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LUNG KEE (BERMUDA) HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 255)

Website: <http://www.irasia.com/listco/hk/lkm>

FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2020

RESULTS

The directors of Lung Kee (Bermuda) Holdings Limited (the “Company”) (the “Directors”) have pleasure in submitting the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31st December, 2020, together with comparative figures for the year ended 31st December, 2019 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st December, 2020

	<i>Notes</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Revenue	2	2,064,882	2,277,883
Other income, gains and losses	3	47,691	49,030
Decrease in fair value of investment properties		(16,500)	(10,000)
Impairment losses recognised under expected credit loss model, net		(98)	(4,511)
Changes in inventories of finished goods and work in progress		9,308	6,288
Raw materials and consumables used		(770,398)	(895,955)
Employee benefits expenses		(552,461)	(567,817)
Depreciation of property, plant and equipment		(137,900)	(165,929)
Depreciation of right-of-use assets		(8,100)	(8,227)
Other expenses		(415,049)	(488,818)
Interest expense on lease liabilities		(509)	(423)
Profit before taxation		220,866	191,521
Income tax expense	4	(39,785)	(42,182)
Profit for the year		181,081	149,339

	2020	2019
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Other comprehensive income (expense)		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange difference arising on translation of foreign operations	110,896	(37,100)
Reclassification of exchange differences upon deregistration of a subsidiary	<u>—</u>	<u>(18,714)</u>
Other comprehensive income (expense) for the year	<u>110,896</u>	<u>(55,814)</u>
Total comprehensive income for the year	<u>291,977</u>	<u>93,525</u>
	HK cents	HK cents
Basic earnings per share	<u>28.67</u>	<u>23.64</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st December, 2020

		At 31st December, 2020	At 31st December, 2019
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		181,500	198,000
Property, plant and equipment		656,086	671,694
Right-of use assets		86,094	83,713
Deposits paid for acquisition of property, plant and equipment		40,948	16,211
Deferred tax assets		14,893	5,557
		979,521	975,175
Current assets			
Inventories	7	577,128	537,481
Trade, bills and other receivables	8	270,372	304,097
Bank balances and cash		918,623	753,741
		1,766,123	1,595,319
Current liabilities			
Trade, bills and other payables	9	261,406	269,224
Contract liabilities		33,839	23,391
Lease liabilities		5,441	5,354
Taxation payable		41,045	32,591
Dividend payable		241	228
		341,972	330,788
Net current assets		1,424,151	1,264,531
Total assets less current liabilities		2,403,672	2,239,706

	<i>Note</i>	At 31st December, 2020 <i>HK\$'000</i>	At 31st December, 2019 <i>HK\$'000</i>
Non-current liabilities			
Deferred tax liabilities		30,845	22,949
Lease liabilities		8,848	9,362
Other payables	9	89,585	92,325
		<u>129,278</u>	<u>124,636</u>
Net assets		<u>2,274,394</u>	<u>2,115,070</u>
CAPITAL AND RESERVES			
Share capital		63,168	63,168
Reserves		2,211,226	2,051,902
Total equity		<u>2,274,394</u>	<u>2,115,070</u>

Notes:

1. APPLICATION OF NEW AND 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

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 these 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 ¹
Amendment to HKFRS 16	COVID-19 - Related Rent Concessions ⁴
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform - Phase 2 ⁵

Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 16	Property, Plant and Equipment - Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 - 2020 ²

¹ Effective for annual periods beginning on or after 1st January, 2023

² Effective for annual periods beginning on or after 1st January, 2022

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for annual periods beginning on or after 1st June, 2020

⁵ Effective for annual periods beginning on or after 1st January, 2021

The directors of the Company anticipate that the application of all 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 as at 31st December, 2020, the application of the amendments will not result in reclassification of the Group's liabilities.

Amendments to HKFRSs Annual Improvements to HKFRSs 2018 - 2020

The annual improvements make amendments to the following standards that are relevant to the Group's operation.

HKFRS 9 Financial Instruments

The amendment clarifies that for the purpose of assessing whether modification of terms of original financial liability constitutes substantial modification under the “10 per cent” test, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other’s behalf.

