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## **WAI KEE HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 610)**

### **ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2020**

#### **Financial Performance Highlights**

Revenue	<b>HK\$7,977 million</b>
Profit attributable to owners of the Company	<b>HK\$1,083 million</b>
Basic earnings per share	<b>HK\$1.37</b>
Final dividend per share	<b>HK24 cents</b>
Equity attributable to owners of the Company per share	<b>HK\$12.43</b>

## RESULTS

The board of directors (the “Board”) of Wai Kee Holdings Limited (the “Company”) announces the audited results of the Company and its subsidiaries (the “Group”) for the year ended 31st December, 2020 as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31ST DECEMBER, 2020

	<i>Notes</i>	<b>2020</b> <b>HK\$'000</b>	2019 <i>HK\$'000</i>
Revenue from goods and services	2	<b>7,976,955</b>	7,904,105
Cost of sales		<b>(7,176,966)</b>	(7,107,463)
Gross profit		<b>799,989</b>	796,642
Other income	4	<b>210,875</b>	63,813
Other gains and losses	5	<b>112,055</b>	(94,627)
Selling and distribution costs		<b>(83,117)</b>	(86,782)
Administrative expenses		<b>(444,492)</b>	(468,243)
Finance costs	6	<b>(58,978)</b>	(75,045)
Share of results of associates		<b>755,512</b>	1,295,071
Share of results of joint ventures		<b>6,917</b>	35,052
Profit before tax	7	<b>1,298,761</b>	1,465,881
Income tax expense	8	<b>(27,391)</b>	(78,259)
<b>Profit for the year</b>		<b>1,271,370</b>	1,387,622
Profit for the year attributable to:			
Owners of the Company		<b>1,083,462</b>	1,264,484
Non-controlling interests		<b>187,908</b>	123,138
		<b>1,271,370</b>	1,387,622
		<b>HK\$</b>	<b>HK\$</b>
<b>Earnings per share</b>	10		
– Basic		<b>1.37</b>	1.59

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST DECEMBER, 2020**

	<b>2020</b> <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Profit for the year	<u><b>1,271,370</b></u>	<u>1,387,622</u>
<b>Other comprehensive income (expense)</b>		
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Exchange differences arising on translation of foreign operations	<b>23,971</b>	(3,358)
Share of translation reserve of an associate	<b>524,542</b>	(291,362)
Share of translation reserves of joint ventures	<b>(751)</b>	(658)
Share of cash flow hedging reserve of an associate	<b>(22,912)</b>	-
Other comprehensive income (expense) for the year	<u><b>524,850</b></u>	<u>(295,378)</u>
<b>Total comprehensive income for the year</b>	<u><u><b>1,796,220</b></u></u>	<u><u>1,092,244</u></u>
Total comprehensive income for the year attributable to:		
Owners of the Company	<b>1,596,669</b>	970,629
Non-controlling interests	<b>199,551</b>	121,615
	<u><u><b>1,796,220</b></u></u>	<u><u>1,092,244</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 31ST DECEMBER, 2020**

	<i>Notes</i>	<b>2020 HK\$'000</b>	<b>2019 HK\$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		427,965	300,436
Right-of-use assets		57,464	31,537
Intangible assets		323,812	224,270
Goodwill		29,838	29,838
Interests in associates		9,172,564	8,053,725
Loan to an associate		2,700	-
Interests in joint ventures		288,874	276,681
Financial assets at fair value through profit or loss ("FVTPL")		-	60,805
Other financial asset at amortised cost		36,955	36,144
Debtors, deposits and prepayments	11	24,424	55,875
		<b>10,364,596</b>	<b>9,069,311</b>
<b>Current assets</b>			
Inventories		30,238	49,706
Debtors, deposits and prepayments	11	601,547	572,218
Contract assets	12	1,775,017	2,135,584
Amounts due from associates		10,208	10,089
Amount due from a joint venture		701	-
Amounts due from other partners of joint operations		61,373	176,910
Tax recoverable		38,738	6,015
Financial assets at FVTPL		682,495	87,710
Cash held on behalf of customers		17,168	42,960
Pledged bank deposits		40,661	64,170
Time deposits with original maturity of not less than three months		79,540	76,782
Bank balances and cash		1,649,636	2,061,360
		<b>4,987,322</b>	<b>5,283,504</b>
<b>Current liabilities</b>			
Creditors and accrued charges	13	2,827,088	2,899,210
Contract liabilities		568,706	779,716
Amount due to an associate		19,896	18,791
Amounts due to joint ventures		-	1,142
Amounts due to other partners of joint operations		1,176	2,152
Amounts due to non-controlling shareholders		3,359	3,359
Lease liabilities		39,878	33,769
Tax liabilities		33,109	175,596
Bank loans		874,065	563,731
Bonds		13,965	115,829
		<b>4,381,242</b>	<b>4,593,295</b>
<b>Net current assets</b>		<b>606,080</b>	<b>690,209</b>
<b>Total assets less current liabilities</b>		<b>10,970,676</b>	<b>9,759,520</b>

	2020 HK\$'000	2019 HK\$'000
<b>Non-current liabilities</b>		
Payable for extraction right	90,831	176,820
Provision for rehabilitation costs	22,770	21,517
Deferred tax liabilities	5,750	5,750
Obligations in excess of interests in associates	16,094	15,511
Obligations in excess of interests in joint ventures	106	27
Amount due to an associate	2,258	2,712
Lease liabilities	33,531	23,837
Bank loans	136,800	382,050
Other creditors	23,000	-
Bonds	115,517	123,925
	<u>446,657</u>	<u>752,149</u>
<b>Net assets</b>	<u><u>10,524,019</u></u>	<u><u>9,007,371</u></u>
<b>Capital and reserves</b>		
Share capital	79,312	79,312
Share premium and reserves	9,775,627	8,432,758
	<u>9,854,939</u>	<u>8,512,070</u>
Equity attributable to owners of the Company	9,854,939	8,512,070
Non-controlling interests	669,080	495,301
	<u>10,524,019</u>	<u>9,007,371</u>
<b>Total equity</b>	<u><u>10,524,019</u></u>	<u><u>9,007,371</u></u>

