

Report of the Directors

The Directors have pleasure in submitting to shareholders their Report and the audited financial statements for the year ended 31st December 2021 which are to be presented at the Annual General Meeting to be held at 18th Floor, Harbour East, 218 Electric Road, North Point, Hong Kong on Monday, 6th June 2022.

Principal Activities

The principal activities of the Company and its subsidiaries (collectively, the “Group”) are the production, distribution and marketing of gas, water supply and emerging environmentally-friendly energy businesses in Hong Kong and the Chinese mainland. Particulars of the principal subsidiaries of the Company are shown from pages 192 to 203 of this Annual Report. Revenue and contribution to operating profit are mainly derived from activities carried out in Hong Kong and the Chinese mainland.

Results and Appropriations

The results of the Group for the year ended 31st December 2021 are set out in the consolidated income statement and the consolidated statement of comprehensive income on pages 104 and 105 of this Annual Report respectively.

An interim dividend of HK12 cents per share was paid to shareholders on 15th September 2021 and the Directors recommend a final dividend of HK23 cents per share payable on 22nd June 2022 to shareholders whose names are on the register of members of the Company on 14th June 2022.

Business Review

A review of the business of the Group during the year is provided from pages 2 to 75 of this Annual Report, with particulars of important events affecting the Group that have occurred since the end of the year ended 31st December 2021, an analysis of the Group’s performance using financial key performance indicators, and a discussion of the Group’s future business development plans. A description of the possible risks and uncertainties that the Group faces are set out from pages 68 to 69. The Group’s approach to financial risk management can be found in Note 3 to the consolidated financial statements. In addition, discussions of the Group’s relationships with its key stakeholders, environmental policies and performance, and compliance with relevant laws and regulations that have a significant impact on the Group can be found from pages 26 to 67 and pages 84 to 96, respectively.

The Group complies with all major local laws and regulations in both Hong Kong and the Chinese mainland, including those related to business ethics, health and safety, employees, customers, and the environment, which are the basic requirements of how we operate.

Preventing gas leakages or explosions in our production and storage facilities, pipelines and networks is a top priority for the Group. In the Hong Kong gas business, the gas safety requirements are covered by the Gas Safety Ordinance (Cap. 51 of the Laws of Hong Kong), with which the Group complies fully at all times. The Group conducts regular reviews of all operating procedures to mitigate these risks and implements targeted strategies for addressing them. The Group also manages its assets according to international standards and external certifications, and maintains insurance coverage against any property damage or financial loss.

The Group collects and keeps customers’ personal data necessary for the provision of the Group’s services. Customers are required to supply personal data to the Group in connection with the opening or operation of gas accounts, and when the Group provides other related facilities and services. The Group takes every step necessary to protect its customers’ data and has established a Personal Data Privacy Policy that sets out its standards for handling customer information. The Group complies with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong).

The Group is governed by the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) and all anti-bribery laws, which include zero tolerance towards corruption and related malpractice. The Group complies with the Prevention of Bribery Ordinance and its Code of Conduct; an Anti-fraud Policy is in place to promote integrity as a core company value. The Group further insists that all staff and business partners adhere to both the letter and the spirit of the law during the course of business. All employees are strictly forbidden from giving or accepting bribes and must never offer an advantage to, or ask for an advantage from, customers, suppliers, contractors, regulators and legislators, government authorities or other business partners.

Business Review (Continued)

The Group sets out its commitment to comply with the laws and regulations pertaining to anti-competitive practices, in line with the Group's nine core values. Guidance is provided for staff on the requirements and importance of compliance, as well as the disciplinary actions and possible liabilities they will be subject to in cases of non-compliance. Additionally, the Group closely monitors the Competition Ordinance (Cap. 619 of the Laws of Hong Kong) and reports to the management any developments that could have a significant impact on the Group.

The Company has complied with the requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (the "Companies Ordinance") and the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO") including but not limited to the disclosure of information and corporate governance practices.

