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亞證地產有限公司

ASIASEC PROPERTIES LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 271)

## ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR 2020

The board of directors (“Board”) of Asiasec Properties Limited (“Company”) announces that the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31st December, 2020 with the comparative figures for the corresponding year ended 31st December, 2019 are as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31st December, 2020

	Notes	2020 HK\$'000	2019 HK\$'000
Revenue	(3)	51,251	55,944
Other income	(4)	32,366	21,543
Other gains and losses	(5)	428	(2,227)
Impairment losses under expected credit loss model, net of reversal		(4,551)	(180)
Rent and rates		(1,350)	(1,588)
Building management fees		(6,940)	(6,389)
Staff costs (including directors' emoluments)		(14,592)	(13,726)
Depreciation and amortisation		(100)	(85)
Repairs and maintenance		(967)	(1,312)
Other expenses		(8,080)	(8,404)
Net increase in fair value of financial assets at fair value through profit or loss		412	–
Operating profit before change in fair value of investment properties		47,877	43,576
(Loss) gain from change in fair value of investment properties		(32,635)	9,128
Operating profit		15,242	52,704
Share of (loss) profit of associates		(69,029)	8,967
(Loss) profit before taxation		(53,787)	61,671
Income tax expense	(6)	(2,863)	(3,657)
(Loss) profit for the year	(7)	(56,650)	58,014
		<i>HK cents</i>	<i>HK cents</i>
(Loss) earnings per share			
Basic	(8)	(4.57)	4.67

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st December, 2020

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
(Loss) profit for the year	<u>(56,650)</u>	<u>58,014</u>
<b>Other comprehensive expense:</b>		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Change in fair value of club memberships	–	(6,239)
Change in fair value of equity instrument at fair value through other comprehensive income	<u>(5,248)</u>	<u>1,041</u>
	<b>(5,248)</b>	<b>(5,198)</b>
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Currency translation differences	<u>2,730</u>	<u>(1,271)</u>
Other comprehensive expense for the year, net of tax	<u>(2,518)</u>	<u>(6,469)</u>
Total comprehensive (expense) income for the year	<u><b>(59,168)</b></u>	<u><b>51,545</b></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st December, 2020

	Notes	2020 HK\$'000	2019 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		927	1,007
Investment properties		1,354,293	1,383,647
Interests in associates		2,556,436	2,690,680
Loan receivables		110,009	175,152
Financial assets at fair value through profit or loss		39,296	–
Equity instrument at fair value through other comprehensive income		33,457	38,705
Club memberships		4,261	4,261
		<u>4,098,679</u>	<u>4,293,452</u>
<b>Current assets</b>			
Trade and other receivables, prepayments and deposits	(10)	34,645	13,746
Loan receivables		139,159	44,438
Financial assets at fair value through profit or loss		61,866	–
Amounts due from associates		23,209	90,229
Income tax recoverable		769	68
Cash and cash equivalents		186,175	217,031
		<u>445,823</u>	<u>365,512</u>
<b>Total assets</b>		<u><b>4,544,502</b></u>	<u>4,658,964</u>
<b>EQUITY</b>			
Share capital		681,899	681,899
Reserves		3,664,020	3,754,690
<b>Total equity</b>		<u><b>4,345,919</b></u>	<u>4,436,589</u>
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Deferred tax liabilities		166,849	170,093
<b>Current liabilities</b>			
Creditors and accruals	(11)	25,855	32,497
Amounts due to associates		–	17,236
Income tax payable		5,879	2,549
		<u>31,734</u>	<u>52,282</u>
<b>Total liabilities</b>		<u><b>198,583</b></u>	<u>222,375</u>
<b>Total equity and liabilities</b>		<u><b>4,544,502</b></u>	<u>4,658,964</u>

Notes:

**(1) Basis of preparation**

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

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

The financial information relating to the financial years ended 31st December, 2020 and 2019 included in this announcement of annual results does not constitute the Company’s statutory annual consolidated financial statements for those financial years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the CO is as follows:

The Company has delivered the financial statements for the year ended 31st December, 2019 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the CO and will deliver the financial statements for the year ended 31st December, 2020 in due course.