Notes:

# **1. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)**

## **Amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after 1st January, 2020 for the preparation of the consolidated financial statements:

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

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

### ***Impacts on application of Amendments to HKAS 1 and HKAS 8 “Definition of Material”***

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

### **New and amendments to HKFRSs in issue but not yet effective**

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments <sup>1</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendment to HKFRS 16	Covid-19-Related Rent Concessions <sup>3</sup>
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform - Phase 2 <sup>4</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>5</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
Amendments to HKAS 16	Property, Plant and Equipment - Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 - 2020 <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1st January, 2023.

<sup>2</sup> Effective for annual periods beginning on or after 1st January, 2022.

<sup>3</sup> Effective for annual periods beginning on or after 1st June, 2020.

<sup>4</sup> Effective for annual periods beginning on or after 1st January, 2021.

<sup>5</sup> Effective for annual periods beginning on or after a date to be determined.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

***Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)”***

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:
  - (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and
  - (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and
- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 “Financial Instruments: Presentation”.

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Based on the Group’s outstanding liabilities at 31st December, 2020, the application of the amendments will not result in reclassification of the Group’s liabilities.

***Amendments to HKAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”***

The amendments specify that, when an entity assesses whether a contract is onerous in accordance with HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, the unavoidable costs under the contract should reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. Costs of fulfilling the contract include incremental costs and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments are applicable to contracts for which the Group has not yet fulfilled all its obligations as at the date of initial application.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

## 2. REVENUE FROM GOODS AND SERVICES

### Disaggregation of revenue from contracts with customers

Year ended 31st December, 2020

Type of goods and services	Construction, sewage treatment and steam fuel <i>HK\$'000</i>	Construction materials <i>HK\$'000</i>	Quarrying <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Construction contracts	7,501,399	-	-	7,501,399
Sewage treatment plant operation	35,073	-	-	35,073
Steam fuel plant operation	26,514	-	-	26,514
Sale of construction materials	-	305,414	-	305,414
Sale of quarry products	-	-	108,555	108,555
<b>Total</b>	<b>7,562,986</b>	<b>305,414</b>	<b>108,555</b>	<b>7,976,955</b>
<b>Geographical markets</b>				
Hong Kong	7,341,892	305,414	108,555	7,755,861
Other regions in the People's Republic of China (the "PRC")	221,094	-	-	221,094
<b>Total</b>	<b>7,562,986</b>	<b>305,414</b>	<b>108,555</b>	<b>7,976,955</b>
<b>Timing of revenue recognition</b>				
At a point in time	-	305,414	108,555	413,969
Over time	7,562,986	-	-	7,562,986
<b>Total</b>	<b>7,562,986</b>	<b>305,414</b>	<b>108,555</b>	<b>7,976,955</b>

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	Segment revenue <i>HK\$'000</i>	Inter-segment elimination <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>Revenue from contracts with customers</b>			
Construction, sewage treatment and steam fuel	7,628,388	(65,402)	7,562,986
Construction materials	428,643	(123,229)	305,414
Quarrying	192,587	(84,032)	108,555
	<b>8,249,618</b>	<b>(272,663)</b>	<b>7,976,955</b>



Year ended 31st December, 2019

	Construction, sewage treatment and steam fuel <i>HK\$'000</i>	Construction materials <i>HK\$'000</i>	Quarrying <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>Type of goods and services</b>				
Construction contracts	7,488,103	-	-	7,488,103
Sewage treatment plant operation	23,695	-	-	23,695
Steam fuel plant operation	5,896	-	-	5,896
Sale of construction materials	-	328,828	-	328,828
Sale of quarry products	-	-	57,583	57,583
Total	<u>7,517,694</u>	<u>328,828</u>	<u>57,583</u>	<u>7,904,105</u>
<b>Geographical markets</b>				
Hong Kong	7,488,103	328,828	57,583	7,874,514
The PRC	29,591	-	-	29,591
Total	<u>7,517,694</u>	<u>328,828</u>	<u>57,583</u>	<u>7,904,105</u>
<b>Timing of revenue recognition</b>				
At a point in time	-	328,828	57,583	386,411
Over time	7,517,694	-	-	7,517,694
Total	<u>7,517,694</u>	<u>328,828</u>	<u>57,583</u>	<u>7,904,105</u>

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	Segment revenue <i>HK\$'000</i>	Inter-segment elimination <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>Revenue from contracts with customers</b>			
Construction, sewage treatment and steam fuel	7,568,461	(50,767)	7,517,694
Construction materials	459,204	(130,376)	328,828
Quarrying	166,986	(109,403)	57,583
	<u>8,194,651</u>	<u>(290,546)</u>	<u>7,904,105</u>

### 3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services provided. This is also the basis upon which the Group is organised. No operating segments have been aggregated in arriving at the reportable segments of the Group. The Group's reportable and operating segments under HKFRS 8 are summarised as follows:

- Construction, sewage treatment and steam fuel
- construction of civil engineering and building projects
  - operation of sewage treatment plant
  - operation of steam fuel plant

- Construction materials
  - production and sale of concrete
  - production, sale and laying of asphalt