HKFRS 16 Leases

The amendment to Illustrative Example 13 accompanying HKFRS 16 removes from the example the illustration of reimbursement relating to leasehold improvements by the lessor in order to remove any potential confusion.

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

2. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the manufacturing and marketing of mould bases and related products. Revenue represents the invoiced value of goods sold to external customers during the year, after allowances for returns and trade discounts. The Group recognised revenue at a point in time.

Revenue from manufacturing and marketing of mould bases and related products

The Group manufactures and sells mould bases and related products directly to the customer, revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Transportation and other related activities that occur before the customers obtain control of the related goods are considered as fulfilment activities. Following the delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The Group allows credit periods ranging from 30 to 90 days to its trade customers.

The performance obligation of all contracts have an original expected duration of one year or less.

The Group only has one operating segment, based on information reported to the chief operating decision maker (i.e. the Company’s executive directors) for the purposes of resources allocation and performance assessment, which is the aggregated results of the Group, including all income, expenses and tax charges. As a result, there is only one reportable segment for the Group. For information regarding this segment, reference can be made to the consolidated financial statements as a whole. Accordingly, only entity-wide disclosures and geographic information are presented.

The segment revenue and segment result of the Group represents revenue and profit after taxation set out in the consolidated statement of profit or loss and other comprehensive income respectively.

Entity-wide disclosures

As at 31st December, 2020, substantially all of the Group's non-current assets are located in the places of domicile of the relevant group entities, namely the People's Republic of China (the "PRC").

The following is an analysis of the Group's revenue based on delivery location:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
The PRC	1,787,260	1,947,791
Others	<u>277,622</u>	<u>330,092</u>
	<u>2,064,882</u>	<u>2,277,883</u>

The Group has a very wide customer base covering Europe, America and Asia. No single customer contributed more than 10% of the Group's revenue for the year ended 31st December, 2020 (2019: Nil).

3. OTHER INCOME, GAINS AND LOSSES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Other income:		
Interest income	13,578	14,412
Rental income, net of direct outgoings of approximately HK\$480,000 (2019: HK\$566,000)	3,548	3,144
Government grants (note)	15,910	—
Sundry income	<u>6,540</u>	<u>5,816</u>
	<u>39,576</u>	<u>23,372</u>
Other gains and losses:		
Exchange gain realised on deregistration of a subsidiary	—	18,714
Gain on disposal of property, plant and equipment	4,315	8,241
Net foreign exchange gain (loss)	<u>3,800</u>	<u>(1,297)</u>
	<u>8,115</u>	<u>25,658</u>
	<u>47,691</u>	<u>49,030</u>

Note: The government grants without any unfulfilled condition attached amounting to HK\$15,910,000 is the awards for the advancement of production facilities and technology of a subsidiary in the PRC.

4. INCOME TAX EXPENSE

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
The charge (credit) comprises:		
Hong Kong Profits Tax		
- current year	1,860	3,103
- overprovision in prior years	<u>(193)</u>	<u>(30)</u>
	<u>1,667</u>	<u>3,073</u>
Taxation in jurisdictions outside Hong Kong		
- current year	40,629	25,799
- PRC withholding tax	<u>—</u>	<u>13,055</u>
	<u>40,629</u>	<u>38,854</u>
Deferred taxation		
- (Credit) charge for the year	<u>(2,511)</u>	<u>255</u>
	<u><u>39,785</u></u>	<u><u>42,182</u></u>

On 21st March, 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28th March, 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

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

Taxation arising in jurisdictions outside Hong Kong and the PRC is calculated based on the applicable rates in those jurisdictions.

5. DIVIDENDS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
2020 Interim – HK10 cents (2019: 2019 interim dividend of HK11 cents) per share	63,168	69,485
2019 Final – HK11 cents (2019: 2018 final dividend of HK12 cents) per share	69,485	75,801
	132,653	145,286

The board of directors have determined that a final dividend of HK18 cents (2019: HK11 cents) per share amounting to approximately HK\$113,702,000 (2019: HK\$69,485,000) and a final special dividend of HK10 cents (2019: Nil) per share amounting to approximately HK\$63,168,000 (2019: Nil) should be paid to the shareholders of the Company whose names appear in the register of members on 9th June, 2021.