The Company’s auditor has reported on the financial statements of the Group for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the CO.

**(2) Application of amendments to 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 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 these consolidated financial statements.

## (2) Application of amendments to HKFRSs (continued)

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

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>
Amendment to HKFRS 16	Covid-19-Related Rent Concessions <sup>4</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 <sup>5</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</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 a date to be determined.

<sup>4</sup> Effective for annual periods beginning on or after 1st June, 2020.

<sup>5</sup> Effective for annual periods beginning on or after 1st January, 2021.

The directors of the Company (“Directors”) 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.

**(3a) Revenue and segment information**

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Rental income from investment properties that is fixed	44,421	49,532
Estate management fees	5,330	4,912
Dividend income from equity instrument at fair value through other comprehensive income ("FVTOCI")	1,500	1,500
	<u>51,251</u>	<u>55,944</u>

Revenue from estate management fees is recognised over time. The Group applied the practical expedient in HKFRS 15 to recognise revenue in the amount that the Group has the right to invoice based on the terms of the relevant lease agreements in which the Group bills a fixed monthly amount in advance. As permitted under HKFRS 15, the transaction price of estate management services allocated to the remaining performance obligations as at 31st December, 2020 and 2019 is not disclosed.

The executive directors of the Company have been identified as the chief operating decision maker. The executive directors regard the Group's business as a single operating segment, which is property leasing and estate management and reviews financial information as a whole accordingly. Therefore, no segment analysis of the Group's revenue, results, assets and liabilities are presented.

As at 31st December, 2020, other than financial assets at fair value through profit or loss, equity instrument at FVTOCI and loan receivables, the total of non-current assets located in Hong Kong and the People's Republic of China ("PRC") is HK\$3,855,920,000 and HK\$59,438,000 (2019: HK\$4,023,203,000 and HK\$56,392,000) respectively. During the current year, the total revenue derived from Hong Kong and the PRC is HK\$50,020,000 and HK\$1,231,000 (2019: HK\$54,852,000 and HK\$1,092,000) respectively.

**(3b) Information about major customers**

Revenue from customers relating to rents from investment properties of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Customer A	5,426	N/A <sup>1</sup>
Customer B	5,348	5,886
Customer C	N/A <sup>1</sup>	6,425
Customer D	N/A <sup>1</sup>	6,143

<sup>1</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group.

**(4) Other income**

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Bank interest income	2,115	3,246
Loan interest income	23,913	17,867
Government grants ( <i>Note a</i> )	1,175	–
Interest income from other receivables	220	213
Gain on non-substantial modification of a loan receivable ( <i>Note b</i> )	4,844	–
Others	99	217
	<u>32,366</u>	<u>21,543</u>

*Notes:*

- (a) During the current year, the Group recognised government grants of HK\$1,175,000 in respect of COVID-19 related subsidies, which related to Employment Support Scheme provided by Hong Kong Special Administrative Region.
- (b) Pursuant to an agreement entered in late 2020, the Group is entitled to receive a fee from a borrower and recognised a gain on non-substantial modification of a loan receivable since the borrower modified the covenants of an existing loan receivable. The modification do not constitute change in contractual cash flows pursuant to the original contractual term. As at 31st December, 2020, the balance is included in other receivables.

**(5) Other gains and losses**

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Net exchange gain (loss)	428	(2,227)

**(6) Income tax expense**

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Hong Kong Profits Tax		
Current year	7,129	4,027
Over provision in prior years	(214)	(9)
	<u>6,915</u>	<u>4,018</u>
Deferred taxation	(4,052)	(361)
	<u>2,863</u>	<u>3,657</u>

