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Tai Cheung Holdings Limited

(INCORPORATED IN BERMUDA WITH LIMITED LIABILITY)

(Stock Code: 88)

FINAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2020

FINANCIAL RESULTS

I am pleased to report that the audited group profit attributable to the equity holders of the company for the year ended 31st March 2020 amounted to HK\$124.7 million (2019: HK\$231.6 million). The revenue of the group for the year ended 31st March 2020 amounted to HK\$43.0 million (2019: HK\$368.4 million). The substantial decline in profit is mainly attributable to the substantial decline in revenue, which is mainly due to significant decrease in property sales in Hong Kong as a result of weak market sentiment amid lingering local social unrest and the coronavirus pandemic during the year. Despite the aforesaid, the group's consolidated financial statements as at 31st March 2020 indicate that the group has a strong cash position. The board considers that the overall financial position of the group remains sound and solid.

DIVIDEND

An interim dividend of HK12 cents per share was paid on 7th January 2020. The board has recommended the payment of a final dividend of HK12 cents per share to the shareholders on the register of members of the company on 7th September 2020. Subject to the approval of shareholders at the forthcoming Annual General Meeting, the final dividend will be payable on 16th September 2020 and the total dividend for the year will be HK24 cents per share.

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March 2020

	Note	2020 HK\$ Million	2019 HK\$ Million
Revenue	3	43.0	368.4
Cost of sales		<u>(43.6)</u>	<u>(306.5)</u>
Gross (loss)/profit		(0.6)	61.9
Other income and gains, net		85.0	72.1
Administrative expenses		<u>(63.3)</u>	<u>(57.2)</u>
Operating profit	4	21.1	76.8
Finance costs		(15.6)	–
Share of results of associates, net of tax		<u>119.7</u>	<u>158.0</u>
Profit before income tax		125.2	234.8
Income tax expense	5	<u>(0.5)</u>	<u>(3.2)</u>
Profit attributable to equity holders of the company		<u>124.7</u>	<u>231.6</u>
Earnings per share (basic and diluted), HK dollars	6	<u>\$0.20</u>	<u>\$0.38</u>
Dividends, HK\$ Million	7	<u>148.2</u>	<u>216.1</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2020

	2020 HK\$ Million	2019 HK\$ Million
Profit for the year	124.7	231.6
Other comprehensive income:		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Share of other comprehensive income/(loss) of an associate	4.4	(4.4)
<i>Item that has been reclassified or may be reclassified subsequently to profit or loss:</i>		
Exchange differences	(3.3)	0.1
	1.1	(4.3)
Total comprehensive income for the year and attributable to equity holders of the company	125.8	227.3

CONSOLIDATED BALANCE SHEET

As at 31st March 2020

	Note	2020 HK\$ Million	2019 HK\$ Million
Non-current assets			
Property, plant and equipment		2.2	11.1
Right-of-use assets		77.0	–
Associates		149.5	137.2
Amount due from an associate		–	24.6
Deferred income tax assets		41.0	41.0
Mortgage loans receivable		0.2	0.2
		<u>269.9</u>	<u>214.1</u>
Current assets			
Properties for sale		3,220.3	3,250.0
Properties under development		289.2	288.5
Debtors and other receivables	8	20.0	14.6
Financial assets at fair value through profit or loss		27.4	41.8
Amount due from an associate		24.6	–
Current income tax assets		5.9	–
Bank balances and cash		3,611.4	3,817.9
		<u>7,198.8</u>	<u>7,412.8</u>
Current liabilities			
Creditors and other payables	9	180.2	242.6
Lease liabilities		11.2	–
Borrowings		–	289.9
Current income tax liabilities		0.1	4.3
		<u>191.5</u>	<u>536.8</u>
Net current assets		<u>7,007.3</u>	<u>6,876.0</u>
Total assets less current liabilities		<u>7,277.2</u>	<u>7,090.1</u>
Non-current liabilities			
Lease liabilities		57.8	–
Other liabilities		0.7	–
Borrowings		218.9	–
Deferred income tax liabilities		3.5	3.5
		<u>280.9</u>	<u>3.5</u>
Net assets		<u>6,996.3</u>	<u>7,086.6</u>
Equity			
Share capital		61.7	61.7
Reserves		6,860.5	6,882.9
Proposed final dividend		74.1	142.0
Total equity		<u>6,996.3</u>	<u>7,086.6</u>

Notes:

1. Basis of preparation and accounting policies

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair value.