- Quarrying
  - production and sale of quarry products

- Property development and investment, toll road, investment and asset management
  - strategic investment in Road King Infrastructure Limited (“Road King”), an associate of the Group

### Segment revenue and results

The following is an analysis of the segment revenue and profit (loss) for each reportable and operating segment:

#### Year ended 31st December, 2020

	Segment revenue			Segment profit (loss) HK\$'000
	Gross HK\$'000	Inter-segment elimination HK\$'000	External HK\$'000	
Construction, sewage treatment and steam fuel	7,628,388	(65,402)	7,562,986	250,259
Construction materials	428,643	(123,229)	305,414	14,068
Quarrying	192,587	(84,032)	108,555	(9,148)
Property development and investment, toll road, investment and asset management	-	-	-	755,856
Total	<u>8,249,618</u>	<u>(272,663)</u>	<u>7,976,955</u>	<u>1,011,035</u>

#### Year ended 31st December, 2019

	Segment revenue			Segment profit (loss) HK\$'000
	Gross HK\$'000	Inter-segment elimination HK\$'000	External HK\$'000	
Construction, sewage treatment and steam fuel	7,568,461	(50,767)	7,517,694	168,248
Construction materials	459,204	(130,376)	328,828	(72,934)
Quarrying	166,986	(109,403)	57,583	(17,139)
Property development and investment, toll road, investment and asset management	-	-	-	1,286,934
Total	<u>8,194,651</u>	<u>(290,546)</u>	<u>7,904,105</u>	<u>1,365,109</u>

Segment profit (loss) represents profit (loss) after tax and non-controlling interests for each reportable and operating segment and includes other income, other gains and losses, share of results of associates and share of results of joint ventures which are attributable to reportable and operating segments, but excluding corporate income and expenses (including staff costs, other administrative expenses and finance costs), other gains and losses, share of results of associates and share of results of joint ventures which are not attributable to any of the reportable and operating segments and are classified as unallocated items. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

## Reconciliation of total segment profit to profit attributable to owners of the Company

	2020 HK\$'000	2019 HK\$'000
Total segment profit	1,011,035	1,365,109
Unallocated items		
Other income	14,084	11,764
Other gains and losses	134,810	(52,400)
Administrative expenses	(41,005)	(45,851)
Finance costs	(27,278)	(36,297)
Share of results of associates	1,410	9,456
Share of results of joint ventures	(9,594)	12,703
Profit attributable to owners of the Company	<u>1,083,462</u>	<u>1,264,484</u>

### 4. OTHER INCOME

	2020 HK\$'000	2019 HK\$'000
Other income mainly includes:		
Dividend income from financial asset at FVTPL	3,243	3,699
Interest on financial asset at FVTPL	13,980	-
Interest on other receivables	9,716	1,486
Interest on bank deposits	11,311	23,772
Interest on amounts due from associates	-	32
Interest on other financial asset at amortised cost	987	975
Interest on loans to a joint venture	-	2,361
Government subsidy	1,058	30
Employment Support Scheme	123,030	-
Operation fee income	30,127	23,415
PRC value-added tax refund	-	1,233
Rental income from land and buildings	436	569
Rental income from plant and machinery	3,068	2,661
Service income from associates	<u>60</u>	<u>70</u>

### 5. OTHER GAINS AND LOSSES

	2020 HK\$'000	2019 HK\$'000
Gain on bargain purchase on acquisition of additional interest in an associate	121,475	17,971
Gain (loss) on change in fair value of financial assets at FVTPL, net	32,705	(651)
Gain (loss) on disposal of property, plant and equipment, net	6,078	(1,885)
Impairment loss on intangible assets	(13,463)	(41,301)
Impairment loss on property, plant and equipment	(30,601)	(34,484)
Impairment loss on right-of-use assets	-	(28,354)
Impairment loss on amount due from other partner of a joint operation	(7,013)	(27,315)
Impairment loss on goodwill	-	(924)
Gain on lease modification and rent concession	945	-
Gain on modification of terms of bond	-	21,946
Gain on bargain purchase arising from acquisition of a subsidiary	-	368
Gain on disposal of partial interest in a subsidiary	-	2
Reversal of allowance for credit losses	1,929	-
	<u>112,055</u>	<u>(94,627)</u>

## 6. FINANCE COSTS

	2020 HK\$'000	2019 HK\$'000
Interest on bank loans	33,099	39,633
Interest on bonds	4,199	9,620
Interest on other borrowings	351	-
Interest on lease liabilities	1,519	2,176
Imputed interest on bonds	5,501	4,605
Imputed interest on payable for extraction right	12,006	16,345
Imputed interest on provision for rehabilitation costs	1,652	2,041
Imputed interest on non-current interest-free amount due to an associate	651	625
	<u>58,978</u>	<u>75,045</u>

## 7. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging (crediting):

	2020 HK\$'000	2019 HK\$'000
Auditor's remuneration		
Current year	3,679	3,679
Underprovision (overprovision) in prior year	28	(7)
	<u>3,707</u>	<u>3,672</u>
Allowance for credit losses	-	4,249
Amortisation of intangible assets ( <i>note</i> )	51,524	39,118
Depreciation of property, plant and equipment ( <i>note</i> )	103,017	137,347
Depreciation of right-of-use assets	30,731	38,589
Exchange (gain) loss, net	(3,887)	5,205
Hire charges for plant and machinery	316,426	280,490
Share of income tax expense of associates (included in share of results of associates)	849,735	1,310,229
Staff costs	1,279,010	1,271,331
Write-down of inventories	<u>3,115</u>	<u>141</u>

*Note:* Amortisation of intangible assets of HK\$47,647,000 (2019: HK\$37,321,000) and depreciation of property, plant and equipment of HK\$29,067,000 (2019: HK\$7,679,000) were capitalised in inventories.

