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WONG'S KONG KING INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 532)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Board of Directors of Wong's Kong King International (Holdings) Limited (the "Company") announces that the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2021, together with comparative figures for the corresponding period in 2020 are as follows:

CONSOLIDATED INCOME STATEMENT *FOR THE YEAR ENDED 31 DECEMBER 2021*

	<i>Note</i>	2021 HK\$'000	2020 HK\$'000
Revenue	2	5,411,914	4,716,172
Other gains, net		43,691	25,256
Raw materials and consumables used		(2,262,413)	(2,088,013)
Purchases of finished goods		(2,065,457)	(1,476,491)
Changes in inventories of finished goods and work in progress		4,441	(152,172)
Employee benefit expenses		(697,486)	(626,451)
Depreciation and amortisation		(69,375)	(71,448)
Net (provision for)/write-back of impairment loss on financial assets		(17,639)	4,493
Other expenses		(220,034)	(188,876)
Operating profit		127,642	142,470
Finance income		3,462	2,422
Finance costs		(4,674)	(9,604)
Finance costs, net		(1,212)	(7,182)

CONSOLIDATED INCOME STATEMENT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

	<i>Note</i>	2021 HK\$'000	2020 HK\$'000
Share of profit of joint ventures		<u>15,930</u>	<u>5,667</u>
Profit before income tax		142,360	140,955
Income tax expense	3	<u>(45,585)</u>	<u>(24,470)</u>
Profit for the year	2	<u>96,775</u>	<u>116,485</u>
Attributable to:			
Owners of the Company		72,013	101,185
Non-controlling interests		<u>24,762</u>	<u>15,300</u>
		<u>96,775</u>	<u>116,485</u>
Earnings per share for profit attributable to the owners of the Company during the year (expressed in HK cents per share)			
– basic	4	<u>9.87</u>	<u>13.87</u>
– diluted	4	<u>9.87</u>	<u>13.87</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 HK\$'000	2020 HK\$'000
Profit for the year	96,775	116,485
Other comprehensive income/(loss):		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Fair value gains/(losses) on equity investments at fair value through other comprehensive income, net of tax	19,206	(18,925)
Remeasurements of post-employment benefit obligations, net of tax	(955)	(152)
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	<u>16,331</u>	<u>35,860</u>
Total comprehensive income for the year	<u>131,357</u>	<u>133,268</u>
Attributable to:		
Owners of the Company	105,724	113,887
Non-controlling interests	<u>25,633</u>	<u>19,381</u>
	<u>131,357</u>	<u>133,268</u>

CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 2021

	<i>Note</i>	2021 HK\$'000	2020 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		470,023	475,084
Right-of-use assets		60,200	42,964
Deposits		5,269	4,320
Intangible assets		275	372
Interests in joint ventures		18,688	6,650
Deferred tax assets		22,634	14,602
Financial assets at fair value through other comprehensive income		32,439	13,034
Financial assets at fair value through profit or loss		2,786	4,362
Club membership and debentures		15,087	14,923
Total non-current assets		627,401	576,311
Current assets			
Inventories		891,213	645,084
Trade and other receivables	5	1,412,088	1,303,528
Contract assets		31,153	49,766
Deposits and prepayments		68,942	65,730
Tax recoverable		1,029	6,732
Derivative financial instruments		–	227
Short-term time deposits		31,619	39,758
Cash and cash equivalents		682,315	597,995
Total current assets		3,118,359	2,708,820
Total assets		3,745,760	3,285,131
LIABILITIES			
Non-current liabilities			
Lease liabilities		25,097	14,611
Provision for assets retirement obligations		1,710	1,710
Retirement benefit obligations		10,122	8,900
Total non-current liabilities		36,929	25,221

CONSOLIDATED BALANCE SHEET (Continued)
AT 31 DECEMBER 2021

	<i>Note</i>	2021 HK\$'000	2020 HK\$'000
Current liabilities			
Trade and other payables	6	1,116,084	936,438
Contract liabilities		128,791	116,707
Current income tax liabilities		19,162	18,843
Bank borrowings		565,303	377,008
Lease liabilities		23,046	14,584
Derivative financial instruments		585	12
Total current liabilities		1,852,971	1,463,592
Total liabilities		1,889,900	1,488,813
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	7	72,975	72,945
Reserves		1,686,895	1,638,553
		1,759,870	1,711,498
Non-controlling interests		95,990	84,820
Total equity		1,855,860	1,796,318
Total equity and liabilities		3,745,760	3,285,131

NOTES:

1. BASIS OF PREPARATION

The consolidated financial information has been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”). In addition, the consolidated financial information includes the applicable disclosures required by the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”) and by the Hong Kong Companies Ordinance.

