

Chairmen's Statement

The Year's Results

The pneumonia-causing coronavirus disease (COVID-19) continued to spread globally in 2021, with fluctuating outbreaks in various places. Major economies, with extensive vaccination coverage, gradually resumed economic activities and their demand for commodities rebounded, driving the Chinese mainland's exports to record good growth. As the epidemic situation in Hong Kong fluctuated during the year, the resumption of quarantine-free cross-border travel

with the Chinese mainland was still suspended, seriously impacting catering, tourism and retail sectors in particular. Facing the challenges arising from the ongoing epidemic, the Group has proactively responded by continuing to broaden sources of revenue and cut expenditure and endeavouring to develop new businesses by leveraging the scale potential and the comprehensive advantages it had established over the years. In addition, benefiting from the national economic recovery and environmental protection policies, the Group's natural gas and utility

businesses on the mainland continued to progress steadily. During the year, the Group's volume of gas sales recorded good growth. However, in the second half of the year, international commodity and energy prices rose sharply, the upstream natural gas price soared and the unit margin of gas sales shrank.

The Group's principal businesses' operating profit after taxation for the year amounted to HK\$6,821 million, a decrease of HK\$413 million, down by 5.7 per cent, compared to 2020. During the year, as the Group wrote



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off and impaired some of the production facilities of a chemical plant and telecommunications network facilities on the Chinese mainland, and made asset provision for certain gas refilling stations which had ceased operation, a provision of approximately HK\$1,500 million in total was made. Inclusive of this one-off provision, profit after taxation attributable to shareholders of the Group for the year amounted to HK\$5,017 million, a decrease of HK\$990 million, down by 16.5 per cent, compared to 2020. Earnings per share for the year amounted to HK26.9 cents.

During the year under review, the Group invested HK\$8,387 million in production facilities, pipelines, plants and other fixed assets for the sustainable development of its various existing and new businesses in Hong Kong and the Chinese mainland.

Development Strategy of the Group

In September 2020, the Central Government announced its “dual carbon” goals to address global climate change: endeavour to reach carbon dioxide emissions peak by 2030 and achieve carbon neutrality by 2060. The Group is seeking to seize the sustainable development opportunities brought by the national “dual carbon” goals and proactively promote low-carbon transformation through its green businesses such as city-gas, smart energy, biomass, urban waste treatment and utilisation.

In the process of achieving carbon neutrality across the country, extensive use of natural gas helps promote the low-carbon transformation of the national energy

mix. As natural gas is the cleanest fossil energy source, its use to substitute coal and petroleum would effectively help reduce air pollution and carbon emissions. The mainland has built large-scale natural gas infrastructure facilities and is accelerating the establishment of systems for natural gas production, supply, storage and marketing to enhance gas supply capabilities. Meanwhile, renewable energy sources such as photovoltaics, wind energy, hydrogen energy and biomass energy are poised to enter a state of rapid development.

The Group has always placed emphasis on clean energy in formulating its development strategies. Over the years, the Group has developed city-gas business advocating the use of natural gas on the Chinese mainland and now possesses the advantages of having a huge market and customer resources. With the support of the current national environmental protection policies, the Group is proactively developing the smart energy business. Adoption of integrated energy solutions, decarbonisation and digitalisation will become the three major business directions in the future. The Group is focusing on industrial parks and proactively investing in distributed photovoltaics, charging and swapping power stations, energy storage, multi-energy supply (cooling, heat, electricity) and other projects within the industrial parks. The Group is striving to build a smart energy ecology platform and promote the digital transformation of energy, providing industrial and commercial customers with value-added services including energy efficiency

management, energy and carbon trading, thus injecting new impetus into the Group’s business growth.

In order to promote the transformation of energy innovation and the development of new technologies, the Group and State Power Investment Corporation Limited jointly launched the TERA-Award smart energy innovation competition in 2021 to collect ideas on innovative technologies, products and solutions in the field of smart energy from around the world. The “Liquid Sunshine Methanol” project from the Dalian Institute of Chemical Physics, Chinese Academy of Sciences won the Gold Award in this inaugural competition. The Group will further promote putting the winning projects into practical use, in an effort to help the country achieve the “dual carbon” goals.