## 8. INCOME TAX EXPENSE

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Current tax		
Hong Kong	27,748	73,440
The PRC	42	958
	<u>27,790</u>	<u>74,398</u>
Underprovision (overprovision) in prior years		
Hong Kong	843	3,824
The PRC	(1,242)	37
	<u>(399)</u>	<u>3,861</u>
	<u><u>27,391</u></u>	<u><u>78,259</u></u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate for the PRC subsidiaries is 25% for both years.

## 9. DIVIDENDS

Dividends paid and recognised as distributions during the year:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
2019 final dividend – HK24.0 cents per share (2019: 2018 final dividend – HK23.4 cents per share)	190,350	185,591
2020 interim dividend – HK8.0 cents per share (2019: 2019 interim dividend – HK8.0 cents per share)	63,450	63,450
	<u><u>253,800</u></u>	<u><u>249,041</u></u>

A final dividend for the year ended 31st December, 2020 of HK24.0 cents (2019: HK24.0 cents) per ordinary share amounting to HK\$190,350,000 (2019: HK\$190,350,000) has been proposed by the Board and is subject to approval by the shareholders in the forthcoming annual general meeting. This final dividend has not been included as a liability in the consolidated financial statements.

## 10. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	<u><b>1,083,462</b></u>	<u>1,264,484</u>
	2020	2019
Number of ordinary shares for the purpose of basic earnings per share	<u><b>793,124,034</b></u>	<u>793,124,034</u>

The Company has no potential ordinary shares in issue during both years. Accordingly, no diluted earnings per share is presented.

## 11. DEBTORS, DEPOSITS AND PREPAYMENTS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade debtors – contracts with customers	<b>348,266</b>	343,643
Less: Allowance for credit losses	<u><b>(3,258)</b></u>	<u>(5,187)</u>
	<b>345,008</b>	338,456
Bills receivables	<b>10,537</b>	20,733
Other debtors	<b>190,240</b>	157,958
Deposits and prepayments	<b>80,186</b>	110,946
	<u><b>625,971</b></u>	<u>628,093</u>
Classified under:		
Non-current assets	<b>24,424</b>	55,875
Current assets	<b>601,547</b>	572,218
	<u><b>625,971</b></u>	<u>628,093</u>

At 1st January, 2019, trade receivables (net of allowance for credit losses) from contracts with customers amounted to HK\$358,286,000.

At 31st December, 2020, the Group's trade debtors included an amount of HK\$23,553,000 (2019: HK\$11,433,000) due from related companies which are a subsidiary and an associate of a substantial shareholder of the Company.

The Group allows an average credit period of 60 days to its trade customers. The following is an aged analysis of trade debtors (net of allowance for credit losses) presented based on the invoice date:

	<b>2020</b> <b>HK\$'000</b>	2019 <i>HK\$'000</i>
Trade debtors		
0 to 60 days	<b>309,529</b>	298,617
61 to 90 days	<b>3,463</b>	8,167
Over 90 days	<b>32,016</b>	31,672
	<u><b>345,008</b></u>	<u>338,456</u>

Bills receivables of the Group normally mature within 90 days from the bills receipt date.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limit by customer. Limits and scores attributed to customers are reviewed periodically.

## 12. CONTRACT ASSETS

	<b>2020</b> <b>HK\$'000</b>	2019 <i>HK\$'000</i>
Analysed as current:		
Unbilled revenue of construction contracts	<b>1,279,587</b>	1,573,075
Retention receivables of construction contracts	<b>495,430</b>	562,509
	<u><b>1,775,017</b></u>	<u>2,135,584</u>
Retention receivables of construction contracts		
Due within one year	<b>148,699</b>	194,721
Due after one year	<b>346,731</b>	367,788
	<u><b>495,430</b></u>	<u>562,509</u>

At 1st January, 2019, contract assets amounted to HK\$1,672,750,000.

At 31st December, 2020, the Group's unbilled revenue and retention receivables included amounts of HK\$14,948,000 (2019: HK\$78,883,000) and HK\$15,155,000 (2019: HK\$35,100,000) respectively receivables from related companies which are subsidiaries of a substantial shareholder of the Company.

The Group classifies these contract assets under current assets because the Group expects to realise them in its normal operating cycle.

### 13. CREDITORS AND ACCRUED CHARGES

	2020 HK\$'000	2019 HK\$'000
Trade creditors (aged analysis based on the invoice date):		
0 to 60 days	293,060	290,780
61 to 90 days	27,476	94,823
Over 90 days	35,924	66,431
	<b>356,460</b>	452,034
Retention payables	471,869	434,822
Accrued project costs	1,736,502	1,751,318
Payable for extraction right	85,989	81,406
Other creditors and accrued charges	176,268	179,630
	<b>2,827,088</b>	2,899,210
Retention payables		
Due within one year	163,973	154,626
Due after one year	307,896	280,196
	<b>471,869</b>	434,822

The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe. For retention payables in respect of construction contracts, the due dates are usually one year after the completion of the construction works.

### DIVIDENDS

The Board recommends the payment of a final dividend of HK24.0 cents (2019: HK24.0 cents) per ordinary share payable to shareholders whose names appear in the register of members of the Company on Wednesday, 2nd June, 2021. This dividend together with the interim dividend of HK8.0 cents (2019: HK8.0 cents) per ordinary share paid during the year represent total dividend distributions of HK32.0 cents (2019: HK32.0 cents) per ordinary share for the year ended 31st December, 2020.