(b) New standards, amendments to existing standards, interpretations and improvements effective in 2019/20 and adopted by the group

During the year, the group adopted the following new standard, amendments to existing standards, interpretation and improvement, which are effective in 2019/20:

Annual Improvements Project	Annual Improvements to HKFRSs 2015-2017 Cycle
HKAS 19 (Amendment)	Plan amendment, curtailment or settlement
HKAS 28 (Amendment)	Long-term interests in associates and joint ventures
HKFRS 9 (Amendment)	Prepayment features with negative compensation
HKFRS 16	Leases
HK (IFRIC) Int 23	Uncertainty over income tax treatments

The group had to change its accounting policies as a result of adopting HKFRS 16. This is disclosed in note 2. The adoption of other amendments to existing standards, interpretation and improvement does not have any significant effect on the results and financial position of the group.

2. Changes in accounting policies

The group has adopted HKFRS 16 retrospectively from 1st April 2019, but has not restated comparatives for the 31st March 2019 reporting period, as permitted under the specific transitional provisions in the standard. In applying HKFRS 16 for the first time, the group has applied the practical expedient permitted by the standard to account for operating leases of properties with a remaining lease term of less than 12 months as at 1st April 2019 as short-term leases and therefore no adjustment was made to the opening balance sheet on 1st April 2019. Leasehold land of HK\$8.5 million was reclassified from property, plant and equipment to right-of-use assets as at 1st April 2019.

A reconciliation of the operating lease commitments disclosed as at 31st March 2019 to the lease liabilities recognised as at 1st April 2019 is set out below:

	<i>HK\$ Million</i>
Operating lease commitments disclosed as at 31st March 2019	6.0
Less: short-term leases recognised on a straight-line basis as expense	<u>(6.0)</u>
Lease liabilities recognised as at 1st April 2019	<u>–</u>

2. Changes in accounting policies (Continued)

From 1st April 2019, property leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the group.

On adoption of HKFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of HKAS 17 “Leases”. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as at the lease commencement date.

Lease payments include fixed payments less any lease incentive receivable. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The associated right-of-use assets were measured at the amount equal to the lease liability plus any initial direct costs and restoration costs, and adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated balance sheet. The right-of-use asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in the consolidated income statement.

In the consolidated statement of cash flows, cash payment for the principal portion of the lease liabilities are classified as financing activities and cash payments for the interest portion of the lease liabilities are classified as required for interest paid.

3. Revenue and segment information

The group is principally engaged in property investment and development, investment holding and property management.

Segment information is presented on the same basis as that used by the directors to assess the performance of each reporting segment.

(a) *Revenue and profit attributable to equity holders of the company*

For the year ended 31st March 2020

	Property development and leasing <i>HK\$ Million</i>	Property management <i>HK\$ Million</i>	Hotel operation <i>HK\$ Million</i>	Investment holding <i>HK\$ Million</i>	Total <i>HK\$ Million</i>
Revenue					
– recognised at a point in time	30.6	–	–	–	30.6
– recognised over time	–	11.1	–	–	11.1
Revenue from other sources					
– rental income	1.3	–	–	–	1.3
	<u>31.9</u>	<u>11.1</u>	<u>–</u>	<u>–</u>	<u>43.0</u>
Segment results and operating profit	<u>(56.2)</u>	<u>1.1</u>	<u>–</u>	<u>76.2</u>	21.1
Finance costs	(15.6)	–	–	–	(15.6)
Share of results of associates, net of tax	–	–	119.7	–	<u>119.7</u>
Profit before income tax					125.2
Income tax expense	(0.3)	(0.2)	–	–	<u>(0.5)</u>
Profit attributable to equity holders of the company					<u>124.7</u>

