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## **CHINESE ESTATES HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 127)**

### **FINAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

The board of directors (the “Board”) of Chinese Estates Holdings Limited (the “Company”) would like to announce the audited consolidated results of the Company and its subsidiaries (together, the “Group”) for the financial year ended 31 December 2024 (the “Year”) pursuant to paragraph 45 of Appendix D2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”). The Group’s consolidated statement of comprehensive income and consolidated statement of financial position, all of which have been reviewed by the Audit Committee, together with the comparative figures of the corresponding year ended 31 December 2023 are set out as follows:

#### **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the year ended 31 December 2024*

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	<b>2023</b> <b>HK\$'000</b>
Revenue	3	<b>336,812</b>	479,589
Cost of goods and services provided		<b>(56,586)</b>	(49,257)
Gross profit		<b>280,226</b>	430,332
Other income	5	<b>25,801</b>	24,851
Investment income (expenses), net	6	<b>20,710</b>	(65,461)
Administrative expenses		<b>(348,203)</b>	(333,872)
Gain (loss) on disposals of equipment, net		<b>64,366</b>	(31)
Fair value changes on investment properties		<b>(1,731,776)</b>	(31,007)
Finance costs	7	<b>(213,425)</b>	(223,373)
Other gains and losses	8	<b>(110,489)</b>	6,585
Share of results of investments accounted for using the equity method		<b>(111,174)</b>	296,273
(Loss) profit before tax		<b>(2,123,964)</b>	104,297
Income tax credit (expense)	9	<b>16,044</b>	(27,158)
(Loss) profit for the year	10	<b>(2,107,920)</b>	77,139

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME** *(continued)*

*For the year ended 31 December 2024*

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>Other comprehensive (expenses) income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Gains and losses on investments in equity instruments measured at fair value through other comprehensive income		<b>(57,158)</b>	(129,871)
Surplus on revaluation of property		<b>5,862</b>	-
Share of other comprehensive expenses of investments accounted for using the equity method		<b>(323)</b>	(181)
		<u><b>(51,619)</b></u>	<u>(130,052)</u>
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		<b>(77,747)</b>	281,501
Reclassification adjustment related to foreign operation disposed of		<b>98,247</b>	-
Share of other comprehensive expenses of investments accounted for using the equity method		<b>(5,318)</b>	(830)
		<u><b>15,182</b></u>	<u>280,671</u>
Other comprehensive (expenses) income for the year (net of tax)		<u><b>(36,437)</b></u>	<u>150,619</u>
<b>Total comprehensive (expenses) income for the year</b>		<u><b>(2,144,357)</b></u>	<u>227,758</u>
<b>(Loss) profit for the year attributable to:</b>			
Owners of the Company		<b>(2,108,331)</b>	76,832
Non-controlling interests		<b>411</b>	307
		<u><b>(2,107,920)</b></u>	<u>77,139</u>
<b>Total comprehensive (expenses) income for the year attributable to:</b>			
Owners of the Company		<b>(2,144,768)</b>	227,451
Non-controlling interests		<b>411</b>	307
		<u><b>(2,144,357)</b></u>	<u>227,758</u>
<b>(Loss) earnings per share (HK\$)</b>			
Basic and diluted	12	<u><b>(1.105)</b></u>	<u>0.040</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**At 31 December 2024**

	Notes	2024 HK\$'000	2023 HK\$'000
<b>Non-current assets</b>			
Investment properties		9,719,164	13,957,718
Property, plant and equipment		52,811	169,745
Right-of-use assets		39,293	85,056
Intangible assets		-	-
Investments accounted for using the equity method		1,862,087	2,036,149
Advances to associates		59,332	60,013
Financial assets measured at fair value through profit or loss		54,315	60,359
Financial assets measured at fair value through other comprehensive income		138,522	195,680
Advances to investee companies		345,690	419,905
Pledged deposit		28,980	-
Deposits and prepayments	13	-	4,904
Deferred tax assets		-	877
		<u>12,300,194</u>	<u>16,990,406</u>
<b>Current assets</b>			
Stock of properties		23,316	23,316
Financial assets measured at fair value through profit or loss		365,643	339,319
Advances to investee companies		64,017	211,507
Inventories		4,650	4,079
Debtors, deposits, other receivables and prepayments	13	164,977	204,431
Securities trading receivables and deposits		18,062	26,992
Tax recoverable		9,939	259
Pledged deposits		1,008,194	152,929
Time deposits, bank balances and cash		1,742,313	592,228
		<u>3,401,111</u>	<u>1,555,060</u>
<b>Current liabilities</b>			
Creditors and accruals	14	499,919	182,939
Securities trading and margin payable		10,923	6,963
Deposits and receipts in advance		62,205	84,205
Lease liabilities		36,890	43,275
Tax liabilities		15,644	6,568
Borrowings		1,655,774	2,191,525
Derivative financial instrument		-	99
		<u>2,281,355</u>	<u>2,515,574</u>
<b>Net current assets (liabilities)</b>		<u>1,119,756</u>	<u>(960,514)</u>
<b>Total assets less current liabilities</b>		<u>13,419,950</u>	<u>16,029,892</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(continued)*  
*At 31 December 2024*