The consolidated financial information has been prepared under the historical cost convention, except for certain financial assets and financial liabilities (including derivative financial instruments), which are measured at fair value.

(a) Amended standards adopted by the Group

The following new amendments to standards were required to be adopted by the Group effective from 1 January 2021:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform-Phase 2
Amendments to HKFRS 16	Covid-19-Related Rent Concessions

The amended standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New and amended standards, interpretation and accounting guidelines not yet adopted

Certain new and amended standards, interpretation and accounting guidelines have been published that are not mandatory for financial period beginning 1 January 2021 and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Annual Improvements Project	Annual Improvements to HKFRS Standards 2018–2020	1 January 2022
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before intended use	1 January 2022
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Revised Accounting Guideline 5	Merger Accounting for Common Control Combinations	1 January 2022
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 2021	1 April 2022
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
HKFRS 17	Insurance Contracts	1 January 2023
Amendments to HKAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
HK-Interpretation 5 (2020)	Presentation of Financial Statements-Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	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 has commenced an assessment of the impact of these new and amended standards, interpretation and accounting guidelines, but is not yet in a position to state whether they would have significant impacts on its results of operations and financial position.

2. SEGMENTAL INFORMATION

The Chief Operation Decision-Maker (“CODM”) has been identified as directors of the Company. The CODM reviews the Group’s internal reporting in order to assess performance and allocate resources. It determined the operating segments based on these reports. The Group is currently organised into two operating segments – trading and manufacturing. These segments are the basis on which the Group reports its principal activities information.

Trading – trading and distribution of chemicals, materials and equipment used in the manufacturing of printed circuit boards and electronic products

Manufacturing – manufacturing of electrical and electronic products

The segment information for the year ended 31 December 2021 is as follows:

	Trading HK\$'000	Manufacturing HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Revenue					
External sales	3,084,022	2,265,126	62,766	–	5,411,914
Inter-segment sales	478,994	3,235	34,266	(516,495)	–
Total	<u>3,563,016</u>	<u>2,268,361</u>	<u>97,032</u>	<u>(516,495)</u>	<u>5,411,914</u>
Timing of revenue recognition					
At a point in time	3,503,473	2,268,361	88,298	(502,868)	5,357,264
Over time	59,543	–	8,734	(13,627)	54,650
	<u>3,563,016</u>	<u>2,268,361</u>	<u>97,032</u>	<u>(516,495)</u>	<u>5,411,914</u>
Results					
Segment results	189,633	(51,624)	(10,644)	277	127,642
Finance income	3,039	236	187	–	3,462
Finance costs	(1,576)	(2,914)	(184)	–	(4,674)
Segment operating profit/(loss)	<u>191,096</u>	<u>(54,302)</u>	<u>(10,641)</u>	<u>277</u>	<u>126,430</u>
Share of profit of joint ventures					<u>15,930</u>
Profit before income tax					142,360
Income tax expense					<u>(45,585)</u>
Profit for the year					<u>96,775</u>

The segment information for the year ended 31 December 2020 is as follows:

	Trading HK\$'000	Manufacturing HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Revenue					
External sales	2,199,885	2,459,292	56,995	–	4,716,172
Inter-segment sales	306,716	3,186	28,562	(338,464)	–
Total	<u>2,506,601</u>	<u>2,462,478</u>	<u>85,557</u>	<u>(338,464)</u>	<u>4,716,172</u>
Timing of revenue recognition					
At a point in time	2,456,943	2,462,478	76,294	(328,564)	4,667,151
Over time	49,658	–	9,263	(9,900)	49,021
	<u>2,506,601</u>	<u>2,462,478</u>	<u>85,557</u>	<u>(338,464)</u>	<u>4,716,172</u>
Results					
Segment results	128,677	26,010	(10,036)	(2,181)	142,470
Finance income	2,249	167	6	–	2,422
Finance costs	(3,247)	(5,961)	(396)	–	(9,604)
Segment operating profit/(loss)	<u>127,679</u>	<u>20,216</u>	<u>(10,426)</u>	<u>(2,181)</u>	135,288
Share of profit of joint ventures					<u>5,667</u>
Profit before income tax					140,955
Income tax expense					<u>(24,470)</u>
Profit for the year					<u>116,485</u>

The segment assets and liabilities as at 31 December 2021 are as follows:

	Trading HK\$'000	Manufacturing HK\$'000	Others HK\$'000	Consolidated HK\$'000
Assets				
Segment assets	<u>1,787,722</u>	<u>1,788,481</u>	<u>169,557</u>	<u>3,745,760</u>
Liabilities				
Segment liabilities	<u>773,148</u>	<u>1,015,228</u>	<u>101,524</u>	<u>1,889,900</u>

The segment assets and liabilities as at 31 December 2020 are as follows:

	Trading <i>HK\$'000</i>	Manufacturing <i>HK\$'000</i>	Others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Assets				
Segment assets	<u>1,439,534</u>	<u>1,691,622</u>	<u>153,975</u>	<u>3,285,131</u>
Liabilities				
Segment liabilities	<u>607,936</u>	<u>840,866</u>	<u>40,011</u>	<u>1,488,813</u>

3. INCOME TAX EXPENSE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current income tax		
– Hong Kong profits tax	–	–
– PRC corporate income tax	28,818	11,638
– Taiwan corporate income tax	15,075	11,062
– Other jurisdictions	<u>2,549</u>	<u>1,561</u>
	<u>46,442</u>	<u>24,261</u>
Over provision in prior years		
– Hong Kong	–	–
– Other jurisdictions including the PRC and Taiwan	<u>(203)</u>	<u>(434)</u>
	<u>(203)</u>	<u>(434)</u>
Deferred income tax	(7,687)	(2,850)
Withholding tax on dividends paid by subsidiaries	6,007	2,169
Withholding tax on management/service fee paid by subsidiaries	<u>1,026</u>	<u>1,324</u>
	<u>45,585</u>	<u>24,470</u>

Hong Kong profits tax has not been provided for at 16.5% on the estimated assessable profit for the year as the Group has sufficient tax losses carried forward to set off against the estimated assessable profit (2020: Hong Kong profits tax had not been provided for as the Group had no estimated assessable profit for the year). The subsidiaries established in the People's Republic of China (the "PRC") are subject to corporate income tax rate of 25% (2020: 25%). The subsidiaries in Taiwan are subject to corporate income tax rate of 20% (2020: 20%). Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

4. EARNINGS PER SHARE

(a) Basic

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

	2021	2020
Profit attributable to owners of the Company (Hong Kong thousand dollars)	72,013	101,185
Weighted average number of ordinary shares in issue (thousands)	729,748	729,448
Basic earnings per share (Hong Kong cents per share)	9.87	13.87

(b) Diluted

Diluted earnings per share were the same as the basic earnings per share for the year ended 31 December 2021 and 2020 as the share options of the Company have an anti-dilutive effect on the basic earnings per share and are ignored in the calculation of diluted earnings per share (2020: same).

5. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are accounts and bills receivables of HK\$1,370,957,000 (2020: HK\$1,270,974,000).

The Group allows a credit period ranging from 30 days to 180 days to its trade customers. In addition, for certain customers with long-established relationship, a longer credit period may be granted.

The ageing analysis of accounts and bills receivables based on invoice dates net of loss allowance at the end of reporting period is as follows:

	2021 HK\$'000	2020 HK\$'000
0 to 30 days	531,300	446,660
31 to 60 days	324,216	332,331
61 to 90 days	199,018	156,634
Over 90 days	316,423	335,349
	1,370,957	1,270,974

6. TRADE AND OTHER PAYABLES

Included in trade and other payables are accounts and bills payables of HK\$807,176,000 (2020: HK\$674,060,000).

The following is an ageing analysis of accounts and bills payables based on goods receipt dates at the end of reporting period:

	2021 HK\$'000	2020 HK\$'000
0 to 30 days	413,313	458,837
31 to 60 days	247,372	127,550
61 to 90 days	68,714	53,371
Over 90 days	77,777	34,302
	<u>807,176</u>	<u>674,060</u>

7. SHARE CAPITAL

	Number of ordinary shares of HK\$0.10 each	Share capital HK\$'000
Issued and fully paid:		
At 1 January 2020 and 31 December 2020	729,447,964	72,945
Share option scheme:		
Proceeds from share issued	<u>300,000</u>	<u>30</u>
At 31 December 2021	<u>729,747,964</u>	<u>72,975</u>

8. DIVIDENDS

	2021 HK\$'000	2020 HK\$'000
Interim dividend, paid, of HK\$0.02 (2020: Nil) per share	14,589	–
Final dividend, proposed, of HK\$0.03 (2020: HK\$0.06) per share	<u>21,892</u>	<u>43,767</u>
	<u>36,481</u>	<u>43,767</u>

9. SUBSEQUENT EVENT

After the outbreak of the coronavirus omicron variant (“Omicron outbreak”) in early 2022, a series of precautionary and control measures have been and continued to be implemented across the country/region. The Group will pay close attention to the development of the Omicron outbreak and evaluate its impact on the financial position and operating results of the Group. As at the date on which this set of consolidated financial statements were authorised for issue, the Group was not aware of any material adverse effects on the consolidated financial statements for the year ended 31 December 2021 as a result of the Omicron outbreak.