3. Revenue and segment information (Continued)

(a) Revenue and profit attributable to equity holders of the company (Continued)

For the year ended 31st March 2019

	Property development and leasing <i>HK\$ Million</i>	Property management <i>HK\$ Million</i>	Hotel operation <i>HK\$ Million</i>	Investment holding <i>HK\$ Million</i>	Total <i>HK\$ Million</i>
Revenue					
– recognised at a point in time	356.7	–	–	–	356.7
– recognised over time	–	11.4	–	–	11.4
Revenue from other sources					
– rental income	0.3	–	–	–	0.3
	<u>357.0</u>	<u>11.4</u>	<u>–</u>	<u>–</u>	<u>368.4</u>
Segment results and operating profit	<u>10.4</u>	<u>2.7</u>	<u>–</u>	<u>63.7</u>	76.8
Share of results of associates, net of tax	–	–	158.0	–	<u>158.0</u>
Profit before income tax					234.8
Income tax expense	(2.8)	(0.4)	–	–	<u>(3.2)</u>
Profit attributable to equity holders of the company					<u>231.6</u>

The analysis of revenue by geographical area is as follow:

	2020 <i>HK\$ Million</i>	2019 <i>HK\$ Million</i>
Hong Kong	10.9	367.5
United States	<u>32.1</u>	<u>0.9</u>
	<u>43.0</u>	<u>368.4</u>

Revenue of approximately HK\$30,600,000 (2019: HK\$341,083,000) are derived from four (2019: three) major customers each contributing 10% or more of the total revenue.

3. Revenue and segment information (Continued)

(b) Total assets and liabilities

As at 31st March 2020

	Property development and leasing HK\$ Million	Property management HK\$ Million	Hotel operation HK\$ Million	Investment holding HK\$ Million	Total HK\$ Million
Segment assets	3,647.2	69.9	–	3,577.5	7,294.6
Associates	–	–	174.1	–	174.1
Total assets					7,468.7
Segment liabilities	392.2	69.3	–	10.9	472.4
Net assets					<u>6,996.3</u>

As at 31st March 2019

	Property development and leasing HK\$ Million	Property management HK\$ Million	Hotel operation HK\$ Million	Investment holding HK\$ Million	Total HK\$ Million
Segment assets	3,602.3	66.1	–	3,796.7	7,465.1
Associates	–	–	161.8	–	161.8
Total assets					7,626.9
Segment liabilities	464.4	65.5	–	10.4	540.3
Net assets					<u>7,086.6</u>

Non-current assets, other than deferred income tax assets are all located in Hong Kong.

4. Operating profit

	2020 HK\$ Million	2019 HK\$ Million
Operating profit is stated after charging the following:		
Cost of property sales	29.2	287.6
Depreciation – property, plant and equipment	1.0	0.9
Depreciation – right-of-use assets	7.4	–
	<u>37.6</u>	<u>288.5</u>

5. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits for the year.

	2020 <i>HK\$ Million</i>	2019 <i>HK\$ Million</i>
Current income tax		
Hong Kong profits tax	0.5	33.1
Deferred income tax	—	(29.9)
	<u>0.5</u>	<u>3.2</u>

6. Earnings per share

The calculation of earnings per share is based on the profit attributable to equity holders of the company of HK\$124.7 million (2019: HK\$231.6 million) and ordinary shares in issue of 617,531,425 (2019: 617,531,425). There were no potential dilutive ordinary shares outstanding during the year (2019: Nil).