6. BASIC EARNINGS PER SHARE

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Earnings:		
Profit for the year attributable to owners of the Company for the purposes of basic earnings per share	181,081	149,339
	2020	2019
Number of shares:		
Number of ordinary shares for the purpose of basic earnings per share	631,677,303	631,677,303

No diluted earnings per share is presented for both years as there is no potential ordinary shares outstanding during the year or at the end of the reporting period.

7. INVENTORIES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Raw materials	501,507	471,168
Work in progress	68,894	61,567
Finished goods	6,727	4,746
	<u>577,128</u>	<u>537,481</u>

The cost of inventories recognised as an expense by the Group during the year amounted to approximately HK\$1,571,027,000 (2019: HK\$1,771,815,000).

8. TRADE, BILLS AND OTHER RECEIVABLES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade receivables	190,791	210,310
Bills receivables	18,372	23,700
Less: allowance for credit losses	<u>(20,346)</u>	<u>(20,102)</u>
	188,817	213,908
Other receivables	2,582	1,573
Deposits and prepayments	<u>78,973</u>	<u>88,616</u>
	270,372	304,097
Total trade, bills and other receivables	<u>270,372</u>	<u>304,097</u>

As at 1st January, 2019, trade receivables from contracts with customers amounted to HK\$263,697,000.

In general, the Group allows a credit period ranging from 30 days to 90 days to its trade customers. The following is an aged analysis of trade and bills receivables presented based on the invoice dates at the end of the reporting year.

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
0 to 60 days	159,859	175,026
61 to 90 days	29,504	34,678
Over 90 days	<u>19,800</u>	<u>24,306</u>
	<u>209,163</u>	<u>234,010</u>

9. TRADE, BILLS AND OTHER PAYABLES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade payables	57,448	61,467
Bills payables	11,799	22,097
VAT payables	36,220	27,475
Provision of employee economic compensation	138,770	142,898
Payables for salaries and bonuses	71,530	59,168
Deposits and accruals	23,427	30,799
Other payables	11,797	17,645
	<hr/>	<hr/>
Total	350,991	361,549
Less: Amount due within one year shown under current liabilities	(261,406)	(269,224)
	<hr/>	<hr/>
Amount due after one year	89,585	92,325

The following is an aged analysis of trade and bills payables presented based on the invoice dates at the end of the reporting year.

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
0 to 60 days	49,956	52,938
61 to 90 days	15,875	24,089
Over 90 days	3,416	6,537
	<hr/>	<hr/>
	69,247	83,564

In general, the credit period on the purchases of goods ranges from 30 days to 150 days.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 31st December, 2020, the Group continued to focus on the manufacturing and marketing of mould bases and related products.

The Group's revenue for the year ended 31st December, 2020 was approximately HK\$2,064,882,000 (2019: HK\$2,277,883,000). Profit attributable to owners of the Company for the year ended 31st December, 2020 was approximately HK\$181,081,000 (2019: HK\$149,339,000). Basic earnings per share for the year ended 31st December, 2020 was HK28.67 cents (2019: HK23.64 cents).

During the year under review, the world was affected by Coronavirus Disease 2019 ("COVID-19") pandemic, the overall business operating environment and economic growth were severely hindered. Since the outbreak of COVID-19 pandemic, economic and production activities had almost suspended and blocked, and the Group's business performance in the first half year was inevitably dragged down. Fortunately, the Group had resumed work systematically and quickly recovered its production capacity and strived to pick up the loss of its production progress and business during the suspension period. In consequence, the Group's sales performance was improved in the second half year. However, implicated by the weak global economy, the Group's sales turnover still recorded a fall as compared with that of the same period last year.