The Group has also been aware of all relevant laws and regulations of the People's Republic of China, including but not limited to the Company Law, Environmental Protection Law, The Atmospheric Pollution Prevention and Control Law, Solid Waste Pollution Prevention and Control Law, Prevention and Control of Pollution From Environmental Noise Law, Labour Law, Production Safety Law, Fire Control Law, Construction Law, Road Traffic Safety Law, Anti-monopoly Law, Personal Information Protection Law, Cybersecurity Law, as well as the Administration Regulation on the Urban Gas and Work Safety of Construction Projects with proper compliance.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last nine financial years is set out on pages 74 and 75 of this Annual Report.

Distributable Reserves

The distributable reserves of the Company as at 31st December 2021 amounted to HK\$12,499 million (2020: HK\$13,773 million) before the proposed final dividend for the year ended 31st December 2021.

Shares Issued

During the year, the Company issued 888,565,242 bonus shares without consideration on the basis of one bonus share for every twenty shares held. The reason for the issue of bonus share was to enable the shareholders to enjoy a pro-rata increase in the number of shares being held in the Company without incurring any costs.

Details of the shares issued by the Company during the year are set out in Note 35 to the consolidated financial statements.

Bank Loans, Guaranteed Notes, Medium Term Note Programmes and Convertible Bonds

Particulars of bank loans, guaranteed notes, Medium Term Note Programmes and convertible bonds of the Company and the Group as at 31st December 2021 are set out in Note 32 to the consolidated financial statements on pages 176 to 178 and Financial Resources Review on pages 70 and 71, respectively.

Charitable Donations

During the year, the Group made charitable donations amounting to approximately HK\$3 million (2020: HK\$7.9 million).

Report of the Directors

Directors

The Directors of the Company during the year and up to the date of this report were:

Non-executive Directors

Dr. Lee Ka-kit (Chairman)
Dr. Lee Ka-shing (Chairman)
Dr. Colin Lam Ko-yin

Independent Non-executive Directors

Dr. the Hon. Sir David Li Kwok-po
Prof. Poon Chung-kwong
Dr. the Hon. Moses Cheng Mo-chi

Executive Directors

Mr. Alfred Chan Wing-kin
Mr. Peter Wong Wai-yee
Mr. John Ho Hon-ming

At the Annual General Meeting held on 2nd June 2021, Dr. Lee Ka-shing, Prof. Poon Chung-kwong, Mr. Peter Wong Wai-yee and Mr. John Ho Hon-ming were re-elected as Directors of the Company. Dr. Lee Ka-kit, Dr. Colin Lam Ko-yin, Dr. the Hon. Sir David Li Kwok-po, Dr. the Hon. Moses Cheng Mo-chi and Mr. Alfred Chan Wing-kin held office throughout the year.

According to the Articles of Association of the Company (the "Articles of Association"), one-third of all the directors are subject to retirement by rotation at every annual general meeting. Pursuant to Article 97 of the Articles of Association, Dr. Colin Lam Ko-yin, Dr. the Hon. Moses Cheng Mo-chi and Mr. Alfred Chan Wing-kin are due to retire by rotation at the forthcoming Annual General Meeting and shall be eligible for re-appointment. Dr. Colin Lam Ko-yin and Dr. the Hon. Moses Cheng Mo-chi offer themselves for re-appointment. As announced by the Company on 19th March 2021, Mr. Alfred Chan Wing-kin informed the Company that he will not seek re-election as a director of the Company at the forthcoming Annual General Meeting and will retire from office with effect from the conclusion of the forthcoming Annual General Meeting. Details of the Directors proposed for re-election are set out in the circular sent together with this Annual Report.

A list of directors who have served on the boards of the subsidiaries of the Company during the year and up to the date of this report is kept at the Company's registered office and available for inspection by shareholders during office hours.

Biographical Details of Directors

The biographical details of Directors and senior management who are also Executive Directors are set out from pages 20 to 24 of this Annual Report.