Subject to the approval of shareholders at the forthcoming Annual General Meeting, it is expected that the payment of final dividend will be made on or before Wednesday, 7th July, 2021.

### CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting to be held on Tuesday, 25th May, 2021, the register of members of the Company will be closed from Thursday, 20th May, 2021 to Tuesday, 25th May, 2021, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Tuesday, 18th May, 2021.

The proposed final dividend is subject to the approval of the shareholders at the Annual General Meeting. The record date for the proposed final dividend is on Wednesday, 2nd June, 2021. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 1st June, 2021 to Wednesday, 2nd June, 2021, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Monday, 31st May, 2021.



## **BUSINESS REVIEW**

For the year ended 31st December, 2020, the Group's revenue was HK\$7,977 million (2019: HK\$7,904 million), generating an audited consolidated profit attributable to owners of the Company of HK\$1,083 million (2019: HK\$1,264 million), a decrease of 14% as compared with that of 2019.

### **Property Development and Investment, Toll Road, Investment and Asset Management**

For the year ended 31st December, 2020, the Group shared a profit of HK\$756 million (2019: a profit of HK\$1,287 million) from Road King, an associate of the Group. As of the date of this announcement, the Group holds 43.76% interest in Road King.

During the year ended 31st December, 2020, the Group purchased 8,579,000 (2019: 1,690,000) ordinary shares in Road King and hence recognised gain on bargain purchase of HK\$121 million (2019: HK\$18 million) on acquisition of additional interest in Road King.

For the year ended 31st December, 2020, Road King recorded an audited profit attributable to its owners of HK\$1,723 million (2019: HK\$3,028 million), a decrease of 43% as compared with that of 2019.

The property market in Mainland China basically came to a standstill in the first quarter of 2020 due to the impact of the novel coronavirus pandemic, but gradually picked up in the second quarter of 2020 as the epidemic stabilised, with the market running steadily in the second half of the year. With concerted efforts to boost sales, Road King achieved property sales in the Mainland China of RMB42,193 million in 2020, approximate to that in 2019. The three existing projects in Hong Kong are operating normally and construction is progressing as planned.

Road King seized the opportunity to bid for 11 pieces of new land in Mainland China in the second half of 2020, making a total of 15 pieces of new land in the Mainland China with an aggregate floor area of 1,540,000 sqm, mainly for projects with quicker turnover rate to replenish its land reserves and support its development scale in the next two years. At 31st December, 2020, Road King had a land reserve of approximately 7,040,000 sqm.

Due to the outbreak of the novel coronavirus pandemic and the implementation of toll-free policy, the toll revenue of Road King's expressway projects was significantly affected in the first half of the year. After the resumption of toll fee collection, the toll revenue has gradually restored to normal in the second half of the year. Toll revenue from the expressway projects in Mainland China for the year of 2020 was RMB2,320 million, a decrease of 27% compared to 2019, but the average daily traffic volume recorded 260,800 vehicles, the same as that of 2019. Toll revenue from the newly acquired expressway in Indonesia also dropped during the year due to the impact of the novel coronavirus pandemic, with toll revenue of RMB405 million for the year.

The outbreak of the novel coronavirus pandemic also undermined the performance of the investment and asset management businesses during 2020. In 2020, the projects of investment and asset management segment (including joint venture and associate projects) achieved property sales of approximately RMB1,335 million, and the segment recorded a loss of HK\$975 million.

Through years of development, Road King's property business has a well-established model, a well-functioned management system, a seasoned and dedicated operation team and a sound market position. In 2021, Road King will continue its pragmatic approach and adhere to the operating strategy of striking a balance between profitability and sales volume, as well as striving to maintain the sales volume and the profit target.

In March 2021, Road King further entered into conditional sales and purchase agreements to acquire an expressway in Sumatra, Indonesia. In the future, Road King will continue to look for suitable new road projects in the Mainland China and the countries along the Belt and Road to further strengthen its toll road business.

## **Construction, Sewage Treatment and Steam Fuel**

For the year ended 31st December, 2020, the Group shared a profit of HK\$250 million (2019: a profit of HK\$168 million) from Build King Holdings Limited (“Build King”). As of the date of this announcement, the Group holds 56.76% interest in Build King.

For the year ended 31st December, 2020, Build King recorded revenue of HK\$7,628 million (2019: HK\$7,568 million) and an audited profit attributable to its owners of HK\$441 million (2019: HK\$296 million), an increase of 49% as compared with that of 2019. This comprises profit of HK\$452 million (2019: HK\$305 million) from construction, sewage treatment and steam fuel operations and loss of HK\$11 million (2019: loss of HK\$9 million) from investment in securities.

Over the past five years, Build King’s turnover had grown more than 57%. This persistent growth was driven by the successful expansion of both civil engineering and building divisions. This year, for the first time in this decade, the turnover of Build King recorded almost zero growth. However, Build King will see this as transitory since a handful of large projects awarded in 2019/2020 which take approximately 6 years to complete, were still at early stages having not started substantial physical work as planned. Build King is looking forward to seeing them in full swing in 2021 and then its turnover growth rate will revive.

On the gross margin of Build King, it dropped from 9.7% to 9% in 2020, reflecting the severe competition and hence reducing tender margin for new works in recent years.

Although novel coronavirus pandemic has been plaguing the construction business, Build King managed to mitigate the adverse impacts on operation. To alleviate the financial burden caused by this pandemic, Build King applied for and were granted a subsidy of HK\$116 million under Employment Support Scheme.

At the date of this announcement, the outstanding work on hand increased from HK\$19 billion as indicated in Annual Report 2019 of Build King to HK\$26 billion equivalent to approximately three years’ turnover.