DIVIDENDS

The Board of Directors recommends a final dividend of HK\$0.03 per share (2020: HK\$0.06) be paid in respect of the year ended 31 December 2021. The proposed final dividend will be payable on or about Wednesday, 20 July 2022, subject to approval at the Annual General Meeting, to shareholders whose names appear on the Register of Members of the Company on Monday, 4 July 2022.

CLOSURE OF REGISTER OF MEMBERS

1. Book Close for determining the entitlement to attend and vote at the annual general meeting

The Register of Members of the Company will be closed from Friday, 17 June 2022 to Wednesday, 22 June 2022, both days inclusive, during which period no transfer of shares will be registered, for the purpose of determining shareholders who are entitled to attend and vote at the forthcoming annual general meeting. In order to qualify for attending and voting at the forthcoming annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 16 June 2022.

2. Book Close for determining the qualification for the proposed final dividend

The Register of Members of the Company will be closed from Wednesday, 29 June 2022 to Monday, 4 July 2022, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 28 June 2022.

BUSINESS REVIEW

The Group's turnover for the year 2021 was HK\$5.4 billion, reflecting an increase of approximately 15% compared to last year. However, the Group's profit attributable to shareholders was HK\$72 million, representing a decrease of 28.8% compared to last year. This was mainly due to an increased operating loss for the Group's OEM Manufacturing Division resulting from an extremely challenging operating environment in the second half of 2021.

Trading and Distribution Division (WKK Distribution)

The Group's Industrial Products Trading and Distribution Division achieved record sales of HK\$3.1 billion for the year 2021, reflecting an increase of approximately 40% compared to last year. This was mainly due to the increased demand for the industrial products distributed by the Group as the Division's customers increased their capacity and orders following the easing of the pandemic in China and Taiwan. The Division's operating profit for 2021 was HK\$191.1 million compared to HK\$127.7 million last year, representing an increase of 50%. The operations in the PRC and a subsidiary in Taiwan contributed the majority of the Division's operating profit. The Singapore operations also recorded an increase in operating profit compared to last year.

OEM Manufacturing Division (WKK Technology)

The turnover of the Group's OEM Manufacturing Division decreased by approximately 8% compared to last year, to HK\$2.3 billion for 2021. This was mainly attributable to the shortage of components and logistical bottlenecks on top of widespread closure of borders resulting in all of the Division's customers outside the PRC being unable to visit the Group's facilities to develop orders for new projects. The Division's operating loss was HK\$54.3 million for 2021 as compared to an operating profit of HK\$20.2 million last year.

FINANCE

As at 31 December 2021, the Group had committed bank and other financing facilities totaling HK\$2,653 million, of which HK\$705 million was drawn down. As at 31 December 2021, the Group's consolidated net cash amounted to HK\$100 million and total equity amounted to HK\$1,856 million, resulting in a nil gearing ratio.

Most of the Group's sales were conducted in the same currencies as the corresponding purchase transactions. Foreign exchange contracts were used to hedge exposures where necessary.

HUMAN RESOURCES

As at 31 December 2021, the Group had a total of 4,513 employees, of whom 224 were based in Hong Kong, 3,873 in the PRC and 416 overseas. The remuneration packages of the Group's employees are mainly based on their performance and experience, taking into accounts current industry practices. Provident fund scheme, medical allowance and in-house and external training programs are available to employees. Share options and discretionary bonus may be provided to employees according to the performance of the individual and the Group. The remuneration policy and packages of the Group's employees are regularly reviewed.

ENVIRONMENTAL MANAGEMENT

The Group is committed to making contributions in various areas of sustainable development, including environment protection. The Group has established a green council to lead and organize various environmental protection activities and programs.

The Group has set up various systems, including a sewage treatment plant, solar panels for warming water supplies for workers, LED and solar energy lighting systems, computerized filing systems to limit paper usage, selective flux and soldering systems, an ISO14001 certified environmental management system since 2002, an IECQ QC080000 hazardous substance process management system, as well as an ISO50001 energy management system for the monitoring and improvement of greenhouse gas emissions and energy consumption.

