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## C C Land Holdings Limited

中渝置地控股有限公司

(Incorporated in Bermuda with limited liability)

Website: [www.ccland.com.hk](http://www.ccland.com.hk)

(Stock Code: 1224)

### ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

The board of directors (the “Board”) of C C Land Holdings Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2019 together with comparative figures for the previous year as follows:

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	2019 HK\$'000	2018 HK\$'000
REVENUE			
Interest income	4	89,116	72,418
Revenue from other sources	4	475,520	578,686
Total revenue		564,636	651,104
Cost of services provided		(9,341)	(5,474)
Gross profit		555,295	645,630
Other income and gains, net	4	502,842	191,528
Administrative expenses		(384,899)	(297,059)
Reversal of impairment losses/(impairment losses) on financial assets, net		13,978	(28,890)
Other expenses		(110,643)	(182,911)
Finance costs	5	(278,426)	(245,874)
Share of profits and losses of:			
Joint ventures		136,532	55,131
Associates		(32,913)	53,015
<b>PROFIT BEFORE TAX</b>	6	<b>401,766</b>	190,570
Income tax credit/(expense)	7	12,257	(19,471)
<b>PROFIT FOR THE YEAR ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>		<b>414,023</b>	171,099
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	9		
Basic and diluted		<b>HK10.66 cents</b>	HK4.41 cents

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2019 HK\$'000	2018 HK\$'000
<b>PROFIT FOR THE YEAR</b>	<u>414,023</u>	<u>171,099</u>
<b>OTHER COMPREHENSIVE INCOME</b>		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	11,998	(38,636)
Reclassification adjustment for gains/losses included in the consolidated statement of profit or loss		
– impairment losses/(reversal of impairment losses), net	(59)	4,972
– gain on redemption	<u>(1,163)</u>	<u>-</u>
	<u>10,776</u>	<u>(33,664)</u>
Exchange differences:		
Translation of foreign operations	230,004	(463,904)
Hedges of net investments in foreign operations		
– effective portion of changes in fair value of hedging instruments during the year	<u>(45,205)</u>	<u>269,931</u>
	<u>184,799</u>	<u>(193,973)</u>
Share of other comprehensive income/(loss) of joint ventures	47,453	(49,869)
Share of other comprehensive loss of associates	(1,604)	(21,723)
Release of other comprehensive income of an associate upon disposal of a subsidiary	19,660	-
	<u>261,084</u>	<u>(299,229)</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>		
Equity investment at fair value through other comprehensive income:		
Changes in fair value	(214,562)	488,318
	<u>(214,562)</u>	<u>488,318</u>
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods		
	<u>(214,562)</u>	<u>488,318</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>46,522</u>	<u>189,089</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	<u><u>460,545</u></u>	<u><u>360,188</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2019 HK\$'000	2018 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property and equipment		301,405	105,681
Investment properties		14,902,298	14,394,511
Golf club membership		10,540	10,540
Investments in joint ventures		2,589,186	2,736,999
Investments in associates		574,221	914,929
Financial assets at fair value through other comprehensive income		816,872	1,291,140
Financial assets at fair value through profit or loss		605,720	1,445,963
Prepayments, deposits and other receivables		8,052	280,808
Derivative financial instruments		3,247	72,394
Deferred tax assets		2,312	4,938
Total non-current assets		19,813,853	21,257,903
<b>CURRENT ASSETS</b>			
Trade receivables	10	9,449	5,679
Loans and interest receivables	11	899,140	570,677
Prepayments, deposits and other receivables		1,180,852	92,523
Financial assets at fair value through other comprehensive income		198,615	76,822
Financial assets at fair value through profit or loss		300,980	191,995
Derivative financial instruments		-	56,540
Prepaid income tax		4,107	3,565
Deposits with brokerage companies		10,394	11,238
Pledged deposits		965,000	1,327,500
Restricted bank balances		67,088	142,907
Cash and cash equivalents		6,029,457	4,701,508
Total current assets		9,665,082	7,180,954
<b>CURRENT LIABILITIES</b>			
Other payables and accruals		312,542	514,500
Interest-bearing bank borrowings		1,053,549	2,288,458
Tax payable		768,185	764,300
Total current liabilities		2,134,276	3,567,258
<b>NET CURRENT ASSETS</b>		7,530,806	3,613,696
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		27,344,659	24,871,599
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank borrowings		7,894,382	7,728,486
Notes payable		1,922,845	-
Other payables		20,716	-
Deferred tax liabilities		328	19,623
Total non-current liabilities		9,838,271	7,748,109
Net assets		17,506,388	17,123,490
<b>EQUITY</b>			
Issued capital	12	388,233	388,233
Reserves		17,118,155	16,735,257
Total equity		17,506,388	17,123,490

Notes:

## 1. BASIS OF PREPARATION

The Company is incorporated in Bermuda as an exempted company with limited liability and whose shares are publicly traded on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The principal activities of the Group are described in note 3 below.

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties and derivative financial instruments which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year’s financial statements.