In January this year, the Company and IDG Capital announced the launch of China’s first Zero-carbon Technology Investment Fund focusing on technology investment and business applications, with a total scale of RMB10 billion, initially raising RMB5 billion in the first phase. The fund will focus on investing in innovation fields relating to zero-carbon technologies, including renewable energy, energy storage, smart energy grid, hydrogen energy, carbon trading and management projects. The fund will promote outstanding investee companies to realise the rapid iteration of energy innovative technologies and products through practical applications.

Expanding the proportion of renewable energy used and gradually replacing fossil energy consumption has become the main policy

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instrument for various advanced economies to reduce carbon emissions. Over the years, the Group has invested resources in in-house research and development and application of environmental protection and energy technologies, promoting the utilisation of biomass waste by developing commercialised advanced technologies to transform it into biomass fuels, chemical feedstocks and materials, as well as other related green products to supply to the growing environmental protection and carbon reduction market.

In tandem with "Hong Kong's Climate Action Plan 2050" carbon reduction strategy of the Government of the Hong Kong Special Administrative Region ("HKSAR"), the Company is also proactively discussing with government departments, franchised bus companies and the shipping industry to study the possibility of extracting a certain amount of hydrogen, which constitutes 49 per cent of our town gas composition in the pipelines, for Hong Kong's transportation industry as a fuel alternative, so as to promote more green energy applications in Hong Kong.

In summary, the Group's future development strategy is to harness its city-gas businesses to continue to promote natural gas as clean energy. At the same time, the Group will accelerate the development of renewable energy production and utilisation by, on the one hand, focusing on distributed photovoltaic power generation and digital management in its smart energy development, and on the other hand, by producing biomass fuels, biomass chemical products and materials on a

commercial scale using agricultural waste through proactive research and development of innovative technologies. Combined with the development of sewage, food and urban waste treatment businesses, these diversified initiatives will pave the way for the Group towards greater use of green energy.

The Group will continue to invest resources in the research and development of more innovative environmentally friendly technologies, in accordance with its existing business development strategies, to achieve sustainable business growth, fulfil its responsibilities in protecting the environment, and create a better future for the next generation.

Environmental, Social and Governance

The Group has always been proactively implementing the concept of sustainable development, firmly taking environmental, social and governance ("ESG") issues as the primary consideration in business operations, and is constantly striving to enhance the management level in this area. The Company has established an ESG Committee responsible for promoting and implementing various plans related to it, and the Board of Directors regularly reviews important issues. The Company has also formulated a comprehensive ESG Policy to encourage all project companies, suppliers and business partners to make references and implement. In 2021, the Group won several ESG-related awards in Greater China, the Greater Bay Area and Hong Kong, demonstrating its leading status in ESG performance around the area.

Town Gas Business in Hong Kong

Hong Kong continued to be impacted by the COVID-19 pandemic in 2021. Inbound tourism has come to a standstill for two years. With a steady increase of the vaccination rate, alongside related epidemic prevention and control measures, as well as the distribution of consumption vouchers to the public in several batches by the HKSAR Government since August 2021 to stimulate local consumption, the business environment of the catering sector slightly improved. The local epidemic situation gradually subsided during the fourth quarter last year. As a result, the volume of commercial gas sales increased. Nevertheless, as the average temperature in Hong Kong during 2021 was higher than that in 2020, the volume of residential gas sales was affected. Overall, the total volume of gas sales in Hong Kong for 2021 was approximately 27,677 million MJ, a slight decrease of 1 per cent, in contrast to an 8.8 per cent increase in the number of appliances sold resulting from a rise in new property move-ins due to a slowdown of the epidemic, both compared to 2020.

As at 31st December 2021, the number of customers of the Company was 1,964,937, an increase of 21,160, representing a slight increase of 1.1 per cent compared to the number at the end of 2020.

The Company continues to proactively assist the catering sector, which has been significantly hit by the epidemic, by fully supporting its promotional activities to aid in business recovery. Additionally, the Company offered incentives during the year to

encourage citizens to get vaccinated, hoping the community could overcome the adverse impact of the epidemic with the collective efforts from various sectors of the society.

Businesses on the Chinese Mainland

The Group's mainland businesses continued to progress steadily during 2021. Overall, including the projects of the Group's subsidiary, Towngas Smart Energy Company Limited ("Towngas Smart Energy", formerly known as Towngas China Company Limited; stock code: 1083.HK), the Group had 514 projects (inclusive of city-gas projects re-invested by the Group's companies) (2020 year end: 436 projects) on the Chinese mainland as at the end of 2021, spread across 28 provincial regions. These projects encompass upstream, midstream and downstream natural gas sectors, environmentally-friendly energy, smart energy, water sectors and urban waste treatment.