Disclosure of Interests

A. Directors

As at 31st December 2021, the interests and short positions of each Director of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Shares and Underlying Shares (Long Positions)

Name of Company	Name of Director	Interest in Shares			Aggregate Interests	Approximate %*
		Personal Interests	Corporate Interests	Other Interests		
The Hong Kong and China Gas Company Limited	Dr. Lee Ka-kit			7,748,692,715 (Note 2)	7,748,692,715	41.53
	Dr. Lee Ka-shing			7,748,692,715 (Note 2)	7,748,692,715	41.53
	Dr. the Hon. Sir David Li Kwok-po	57,297,885			57,297,885	0.31
	Mr. Alfred Chan Wing-kin	355,772 (Note 4)			355,772	0.00
	Prof. Poon Chung-kwong	243,085 (Note 5)			243,085	0.00
	Mr. John Ho Hon-ming	55,710			55,710	0.00
Lane Success Development Limited	Dr. Lee Ka-kit			9,500 (Note 6)	9,500	95
	Dr. Lee Ka-shing			9,500 (Note 6)	9,500	95
Yieldway International Limited	Dr. Lee Ka-kit			2 (Note 7)	2	100
	Dr. Lee Ka-shing			2 (Note 7)	2	100
Towngas Smart Energy Company Limited (“Towngas Smart Energy”, formerly known as Towngas China Company Limited)	Dr. Lee Ka-kit			2,084,895,656 (Note 8)	2,084,895,656	65.98
	Dr. Lee Ka-shing			2,084,895,656 (Note 8)	2,084,895,656	65.98
	Mr. Alfred Chan Wing-kin	4,161,034			4,161,034	0.13
	Mr. Peter Wong Wai-yee	3,201,000			3,201,000	0.10
	Mr. John Ho Hon-ming	1,133,862			1,133,862	0.04
EcoCeres, Inc.	Mr. Alfred Chan Wing-kin		66,409 (Note 9)		66,409	0.58
Everwealth Investment A, L.P. (the “Limited Partnership”)	Mr. Alfred Chan Wing-kin	USD2,237,452 (Note 10)			USD2,237,452	100

* Percentage which the aggregate long position in the shares or underlying shares represents to the number of issued shares of the Company or any of its associated corporations.

Save as mentioned above, as at 31st December 2021, there were no other interests or short positions of the Directors of the Company in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

Disclosure of Interests (Continued)**B. Substantial Shareholders and Others (Long Positions)**

As at 31st December 2021, the interests and short positions of every person, other than the Directors of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

	Name of Individual / Company	No. of Shares in which Interested	Approximate %*
Substantial Shareholders (a person who is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting)	Dr. the Hon. Lee Shau-kee (Note 3)	7,748,692,715	41.53
	Disralei Investment Limited (Note 1)	4,313,717,809	23.12
	Timpani Investments Limited (Note 1)	5,989,193,083	32.10
	Faxson Investment Limited (Note 1)	7,748,692,715	41.53
	Henderson Land Development Company Limited (Note 1)	7,748,692,715	41.53
	Henderson Development Limited (Note 1)	7,748,692,715	41.53
	Hopkins (Cayman) Limited (Note 2)	7,748,692,715	41.53
	Riddick (Cayman) Limited (Note 2)	7,748,692,715	41.53
	Rimmer (Cayman) Limited (Note 2)	7,748,692,715	41.53
Persons other than Substantial Shareholders	Macrostar Investment Limited (Note 1)	1,759,499,632	9.43
	Chelco Investment Limited (Note 1)	1,759,499,632	9.43
	Medley Investment Limited (Note 1)	1,675,475,274	8.98

* Percentage which the aggregate long position in the shares represents to the number of issued shares of the Company.

Save as mentioned above, as at 31st December 2021, the register maintained by the Company pursuant to section 336 of the SFO recorded no other interests or short positions in shares and underlying shares of the Company.