	2024 HK\$'000	2023 HK\$'000
<b>Equity attributable to owners of the Company</b>		
Share capital	190,762	190,762
Property revaluation reserve	5,862	-
Financial assets measured at fair value through other comprehensive income reserve	138,360	195,818
Contribution reserve	206,627	206,627
Statutory reserve	4,402	4,402
Special reserve	2,499,685	2,499,685
Capital redemption reserve	138,062	138,062
Translation reserve	(539,078)	(554,260)
Retained profits		
- proposed final dividend	57,229	-
- others	9,364,825	11,530,408
	<u>12,066,736</u>	<u>14,211,504</u>
<b>Non-controlling interests</b>	<b>24,008</b>	<b>23,597</b>
<b>Total equity</b>	<b><u>12,090,744</u></b>	<b><u>14,235,101</u></b>
<b>Non-current liabilities</b>		
Borrowings	1,272,684	1,660,323
Amounts due to associates	11,559	21,431
Amounts due to investee companies	13,885	13,885
Amounts due to non-controlling shareholders	275	275
Lease liabilities	1,795	38,684
Deferred tax liabilities	29,008	60,193
	<u>1,329,206</u>	<u>1,794,791</u>
	<b><u>13,419,950</u></b>	<b><u>16,029,892</u></b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

### 1. Basis of Preparation

These consolidated 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 (“Ints”)) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong. In addition, these consolidated financial statements include applicable disclosures required by the Listing Rules and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

These consolidated financial statements have been prepared under the historical cost basis, except for certain properties and financial instruments, which are measured at their fair values.

### 2. Material Accounting Policies

The accounting policies adopted in these consolidated financial statements for the Year are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2023 except as described below.

In the current year, the Group has applied the following amendments to HKFRSs and revised Int (“Amendments”) issued by the HKICPA for the first time, including those which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of these consolidated financial statements:

HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements
HK Int 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The application of the Amendments had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early adopted the following new and amendments to HKFRSs and Int (“New and Amended HKFRSs and Int”) that have been issued but are not yet effective.

HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
HKAS 21 (Amendments)	Lack of Exchangeability <sup>1</sup>
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>2</sup>
HK Int 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined

The Directors are in the process of assessing the potential impact of the New and Amended HKFRSs and Int but are not yet in a position to determine whether the New and Amended HKFRSs and Int will have a material impact on the Group’s performance and financial position and on the disclosures. The New and Amended HKFRSs and Int may result in changes to how the Group’s performance and financial position are prepared and presented in the future.

### 3. Revenue

Revenue represents the aggregate amounts of commission from brokerage, settlement charges from brokerage, cosmetics goods sold less returns, building and property management services income, amounts received and receivable from property rental income, interest income from bonds and structured products, dividend income from listed and unlisted equity investments and gain on sales of investments held-for-trading. Revenue is analysed as follows:

	2024 HK\$'000	2023 HK\$'000
Revenue from contracts with customers:		
<i>Recognised on a point in time basis</i>		
Brokerage and cosmetics income	13,528	14,107
<i>Recognised on over time basis</i>		
Building and property management services income	<u>51,986</u>	<u>51,694</u>
	<u>65,514</u>	<u>65,801</u>
Revenue from other sources:		
Property rental income	204,616	257,223
Interest income from		
- bonds ( <i>note (i)</i> )	10,308	8,850
- structured products ( <i>note (ii)</i> )	-	253
	10,308	9,103
Dividend income from		
- listed equity investments ( <i>note (i)</i> )	2,486	5,053
- unlisted equity investments ( <i>note (ii)</i> )	38,000	76,600
	40,486	81,653
Gain on sales of investments held-for-trading	<u>15,888</u>	<u>65,809</u>
	<u>271,298</u>	<u>413,788</u>
Total revenue	<u><b>336,812</b></u>	<u><b>479,589</b></u>

*Notes:*

- (i) *The interest income from bonds and structured products and dividend income from listed equity investments were derived from financial assets measured at fair value through profit or loss ("FVTPL").*
- (ii) *The dividend income from unlisted equity investments was derived from financial assets measured at fair value through other comprehensive income ("FVTOCI").*

#### 4. Operating Segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

The Group has six reportable segments – (i) property development and trading; (ii) property leasing for retail; (iii) property leasing for non-retail; (iv) listed equity investments at FVTOCI; (v) investments and treasury products at FVTPL; and (vi) unlisted investments, investment holding and brokerage, and the remaining businesses of the Group grouped under all other segments. The segmentations are based on the information about the operations of the Group that management of the Group uses to make decisions.