The Group applies environmentally friendly designs and packaging and complies with green procurement policies. Moreover, the supply chain and the entire product life-cycle are in keeping with a clean and green manufacturing policy, thus producing consistently high-quality green products from start to finish. The Group constantly instils an awareness of environmental protection in its employees, the main internal stakeholders, thereby setting a good example to external stakeholders.

The Group's success in the field of environmental protection has earned recognition from the Government, industry, customers and suppliers.

SOCIAL RESPONSIBILITY

Corporate social responsibility is one of the core management philosophies in the Group. The Group has made donations to various charities, and also provided scholarships to eligible students who otherwise cannot afford to further their studies at university.

The Group has been awarded the "15 Years Plus Caring Company" logo by the Hong Kong Council of Social Service.

The Group used to engage actively in social activities, helping and nurturing those in need. The Group's staff have formed a volunteer team who contributed their free time in the service of society by visiting and organizing activities at centers for elderly people. However, due to the Covid-19 pandemic along with social distancing requirements, it was not possible for students of secondary schools and universities to tour our PRC factory for the purpose of enhancing their knowledge of green production facilities.

LEGAL AND REGULATORY COMPLIANCE

The Group complies with all relevant laws and regulations that have a significant impact on the operations of the Groups.

PROSPECTS

The shortage of components and logistical bottlenecks significantly affected the ability of the Group and its customers to manufacture their products towards the end of 2021. The Group also experienced delays in deliveries from its suppliers in the latter part of 2021. These factors are expected to continue into 2022 and the Group is also now seeing a reduction in demand for the industrial products distributed by its Trading and Distribution Division.

In view of the difficulties caused by the resurgence of Covid 19 and its related consequences such as global supply chain disruptions, logistical bottlenecks, and extended border closures, now compounded by heightened geopolitical tensions, the Group expects the operating environment to remain extremely challenging. The Group therefore anticipates that its overall financial performance will worsen in the current year despite the Group's best efforts to control its costs.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities during the year ended 31 December 2021.

CORPORATE GOVERNANCE

The Company had complied with the code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2021, with deviations as stated below:

Code Provision A.4.1

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

None of the existing Non-Executive Directors of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the CG Code. In accordance with the provisions of the Bye-laws of the Company, any Director appointed by the Board during the year shall retire and submit themselves for re-election at the next annual general meeting immediately following his/her appointment. Further, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office. The directors to retire by rotation shall be those who have been longest in office since their last re-election or appointment. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are similar to those in the CG Code.

Code Provision A.4.2

Code Provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to the Bye-laws of the Company, all Directors (except Executive Chairman or Managing or Joint Managing Director) of the Company are subject to retirement by rotations and re-elections at the annual general meeting of the Company. This constitutes a deviation from the CG Code. As continuation is a key factor to the successful implementation of any long term business plans, the Board believes that the present arrangement is most beneficial to the Company and the shareholders as a whole.

Code Provision A.6.7

Code Provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders.

Due to the travel restrictions arising from the COVID-19 pandemic, a Non-Executive Director could not attend the annual general meeting of the Company held on 29 June 2021. However, at the aforesaid annual general meeting, there were Executive Directors and Independent Non-Executive Directors present to enable the Board to develop a balanced understanding of the views of the shareholders of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on no less exacting than the terms and required standard contained in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the “Model Code”). Having made specific enquiry of all the Directors, the Company had obtained confirmation from all the Directors that they have complied with the required standard set out in the Model Code and the code of conduct for securities transactions by Directors adopted by the Company during the year ended 31 December 2021.

SCOPE OF WORK OF THE AUDITOR

The consolidated financial information of the Group for the year ended 31 December 2021 is based on the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2021. The figures in this preliminary announcement of the results of the Group have been agreed to the amounts set out in the Group’s audited consolidated financial statements for the year by the auditor of the Group, PricewaterhouseCoopers. The work of 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 in the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management the audited consolidated financial information of the Group for the year ended 31 December 2021.

On behalf of the Board, I wish to thank all employees for their loyalty, support and hard work throughout this difficult pandemic period.

By Order of the Board
Senta Wong
Chairman

Hong Kong, 30 March 2022

As at the date of this announcement, the executive directors of the Company are Mr. Senta Wong, Mr. Edward Ying-Chun Tsui, Mr. Byron Shu-Chan Ho, Mr. Bengie Man-Hang Kwong, Mr. Vinci Wong and Mr. Victor Jui-Shum Chang; the non-executive director is Mr. Hamed Hassan El-Abd; and the independent non-executive directors are Mr. Philip Wan-Chung Tse, Dr. Leung Kam Fong, Dr. Yip Wai Chun, Mr. Arnold Hin Lin Tse and Mr. Andrew Yiu Wing Lam.