Utility Businesses

The Chinese mainland's prevention and control measures against the COVID-19 epidemic targeting "dynamic zero infection" have achieved remarkable results. Coupled with a rebound in demand for commodities globally and an improvement in the local consumption level, the mainland economy recorded an 8.1 per cent increase in the gross domestic product in 2021 compared to 2020. Benefiting from the momentum of the mainland's economic recovery, the Group's utility businesses recorded stable growth during the year, with a significant increase in the volume of gas sales and water sales compared to 2020.

As at the end of 2021, inclusive of Towngas Smart Energy, the Group had a total of 303 city-gas projects on the mainland (inclusive of city-gas projects re-invested by the Group's companies) (2020 year end: 282 projects). The total volume of gas sales for these projects for 2021 was approximately 31,080 million cubic metres, an increase of 16 per cent compared to 2020. As at the end of December 2021, the Group's mainland gas customers stood at approximately 35.03 million, an increase of 10 per cent over 2020.

The Group's smart energy business development progressed well in 2021, with more than 110 renewable energy projects planned across 21 provincial regions and 32 zero-carbon smart industrial parks negotiated for development. These projects encompass multi-energy supply (cooling, heat, electricity), photovoltaics, energy storage, charging and swapping power stations, comprehensive energy services for industrial and commercial customers, with related project companies subsequently formed. Additionally, the Group is conducting in-depth exploration of the potential energy reduction by industrial and commercial customers in the industrial parks and developing a series of value-added services such as energy efficiency management, energy and carbon trading. Due to the industrial parks' huge and diverse energy demand, prospects for developing renewable energy services in industrial parks are very broad.

The Group's natural gas storage facility in underground salt caverns in Jintan district, Changzhou city, Jiangsu province has achieved

notable economic benefits since its commissioning and is successfully interconnected with the West-to-East Gas Pipeline and the Sichuan-to-East Gas Pipeline, two large-scale national-level natural gas transmission pipelines. The total planned storage capacity of the facility is 1.1 billion cubic metres. Located in economically active eastern China with a superior geographical location, this storage facility, the first of its kind built by a city-gas enterprise, enables city-gas projects in the region to supplement gas supply during the peak winter period. In the longer term, the facility is set to supply gas to other areas through interconnected pipeline networks and deploy gas sources between regions relying on the extensive coverage of the national pipeline network.

The Group's storage tank project at the liquefied natural gas ("LNG") receiving terminal in Caofeidian district, Tangshan city, Hebei province is progressing well. The project includes the right to use two storage tanks of 400,000 cubic metres in total alongside a jetty for importing 1 million tonnes of LNG per annum for a contract term of 50 years. This project, which will be gradually commissioned starting from the end of 2022, will significantly enhance the Group's gas storage capacity and alleviate the need to build separate gas storage facilities by different companies under the Group. Through this project, the Group can also purchase gas directly from overseas to reduce the cost of natural gas.

Municipal environmental governance poses great challenges to the Chinese mainland but also brings business investment opportunities.

Leveraging the rich experience in sewage treatment gained from its Hua Yan Water business, the Group successfully developed an urban organic waste resource utilisation project in Suzhou Industrial Park, Jiangsu province in 2019. With a daily processing capacity of 800 tonnes, this project has cumulatively processed more than 300,000 tonnes of organic waste and produced nearly 13 million cubic metres of bio-natural gas for the park's use.

In 2020, the Group's Hua Yan Environmental in Changzhou city, Jiangsu province joined with the municipal government to proactively develop businesses encompassing waste incineration for power generation, sewage treatment, food waste treatment and urban sanitation. A food waste utilisation project in Tongling city, Anhui province acquired in 2020, and a municipal sewage treatment project in Wujin district, Changzhou city, Jiangsu province acquired in 2021 have cumulatively processed more than 70,000 tonnes of organic waste and 80 million tonnes of sewage. The waste transfer business and waste sorting collection business in Wujin district, Changzhou city also started operations in November 2021.

Operation and management of businesses encompassing midstream natural gas, city-gas, water and municipal environmental protection businesses are creating ever-greater synergy. Furthermore, these businesses generate a stable income, and the Group will therefore keep on investing in high-quality utility projects of such kinds.