Amendments to HKFRS 9 HKFRS 16	<i>Prepayment Features with Negative Compensation Leases</i>
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
HK(IFRIC)-Int 23 <i>Annual Improvements 2015-2017 Cycle</i>	<i>Uncertainty over Income Tax Treatments Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23</i>

Except for the amendments to HKFRS 9 and HKAS 19, and *Annual Improvements to HKFRSs 2015-2017 Cycle*, which are not relevant to the preparation of the Group’s financial statements, the nature and the impact of the new and revised HKFRSs are described below:

- (a) HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases - Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group has adopted HKFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised in the opening balances of the statement of financial position as at 1 January 2019, and the comparative information for 2018 was not restated and continued to be reported under HKAS 17 and related interpretations.

### New definition of a lease

Under HKFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

## As a lessee – Leases previously classified as operating leases

### *Nature of the effect of adoption of HKFRS 16*

The Group has lease contracts for various items of property. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less (“short-term leases”) (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

### *Impact on transition*

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 and included in other payables and accruals. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019.

All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets as part of the elements of property and equipment in the statement of financial position. The right-of-use assets also include the leasehold land recognised previously under finance leases of HK\$86,066,000 that were reclassified from land and buildings.

For the leasehold land and buildings (that were held to earn rental income and/or for capital appreciation) previously included in investment properties and measured at fair value, the Group has continued to include them as investment properties at 1 January 2019. They continue to be measured at fair value applying HKAS 40.

The Group has applied the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application when applying HKFRS 16 at 1 January 2019.

### Financial impact at 1 January 2019

The impact arising from the adoption of HKFRS 16 as at 1 January 2019 was as follows:

	Increase/(decrease) HK\$'000
<b>Assets</b>	
Increase in property and equipment	57,246
Decrease in prepayment, deposits and other receivables	(2,870)
Increase in total assets	<u>54,376</u>
<b>Liabilities</b>	
Increase in other payables and accruals	<u>54,376</u>

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:

	HK\$'000
<b>Operating lease commitments as at 31 December 2018</b>	62,790
Less: Commitments relating to short-term leases and those leases with remaining lease terms ended on or before 31 December 2019	(1,165)
	<hr/> 61,625
Weighted average incremental borrowing rate as at 1 January 2019	4.02%
<b>Lease liabilities as at 1 January 2019</b>	<hr/> <hr/> 55,292

- (b) Amendments to HKAS 28 clarify that the scope exclusion of HKFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies HKFRS 9, rather than HKAS 28, including the impairment requirements under HKFRS 9, in accounting for such long-term interests. HKAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group assessed its business model for its long-term interests in associates and joint ventures upon adoption of the amendments on 1 January 2019 and concluded that the long-term interests in associates and joint ventures continued to be measured at amortised cost in accordance with HKFRS 9. Accordingly, the amendments did not have any significant impact on the financial position or performance of the Group.
- (c) HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. Upon adoption of the interpretation, the Group considered whether it has any uncertain tax positions arising from the transfer pricing on its intergroup charge arrangements. Based on the Group’s tax compliance and transfer pricing study, the Group determined that it is probable that its transfer pricing policy will be accepted by the tax authorities. The interpretation did not have any impact on the financial position or performance of the Group.

### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- Property development and investment segment – Development and investment of properties
- Treasury investment segment – Investments in securities and notes receivable, and provision of financial services

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that finance costs as well as head office and corporate expenses are excluded from such measurement.

Information regarding the reportable segments is presented below.

#### Reportable segment information

##### **Year ended 31 December 2019**

	<b>Property development and investment HK\$'000</b>	<b>Treasury investment HK\$'000</b>	<b>Total HK\$'000</b>
<b>Segment revenue</b>			
Revenue from external customers	477,140	87,496	564,636
<b>Segment results</b>	<b>645,751</b>	<b>114,548</b>	<b>760,299</b>
Corporate and unallocated expenses			(80,107)
Finance costs			(278,426)
Profit before tax			<b>401,766</b>
<b>Other segment information:</b>			
Share of profits/(losses) of:			
Joint ventures	136,532	-	136,532
Associates	(32,913)	-	(32,913)
Capital expenditure in respect of items of property and equipment	42,342	-	42,342
Depreciation	51,155	-	51,155
Fair value losses on derivative financial instruments – transaction not qualifying as hedges	68,306	-	68,306
Fair value losses on ineffectiveness of hedges of net investment in foreign operations	18,311	-	18,311
Fair value gains on investment properties, net	165,297	-	165,297
Fair value losses on financial assets at fair value through profit or loss, net	-	5,661	5,661
Reversal of impairment losses/(impairment losses) on financial assets, net	(1,735)	15,713	13,978
Investments in joint ventures	2,589,186	-	2,589,186
Investments in associates	574,221	-	574,221

Year ended 31 December 2018

	Property development and investment HK\$'000	Treasury investment HK\$'000	Total HK\$'000
<b>Segment revenue</b>			
Revenue from external customers	490,119	160,985	651,104
<b>Segment results</b>	532,291	(31,136)	501,155
Corporate and unallocated expenses			(64,711)
Finance costs			(245,874)
Profit before tax			190,570
<b>Other segment information:</b>			
Share of profits of:			
Joint ventures	55,131	-	55,131
Associates	53,015	-	53,015
Capital expenditure in respect of items of property and equipment	10,871	-	10,871
Depreciation	4,869	-	4,869
Fair value gains on derivative financial instruments – transaction not qualifying as hedges	35,767	-	35,767
Fair value gains on ineffectiveness of hedges of net investment in foreign operations	18,311	-	18,311
Fair value gains on investment properties, net	46,741	-	46,741
Fair value losses on financial assets at fair value through profit or loss, net	-	119,717	119,717
Impairment losses on financial assets, net	-	28,890	28,890
Investments in joint ventures	2,736,999	-	2,736,999
Investments in associates	914,929	-	914,929