Principal activities are as follows:

Property development and trading	–	Property development and sales of trading properties
Property leasing		
- Retail	–	Property leasing from retail properties
- Non-retail	–	Property leasing from non-retail properties
Listed equity investments at FVTOCI	–	Listed equity securities at FVTOCI
Investments and treasury products at FVTPL	–	Securities investments in investments held-for-trading, over-the-counter trading and structured products
Unlisted investments, investment holding and brokerage	–	Unlisted securities investments, trading and brokerage
All other segments	–	Cosmetics distribution and trading, provision of building and property management services and others

The Group evaluates performance on the basis of profit or loss from operations after tax expense and non-controlling interests but not including the major non-cash items. The major non-cash items are unrealised fair value changes on investment properties and other properties together with, if applicable, their respective deferred tax.

No operating segments have been aggregated in arriving at the six reportable segments described above.

Unallocated corporate assets mainly comprised right-of-use assets and tax recoverable (2023: also included land and building for own use and deferred tax assets).

Unallocated corporate liabilities mainly comprised tax liabilities, borrowings, amounts due to associates, amounts due to investee companies, amounts due to non-controlling shareholders, lease liabilities and deferred tax liabilities.

The Group's reportable segments are strategic business units that operate different activities. They are managed separately because each business unit has different markets and requires different marketing strategies.

Further, the business units are also managed to operate in different countries separately. Revenue and results are attributed to countries on the basis of the property or asset location.

There was no major customer who individually accounted for 10% or more of the Group's revenue during the years ended 31 December 2024 and 2023.

#### 4. Operating Segments (continued)

Operating segment information is presented below:

### Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	Property development and trading HK\$'000	Property leasing		Listed equity investments at FVTOCI HK\$'000	Investments and treasury products at FVTPL HK\$'000	Unlisted investments, investment holding and brokerage HK\$'000	All other segments HK\$'000	Consolidated HK\$'000
		Retail HK\$'000	Non-retail HK\$'000					
<b>Major cash items excluding in revenue</b>								
- Hong Kong	-	-	-	-	141,803	-	-	141,803
- Other countries	-	-	-	-	52,527	-	-	52,527
	-	-	-	-	194,330	-	-	194,330
<b>Revenue</b>								
Dividend and interest income and gain on sales of investments held-for-trading								
- Hong Kong	38,000	-	-	-	21,144	-	-	59,144
- Other countries	-	-	-	-	7,538	-	-	7,538
Revenue from external customers								
- Hong Kong	-	33,859	100,682	-	-	2,864	62,650	200,055
- United Kingdom	-	32,494	37,104	-	-	-	-	69,598
- Mainland China	-	-	477	-	-	-	-	477
	38,000	66,353	138,263	-	28,682	2,864	62,650	336,812
Revenue (excluding dividend income from segments of property development and trading and property leasing)								
	-	66,353	138,263	-	28,682	2,864	62,650	298,812
Attributable property sales from an investee company								
- Hong Kong	12,390	-	-	-	-	-	-	12,390
Attributable rental revenue from associates/investee companies								
- Hong Kong	-	15,461	50,524	-	-	-	-	65,985
- Mainland China	-	50,066	5,343	-	-	-	-	55,409
	12,390	131,880	194,130	-	28,682	2,864	62,650	432,596
<b>Results</b>								
Segment results								
- Hong Kong	44,925	30,845	94,550	-	11,023	36,999	37,248	255,590
- United Kingdom	-	29,849	20,748	-	-	6,547	-	57,144
- Mainland China	-	-	277	-	-	3,388	-	3,665
- Other countries	-	-	-	-	(15,463)	-	-	(15,463)
	44,925	60,694	115,575	-	(4,440)	46,934	37,248	300,936
Share of results of investments accounted for using the equity method								
Attributable gross income								
- Hong Kong	-	14,960	50,177	-	-	-	2,399	67,536
- Mainland China	-	50,066	5,343	-	-	-	-	55,409
Attributable operating cost								
- Hong Kong	-	(1,919)	(4,169)	-	-	-	-	(6,088)
- Mainland China	-	(18,349)	(3,133)	-	-	-	-	(21,482)
	44,925	105,452	163,793	-	(4,440)	46,934	39,647	396,311
Other income								
-	-	-	12,292	-	-	-	-	12,292
Share of results of investments accounted for using the equity method								
Income tax and others								
-	-	(23,835)	(2,806)	-	-	-	(228)	(26,869)
	44,925	81,617	173,279	-	(4,440)	46,934	39,419	381,734
Unallocated items								
Unallocated corporate expenses, net								(280,675)
Finance costs								(213,425)
Loss on disposal of a subsidiary								(100,142)
Income tax credit								16,044
Non-controlling interests								(411)
<b>Operating loss for the year attributable to owners of the Company</b>								
<b>Realised fair value changes on disposals of investment properties (including share of results of investments accounted for using the equity method) recognised in current year</b>								
								(196,875)
Major non-cash items								
- Unrealised fair value changes on investment properties (including share of results of investments accounted for using the equity method)								(1,834,543)
<b>Loss for the year attributable to owners of the Company</b>								
								<b>(2,108,331)</b>