7. Dividends

	2020 <i>HK\$ Million</i>	2019 <i>HK\$ Million</i>
Interim, paid, of HK12 cents (2019: HK12 cents) per ordinary share	74.1	74.1
Final, proposed, of HK12 cents (2019: HK23 cents) per ordinary share	74.1	142.0
	<u>148.2</u>	<u>216.1</u>

8. Debtors and other receivables

	2020 <i>HK\$ Million</i>	2019 <i>HK\$ Million</i>
Other receivables, deposits and prepayments	<u>20.0</u>	<u>14.6</u>

Other receivables, deposits and prepayments are mainly denominated in Hong Kong dollars.

Credit terms given to customers vary and generally range from 3 to 6 months.

9. Creditors and other payables

	2020 <i>HK\$ Million</i>	2019 <i>HK\$ Million</i>
Creditors, aged 0-3 months	0.9	3.7
Other payables, deposits and accruals	179.3	238.9
	<u>180.2</u>	<u>242.6</u>

The creditors, other payables, deposits and accruals are mainly denominated in Hong Kong dollars.

10. Event after the balance sheet date

On 27th May 2020, a wholly-owned subsidiary of the company successfully tendered for a 50 year leasehold land in Hong Kong from the Government of the Hong Kong SAR at a total premium of HK\$1,332.8 million.

BUSINESS REVIEW

Property Development

Preparation works for sales launch of our Repulse Bay project, named “Pulsa”, are making good progress. Marketing promotion activities have been proceeding smoothly. This super luxurious residential development enjoys stunning sea views over the Repulse Bay, complemented by lush greenery to provide a tranquil and aesthetic environment. It consists of eight houses with clubhouse facilities, offering a blend of superior quality and relaxing lifestyle. With its exquisite and outstanding exterior design, the luxury accommodation becomes a new landmark in the vicinity.

French Valley Airport Center, an industrial and commercial project in California, is being developed in phases. Advantageously located adjacent to French Valley Airport, the development will be a well-designed business center comprising single-storey buildings with ancillary facilities. Upon full completion, this modern architecture will offer brand new, high-quality and energy efficient construction convenient to business owners and customers alike. Sales of Phase I and II of the project have been launched. Superstructural works of the remaining phases are progressing steadily and expected to be completed from the second half of 2021 onwards.

In May this year, the group bought a site on Praya Road in Ap Lei Chau for about HK\$1.33 billion to be developed into a luxurious residential project.

Hotel

Sheraton-Hong Kong Hotel, in which the group has 35% interest, continued to uphold its reputation among the elegant 5-star hotels in Hong Kong. Hotel occupancy rate started to crumble in the second half of 2019 amid the protracted social unrest. It has plummeted to a record low level due to travel curbs and flight cancellations during the outbreak of coronavirus in the beginning of 2020.

Hong Kong is considering ways to create “travel bubbles” with regional neighbors that have managed to get the pandemic under control, for easier movement across borders. Discussions are under way to ease quarantine restrictions as the pandemic cases come down. We are hopeful that the overall pandemic situation will improve in the next few months. After the impact on travel trade starts to recede, Mainland tourists and those from short-haul markets may travel to neighborhood destination such as Hong Kong. But for the hotel industry to recover, social stability needs to be restored.

ASSETS VALUE

The group has equity accounted for its interest in Sheraton-Hong Kong Hotel, which has adopted the cost model for its hotel land and buildings which are stated at cost less accumulated depreciation, in accordance with the current accounting standards.

In order to fully reflect the underlying economic value of the group’s hotel properties, the group considers it appropriate also to present to shareholders, as set out below, supplementary information on the group’s statement of net assets on the basis that the group were to state these hotel properties at their open market valuations as at 31st March 2020.