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

(7) **(Loss) profit for the year**

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
(Loss) profit for the year has been arrived at after charging:		
Depreciation of property, plant and equipment	<u>100</u>	<u>85</u>
Salaries and other costs	14,290	13,426
Retirement benefits scheme contributions	<u>302</u>	<u>300</u>
Total staff costs (including directors' emoluments)	<u>14,592</u>	<u>13,726</u>
Direct operating expenses of investment properties that generated rental income	8,827	9,160
Direct operating expenses of investment properties that did not generate rental income	330	356
Audit fee	<u>1,258</u>	<u>1,273</u>

(8) **(Loss) earnings per share**

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
<b>(Loss) earnings</b>		
(Loss) earnings for the purpose of basic earnings per share		
((loss) profit for the year attributable to owners of the Company)	<u>(56,650)</u>	<u>58,014</u>
	2020 '000	2019 '000
<b>Number of shares</b>		
Number of ordinary shares for the purpose of basic (loss) earnings per share	<u>1,240,802</u>	<u>1,241,055</u>

The weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted for repurchase and cancellation of shares during the year. No diluted (loss) earnings per share for both 2020 and 2019 were presented as there were no potential ordinary shares in issue for both 2020 and 2019.

(9) **Dividend**

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Dividend recognised as distributions during the year:		
An interim dividend (in lieu of a final dividend) for 2019 paid of HK2.5 cents (2019: An interim dividend (in lieu of a final dividend) for 2018 paid of HK10 cents) per share	<u>31,026</u>	<u>124,106</u>

The Board has resolved not to declare any interim dividend for the year ended 31st December, 2020 (2019: an interim dividend (in lieu of a final dividend) of HK\$31,026,000, representing HK2.5 cents per share).



**(10) Trade and other receivables, prepayments and deposits**

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade receivables	18,120	2,644
Other receivables	14,693	9,120
Prepayments and deposits	1,832	1,982
	<u>34,645</u>	<u>13,746</u>

Trade receivables represent rental receivable which are receivable on the presentation of debit notes. Rental income is billed in advance at month-end. The Group generally allows a credit period of 30 days to its tenant. The aging of these trade receivables of the Group, net of provisions and in accordance with the revenue recognition dates, is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Within 30 days	14,697	2,632
31–60 days	819	12
91–120 days	968	–
121–180 days	1,636	–
	<u>18,120</u>	<u>2,644</u>

**(11) Creditors and accruals**

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade creditors	193	340
Other creditors	9,561	15,737
Tenants deposits	12,778	13,579
Accrued operating expenses	3,323	2,841
	<u>25,855</u>	<u>32,497</u>

The ageing of the trade creditors of the Group in accordance with invoice date is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Within 30 days	<u>193</u>	<u>340</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Results

The revenue of the Group for the year ended 31st December, 2020 was HK\$51,251,000 (2019: HK\$55,944,000), a decrease of HK\$4,693,000 or 8.39% compared to the year before. The loss for the year amounted to HK\$56,650,000 (2019: profit for the year of HK\$58,014,000), representing a decrease of HK\$114,664,000 from 2019. The decrease in profit for the year ended 31st December, 2020 was mainly the results of:

1. a share of loss of associates of HK\$69,029,000 in current year compared with a share of profit of associates of HK\$8,967,000 in last year; and
2. a fair value loss of investment properties of HK\$32,635,000 in current year compared with a fair value gain of investment properties of HK\$9,128,000 in last year.

Loss per share amounted to HK4.57 cents (2019: earnings per share of HK4.67 cents), while the net asset value per share was HK\$3.50 as at 31st December, 2020 (2019: HK\$3.57).

### Business Review

The Group's core businesses comprise property investment, property leasing and estate management in Hong Kong.

For the year ended 31st December, 2020, the Group's commercial properties situated at Harbour Crystal Centre recorded an average occupancy level of approximately 98%, but the performance of rental income was not so good as expected. Following the coronavirus pandemic in Hong Kong, retail business in Harbour Crystal Centre was seriously affected. As a result, the Group has granted rent concession in average around 50% of the original rents to some tenants depending on the trades and mandatory closure period of premises since January 2020 resulting a decrease in rental income from Harbour Crystal Centre.