Notes:

- These 7,748,692,715 shares were beneficially owned by Macrostar Investment Limited ("Macrostar"), Medley Investment Limited ("Medley") and Disralei Investment Limited ("Disralei"). Macrostar was a wholly-owned subsidiary of Chelco Investment Limited, which was in turn, a wholly-owned subsidiary of Faxson Investment Limited ("FIL"). Medley and Disralei were wholly-owned subsidiaries of Timpani Investments Limited, which was in turn, a wholly-owned subsidiary of FIL. FIL was a wholly-owned subsidiary of Henderson Land Development Company Limited ("HLD"). Henderson Development Limited ("HD") was entitled to exercise or control the exercise of more than one-third of the voting power at general meetings of HLD.
- These 7,748,692,715 shares are duplicated in the interests described in Note 1. Hopkins (Cayman) Limited ("Hopkins") owned all the issued ordinary shares which carry the voting rights in the share capital of HD as trustee of a unit trust ("Unit Trust"). Rimmer (Cayman) Limited ("Rimmer") and Riddick (Cayman) Limited ("Riddick"), as trustees of the respective discretionary trusts, held units in the Unit Trust. Dr. Lee Ka-kit and Dr. Lee Ka-shing, as discretionary beneficiaries of the discretionary trusts, were taken to have duties of disclosure in relation to these shares by virtue of Part XV of the SFO.
- These 7,748,692,715 shares are duplicated in the interests described in Notes 1 and 2. Dr. the Hon. Lee Shau-kee beneficially owned all the issued shares in Rimmer, Riddick and Hopkins and was taken to be interested in these shares by virtue of Part XV of the SFO.
- These 355,772 shares were jointly held by Mr. Alfred Chan Wing-kin and his spouse.
- These 243,085 shares were jointly held by Prof. Poon Chung-kwong and his spouse.
- These 9,500 shares in Lane Success Development Limited were beneficially owned by a wholly-owned subsidiary of the Company (as to 4,500 shares) and a wholly-owned subsidiary of HLD (as to 5,000 shares). Dr. Lee Ka-kit and Dr. Lee Ka-shing were taken to be interested in HLD and the Company as set out in Notes 1 and 2 by virtue of Part XV of the SFO.
- These 2 shares in Yieldway International Limited were beneficially owned by a wholly-owned subsidiary of the Company (as to 1 share) and a wholly-owned subsidiary of HLD (as to 1 share). Dr. Lee Ka-kit and Dr. Lee Ka-shing were taken to be interested in HLD and the Company as set out in Notes 1 and 2 by virtue of Part XV of the SFO.
- These 2,084,895,656 shares in Towngas Smart Energy representing approximately 65.98% of the total number of issued shares in Towngas Smart Energy were beneficially owned by Hong Kong & China Gas (China) Limited (as to 1,905,302,051 shares), Planwise Properties Limited (as to 176,588,786 shares) and Superfun Enterprises Limited (as to 3,004,819 shares), wholly-owned subsidiaries of the Company. Dr. Lee Ka-kit and Dr. Lee Ka-shing were taken to be interested in the Company as set out in Notes 1 and 2 by virtue of Part XV of the SFO.
- These 66,409 shares in EcoCeres, Inc. were beneficially owned by the Limited Partnership (an exempted limited partnership). Since Mr. Alfred Chan Wing-kin's capital commitment as limited partner to the Limited Partnership was more than one-third of the total capital contribution requirements of the Limited Partnership, Mr. Alfred Chan Wing-kin was taken to be interested in these shares by virtue of Part XV of the SFO.
- These interests in the Limited Partnership representing Mr. Alfred Chan Wing-kin's capital commitment of USD2,237,452 as limited partner to the Limited Partnership, being an associated corporation of the Company by virtue of Part XV of the SFO.

Equity-Linked Agreements

No equity-linked agreements were entered into by the Company during the year or subsisted at the end of the year.

Arrangements to Purchase Shares or Debentures

During the year and as at 31st December 2021, 66,409 shares in EcoCeres, Inc., a non wholly-owned subsidiary of the Company, were beneficially owned by Everwealth Investment A, L.P. (the “Limited Partnership”). Mr. Alfred Chan Wing-kin, as a limited partner, had committed to make capital contribution of USD2,237,452 to the Limited Partnership representing more than one-third of the total capital contribution requirements of the Limited Partnership.