Emerging Environmentally-Friendly Energy Businesses

The research and development team of ECO Environmental Investments Limited ("ECO") under the Group has been committed to developing biomass utilisation for many years. Several patented technologies that target the utilisation of inedible bio-grease and agricultural waste as two major feedstocks have been developed and achieved scientific breakthroughs, forming innovative production processes that are now being implemented in several projects.

The first project, located in Jiangsu province, which converts inedible bio-grease feedstock into hydro-treated vegetable oil ("HVO") using ECO's proprietary technology, has gained the accreditation under the International Sustainability and Carbon Certification Scheme (ISCC). Being qualified as an advanced biofuel defined by the European Union, ECO's HVO is mainly for the European markets. Following the successful implementation of this project and expansion of the European markets, ECO is taking steps to further enhance the HVO production capacity and to implement the technology it has successfully developed for the production of sustainable aviation fuel (SAF), helping to further establish its leading position in the field of advanced biofuel business.

Besides, the two pilot projects located in Tangshan city and Cangzhou city, Hebei province, are using another set of proprietary technologies to refine agricultural waste through hydrolysis into a product scope encompassing biofuels, bio-chemicals and

bio-materials. Cellulosic ethanol, being the main product, is yet another highly demanded advanced biofuel as defined by the European Union.

The Group established a new business platform, EcoCeres, Inc., at the end of 2021, which integrates the talents, patented technologies, production facilities, scientific research facilities and other assets related to biomass utilisation business, and introduces new investors to this platform to jointly develop a green and sustainable biomass business. EcoCeres, Inc. successfully raised a total of US\$108 million in funding in December 2021 and February 2022 from an investor, Kerogen Capital, a private equity fund having a focus on energy transition.

The country's "dual carbon" goals also bring other new energy businesses opportunities. ECO's clean coal chemical business in Inner Mongolia Autonomous Region has achieved certain results after years of equipment renovation to reduce carbon emissions. A new phase of the production plan to introduce waste resources to replace raw coal has made good progress, expecting to produce high value-added low-carbon products for domestic and foreign markets in 2023. In addition, the LNG business has gained momentum with the commissioning of a new plant located in the Ningxia Hui Autonomous Region after a successful trial operation. The plant uses local coke oven gas as the feedstock to produce LNG, thus reducing carbon emissions of the coking plant and also providing the market nearby with clean vehicular energy and supplementing gas sources for downstream natural gas customers.

Towngas Smart Energy Company Limited

(Stock Code: 1083.HK)

Towngas Smart Energy, a subsidiary of the Group, recorded a profit after taxation attributable to its shareholders, excluding change in fair value of derivative component of convertible bonds, amounting to HK\$1,612 million for the year, an increase of approximately 11 per cent compared to 2020. Including change in fair value of derivative component of convertible bonds, profit after taxation attributable to its shareholders amounted to HK\$1,253 million for the year, a decrease of approximately 13 per cent compared to 2020. As at the end of 2021, the Group held approximately 2,085 million shares in Towngas Smart Energy, representing approximately 65.98 per cent of Towngas Smart Energy's total issued shares.

In November 2021, Affinity Equity Partners, a well-known private equity fund, invested HK\$2.8 billion in Towngas Smart Energy through subscription of new shares and convertible bonds, based on its recognition and belief that Towngas Smart Energy possesses the substantial potential and overall advantages in the field of renewable energy and clean energy. This strategic investment enables Towngas Smart Energy to have sufficient funds to support its development of renewable energy projects, promoting the energy industry's transformation to a lower carbon and more efficient direction.

Climate crisis has become a common challenge faced by the world. Given the national "dual carbon" goals, the smart energy industry foresees promising development prospects.

There are enormous business opportunities for advocating the use of city-gas and renewable energy in parallel. With China's accelerated economic development and rapid urbanisation, exploring an innovative roadmap for zero-carbon development in urban areas has become the basis for achieving nationwide "carbon neutrality". Based on the technologies of cloud computing, big data, the Internet of Things etc., the Group is establishing an integrated energy system encompassing multi-energy supply, photovoltaics, energy storage, as well as charging and swapping power stations in industrial parks to implement decarbonisation and digitalisation of industrial park energy management, helping to facilitate the construction of zero-carbon cities.

Looking forward, Towngas Smart Energy will continuously leverage synergies with the Group and its approximately 400,000 industrial and commercial customers, 50,000 employees as well as its large-scale energy storage technologies to further accelerate the development and establishment of zero-carbon smart industrial parks. Meanwhile, Towngas Smart Energy will consistently provide safe, high-quality products and services to its sizeable residential gas customers.