Geographical information

(a) Revenue from external customers

	2019 HK\$'000	2018 HK\$'000
United Kingdom	477,140	490,119
Mainland China	132	53,960
Hong Kong	87,364	107,025
	<b>564,636</b>	<b>651,104</b>

The revenue information above is based on the locations of the customers.



(b) Non-current assets

	2019 HK\$'000	2018 HK\$'000
United Kingdom	17,206,199	16,311,664
Mainland China	205,134	1,306,683
Hong Kong	727,320	626,499
Australia	241,871	192,266
	<u>18,380,524</u>	<u>18,437,112</u>

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

Revenue of HK\$95,003,000, HK\$72,515,000 and HK\$57,290,000 (2018: HK\$99,041,000 and HK\$68,735,000) were derived from three (2018: two) tenants in the property development and investment segment.

**4. REVENUE, OTHER INCOME AND GAINS, NET**

An analysis of the Group's revenue, other income and gains, net, is as follows:

	2019 HK\$'000	2018 HK\$'000
<u>Revenue</u>		
<i>Interest income</i>		
Interest income from debt investments	47,107	20,866
Interest income from loans receivable	42,009	51,552
	<u>89,116</u>	<u>72,418</u>
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases:		
Variable lease payments that do not depend on an index or a rate	5,565	7,529
Other lease payments, including fixed payments	471,575	482,590
	<u>477,140</u>	<u>490,119</u>
Gains/(losses) on disposal of financial assets at fair value through profit or loss, net	(6,039)	25,757
Dividend income from listed equity investments	4,419	12,513
Dividend income from unlisted fund investments	-	50,297
	<u>475,520</u>	<u>578,686</u>
	<u>564,636</u>	<u>651,104</u>

	2019 HK\$'000	2018 HK\$'000
<u>Other income and gains, net</u>		
Bank interest income	89,895	40,942
Fair value gains on derivative financial instruments		
- transaction not qualifying as hedges	-	35,767
Fair value gains on ineffectiveness of hedges of net investments in foreign operations	-	18,311
Fair value gains on investment properties, net	165,297	46,741
Gains on disposal of financial assets at fair value through profit or loss, net	105,565	47,030
Gain on disposal of subsidiaries	140,290	-
Gain on redemption of debt investments at fair value through other comprehensive income	1,163	-
Others	632	2,737
	<u>502,842</u>	<u>191,528</u>

## 5. FINANCE COSTS

An analysis of finance costs is as follows:

	2019 HK\$'000	2018 HK\$'000
Interest on bank borrowings	202,826	245,874
Interest on notes payable	73,708	-
Interest on lease liabilities	1,892	-
	<u>278,426</u>	<u>245,874</u>

## 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2019 HK\$'000	2018 HK\$'000
Depreciation of owned assets	29,424	4,869
Depreciation of right-of-use assets	21,731	-
	<u>51,155</u>	<u>4,869</u>
Minimum lease payments under operating leases	-	16,992
Lease payments not included in the measurement of lease liabilities	1,743	-
Auditor's remuneration	5,320	4,800
Employee benefit expense (including directors' remuneration):		
Wages and salaries	201,479	178,411
Pension scheme contributions	5,344	5,233
	<u>206,823</u>	<u>183,644</u>
Foreign exchange differences, net	18,328	63,108

Impairment losses/(reversal of impairment losses) on financial assets, net		
Impairment losses/(reversal of impairment losses) on debt investments at fair value through other comprehensive income	(59)	4,972
Impairment losses/(reversal of impairment losses) on loans and interest receivables, net	(15,654)	23,918
Impairment losses on financial assets included in prepayments, deposits and other receivables	1,735	-
	<u>(13,978)</u>	<u>28,890</u>
Gross rental income	(477,140)	(490,119)
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	9,341	5,474
Net rental income	<u>(467,799)</u>	<u>(484,645)</u>

## 7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2018/2019. The first HK\$2,000,000 of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. Taxes on profits assessable in elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

The tax reform in the United Kingdom (the “UK”) enacted on 17 February 2019 and effective from 5 April 2019 has extended the scope of the UK’s taxation of gains accruing to non-UK residents to include gains on disposals of interests in non-residential UK properties. The cost base on disposal is based on either the original cost of the UK property, adjusting for indexation, or the fair value of the UK property at 5 April 2019. Any gain arising from sales of the UK property between 6 April 2019 and 31 March 2020 would be subject to corporation tax at a rate of 19% and from 1 April 2020 onwards would be subject to a corporation tax rate of 17%.