Save as mentioned above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors’ Interests in Competing Businesses

Pursuant to Rule 8.10 of the Listing Rules, the interests of Directors of the Company in businesses which might compete with the Group during the year ended 31st December 2021 and as at 31st December 2021 were as follows:

Mr. Alfred Chan Wing-kin, Mr. Peter Wong Wai-yee and Mr. John Ho Hon-ming, Directors of the Company, have held directorships in companies engaged in the same businesses of production, distribution and marketing of gas in the Chinese mainland as the Group. Although some of the businesses carried out by those companies are similar to the businesses carried out by the Group, they are of different scale and/or at different locations, and the Group, has been operating independently of, and at arm’s length from, the businesses of those companies. Therefore, the Board is of the view that the businesses of those companies did not compete with the businesses of the Group.

Service Contracts

None of the Directors who are proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

Connected Transactions

During the year, the Company had the following connected transactions, each of which, as disclosed by way of announcement, was subject to the reporting and announcement requirements but exempt from independent shareholders’ approval requirements under Chapter 14A of the Listing Rules since each of the applicable percentage ratios was less than 5%:

1. As disclosed in an announcement of the Company dated 11th June 2021, Alpha Idea International Limited (“Alpha Idea”), a wholly-owned subsidiary of the Company, had by signing and returning to Best Galaxy Limited (“Best Galaxy”), a wholly-owned subsidiary of Henderson Land Development Company Limited (“HLD”), on 11th June 2021: (a) a first letter of nomination in respect of the engagement for the carrying out of the town gas installation works at the sum of HK\$34,744,000; and (b) a second letter of nomination in respect of a successful tender for a sub-contract for the carrying out of the supply and installation works of kitchen appliances at the sum of HK\$14,906,430, both at the residential development situated at Fanling North New Development Site A, Ma Sik Road, Fanling Sheung Shui Town Lot 262, Fanling, New Territories, Hong Kong for Best Galaxy. As Best Galaxy is a wholly-owned subsidiary of HLD, which in turn is a controlling shareholder of the Company, Best Galaxy is a connected person of the Company under the Listing Rules and the aforesaid transactions therefore constituted connected transactions for the Company under Chapter 14A of the Listing Rules.

Connected Transactions (Continued)

- As disclosed in an announcement of the Company dated 8th October 2021, (a) U-Tech Engineering Company Limited (“U-Tech”), a wholly-owned subsidiary of the Company, had by signing and returning to Heng Lai Construction Company Limited (“Heng Lai”), a wholly-owned subsidiary of HLD, on 24th November 2020 a letter of acceptance (the “Previous Letter of Acceptance”) in respect of a successful tender for a sub-contract for the carrying out of the supply and installation of electrical equipment and the testing and commissioning of electrical systems (the “Electrical Installation Works”) for Heng Lai at the sum of HK\$39,892,140; and (b) Alpha Idea had by signing and returning to Asia Turbo Development Limited (“Asia Turbo”), a wholly-owned subsidiary of HLD, on 8th October 2021 a letter of nomination (the “Letter of Nomination”) in respect of the engagement by Asia Turbo for the carrying out of the town gas installation works (the “Town Gas Installation Works”) at the sum of HK\$14,019,500, both at the residential development situated at 25-29 Kok Cheung Street, Tai Kok Tsui, Kowloon, Hong Kong (the “Tai Kok Tsui Property”).

As Heng Lai is a wholly-owned subsidiary of HLD, which in turn is a controlling shareholder of the Company, Heng Lai is a connected person of the Company under the Listing Rules and the transaction in respect of the Electrical Installation Works therefore constituted a connected transaction for the Company under Chapter 14A of the Listing Rules. Nonetheless, as all of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Electrical Installation Works were less than 0.1%, the transaction in respect of the Electrical Installation Works was fully exempt from all disclosure requirements under Chapter 14A of the Listing Rules on a standalone basis. As Asia Turbo is a wholly-owned subsidiary of HLD, which in turn is a controlling shareholder of the Company, Asia Turbo is a connected person of the Company under the Listing Rules and the transaction in respect of the Town Gas Installation Works therefore constituted a connected transaction for the Company under Chapter 14A of the Listing Rules. Since the Previous Letter of Acceptance and the Letter of Nomination were entered into between the Group and subsidiaries of HLD within 12 months in relation to the installation works to be performed at the Tai Kok Tsui Property, and when calculated on an aggregated basis, one of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Electrical Installation Works and the Town Gas Installation Works was greater than 0.1% but less than 5%, the aforesaid transactions were subject to the reporting and announcement requirements.