The development in the PRC made significant progress in 2020. The additional investment of HK\$98 million in upgrading works of the sewage treatment plant in Wuxi were completed in November 2020 and the treatment fee was then raised by 81%. The incremental investment made in Tianjin Wai Kee Earth Investment Co., Ltd. was HK\$122 million. The two operating steam plants, one in Gao Tai and one in Yumen, were able to generate a minimal profit in its first year operation. The four steam plants will complete their construction and start operation progressively throughout 2021. Build King expects, by end of 2021, the total production capacity of these six steam plants can reach 200 tons per hour and then further increase to their design capacity of 400 tons per hour in three years, contributing steady income to Build King.

## **Construction Materials**

For the year ended 31st December, 2020, the construction materials division recorded revenue of HK\$429 million (2019: HK\$459 million) and a net profit of HK\$14 million (2019: a net loss of HK\$73 million).

The modest profit was recorded in the concrete business in 2020. The substantial improvement for the construction materials division in comparison with that of 2019 was mainly due to reduction in amortisation of intangible assets and depreciation of property, plant and equipment at Lam Tei Quarry and depreciation of right-of-use assets at Yau Tong resulting from the impairment losses of those assets made in 2018 and 2019. In addition, following the cessation of operation of Tin Wan concrete batching facilities in 2019, no more rental payment and dismantling costs were incurred in 2020.

The overall concrete demand in the market was affected in 2020 and onward to the beginning of 2021 as the construction industry was disrupted by the novel coronavirus pandemic which caused the slow down and delay in the progress of the construction projects.

The concrete orders from the construction division have increased since 2020 and this trend is likely to continue. The profit margin of new orders has been slightly improved as well. With the gradual recovery of construction industry from the pandemic disruption which will resume the concrete demand in the market in 2021, the performance of concrete business is expected to improve.

For the asphalt business, slight loss was still recorded in 2020 even though we strategically formed an alliance with another asphalt operator at Lam Tei Quarry in 2020 for sharing the operating and fixed costs of asphalt production plant. The asphalt market demand remains very low coupled with the outbreak of the novel coronavirus pandemic, there is only limited improvement in the asphalt business performance in 2020.

The performance of the asphalt business continues facing difficulties and fierce competition in 2021 as low activity in large scale infrastructure projects. With the government rolling out more construction projects, the asphalt business will be revitalised in the long run.

The management continues to adopt prudent cost control measures to contain overhead costs and is committed to providing high quality of services to our customers in order to strengthen competitiveness.

## **Quarrying**

For the year ended 31st December, 2020, the quarrying division recorded revenue of HK\$193 million (2019: HK\$167 million) and a net loss of HK\$9 million (2019: a net loss of HK\$17 million).

The result of quarrying division had slight improvement compared with that of last year. Market prices of aggregates rose in the first quarter of 2020 resulting from the decline in aggregates supply from Mainland China to Hong Kong and then maintained stable since the second quarter of 2020. However, selling prices of aggregates supply contracts of the quarrying division committed with some customers in previous years remained at low levels.

Due to the outbreak of the novel coronavirus pandemic since early 2020, the progress of establishment of the new crushing facility and attending the environmental rules and regulations were delayed. The establishment was completed in the second quarter of 2020 and approval for compliance with the relevant environmental rules and regulations was obtained in July 2020. In addition, the timeframe for tuning of the new crushing facility was longer than expected. Therefore, the results from the expansion of production capacity and improvement of profit margin of securing additional sales volume of aggregates with higher prices can only be actualized in 2021.

Same as in 2020, the aggregate prices and market supply from Mainland China were interrupted due to the Chinese New Year holiday and now resumed to stable. In term of order book, the aggregates supply contracts committed with those customers with low prices will expire the earliest in the third quarter of 2021. Management will devote more resources to fill up the order book. With increase in production capacity of the division and improvement in profit margin gradually, the performance of the division is expected to improve. The management has also been exercising cost control measures to minimise the production cost of aggregates.

## **Impairment Loss of Lam Tei Quarry**

The management has performed impairment assessment on the carrying amounts of property, plant and equipment, and the intangible assets (representing the extraction right of rock reserve and the rehabilitation costs to be incurred) for Lam Tei Quarry during the year ended 31st December, 2020. For the purpose of impairment assessment, assets of Lam Tei Quarry have been allocated to three individual cash generating units (“CGUs”), i.e. quarrying, concrete and asphalt CGUs, and the recoverable amounts of these CGUs have been determined based on the value in use calculation. The calculation uses cash flow projections based on financial budgets covering the remaining contract period of Lam Tei Quarry and discounted at a discount rate to calculate the present value. Other key assumptions for the value in use calculation relate to the estimation of the prices and budgeted gross margins of aggregates, concrete and asphalt, and the volume of rock reserve to be extracted for the remaining contract period. Based on the impairment assessment, the management considers that the total recoverable amounts of the intangible assets for Lam Tei Quarry, and property, plant and equipment of these CGUs are less than their carrying amounts, therefore total impairment losses of HK\$13 million (2019: HK\$41 million) and HK\$31 million (2019: HK\$35 million) in respect of intangible assets and property, plant and equipment were recognised in profit or loss for the year ended 31st December, 2020.

## **Property Funds**

The Group holds 30% effective interest in the Sunnyvale project by investment in a US investment company (“US Company”) which in turn made capital contribution to another US company (the “Project Company”) for the development of 3-storey townhouses on three lots of land in Sunnyvale. The Project Company sold one of the three lots of land in 2017 and gradually built and sold all of 314 townhouses on the remaining two lots of land from 2017 to the first half year of 2020. For the year ended 31st December, 2020, the Group received the final cash distribution of US\$15.3 million from US Company and recognised gain of HK\$58 million (2019: HK\$19 million) on change in fair value of investment in US Company.