	2019 HK\$’000	2018 HK\$’000
Current charge for the year		
Hong Kong	8,065	5,247
Mainland China	39,529	18,506
UK	11,644	13,305
Underprovision/(overprovision) in prior years		
Hong Kong	(17,407)	493
Mainland China	(33,723)	(8,088)
UK	(3,995)	(9,331)
Deferred tax	<u>(16,370)</u>	<u>(661)</u>
Total tax charge/(credit) for the year	<u>(12,257)</u>	<u>19,471</u>

## 8. DIVIDENDS

	2019 HK\$’000	2018 HK\$’000
Proposed final: HK\$0.02 (2018: HK\$0.02) per ordinary share	<u>77,647</u>	<u>77,647</u>

The final dividend for the year ended 31 December 2019 proposed subsequent to the reporting period has not been recognised as a liability at the end of the reporting period and is subject to the approval of the Company’s shareholders at the forthcoming annual general meeting.

No interim dividend was declared in respect of the years ended 31 December 2019 and 2018.

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2019 and 2018 in respect of a dilution as the share options outstanding had no dilutive effect on the basic earnings per share amounts presented.

The calculations of basic and diluted earnings per share are based on:

	<b>2019</b>	2018
	<b>HK\$'000</b>	HK\$'000
<u>Earnings</u>		
Profits attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	<u><b>414,023</b></u>	<u>171,099</u>
	<b>Number of shares</b>	
	<b>2019</b>	2018
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	<u><b>3,882,334,668</b></u>	<u>3,882,334,668</u>

## 10. TRADE RECEIVABLES

	<b>2019</b>	2018
	<b>HK\$'000</b>	HK\$'000
Trade receivables	<u><b>9,449</b></u>	<u>5,679</u>

The trade receivables primarily include rental receivables which are normally billed in advance and due on the first day of the billing period. Certain tenants are required to pay security deposits which are held by the property manager on trust for both the Group and the Group's tenants. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management.

An ageing analysis of the trade receivables at the end of the reporting period, based on the invoice date, is as follows:

	<b>2019</b>	2018
	<b>HK\$'000</b>	HK\$'000
Within 1 month	<b>3,022</b>	1,225
1 to 2 months	<b>6,427</b>	4,454
	<u><b>9,449</b></u>	<u>5,679</u>

The Group's tenants normally settle their bills in a timely manner and the Group's trade receivables as at the end of the reporting period aged less than three months. As such, the Group's exposure to credit risk is insignificant and the directors of the Company were of the opinion that the expected credit loss of these rental receivables is minimal.

## 11. LOANS AND INTEREST RECEIVABLES

	2019 HK\$'000	2018 HK\$'000
Loans receivable		
Secured	40,000	40,000
Unsecured	862,860	540,000
	<u>902,860</u>	<u>580,000</u>
Less: Impairment allowance	(14,012)	(29,666)
	<u>888,848</u>	<u>550,334</u>
Interest receivable	10,292	20,343
	<u>899,140</u>	<u>570,677</u>

As these loans receivable relate to a number of different borrowers, the directors are of the opinion that there is no significant concentration of credit risk over these loans receivable. The carrying amounts of these loans receivable approximate to their fair values.

The movements in the loss allowance for the impairment of loans and interest receivables are as follows:

	2019 HK\$'000	2018 HK\$'000
At 1 January	29,666	5,748
Impairment losses, net		
Loans repaid/derecognised	(29,666)	(2,064)
New loans granted	14,012	25,982
	<u>(15,654)</u>	<u>23,918</u>
At 31 December	<u>14,012</u>	<u>29,666</u>

As at 31 December 2019, one of the loans and interest receivables of HK\$36,155,000 (2018: Nil), before impairment allowance, was overdue for less than 90 days, the Group considers that there has no significant change in credit risk of the borrower and all the balances were categorised within Stage 1 for the measurement of expected credit losses. The overdue balance of HK\$36,155,000 (2018: Nil) was fully repaid subsequent to 31 December 2019.

An impairment analysis is performed at each reporting date by considering the expected credit losses, which are estimated by applying the probability of default approach with reference to the risks of default of the borrowers or comparable companies. As at 31 December 2019, the probability of default applied ranged from 1.95% to 8.45% (2018: 2.48% to 27.32%) and the loss given default was estimated to be approximately 62% (2018: 52%).

## 12. SHARE CAPITAL

	2019 HK\$'000	2018 HK\$'000
Authorised:		
20,000,000,000 (2018: 5,000,000,000) ordinary shares of HK\$0.10 (2018: HK\$0.10) each	<u>2,000,000</u>	<u>500,000</u>
Issued and fully paid:		
3,882,334,668 (2018: 3,882,334,668) ordinary shares of HK\$0.10 (2018: HK\$0.10) each	<u>388,233</u>	<u>388,233</u>

## **RESULTS**

The Group achieved a consolidated revenue of HK\$564.6 million, representing a decrease of approximately 13.3% compared to HK\$651.1 million in 2018. The Group's net profit for the year was increased by 142% to HK\$414 million (2018: HK\$171.1 million). The profit attributable to shareholders for the year was increased by 142% to HK\$414 million (2018: HK\$171.1 million). The basic earnings per share for the year was HK10.66 cents (2018: HK4.41 cents).