In respect of the residential properties held by the associate (33.33% owned) situated at The Redhill Peninsula, 2 houses were sold and 5 houses were completed for the year ended 31st December, 2020 where 3 houses will be completed in 2021. The remaining 31 houses are being launched for lease and sale in batches in the year of 2021.

The Group's industrial properties situated at Ap Lei Chau, Hong Kong, the Harbour Industrial Centre and the Oceanic Industrial Centre held by the associate (33.33% owned) recorded an average occupancy level of approximately 58% and the rental income was performed moderately.

## **Financial Review**

### ***Group Assets and Charges***

The total assets of the Group have decreased from HK\$4,658,964,000 last year to HK\$4,544,502,000 in this year. The net assets of the Group have decreased from HK\$4,436,589,000 to HK\$4,345,919,000. At 31st December, 2020, no investment properties of the Group in Hong Kong (2019: Nil) were pledged as security for banking facilities. The Group has no bank loan, but will undergo a discussion with the bank for the renewal of banking facilities and the bank has agreed to provide banking facilities if necessary.

### ***Group Financial Position, Liquidity and Financial Resources***

The total liabilities of the Group have decreased from HK\$222,375,000 as at 31st December, 2019 to HK\$198,583,000 as at 31st December, 2020. The Group had cash and bank balances of HK\$186,175,000 as at 31st December, 2020 (2019: HK\$217,031,000). The ratio of total liabilities to total assets was approximately 4.37% (2019: 4.77%). As at 31st December, 2020, the Group had no bank loans (2019: Nil) and the total equity was HK\$4,345,919,000 (2019: HK\$4,436,589,000).

As at 31st December, 2020, the current assets of the Group, amounting to HK\$445,823,000 (2019: HK\$365,512,000), exceeded its current liabilities by HK\$414,089,000 (2019: HK\$313,230,000).

For the year ended 31st December, 2020, the Group had no material exposure to fluctuations in exchange rates and no related hedges and there were no contingent liabilities.

### **Employees**

As at 31st December, 2020, the Group, excluding associated companies, employed 29 (2019: 30) people, all (2019: all) were employed in Hong Kong. The Group maintains a policy of paying competitive remuneration packages and employees are also rewarded performance related basis including salary and bonus.

In addition to basic salaries, employees in Hong Kong are provided with medical insurance and some of them are included under a defined contribution provident fund scheme and mandatory provident fund scheme.

## **Business Outlook**

We expect the effects of the Covid-19 pandemic will significantly dampen the demand for the Group's retail space in Harbour Crystal Centre (portion) for much of 2021 as travel restrictions are expected to be in place for some time. The major negative impact will be on the depressed number of visitors from the mainland, who historically have been a key target of our retail tenants.

The roll-out of the vaccine programme should help stabilise the retail business by the summer, and we are hopeful that there will be some relaxation of travel restrictions at least with mainland China. In the meantime, the Company will continue to work with our retail occupants to restructure lease terms and offer rental concessions as needed.

The residential market has seen early signs of recovering due to pent-up demand and hopes of a post-Covid economic recovery. There have been several new luxury residential developments that have had successful launches and we expect the relative value offered by the Group's joint venture project Redhill Peninsula will attract more site inspections by potential buyers. The key to more sales, however, will still be the relaxation of travel restrictions as most of our buyers have strong links to the mainland.

We are aware that the current difficult trading environment may well result in some attractive investment opportunities. The Group will continue to actively evaluate these opportunities as potential acquisitions for long-term holdings.

## **DIVIDEND**

### **No Dividend**

The Board does not recommend the payment of a dividend for the year ended 31st December, 2020 (2019 interim dividend (in lieu of a final dividend): HK2.5 cents per share).

## **CLOSURE OF REGISTER OF MEMBERS**

### **For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company ("2021 AGM")**

The 2021 AGM is scheduled to be held on Monday, 17th May, 2021. For determining the entitlement to attend and vote at the 2021 AGM, the register of members of the Company will be closed from Wednesday, 12th May, 2021 to Monday, 17th May, 2021 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order for a shareholder to be eligible to attend and vote at the 2021 AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Tengis Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 11th May, 2021.