- As disclosed in the announcement of the Company dated 3rd December 2021, (a) U-Tech had by countersigning and returning to Infinite Sun Limited (“Infinite Sun”), a company which is indirectly owned as to 30% by HLD, on 3rd December 2021 a first letter of intent in respect of the confirmation of the nomination of U-Tech as the sub-contractor to carry out the works relating to the upgrade of certain lighting, the supply and installation of electrical equipment (including the installation of booking facility system for clubhouse) and the testing and commissioning of electrical systems at the fixed contract sum of HK\$152,000,000; and (b) Alpha Idea had by countersigning and returning to Infinite Sun on 3rd December 2021 a second letter of intent in respect of the confirmation of the nomination of Alpha Idea as the sub-contractor to carry out the works relating to supply and installation of town gas supply pipework and gas appliances and facilities at the fixed contract sum of HK\$26,173,480, both at the residential development situated at New Kowloon Inland Lot No. 6576, Area 4B, Site 1, Kai Tak, Kowloon, Hong Kong for Infinite Sun. As Infinite Sun is an associate (as defined in the Listing Rules) of HLD (a controlling shareholder of the Company), Infinite Sun is a connected person of the Company under the Listing Rules and the aforesaid transactions therefore constituted connected transactions for the Company under Chapter 14A of the Listing Rules.

The related party transactions set out in Note 40 to the consolidated financial statements include transactions that constitute connected transactions or continuing connected transactions under the Listing Rules for which the disclosure requirements in accordance with Chapter 14A of the Listing Rules had been met.

Directors’ Material Interests in Transactions, Arrangements or Contracts

Except for the “Connected Transactions” as disclosed in this report, no other transactions, arrangements or contracts of significance in relation to the Group’s business to which the Company or any of its subsidiaries was a party, and in which a Director of the Company and the Director’s connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Management Contracts

No contracts (as defined in section 543 of the Companies Ordinance) concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Controlling Shareholders' Interests in Significant Contracts

Save as disclosed in this report, no contract of significance has been entered into between the Company or any of its subsidiaries and the controlling shareholder or its subsidiaries during the year.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31st December 2021, except that the trustee of the share award scheme adopted by Towngas Smart Energy (a 65.98%-owned subsidiary of the Company) on 17th August 2021 (the "Share Award Scheme"), pursuant to the terms of the rules and trust deed of the Share Award Scheme, purchased on the Exchange a total of 3,772,000 shares of Towngas Smart Energy at a total consideration of HK\$19,928,000.

Permitted Indemnity

Pursuant to the Articles of Association, subject to the provisions of the Companies Ordinance, every Director or other officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him as a director or other officer of the Company in defending any proceedings (whether civil or criminal) in which judgement is given in his favour or he is acquitted or in connection with any application under the Companies Ordinance in which relief is granted to him by the court.

In addition, the indemnity agreements made by the Company, which are currently in force and were in force throughout the financial year, contained permitted indemnity provisions (as permitted under the Companies Ordinance), for the benefit of the Directors of the Company. The Company has maintained appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group.

Major Customers and Suppliers

During the year, both the percentages of the purchases attributable to the Group's five largest suppliers combined and the percentage of the turnover attributable to the Group's five largest customers combined were less than 30 per cent of the total purchases and turnover of the Group respectively.

Corporate Governance

The Company's corporate governance principles and practices are set out in the Corporate Governance Report from pages 84 to 96 of this Annual Report.

Public Float

As at the date of this report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

Auditor

The financial statements have been audited by PricewaterhouseCoopers who will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment at a fee to be agreed by the Board.

On behalf of the Board

Lee Ka-kit

Chairman

Lee Ka-shing

Chairman

Hong Kong, 21st March 2022