## **FINAL DIVIDEND**

The directors are pleased to recommend a final dividend of HK\$0.02 (2018: HK\$0.02) per ordinary share to shareholders who are registered on the Register of Members of the Company at the close of business on 26 May 2020. Subject to approval at the Company's forthcoming annual general meeting ("AGM"), dividend warrant will be sent to shareholders on or about 5 June 2020.

## **CLOSURE OF REGISTER OF MEMBERS**

The AGM will be held on Monday, 18 May 2020. A notice of the AGM will be published and dispatched to the shareholders in due course.

The Register of Members of the Company will be closed from Wednesday, 13 May 2020 to Monday, 18 May 2020, both days inclusive, for determining the eligibility of shareholders for attending and voting at the AGM. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates should be lodged for registration with Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m., Tuesday, 12 May 2020.

The Register of Members of the Company will also be closed from Friday, 22 May 2020 to Tuesday, 26 May 2020, both days inclusive, for determining the eligibility of shareholders for the proposed final dividend. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates should be lodged for registration with Tricor Secretaries Limited of above address no later than 4:30 p.m., Thursday, 21 May 2020.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

#### **Revenue and Operating Profit**

The revenue of HK\$564.6 million in the year (2018: HK\$651.1 million) arose primarily from rental income and treasury investment income, amounting to HK\$477.1 million and HK\$87.5 million respectively.

The revenue decreased by HK\$86.5 million for the year ended 31 December 2019 as compared to that of the previous year. The rental income was HK\$477.1 million, representing a decrease of 2.6%. The decrease is due to the depreciation of approximately 4% of the average exchange rate of the GBP against the HK\$ compared with the previous year resulting in a lower rental revenue, which was partially offset by the increased revenue contributed by lease renewals and rent reviews during the year.

The revenue from treasury investment was HK\$87.5 million which also recorded a decrease in revenue of HK\$73.5 million for the year ended 31 December 2019 as compared to that of the previous year. The decrease is due to a higher revenue recorded in the previous year in dividend income from equity and fund investments, and losses sustained in the year on disposal of financial assets at fair value through profit or loss amounting to HK\$6.0 million against a gain of HK\$25.7 million in the previous year. There was also a lower interest income from loans due to the decrease of average loans balances in the year.

The treasury investment segment recorded net realized gains of HK\$100.7 million (2018: HK\$72.8 million) and fair value loss of HK\$5.7 million (2018: HK\$119.7 million) from its investment portfolio covering equity securities, fund investments and debt investments during the year.

Other income and gains increased by HK\$311.3 million for the year ended 31 December 2019 to HK\$502.8 million as compared to 2018 as a result of the disposal of the following property development projects in the year:

1. The Group sold its interests in the Hunan Zhuzhou City Project for a consideration of approximately HK\$331 million, resulting in a recognized disposal gain of HK\$28 million in the year.
2. A subsidiary with 50% interest in property development project in Sichuan was sold to an independent third party in December 2019 for a cash consideration of HK\$316.6 million crystallizing a profit to the Group of HK\$112.3 million.

The increase in other income was also driven by the fair value gains on investment properties which increased by HK\$118.6 million to HK\$165.3 million as a result of the increase in the market value of The Leadenhall Building to GBP1,160 million as at 31 December 2019 and the net gains on disposal of financial assets at fair value through profit or loss amounting to HK\$105.6 million against disposal gains of HK\$47 million in 2018.

The Group's share of the results of joint ventures and associates returned a profit of HK\$103.6 million (2018: HK\$108.1 million) which reflected a guaranteed fixed rate of return of loan investment in a 48.98% owned real estate joint venture. This was offset by the marketing/operating costs from the Nine Elms Square project ahead of profit delivery with the Phase I developments ongoing at the year end.

The Group recorded a full year profit attributable to shareholders of HK\$414 million (2018: HK\$171.1 million) representing an increase of 142%.

## **Investment Properties**

As at 31 December 2019, the Group held a portfolio of three commercial properties, totaling 985,000 square feet ("sqf") of office, retail and car parking spaces located in two countries namely, the United Kingdom and Australia. In terms of area, the United Kingdom assets accounted for 89% of the portfolio while 11% of the portfolio was owned by the Group through a joint venture in Melbourne.

During the year 2019, the Group generated a rental income of HK\$477.1 million (2018: HK\$490.1 million) from its investment properties in London.

### **United Kingdom**

#### ***The Leadenhall Building***

The Leadenhall Building, also known as the Cheesegrater with its unique tapering shape, is a world class building and an iconic landmark in the City of London, situated in the prime financial and insurance districts of London. Completed in 2014, it is the gem asset of the Group and will be held by the Group as an investment property for long term capital growth. It is a 46-storeyed commercial tower and comprises approximately 610,000 sqf of office and retail space, and is fully multi-let with a weighted average unexpired lease term of approximately 11 years with over 7 years on a term-certain basis. The building's tenant base includes a number of renowned international insurance companies alongside other financial institutions, technology, and professional service businesses. The current annual contract rental income of The Leadenhall Building is in the region of GBP40.5 million (2018: GBP40.2 million). As at the end of 2019, all of the office space was leased. The rental yield is approximately 3.5% per annum.