	2020 (Unaudited) <i>HK\$ Million</i>	2019 (Unaudited) <i>HK\$ Million</i>
Non-current assets, including interest in associates	269.9	214.1
Add: Attributable revaluation surplus relating to hotel properties ⁽¹⁾	<u>3,097.5</u>	<u>3,478.6</u>
	<u>3,367.4</u>	<u>3,692.7</u>
Current assets	7,198.8	7,412.8
Current liabilities	<u>(191.5)</u>	<u>(536.8)</u>
Net current assets	<u>7,007.3</u>	<u>6,876.0</u>
Total assets less current liabilities	10,374.7	10,568.7
Non-current liabilities	<u>(280.9)</u>	<u>(3.5)</u>
Net assets as if the hotel properties were stated at open market value	<u>10,093.8</u>	<u>10,565.2</u>
Net assets per ordinary share as if the hotel properties were stated at open market value	<u>\$16.35</u>	<u>\$17.11</u>

⁽¹⁾ Based on open market valuations as at 31st March 2020 and 2019 respectively, carried out by Cushman & Wakefield Limited, an independent firm of professional valuers.

LIQUIDITY AND FINANCIAL RESOURCES

The group's funding requirements are met with cash on hand, internally generated cash and, to the extent required, by external floating rate bank borrowings. Other sources of funds include dividends received from associates.

At 31st March 2020, the group's cash net of borrowings was HK\$3,392.5 million as compared with HK\$3,528.0 million last year. The group's borrowing facilities were secured by certain properties held by the group with a total carrying value of HK\$454.5 million. All the group's borrowings were denominated in United States dollars. The US dollar loans are directly tied in with the business of the group's United States operations, and therefore these loans are substantially hedged by assets in the same currency.

As at year end, all the group's borrowings were payable between one and two years.

The group strives to maintain its gearing ratio, which is calculated as the ratio of the bank borrowings to equity, at a low level. It was 3.1% at 31st March 2020 as compared with 4.1% last year.

Committed borrowing facilities available to the group, but not drawn, at 31st March 2020 amounted to HK\$53.4 million. Together with the receipts over the next twelve months from tenants and purchasers of the group's properties, the liquid funds of the group are adequate to meet the anticipated working capital requirement in the coming year.

EMPLOYEES

The group, excluding associates, employs a total of 172 people in Hong Kong and the United States. Employees' costs, excluding directors' emoluments, amounted to HK\$62.7 million was paid for the year ended 31st March 2020. The group understands that employees are valuable assets. Remuneration packages are reviewed annually with other employee benefits including medical subsidies, a non-contributory provident fund scheme and a mandatory provident fund scheme. The group also provides education subsidies to eligible employees.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The group has capital commitments in respect of financial assets at fair value through profit or loss as at 31st March 2020 of HK\$3.6 million. The group does not have any contingent liabilities as at 31st March 2020.

BUSINESS STRATEGY

The group has been pursuing to build and manage quality properties mainly in Hong Kong, with focuses on luxury residential properties in recent years, delivering attractive returns to our shareholders.

Besides, the group's interest in the hotel is an investment in prime location with a long term perspective. It provides a stable, recurring source of income for the group.

In determining its business strategy, the group takes into consideration market opportunities, the group's financial resources and its core competence, while exercising prudent and disciplined financial management at all times.

Taking pride in its long history in the business and strong financial capability, the group endeavors to achieve long term sustainable growth of its business in preserving and enhancing the shareholders' value.

PROSPECTS

The coronavirus crisis has hit the global economy seriously. Recently, many countries are loosening their restrictions as they begin resuming business and social activities. Yet economic recovery may take some time to gather momentum. Looking ahead, geopolitical tensions and uncertainties including trade protectionism will continue to pose significant downside risks to the world economy.

After prolonged social unrest last year, Hong Kong has been experiencing a second major shock from the coronavirus pandemic. The local Government has rolled out relief measures of unprecedented scale to preserve vitality of the economy. With the city facing a return of anti-government protests lately, it is likely that the erratic business environment would continue in the near term.