Lion Trade Global Limited (“Lion Trade”), which is owned 70% by a wholly owned subsidiary of the Company and 30% by a wholly owned subsidiary of Build King, indirectly holds 75% interest in Wisdom H6 LLC (“JV Fund I”) and 34.35% interest in Estates at Fountain Lake LLC (“JV Fund II”), both of which are US joint venture companies. JV Fund I holds a 4-storey residential rental property in Houston and JV Fund II holds a 3-storey residential rental property in Stafford of Texas. In December 2020, the occupancy rates of these two residential properties were around 87.71% and 93.14% respectively. For the year ended 31st December, 2020, Lion Trade shared loss of HK\$14 million (2019: shared profit of HK\$18 million) from these two US joint venture companies due to drop in revaluation amount of the properties from December 2019 to December 2020. During the year, the Group received cash distribution of US\$0.45 million from these two US joint venture companies.

## **Fund Management Service and Securities Brokerage**

The Group has established its fund management service and securities brokerage businesses through its subsidiaries, WK Fund Management Limited (“WKFML”) and WK Securities Limited (“WKSL”) respectively with the view of diversifying the Group’s business spectrum.

WKFML has secured Type 4 (Advising on Securities) and Type 9 (Asset Management) registrations while WKSL has secured Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) registrations under the Securities and Futures Ordinance.

WKFML provides asset management and advising on securities trading services to professional investors through an open-end fund which was launched in the third quarter of 2020 while WKSL is engaged in securities brokerage services.

As the existing client base for the fund management service and securities brokerage remain small, the contribution has been minimal from the division to the Group since its establishment, the division recorded a loss of HK\$7 million (2019: a loss of HK\$9 million) for the year ended 31st December, 2020.

## **Investment in equity securities and debt securities**

The Group holds certain equity securities of Emmaus Life Sciences, Inc. (“Emmaus”), a company incorporated and engaged in manufacture and sale of pharmaceutical products in the USA. The equity securities of Emmaus are available for trading at the USA’s Over-the-Counter (“OTC”) market. At 31st December, 2020, the fair value of the equity securities of Emmaus was HK\$8 million, of which HK\$5 million was invested by Build King.

The Group also held convertible bonds issued by Emmaus which was matured on 15th January, 2020. On 15th January, 2020, Emmaus and the Group entered into an extension agreement to extend the repayment date of the principal amount of US\$3.15 million (the “Loan”) to 15th June, 2020 and interest bearing at 11% per annum. On 15th June, 2020, Emmaus and the Group further agreed to extend the repayment date of the Loan to 15th June, 2023 (“Loan Due Date”) and interest bearing at 12% per annum. On 13th July, 2020, Emmaus issued contingent common stock purchase warrant (the “Warrant”) to the Group to purchase from Emmaus its common shares (“Warrant Shares”) at an exercise price of US\$2.05 each. The Warrant shall become exercisable for 500,000 Warrant Shares if full repayment of the Loan (“Repayment”) is made on or before 15th June, 2022, or otherwise for 1,250,000 Warrant Shares for the period from date of Repayment or Loan Due Date (if no Repayment is made on Loan Due Date) to 15th June, 2025.

In addition, the Group holds certain listed equity securities in Hong Kong. At 31st December, 2020, the fair value of the listed equity securities in Hong Kong was HK\$38 million, all of which was invested by Build King.

In 2020, the Group utilizes its surplus fund to invest in quoted debt securities. These quoted debt securities are the listed bonds. At 31st December, 2020, the fair value of the Group’s portfolio of quoted debt securities was HK\$636 million, of which HK\$447 million was invested by Build King.

For the year ended 31st December, 2020, the net loss of the above investments, being the net amount of change in fair value of the investments, dividend income and interest income, was HK\$8 million (2019: net loss of HK\$16 million), of which net loss of HK\$11 million (2019: net loss of HK\$9 million) was from the investments by Build King.

## FINANCIAL REVIEW

### Liquidity and Financial Resources

During the year, total borrowings decreased from HK\$1,186 million to HK\$1,163 million, which included bonds with carrying amounts of HK\$14 million (2019: HK\$130 million) carrying fixed coupon interest of 7% per annum and HK\$116 million (2019: HK\$110 million) carrying no interest respectively, with the maturity profile summarised as follows:

	31st December, 2020 <i>HK\$'million</i>	2019 <i>HK\$'million</i>
Within one year	768	576
In the second year	238	363
In the third to fifth year inclusive	157	247
	<u>1,163</u>	<u>1,186</u>
Classified under:		
Current liabilities ( <i>note</i> )	888	680
Non-current liabilities	275	506
	<u>1,163</u>	<u>1,186</u>

*Note:* At 31st December, 2020, bank loans that are repayable over one year after the end of the reporting period but contain a repayment on demand clause with an aggregate carrying amount of HK\$120 million (2019: HK\$104 million) have been classified as current liabilities.

During the year, the Group had no financial instruments for hedging purpose. At 31st December, 2020, apart from the bonds described above, a bank loan of HK\$38 million (2019: nil) also carried interest at fixed rate.

At 31st December, 2020, total amount of the Group's time deposits, bank balances and cash was HK\$1,770 million (2019: HK\$2,202 million), of which bank deposits amounting to HK\$41 million (2019: HK\$64 million) were pledged to banks to secure certain banking facilities granted to the Group. In addition, the Group has available unutilised banking facilities of HK\$1,281 million (2019: HK\$1,389 million).

For the year ended 31st December, 2020, the Group recorded finance costs of HK\$59 million (2019: HK\$75 million).