To make communication with the tenants of the building more effective and direct, tenants' wishes and suggestions for improvement are collected in the reception area starting from July 2019. Registered occupiers will receive regularly from the management the Building's newsletters, updates on events, building news and other relevant information such as the launch of the Privilege Card or discount offers by the tenant restaurants and shops.

To increase and maintain the status of the building as an iconic international building, the Group organized events branded “Leadenhall Live” for 2019. The campaign aimed to allow more people to experience in person the unique design of the building and its high tech but user friendly interior facilities. A new modern restaurant was also introduced to provide an unforgettable dining experience. A new website of The Leadenhall Building was launched in April 2019 to enhance user experience and more interaction with the tenants.

### ***One Kingdom Street***

One Kingdom Street is within a few minutes’ walking distance from the Paddington Station in Central London. The building is in Sheldon Square, which comprises of office and residential blocks, a hotel, retail, dining, and entertainment amenities. One Kingdom Street offers approximately 265,000 sqf of high quality Grade A office accommodation and some parking spaces. With its elegant glazed exteriors, a warm welcoming functional entrance hall, and natural light, the building has provided a productive and enjoyable working environment. The building captures an annual contract rental income of approximately GBP15.0 million (2018: GBP14.6 million), equivalent to an annual yield of 5.0%. It is fully let throughout the year to reputable major tenants.

Tenant-mix enhancement initiatives were implemented to meet various customer demands. To enhance the interactions and harmonious relationship among tenants of the building, occupier engagement events were introduced, including Bespoke Christmas Cookie Cart, Spring Sustainable Wreath Making Workshop and Partnership with Battersea Dogs and Cats Home events.

### **Australia**

#### ***85 Spring Street, Melbourne***

The building is located on a prime site in the Melbourne CBD overlooking the parliamentary area and near a public park, and is surrounded by international retailers, restaurants, and magnificent historical buildings. The property has a site area of 13,358 sqf and provides a lettable area of approximately 110,000 sqf across the ground and 15 upper office levels, with basement parking for 23 cars. The building benefits from dual street frontage, and direct access to the Parliament train station. The acquisition cost amounted to AUD112 million in which the Group has a 41.9% effective interest. The building is currently vacant and will be redeveloped into a Grade A office building.

### **Joint Ventures**

As at 31 December 2019, the Group had two joint venture property development projects in London and one in Hong Kong.

The Group’s net investment in joint ventures was HK\$3,163 million, a decrease from HK\$3,652 million at 31 December 2018 due to the disposals of two projects in the PRC during the year.

#### ***Nine Elms Square – London***

The Group has a 50% interest in the Nine Elms Square Project.

The project is located at the southern bank of the River Thames in Central London. The high floors from the proposed towers will command panoramic views across the entire London city, a rare sight in Central London. With the Linear Park next to the project, residents have all the convenience of a central urban location, coupled with the benefit and lifestyle of a recreational park.

This project occupies a ten-acre site, comprising of twelve buildings including three tall towers, and will be a landmark residential destination on the South Bank. The project will be developed in two phases. Most of the units will enjoy a panoramic view of the River Thames. Phase I of the project is tentatively expected to be completed in 2023.

Selected residential units of Phase I were launched for marketing in the first quarter of 2020. The joint venture has a network of overseas sales offices to support overseas marketing initiatives. Whilst development of Phase I continued at Nine Elms Square, the other phase of the joint venture has obtained planning permissions comprising approximately 920,000 sqf of residential floor spaces.



When fully developed, the whole project of the joint venture will provide about 1,500 residential units with a total saleable area of approximately 1.7 million sqf. This project is in one of the best connected locations in London, with fast and easy access to all major points within the city. The planned transport improvement package will make this area even more attractive to reside in years to come.

### ***Whiteleys Shopping Centre – London***

The Group has committed to invest GBP182 million in the regeneration and redevelopment project of Whiteleys in London, a former shopping centre constructed in 1908. Located in Queensway, W2, the Whiteleys redevelopment project is a mixed-use scheme which secured planning permission in 2016. Under the redevelopment plans, the finished project will house 153 apartments, a 5-star hotel, retail spaces with a mix of independent retailers, a state-of-the-art gymnasium, a cinema, restaurants, and cafes, offering an unparalleled regeneration opportunity in prime Central London. Completion of the redevelopment is expected in 2023, restoring Whiteleys to its rightful position at the heart of Bayswater. The Group has 50% voting power in this project.

### ***Harbourside HQ – Hong Kong***

The Kowloon East area, including Kowloon Bay where the Harbourside HQ is located, will see significant expansion of office floor area in the medium term. Due to the low vacancy rate in the central business districts, leasing activity will likely spill over to emerging sub-areas, such as Kowloon East, taking advantage of the presence of banks and insurance companies already there, as well as new infrastructure developments in the region.

The Harbourside HQ is strategically located close to the junction of MTR Kwun Tong Line and Shatin to Central Link, as well as near to the Tate's Cairn and Eastern Harbour Crossing, making it easily accessible and well connected to different districts of Hong Kong. In its unique location, Harbourside HQ commands a thorough harbour view panning from the Lei Yue Mun Straits to the Victoria Harbour. It is a 28-storeyed Grade A office building, with a total marketable gross floor area of approximately 795,000 sqf including retail spaces on the ground and the first floor, and 285 parking spaces. The cost of acquisition was HK\$7.5 billion in which the Group has a 25% ownership interest. The rental yield is about 2% per annum.