The US Federal Reserve is undertaking its most aggressive quantitative easing program. It is expected that the Federal Reserve will keep interest rates near zero in the coming years. Hence, the low interest rate environment in Hong Kong will be further extended.

The anticipated continuing shortage in land supply and strong underlying housing demand in Hong Kong would provide support to the local residential market. It is an opportune time for the group to acquire the residential development site in Ap Lei Chau, where high class residential properties are still limited. We are optimistic about the trend of luxury homes, especially in prime locations. With confidence in the potential of our Repulse Bay project, we believe it would generate high return for our shareholders.

Against the backdrop of local social unrest, the coronavirus pandemic and the global trade tensions, the city's fundamentals remain solid and largely intact. The group will continue to monitor closely the impact of these events and its exposure to the risks and uncertainties in connection therewith. By adhering to its prudent approach, the group will continue to adopt flexible strategies to cope with market volatility. Having a strong balance sheet and ample cash on hand, the group is able to weather economic downturn and well poised to embark on opportunities when they arise.

PURCHASE, SALE OR REDEMPTION OF SHARES

The company did not redeem any of its shares during the year. Neither the company nor any of its subsidiaries purchased or sold any of the company's shares during the year.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee has reviewed the group's consolidated financial statements for the year ended 31st March 2020, including the accounting principles and practices adopted by the group, in conjunction with the company's external auditor and internal auditor.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the group's consolidated balance sheet, consolidated statement of comprehensive income and consolidated income statement, and the related notes thereto for the year ended 31st March 2020 as set out in the preliminary announcement have been agreed by the group's auditor, PricewaterhouseCoopers, to the amounts set out in the group's draft consolidated financial statements for the year. 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 preliminary announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year, the company has complied with the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited except in relation to the followings:

- (1) Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The company does not have a separate Chairman and Chief Executive Officer and Mr. David Pun Chan currently holds both positions. The board considers that the combination of the roles of Chairman and Chief Executive Officer can promote the efficient formulation and implementation of the company's strategies to grasp business opportunities efficiently and promptly. Such arrangement, which has been adopted by many local and international corporations, enables the company to meet the rapidly changing business environment which needs quicker decision making to achieve business efficiency.

- (2) Under code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election.

Non-executive directors of the company are not appointed for a specific term. However, they are subject to retirement by rotation and re-election at an annual general meeting of the company in accordance with the company's Bye-laws.

- (3) Under the second part of code provision A.4.2 of the CG Code, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Every director of the company, including those appointed for a specific term (save for any chairman or managing director under the company's Private Act which was enacted in Bermuda in 1990), shall be subject to retirement by rotation at least once every three years. Pursuant to section 4(g) of the Private Act of the company, any chairman or any managing director of the company shall not be subject to retirement by rotation under the Bye-laws.

Detailed information of the company's compliance of the CG Code will be set out in the Corporate Governance Report contained in the 2020 Annual Report.

ANNUAL GENERAL MEETING

The 2020 Annual General Meeting will be held on 26th August 2020. The Notice of Annual General Meeting will be published and dispatched to the shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed during the following periods:

- (1) from Friday, 21st August 2020 to Wednesday, 26th August 2020, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending and voting at the 2020 Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the transfer office of the company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 20th August 2020.
- (2) from Thursday, 3rd September 2020 to Monday, 7th September 2020, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the transfer office of the company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 2nd September 2020.

By Order of the Board
David Pun Chan
Chairman

Hong Kong, 24th June 2020

As at the date hereof, the board comprises Mr. David Pun Chan (Chairman), Mr. William Wai Lim Lam and Mr. Wing Sau Li as executive directors, Ms. Ivy Sau Ching Chan as non-executive director and Mr. Joseph Wing Siu Cheung, Mr. Karl Chi Leung Kwok and Mr. Man Sing Kwong as independent non-executive directors.