The Group continued to enhance the sale of its Bauhinia brand. Apart from the sale of gas appliances, ranging from gas stoves, water heaters, range hoods and gas dryers, as well as customised kitchen cabinets and smart kitchen equipment, the Group also develops a heating business. Focusing on providing "comfortable" and "healthy" lifestyles, the Group aims at providing customers with one-stop and diversified quality services for daily life.

The Group has diversified its presence in upstream LNG terminals, production, storage, trade etc., to reduce the cost of gas sources in downstream cities and better seize gas source opportunities arising from the "X+1+X" natural gas reforms to maintain a competitive edge. Construction of Towngas Smart Energy's shale gas liquefaction plant in Weiyuan county, Sichuan province is expected to be completed in early 2023, which will become its gas storage and peak-shaving base in southwestern China. Acquisition of 25 per cent equity interest in Shanghai Gas Co., Ltd. ("Shanghai Gas") has been completed during the year. The two LNG terminals operated by Shanghai Gas can be used to further secure the supply of gas sources for companies under the Group.

Towngas Smart Energy added 40 new projects to its portfolio during 2021, comprising 35 renewable energy projects and five piped-gas projects. The total number of projects held by Towngas Smart Energy was 244 as at the end of 2021.

Financing Programmes

In order to tap funding in a timely and flexible manner, the Group established a medium term note programme in 2009 under HKCG (Finance) Limited, a wholly-owned subsidiary of the Group. Medium term notes totalling HK\$1,339 million, with a tenor of 3 years, were issued in 2021. In line with the Group's long-term business investments, as at 31st December 2021, the total nominal amount of medium term notes issued has reached HK\$21 billion with tenors ranging from 3 to 40 years, mainly at fixed interest rates with an average of 2.9 per cent per annum

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and an average tenor of 15 years. The Group updated the programme during the year and increased the maximum issue size from US\$3 billion to US\$5 billion, introducing more flexibility for future financing.

Meanwhile, the Group's another listed company, Towngas Smart Energy, established a new medium term note programme through a subsidiary with a maximum issue size of US\$2 billion in June 2021. A medium term note of RMB750 million with a tenor of 3 years and a coupon rate at 3.4 per cent per annum was firstly issued in November 2021. This helps strengthen its financial position and expands its sources of funding.

Furthermore, the Group also made use of perpetual securities for long-term funding. As at 31st December 2021, the Group had Perpetual Subordinated Capital Securities (the "Perpetual Securities") of US\$300 million, issued in February 2019, with a coupon rate at 4.75 per cent per annum. The Perpetual Securities are redeemable at the option of the Group in February 2024 or thereafter every six months on the coupon payment date.

Board of Directors

The Company announced on 19th March 2021 that Mr. Alfred Chan Wing-kin, Managing Director, will retire with effect from the conclusion of the annual general meeting to be held in 2022.

Mr. Chan joined the Company in 1992. He was appointed to the Board in January 1997 and as the Managing Director of the Company in May 1997. During his tenure, he has made valuable contributions and laid down

a solid foundation for the Company in various aspects, including safety, services, environmental protection and innovation. Over the years, the Company has been highly recognised in the community. Mr. Chan led the team to develop clean energy, utility businesses, environmental protection and other businesses on the Chinese mainland and developed a sizeable customer base, which is conducive to the smooth development of the Group's new businesses on the mainland. On behalf of the Board of Directors, we would like to thank Mr. Chan and wish him a joyful life after retirement.

Mr. Peter Wong Wai-ye, Deputy Managing Director, will succeed as Managing Director.

Employees and Productivity

As at the end of 2021, the number of employees engaged in the town gas business in Hong Kong was 2,106 (2020 year end: 2,130), the number of customers was 1,964,937, and each employee served the equivalent of 933 customers, an increase of 2.2 per cent compared to 2020. Inclusive of employees engaged in businesses such as telecommunications, liquefied petroleum gas vehicular refilling stations and contractual engineering works, the total number of employees engaged in businesses in Hong Kong was 2,442 as at the end of 2021 compared to 2,495 as at the end of 2020. Related manpower costs amounted to HK\$1,247 million for 2021, an increase of HK\$14 million compared to 2020. The Group will continue to offer employees rewarding careers based on their capabilities and performance and

arrange a variety of training programmes in order to enhance the quality of the Group's customer services constantly.