The Group's borrowings, investments, time deposits and bank balances are principally denominated in Hong Kong dollar, Renminbi and United States dollar. As a result, the Group is exposed to the currency risks for fluctuation in exchange rates of Renminbi and United States dollar. However, there is no significant exposure to foreign exchange rate fluctuations during the year. The Group will continue to monitor its exposure to the currency risks closely.

## **Capital Structure and Gearing Ratio**

At 31st December, 2020, the equity attributable to owners of the Company amounted to HK\$9,855 million, representing HK\$12.43 per share (2019: HK\$8,512 million, representing HK\$10.73 per share).

At 31st December, 2020, the gearing ratio, representing the ratio of total borrowings to equity attributable to owners of the Company, was 11.8% (2019: 13.9%) and the net gearing ratio, representing the ratio of net borrowings (total borrowings less time deposits, bank balances and cash) to equity attributable to owners of the Company, was -6.2% (2019: -11.9%) as a result of total amount of time deposits, bank balances and cash exceeding total borrowings amount.

## **Pledge of Assets**

At 31st December, 2020, apart from the bank deposits pledged to secure certain banking facilities granted to the Group, the share of a subsidiary of the Company and quoted debt securities with an aggregate carrying amount of HK\$636 million (2019: nil) were also pledged to secure certain bank loans and banking facilities granted to the Group.

## **Capital Commitments and Contingent Liabilities**

At 31st December, 2020, the Group committed capital expenditure contracted for but not provided in the Group's consolidated financial statements of HK\$21 million (2019: HK\$56 million) in respect of acquisition of property, plant and equipment. At 31st December, 2020, the Group had no contingent liabilities.

## **EMPLOYEES AND REMUNERATION POLICIES**

At 31st December, 2020, the Group had 2,861 employees (not include contract/temporary employees) (2019: 2,364 employees), of which 2,697 (2019: 2,308) were located in Hong Kong, 163 (2019: 55) were located in the PRC and 1 (2019: 1) was located in UAE. For the year ended 31st December, 2020, the Group's total staff costs were HK\$1,279 million (2019: HK\$1,271 million).

Competitive remuneration packages are structured to commensurate with individual responsibilities, qualification, experience and performance. In addition, discretionary bonuses may be paid depending upon the financial performance of the Group as well as the performance of the individual.

The emoluments of executive directors and senior management are determined by the Remuneration Committee with reference to salaries paid by comparable companies, their responsibilities, employment conditions and prevailing market conditions.

## **FUTURE OUTLOOK**

With more construction projects approved by the government and in the course of commencing of development, it is expected that the construction division will maintain high level of turnover in 2021. Despite the drop of gross margin due to fierce competition in the construction market, the division so far has been able to contain the overhead costs, hence we projected a positive outlook for the construction division, and the investment in environmental infrastructure projects in the PRC is anticipated to make contribution to the construction division as well.

The construction industry has implemented strenuous measures against the spread of the novel coronavirus pandemic to protect the health of site personnel through compulsory testing of all personnel on construction sites since February 2021. It is expected that such measures would effectively alleviate pandemic interruption.

The Group has taken proactive measures to enhance health monitoring and control measures at the production sites of both quarrying and construction materials divisions and also implements the compulsory testing of all personnel at sites.

Since the production capability of the new crushing facility at Lam Tei Quarry has been increased and the aggregates market prices become stable, the management is able to secure new orders of aggregates sales with higher prices. The result of the quarrying division will hopefully turn around to profit position in 2021.

For construction materials division, with a lot of construction projects approved by the government and some have already commenced, the demand of concrete and asphalt will gradually increase. Coupled with the improvement in profit margin, the performance of the division is expected to have slight improvement in 2021.

For other investments made by the Group, the Group would monitor closely its performance and review its investment strategy periodically. We are cautiously seeking investment opportunities that will create synergy for the sustainable growth of the Group.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31st December, 2020.

## **CORPORATE GOVERNANCE CODE**

The Company has complied with the code provisions of Corporate Governance Code set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the year ended 31st December, 2020.

## **AUDIT COMMITTEE**

The Audit Committee of the Company has conducted a meeting with the management and external auditor to review the accounting policies adopted by the Group, the Group's consolidated financial statements for the year ended 31st December, 2020, the general scope of audit work conducted by the external auditor and assessment of the Group's internal controls.



## **ANNUAL GENERAL MEETING**

The Annual General Meeting of the Company will be held at Academy Room I-II, 1st Floor, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Tuesday, 25th May, 2021 at 3:30 p.m. and the Notice of the Annual General Meeting will be published and despatched to the shareholders in the manner as required by the Listing Rules.

## **PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT**

This announcement is published on the Company's website ([www.waikee.com](http://www.waikee.com)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)). The Annual Report 2020 containing all the information required by the Listing Rules will be published on the websites of the Company and the Stock Exchange, and despatched to the shareholders in due course.

## **APPRECIATION**

The Board would like to take this opportunity to extend its heartiest thanks to our shareholders, business partners, directors and our loyal and dedicated staff.

By Order of the Board  
**Wai Kee Holdings Limited**  
**William Zen Wei Pao**  
*Chairman*

Hong Kong, 23rd March, 2021

At the date of this announcement, the Board comprises three executive directors, namely Mr. William Zen Wei Pao, Mr. Derek Zen Wei Peu and Miss Anriena Chiu Wai Yee, two non-executive directors, namely Mr. Brian Cheng Chi Ming and Mr. Ho Gilbert Chi Hang, and three independent non-executive directors, namely Dr. Steve Wong Che Ming, Mr. Samuel Wan Siu Kau and Mr. Francis Wong Man Chung.