

Excluding fair value changes in financial instruments (2020 was fair value loss of HK\$78 million; 2019 was fair value gain of HK\$27 million), segment profit before taxation was HK\$72 million in 2020, a decrease of HK\$33 million compared with HK\$105 million in 2019 due to a decrease in bank interest income during the year.



## FINANCIAL REVIEW

### Liquidity and Financial Resources

The Group's net assets totalled HK\$27,641 million as at 31 December 2020 (2019: HK\$28,624 million). The decrease of HK\$983 million is mainly resulted from the loss for the year of HK\$616 million, the distribution of the 2019 final dividend and 2020 interim dividend of HK\$366 million and distribution to holders of perpetual capital securities of HK\$64 million.

As at 31 December 2020, the Group's bank and other borrowings totalled HK\$4,380 million (2019: HK\$4,681 million). The maturity profile of the Group's bank and other borrowings is set out below:

	31 December 2020		31 December 2019	
	HK\$ million	%	HK\$ million	%
Repayable:				
Within one year	726	17%	147	3%
Between one and two years	1,629	37%	1,261	27%
Between two and five years	2,008	46%	3,086	66%
After five years	17	0%	187	4%
	<u>4,380</u>	<u>100%</u>	<u>4,681</u>	<u>100%</u>

As at 31 December 2020, the Group's net borrowings (total bank and other borrowings less bank balances and cash) were HK\$3,190 million (2019: HK\$2,941 million), representing 11.5% of the Group's net assets (2019: 10.3%). Interest for the Group's bank borrowings is mainly on a floating rate basis while interest for the Group's bonds is on a fixed rate basis. The Group will closely monitor the exposure to interest rate fluctuations and, if appropriate, hedge by interest rate swap contracts to the extent desirable.

The Group's bank balances and cash as well as unutilised revolving loan facilities are set out as follows:

	31 December 2020	31 December 2019
	HK\$ million	HK\$ million
Bank balances and cash	1,190	1,740
Unutilised revolving loan facilities	<u>2,561</u>	<u>2,300</u>
	<u>3,751</u>	<u>4,040</u>

## **Foreign Currencies**

The Group principally operates in Hong Kong, and as a result, has immaterial exposure to exchange rate fluctuations. The Group conducts its business mainly in Hong Kong dollars, and to a lesser extent Renminbi, UK pounds, Singapore dollars and Malaysia Ringgits. For transactions in foreign currencies, the Group will closely monitor the exposure and, if appropriate, hedge by local currency financing and other financial instruments to the extent desirable. In particular, exposure to investments in foreign operations in the United Kingdom is substantially covered by local currency financing and forward exchange contracts.

## **Contingent Liabilities**

As at 31 December 2020, the Group had contingent liabilities of HK\$5,415 million (2019: HK\$7,155 million) in respect of guarantees given by the Company for banking facilities granted to certain joint ventures. The guarantees were given severally and in proportion to the Group's equity interests in the joint ventures.

## **Pledge of Assets**

As at 31 December 2020, the Group's advances to joint ventures of HK\$2,892 million (2019: HK\$3,158 million) were subordinated to the loan facilities of joint ventures and assigned. The shares in these joint ventures beneficially owned by the Group are pledged to the financial institutions.

As at 31 December 2020, several of the Group's investment properties, properties for sale and other properties, plant and equipment with carrying values of HK\$4,435 million, HK\$1,685 million and HK\$34 million, respectively, were pledged to secure credit facilities for the Group.

## **PROSPECTS**

Looking ahead, the ongoing pandemic and Sino-US tension will continue to cast uncertainties on the economic outlook of Hong Kong. The operating environment will likely remain very challenging in 2021 for our hospitality and office leasing businesses, given the local economy can only gradually recover when travel restrictions and social distancing measures are lifted. However, we expect Hong Kong's primary residential property market, in particular the mass market products, will continue to be supported by pent up demand of local first-time home buyers due to unresolved property supply shortage, easing policies on home mortgage, and low interest rate.

The Group will continue the sale of the remaining units of our three "Upper Gold Coast series" and lease out unsold units in La Vetta. We are on schedule to complete the development of OMA OMA in 2021, and the related profit on the accumulated pre-sold units will be booked upon handover to the buyers in 2021.

The Group will focus on recovering occupancy rates and rental income for our hospitality and commercial properties, which will depend on the pace and effectiveness of vaccination, uplifting of travel bans and business recovery of our corporate tenants. While we expect overall leasing profit from our existing properties will decline in 2021, the newly acquired 66 Shoe Lane in London will contribute from April 2021 onwards.

The Group remains cautious on our business outlook for 2021. Supported by our healthy balance sheet, resilient capital structure, as well as diversified asset portfolios, we will remain vigilant against market fluctuation. Our focus remains on developing high quality projects, delivering premium services, as well as improving the efficiency and cost-effectiveness of our business operations; while prudently and diligently exploring new opportunities that may arise during this exceptionally challenging period.