Refurbishment and upgrading to the entrance hall and common areas, as well as improvement of the external curtain walls are under way to re-brand the property to attract an upscale tenant mix.

### ***Development Projects – PRC***

In the PRC, the Group took advantage of potential opportunities to crystallize surpluses, and at the same time is constantly looking for acquisition opportunities.

The Group disposed of its interests in two joint venture property development projects for a combined consideration of HK\$647.6 million, realizing a total profit of HK\$140.3 million in the year. For details, please refer to the Business Review above. The Group, with disciplined capital allocations, entered into an agreement to participate in a 33.33% interest in a joint venture with respect to a development project in Chongqing with planned investment of about RMB800 million. The development will comprise 7.0 million sqf of commercial, retail and residential spaces. Construction for the first phase is expected to commence in 2020.

The Group is constantly looking for opportunities to invest in China, especially in the first tier cities.

### **Treasury Investment Business**

The treasury investment segment recorded a gain of HK\$126.2 million (2018: a loss of HK\$54.7 million). The dividends and interests earned from investments and loans receivable amounted to HK\$93.5 million (2018: HK\$135.2 million). The realized gains and unrealized fair value losses from its investment portfolio amounted to HK\$100.7 million and HK\$5.7 million respectively (2018: realized profit of HK\$72.8 million and unrealized fair value losses of HK\$119.7 million respectively).

## CORPORATE STRATEGY AND OUTLOOK

The majority of the Group's investment is in London, one of the world's greatest cities. London is unique and will continue to be so well into the future. The Group is confident that after Brexit, and with the right conditions, London's economy will flourish.

The Melbourne CBD office market is tight with low vacancy rate and is supported by the limited availability of land suitable for office development. The Group expects that the Melbourne CBD offers significant opportunity for rental growth as a result of a low supply and strong end user demand.

In Hong Kong, the Group expects the CBD rents would adjust downwards due to the economy slowdown. With Kowloon East now transformed into another important core business district outside of the Central district, the Group is confident that the Kowloon East CBD would appeal to tenants and benefit from demand pickup in the future.

With its financial strength, premium investment properties and development sites, the Group is able to withstand the current market instability.

Due to the Group's longheld adoption of a well diversified investment strategy, the outbreak of the COVID-19 virus should have only limited effect on the Group's operation.

## FINANCIAL REVIEW

### Investments

The Group invested surplus cash in a diversified portfolio of listed equity securities, unlisted investment funds and debt instruments. As at 31 December 2019, the portfolio of investments comprised of listed equity securities, unlisted investment funds and debt instruments with an aggregate carrying value of HK\$1,922.2 million (31 December 2018: HK\$3,005.9 million) which is listed in the table below:

	31 December 2019 HK\$' million	31 December 2018 HK\$' million
<b>Financial assets at fair value through profit or loss</b>		
Listed equity securities	223.6	192.0
Unlisted investment funds	605.7	1,446.0
Debt instruments	77.4	-
	<u>906.7</u>	<u>1,638.0</u>
<b>Financial assets at fair value through other comprehensive income</b>		
Listed equity securities	649.7	931.6
Debt instruments	365.8	436.3
	<u>1,015.5</u>	<u>1,367.9</u>
Total	<u><u>1,922.2</u></u>	<u><u>3,005.9</u></u>

In 2019, the Group recognized from its portfolio of investments unrealized fair value losses of HK\$5.7 million (2018: unrealized fair value loss of HK\$119.7 million) in the consolidated statement of profit or loss and unrealized fair value loss of HK\$202.6 million (2018: unrealized fair value gain of HK\$449.7 million) in the consolidated statement of other comprehensive income. The realized gains on the portfolio of investments for the year was HK\$100.7 million (2018: realized profit HK\$72.8 million), whereas the amount of dividends and interest income from investments was HK\$51.5 million (2018: HK\$83.7 million). In terms of future prospects of the Group's investments, the performance of the listed equity securities and unlisted investment funds held is to a large extent subject to the performances of the relevant financial markets which are liable to change rapidly and unpredictably.

The Group will continuously adopt a prudent investment strategy and assess the performance of its portfolio of investments to make timely and appropriate adjustments to fine-tune its investments holding with a view to generating favorable returns for its shareholders.

## Liquidity and Financial Resources

As at end of the year, the Group has net borrowing of HK\$3.8 billion (31 December 2018: HK\$3.8 billion) which consists of cash and bank balances and time deposits of HK\$7.1 billion and HK\$10.9 billion total borrowings drawn under the Group's banking facilities and the issue of notes. The Group's gearing level, net of cash, represented 21.8% of the total equity at 31 December 2019 (2018: 22.5%).

As at 31 December 2019, the Group had total bank borrowings and notes payable amounting to HK\$10.9 billion which the maturity profile was spread over a period of 3 years with HK\$1.1 billion repayable within one year and the remaining HK\$9.8 billion is repayable after one year.