Under the reviewed year, the pandemic situation in European countries and the United States was severe and uncontrollable, consumption and business activities were almost suspended, business of the Group's export-oriented customers suffered intensely. On the other hand, despite the consumption market and production in China were affected by the pandemic in the first quarter, the pandemic in China was quickly brought under control in the second quarter, production then resumed normal and the domestic consumption market recovered, eventually customer orders gradually increased. Due to the effectual deployment of resources, the Group succeeded in preventing the spread of pandemic on one hand and restored its production capacity within a short period of time, effectively capturing orders in the market. In addition, the customers coverage of the Group was extensive and its market was diverse without reliance on a single market or industry. As a result, the Group's domestic market business in China could be further expanded, making up partially the loss of export-oriented orders, ultimately lessening the negative impact on business brought by the COVID-19 pandemic.

Owing to the pandemic, the overall performance of the automobile industry was not good. However, the surge of remote work at home had driven up demand for small size household appliances and hi-tech electronic products. At the same time, demand of medical and healthcare products related to pandemic prevention also increased significantly. Due to some customers could not fully recover its production capacity and shortage of manpower, they turned to the Group for ordering high-quality mould products with high machining content as substitution, directly increased the Group's depth machining revenue. Consequently, despite a decline was shown in the Group's turnover, an increase in product margin was recorded.

In the reviewed period, the price of local mould steel began to rise in the fourth quarter and the price of imported mould steel remained relatively stable.

As a whole, subject to the severe attack by the global pandemic of the century, compared with the year of 2019, the Group's business performance recorded a decline yet utmost effort was put to

minimize risks. Furthermore, effective cost control and uplifted efficiency also improved profitability relatively, resulting an increase in after-tax profits for the Group.

FINANCIAL REVIEW

The Group's revenue for the year ended 31st December, 2020 decreased by 9.4% mainly due to the outbreak of the COVID-19 which seriously affected the Group's manufacturing activities in the PRC during the period from the end of January to mid-March 2020. During the year under review, the relevant costs of raw materials and consumables used for generating the revenue decreased by 14.0% and raw materials and consumables used as percentage of revenue decreased to 37.3% (2019: 39.3%). The Group has implemented strict control on the manufacturing costs resulting in a drop of other expenses by 15.1%. As certain useable machines in PRC subsidiaries had been fully depreciated in last year, depreciation charged for property, plant and equipment decreased by 16.9% for current year.

During the year under review, the decrease in fair value of investment properties increased by approximately HK\$6,500,000 compared with same period of last year. Impairment losses recognised under expected credit loss model amounted to approximately HK\$98,000 (2019: HK\$4,511,000). The decrease of income tax expenses by 5.7% for the reviewed year was mainly caused by the increase of deferred tax assets recognised and the effective tax rate decreased to 18.0% (2019: 22.0%).

As a result of the foregoing, profit for the year ended 31st December, 2020 increased by 21.3% to approximately HK\$181,081,000 (2019: HK\$149,339,000).

Liquidity and Capital Resources

The total equity of the Group as at 31st December, 2020 was approximately HK\$2,274,394,000 (as at 31st December, 2019: HK\$2,115,070,000). As at 31st December, 2020, the Group had bank balances and cash of approximately HK\$918,623,000 (as at 31st December, 2019: HK\$753,741,000) and did not have any borrowings (2019: Nil).

The bank balances and cash were placed in short term deposits with major banks in Hong Kong and the PRC.

The Group had sufficient cash to meet its operations and capital commitments and the COVID-19 pandemic did not affect the financial position of the Group.

Employees and Remuneration Policies

As at 31st December, 2020, the Group employed a total of approximately 3,600 employees. The Group adopts a competitive remuneration package for its employees. Promotion and salary increments are assessed based on a performance related basis. Share options may also be granted to employees with reference to the individual's performance.

PROSPECTS

Soon after countries have launched COVID-19 vaccination programs successively, it is expected that the pandemic will be gradually brought under control and citizens can return to their normal life. Previously suppressed consumption and investment desires will rebound to a considerable extent and global economic recovery will be in sight. However, as recovery speed among countries

differentiates, the market outlook is still unpredictable and full of uncertainties.