## **KEY RISKS AND UNCERTAINTIES**

The Group's business, financial conditions or results of operations are affected by a number of key risks and uncertainties outlined below. There may be other risks or uncertainties, including those which are not known to the Group or which the Group currently deems to be immaterial but may affect the Group in future.

### **Business Risks**

#### *Property development*

A majority of the Group's assets are located in, and a majority of the Group's revenue is derived from Hong Kong. As a result, the general state of Hong Kong and the property market, the interest rate changes and the political and legal situations in Hong Kong may have a significant impact on the Group's operating results and financial condition.

The Group's activities on its development properties are also subject to various laws and regulations of Hong Kong. Developing properties, refurbishment and other re-development projects require government permits. The government may introduce property cooling measures from time to time which may have a significant impact on the property market and may adversely affect the Group's property sales performance and financial condition.

#### *Property investment and hospitality business*

Financial performance may be materially and adversely affected in the event of a decline in rental or occupancy levels, or difficulties in securing lease renewals or obtaining new tenants. The Group cannot be assured that existing tenants will renew their leases upon expiration or that the Group will be able to find replacement tenants at rental rates equal to or above the current rental rates for tenancies.

## **CORPORATE SOCIAL RESPONSIBILITY**

### **Employees**

As at 31 December 2020, the Group had approximately 490 employees. The Group offers comprehensive remuneration and benefit packages to our employees, which are structured according to prevailing salary levels in the market, individual merit and performance. The Group has a mandatory provident fund scheme and an occupational retirement scheme to provide retirement benefits to all employees in Hong Kong.

Employees, including directors, are eligible for the Company's share option plan where the shares options are generally exercisable by phases within ten years.

### **Communities**

The Group takes pride in being an outstanding member of the communities in which it operates. As such, the Group has introduced a number of initiatives under its Corporate Social Responsibility mission and shall continue to seek innovative and meaningful ways to engage its employees and associates in building stronger and more vibrant communities in which it operates.

The Group's 2020 activities covered the followings:

- Red Packet Collection for Re-use
- Donation to Tung Wah Chu Sau Cheung Nursing Home
- Donation to The Hong Kong Society for the Blind

### **Environment**

The Group established the environmental policy addressing environmental issues. For details, please refer to Environmental, Social and Governance Report, which is available on the websites of the Company and the Hong Kong Exchanges and Clearing Limited together with the 2020 annual report.

### **Compliance with Laws and Regulations**

The Group is committed to complying with all relevant rules and regulations issued by the Government of the Hong Kong Special Administrative Region in relation to construction of properties, sales of properties, property management and employees, etc. The Group also holds relevant required licences for the provision of hospitality services. Relevant employees are trained to any changes in the applicable laws, rules and regulations from time to time.

### **Relationship with Suppliers**

The selection of major suppliers or contractors is conducted through tendering process in all the Group's segments. The Internal Audit Department of the Group regularly reviews the procurement and tendering procedures to ensure that the processes are conducted in an open and fair manner.

## **Relationship with Customers**

For our residential development projects, the Group has comprehensive hand-over procedures to ensure delivery of quality products to our customers.

For our commercial and residential estate management and hospitality management, the Group obtains regular feedback from customers in order to enhance quality of services.

## **OTHER INFORMATION**

### **CORPORATE GOVERNANCE**

The Company is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures for compliance with regulatory requirements, including the requirements under the Listing Rules.

The Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the financial year ended 31 December 2020.

### **REVIEW BY AUDIT COMMITTEE**

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2020, including the accounting principles and practices adopted by the Group.

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the year.

### **ANNUAL REPORT**

The 2020 annual report containing all the financial and other related information of the Company required by the Listing Rules will be published on the website of the Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.wingtaiproperties.com](http://www.wingtaiproperties.com) and copies thereof will be dispatched to shareholders of the Company on or about 27 April 2021.

By Order of the Board

**WING TAI PROPERTIES LIMITED**

**Chung Siu Wah, Henry**

*Company Secretary & Group Legal Counsel*

Hong Kong, 25 March 2021

As at the date of this announcement, the directors of the Company are:

*Executive Directors:*

Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward, Cheng Man Piu, Francis, Chow Wai Wai, John and Ng Kar Wai, Kenneth

*Non-Executive Directors:*

Kwok Ping Luen, Raymond (Kwok Ho Lai, Edward as his alternate), Hong Pak Cheung, William, Ng Tak Wai, Frederick and Chen Chou Mei Mei, Vivien

*Independent Non-Executive Directors:*

Simon Murray, Yeung Kit Shing, Jackson, Haider Hatam Tyebjee Barma, Cheng Hoi Chuen, Vincent, and Lam Kin Fung, Jeffrey