Exclusive of businesses in Hong Kong, the total number of the Group's employees on the Chinese mainland and other places outside Hong Kong was approximately 52,860 as at the end of 2021, an increase of approximately 1,590 compared to 2020.

On behalf of the Board of Directors, we would like to thank all our employees for their dedication and hard work in creating value for shareholders and customers. During the COVID-19 epidemic, in particular, staff at all levels have performed their duties diligently and tackled different challenges proactively to ensure the safe operation of the Group's public utility businesses in both Hong Kong and the Chinese mainland and to maintain the stable and sustainable development of the Group's other businesses.

Final Dividend

The Directors are pleased to recommend a final dividend of HK23 cents per share payable to shareholders whose names are on the Register of Members of the Company as at 14th June 2022. Including the interim dividend of HK12 cents per share paid on 15th September 2021, the total dividend payout for the whole year shall be HK35 cents per share.

Barring any unforeseen circumstances, the forecast dividends per share for 2022 shall not be less than the interim and final dividends for 2021.

Business Outlook for 2022

Facing the fifth wave of the COVID-19 epidemic, which is the most severe in Hong Kong in these two years, and the resulting uncertain business environment and economic outlook, the Group is committed to ensuring a safe and reliable supply of town gas and continues to adopt measures to broaden sources of revenue, cut expenditure and costs appropriately and optimise workflow. The Group also endeavours to promote smart innovation to enhance customer services and operational efficiency whilst continuously developing new town gas applications to increase gas sales volume. These initiatives collectively serve to maintain the stable development of its gas business in Hong Kong. At the same time, in line with the “Long Term Housing Strategy” of the HKSAR Government, including the development of the Northern Metropolis, the Group will proactively invest in infrastructure projects of gas supply to meet the development of the city in the future. The Group predicts steady growth in its number of gas customers in Hong Kong during 2022.

In respect of its mainland businesses, Towngas Smart Energy under the Group will continue to strengthen the development of its city-gas business while vigorously promoting the development of zero-carbon smart industrial parks with a view to doubling their number from the current base. Meanwhile, Towngas Smart Energy will increase its investment in and commitment to technology research and development to master the leading technology in the energy field, thus cementing its

core competitive advantages. In addition, Towngas Smart Energy will carry out a series of business reorganisations, advancing and perfecting its development, aiming at taking a leading role in China’s energy management industry over the next five to ten years.

The Chinese mainland’s foreign trade also faced downward pressure in the first quarter of this year. However, in the long run, the Central Government has set a long-term vision for up to 2035, intending to enhance the country’s economic and technological strengths and foster a new development paradigm featuring “dual circulations”, with domestic circulation as the mainstay and domestic and international circulations reinforcing each other. In tandem with the trends and goals of coping with global climate change and green development, the Group is proactively formulating strategy in developing low-carbon and zero-carbon businesses, including city-gas business with natural gas supply as its core, city-water, urban waste treatment and utilisation, smart energy, biomass fuels and utilisation of agricultural waste. Based on the opportunities arising from the “dual carbon” goals, these businesses will have vast and long-term development prospects. The Group’s development experience of over 20 years on the Chinese mainland, with businesses now spread across 28 provincial areas presenting an extensive regional network, will facilitate the sizeable growth of its respective businesses. Coupled with innovative research and development as well as favourable operating resources across different businesses, long-term growth of the Group’s related businesses is foreseeable.

The continuous and rapid spread of the COVID-19 pandemic has brought a number of uncertainties to the global economic development this year. Facing the impact of the epidemic on different walks of life, the Group will prudently balance the needs of business development and operations to ensure sufficient funds for use wherever necessary.

The Central Government and all relevant parties on the Chinese mainland fully support Hong Kong in tackling the fifth wave of the COVID-19 epidemic, which is the most severe in these two years. A series of anti-epidemic measures to aid Hong Kong have been quickly introduced and implemented, and a stable supply of medical and living essentials is ensured. On behalf of the Company, we would like to express our heartfelt gratitude for their support. The Company also proactively supports related anti-epidemic works, including sponsoring and developing a gas supply project for the Lok Ma Chau Loop area makeshift hospital, and the project took only four days to finish from scratch. With the support of the Central Government and the efforts from all sides, it is anticipated that the epidemic situation in Hong Kong can be gradually stabilised.

Looking forward, the Group anticipates more prosperous development for its various businesses in the future.

Lee Ka-kit

Chairman

Lee Ka-shing

Chairman

Hong Kong, 21st March 2022