The weighted average interest rate for the year increased to 3% per annum given the Group's recent refinancing (2018: 2.4% per annum).

As at 31 December 2019, cash and cash equivalents balances totalled HK\$7.1 billion as compared to HK\$6.2 billion as at 31 December 2018. About 37% of the Group's bank deposits and cash were denominated in HKD, 45% in USD, 16% in RMB, and 2% in GBP.

The Group continues to maintain a high level of liquidity. Total assets as at the end of December 2019 were HK\$29.5 billion, of which approximately 33% was current in nature. Net current assets were HK\$7.5 billion and accounted for approximately 43% of the net assets of the Group. This level of liquidity together with available cash on hand and undrawn credit facilities have bestowed on the Group strong financial flexibility going forward.

As at 31 December 2019, the owners' equity was HK\$17.5 billion (2018: HK\$17.1 billion) and the net assets value per share was HK\$4.51 (2018: HK\$4.41).

## Contingent Liabilities/Financial Guarantees

At 31 December 2019, the Group had the following contingent liabilities/financial guarantees:

1. Guarantee given to the vendor in connection with the acquisition of a freehold land by a joint venture amounting to HK\$204 million (2018: HK\$248 million).
2. Guarantee given to a bank in connection with a facility granted to a joint venture up to HK\$1,119 million which was fully utilized (2018: HK\$1,088 million).
3. Guarantee given to a bank and an independent third party in connection with facilities granted to associates amounting to HK\$1,479 million (2018: HK\$1,500 million) and the related facilities were utilized to the extent of HK\$1,479 million (2018: HK\$1,500 million).
4. Guarantees given to certain financial institutions in connection with the Group's equity contribution commitment in a joint venture and the cost overrun guarantee in respect of the project development costs of the joint venture in the amounts of HK\$1.7 billion and HK\$0.8 billion respectively.

## Financing Activities

1. In June 2019, the Group completed a successful first time issue of 3-year guaranteed notes due 2022 which are listed on the Stock Exchange and raised a total of US\$250 million as general working capital with a coupon rate of 6.35% per annum. The proceeds have not been used as at 31 December 2019.
2. In October 2019, the Group entered into a 3-year term loan facility in an aggregate amount of HK\$2.3 billion with certain banks. The facility has not been utilized as at 31 December 2019.

## Pledge of Assets

As at 31 December 2019, investment properties, bank deposits, and property and equipment in the respective amounts of HK\$14.9 billion, HK\$1.0 billion and HK\$77 million have been pledged as security for banking facilities granted to the Group.

## **Exchange Risks and Hedging**

The Group manages its treasury activities within established risk objectives and policies. The main objectives are to manage exchange and interest rates, liquidity risks and to provide a degree of certainty in respect of costs.

The Group hedges its foreign investments with bank borrowings and/or forward currency exchange contracts to offset against any unexpected and unfavorable currency movements, which may result in a loss on translation of the net foreign investment into Hong Kong dollars. As at end of the year, no forward currency exchange contract has been executed by the Group.

## **EMPLOYEES**

As at 2019 year end, the Group, including its subsidiaries but excluding its joint ventures and associates, employed a total of 125 employees in Hong Kong, China and United Kingdom for its principal business. Remuneration cost for the year (excluding directors' emoluments) amounted to approximately HK\$128 million.

The remuneration of the Group's policy is to ensure that pay levels of its employees are competitive to the market and employees were rewarded according to their merit, qualifications, performance and competence. Other benefits offered to employees include contributions of mandatory provident fund, medical and travel insurances and training subsidies.

Employees are also granted share options under the Company's share option scheme at the discretion of the Board. For 2019 and 2018, no equity-settled share option expense was charged off to the consolidated statement of profit or loss.

## **CORPORATE GOVERNANCE**

During the year, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by directors. Specific enquiries have been made on all directors who have confirmed that they have complied with the required standard set out in the Model Code throughout the year.

## **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.

## **SCOPE OF WORK OF ERNST & YOUNG**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2019 as set out in this announcement have been agreed by the Company's independent auditors, Ernst & Young ("EY"), to the amounts set out in draft consolidated financial statements of the Group for the year. The work performed by EY in this respect did not constitute an assurance engagement performed 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 EY on this announcement.

## **REVIEW OF ANNUAL RESULTS**

The Audit Committee has discussed with the management and independent auditors the accounting policies and practices adopted by the Group, and has reviewed the Group's consolidated results for the year ended 31 December 2019.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement is published on the Company's website at [www.ccland.com.hk](http://www.ccland.com.hk) and the HKEXnews website at [www.hkexnews.hk](http://www.hkexnews.hk). The Company's 2019 Annual Report will also be available on both websites and despatched to the shareholders of the Company in due course.

By order of the Board  
**Lam How Mun Peter**  
*Deputy Chairman and Managing Director*

Hong Kong, 20 March 2020

*As at the date of this announcement, the Board comprises Mr. Cheung Chung Kiu, Dr. Lam How Mun Peter, Mr. Wong Chi Keung, Mr. Leung Chun Cheong and Mr. Leung Wai Fai as Executive Directors; and Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Dr. Wong Lung Tak Patrick as Independent Non-executive Directors.*