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the year ended 31st December, 2020, the Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code and Corporate Governance Report (“CG Code”) as set out in Appendix 14 of the Listing Rules, except for certain deviations which are summarised below:

### (1) Code Provisions B.1.2 and C.3.3

Code provisions B.1.2 and C.3.3 of the CG Code stipulate that the terms of reference of the remuneration committee and audit committee should include, as a minimum, those specific duties as set out in the respective code provisions.

The terms of reference of the remuneration committee (“Remuneration Committee”) adopted by the Company are in compliance with the code provision B.1.2 of the CG Code except that the Remuneration Committee shall make recommendations to the Board on the remuneration packages of the Executive Directors only and not senior management (as opposed to executive directors and senior management under the code provision).

The terms of reference of the audit committee (“Audit Committee”) adopted by the Company are in compliance with the code provision C.3.3 of the CG Code except that the Audit Committee (i) shall recommend (as opposed to implement under the code provision) the policy on the engagement of the external auditors to supply non-audit services; (ii) only possesses the effective ability to scrutinise (as opposed to ensure under the code provision) whether management has performed its duty to have effective risk management and internal control systems; and (iii) can promote (as opposed to ensure under the code provision) the co-ordination between the internal and external auditors, and check (as opposed to ensure under the code provision) whether the internal audit function is adequately resourced.

The Board has reviewed the terms during the year under review and considers that the Remuneration Committee and the Audit Committee should continue to operate according to the relevant terms of reference as adopted by the Company. The Board will review the terms at least annually and make appropriate changes if considered necessary.

## **(2) Code Provision E.1.2**

Code provision E.1.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting. He should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committee or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting.

Mr. Patrick Lee Seng Wei (“Mr. Lee”, the Chairman of the Board), due to other business engagements, was unable to attend the annual general meeting of the Company held on 20th May, 2020 (“AGM”). Despite his absence, Mr. Lee had reviewed all the documents and procedures of the AGM before the meeting, and all records and minutes of the AGM have been circulated to Mr. Lee after the meeting for information. Moreover, Mr. Lee Shu Yin, the Chief Executive of the Company, who attended and chaired the meeting as Mr. Lee’s delegate in the Board, and chairmen of the audit, remuneration and nomination committees were present thereat and were available to answer questions to ensure effective communication with the Shareholders of the Company (“Shareholders”).

The reasons for the above deviations are set out in the Corporate Governance Report to be contained in the Company’s Annual Report for the financial year ended 31st December, 2020 (“2020 Annual Report”). Further information on the Company’s corporate governance practices during the year under review will be set out in the Corporate Governance Report to be contained in the Company’s 2020 Annual Report which will be sent to the Shareholders by the end of April 2021.

## **AUDIT COMMITTEE REVIEW**

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and the financial statements for the year ended 31st December, 2020.

## **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, 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 HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## PURCHASE, SALE OR REDEMPTION OF SHARES

Save for the Company's purchase of its own shares on the Stock Exchange as disclosed below, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the year ended 31st December, 2020.

Date of repurchases	Number of shares repurchased	Purchase price per share		Aggregate consideration paid
		Highest HK\$	Lowest HK\$	(before expenses) HK\$
6th May, 2020	200,000	1.25	1.22	245,290
7th May, 2020	186,000	1.22	1.22	226,920
Total:	<u>386,000</u>			<u>472,210</u>

On behalf of the Board  
**Asiasec Properties Limited**  
**Edwin Lo King Yau**  
*Executive Director*

Hong Kong, 18th March, 2021

*As at the date of this announcement, the Board comprises Mr. Patrick Lee Seng Wei (Chairman), Mr. Lee Shu Yin (Chief Executive), Mr. Edwin Lo King Yau and Mr. Tao Tsan Sang being the Executive Directors; and Mr. Li Chak Hung, Mr. Choi Kin Man and Ms. Lisa Yang Lai Sum being the Independent Non-Executive Directors.*