Domestic market development in China is still full of business opportunities. Demand for small size household appliances and hi-tech electronic products continues booming. Coupled with the general public's awareness of personal hygiene, the demand for medical and healthcare products also keeps increasing. In addition, once the pandemic situation in European countries and the United States is further under control, economic and trade activities across countries will restart, export business in China will get back on right track. Environmental protection investment plan for reducing carbon emissions that had been once suspended or postponed due to the pandemic is expected to revive, and the development of environmentally friendly new energy vehicles will be relaunched to the market, which will help to stimulate sales growth of mould products. In response to these, the Group will closely follow the dual circulation development model incorporated with "internal circulation" and "external circulation", both domestic and international, adopted by China and will strive to optimize its marketing strategy and consolidate its sales network to keep pace with the market trends.

The COVID-19 pandemic has forced enterprise to adopt smart, advanced and efficient production modes. The Group keeps constantly enhancing its production facilities and processes, and effectively making use of the comparative advantages brought by modern industrial automation in order to reduce its reliance on manpower and increase its flexibility in production deployment, which help in uplifting production efficiency and reducing the risk of production shutdown. Moreover, online business platforms have been developed rapidly during the pandemic prevention period, the Group will further optimize its online sales business in enhancing the efficiency of order processing. At the same time, the Group will strive to explore potential markets in China and overseas to reinforce its market penetration in order to seize business opportunities in different markets and to consolidate its leading position in the industry.

The Group expects the prices of raw materials and mould steel will move upward. The Group will further monitor its operating costs and suitably adjust its product prices in line with the market situation.

Despite the market prospects are unpredictable, the Group will adopt a prudent attitude and keep close track on the global economic trend and market change, further improve its internal production and management effectiveness in achieving a stable and sustainable development and reducing overall operational risks.

Taking this opportunity, the Board of Directors would like to thank all staff for their cooperation and contributions rendered and express heartfelt gratitude to all shareholders and business partners for their continuous support.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the consolidated financial statements.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31st December, 2020 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

FINAL DIVIDEND AND FINAL SPECIAL DIVIDEND

The Directors have resolved to recommend to shareholders at the annual general meeting of the Company to be held on 31st May, 2021 (the "AGM") the payment of a final dividend of HK18 cents (2019: HK11 cents) per share and a final special dividend of HK10 cents (2019: Nil) per share for the year ended 31st December, 2020 to shareholders whose names appear on the Register of Members on 9th June, 2021. Subject to the approval by the shareholders at the AGM, the proposed final dividend and final special dividend will be despatched to shareholders on or about 22nd June, 2021.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 26th May, 2021 to 31st May, 2021, both days inclusive, during which period no share transfer will be effected. In order to qualify for attending and voting at the AGM, all share certificates accompanied by the completed transfer forms either overleaf or separate or standard transfer form, must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 25th May, 2021.

Shareholders whose securities accounts with The Central Depository (Pte) Limited in Singapore are credited with shares in the Company as at 5:00 p.m. on 25th May, 2021 will be entitled for attending and voting at the AGM.

The register of members of the Company will also be closed from 8th June, 2021 to 9th June, 2021, both days inclusive, during which period no share transfer will be effected. In order to qualify for the proposed final dividend and final special dividend, all share certificates accompanied by the completed transfer forms either overleaf or separate or standard transfer form, must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 7th June, 2021.

Shareholders whose securities accounts with The Central Depository (Pte) Limited in Singapore are credited with shares in the Company as at 5:00 p.m. on 7th June, 2021 will be entitled for the proposed final dividend and final special dividend.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

There was no purchase, sale or redemption of shares or other securities of the Company by the Company or any of its subsidiaries during the year ended 31st December, 2020.

CORPORATE GOVERNANCE

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

By order of the Board
Siu Tit Lung
Chairman

Hong Kong, 26th March, 2021

As at the date of this announcement, the executive directors of the Company are Mr. Siu Tit Lung (Chairman), Mr. Siu Yuk Lung, Mr. Wai Lung Shing, Mr. Ting Chung Ho, Mr. Siu Yuk Tung, Ivan and Mr. Siu Yu Hang, Leo; and the independent non-executive directors of the Company are Dr. Lee Tat Yee, Mr. Lee Joo Hai and Mr. Wong Hak Kun.