#### 4. Operating Segments (continued)

##### Consolidated Statement of Comprehensive Income (continued)

For the year ended 31 December 2024

Core loss (excluding major non-cash items)	HK\$'000
Operating loss for the year attributable to owners of the Company	(196,875)
Accumulated realised fair value changes on disposals of investment properties (including share of results of investments accounted for using the equity method)	
- Recognised in current year	(76,913)
- Recognised in prior years	<u>(215,502)</u>
Core loss for the year attributable to owners of the Company	<u><u>(489,290)</u></u>

##### Consolidated Statement of Financial Position

At 31 December 2024

	Property development and trading HK\$'000	Property leasing		Listed equity investments at FVTOCI HK\$'000	Investments and treasury products at FVTPL HK\$'000	Unlisted investments, investment holding and brokerage HK\$'000	All other segments HK\$'000	Consolidated HK\$'000
		Retail HK\$'000	Non-retail HK\$'000					
<b>Assets</b>								
Segment assets								
- Hong Kong	484,010	1,855,858	5,211,133	-	299,202	1,263,363	147,384	9,260,950
- United Kingdom	-	786,905	3,475,528	-	-	-	-	4,262,433
- Mainland China	105,482	-	27,156	-	-	-	-	132,638
- Other countries	-	-	-	-	74,586	47	-	74,633
Investments accounted for using the equity method								
- Hong Kong	49,751	349,507	1,300,725	-	-	1,339	3,764	1,705,086
- Mainland China	-	73,153	83,848	-	-	-	-	157,001
Advances to associates								
- Hong Kong	1,959	-	152	-	-	2	3	2,116
- Mainland China	-	26,659	30,557	-	-	-	-	57,216
Reportable segment assets	<u>641,202</u>	<u>3,092,082</u>	<u>10,129,099</u>	<u>-</u>	<u>373,788</u>	<u>1,264,751</u>	<u>151,151</u>	<u>15,652,073</u>
Unallocated corporate assets								<u>49,232</u>
Consolidated total assets								<u><u>15,701,305</u></u>
<b>Liabilities</b>								
Segment liabilities								
- Hong Kong	33,370	12,971	128,727	-	1,073	12,670	14,520	203,331
- United Kingdom	-	16,990	352,465	-	-	-	-	369,455
- Mainland China	34	-	227	-	-	-	-	261
Reportable segment liabilities	<u>33,404</u>	<u>29,961</u>	<u>481,419</u>	<u>-</u>	<u>1,073</u>	<u>12,670</u>	<u>14,520</u>	<u>573,047</u>
Unallocated corporate liabilities								<u>3,037,514</u>
Consolidated total liabilities								<u><u>3,610,561</u></u>
<b>Additions to non-current assets (other than financial instruments and deferred tax assets)</b>								
	<u>4</u>	<u>107</u>	<u>379,274</u>	<u>-</u>	<u>-</u>	<u>61</u>	<u>7,072</u>	

**4. Operating Segments (continued)**  
**Other Material Items**  
*For the year ended 31 December 2024*

	Reportable segments HK\$'000	Adjustments for unallocated items HK\$'000	Adjustments for realised fair value changes HK\$'000	Adjustments for major non-cash items HK\$'000	Consolidated statement of comprehensive income HK\$'000
Interest income	68,121	-	-	-	68,121
Finance costs	-	(213,425)	-	-	(213,425)
Net income (expenses)	68,121	(213,425)	-	-	(145,304)
Depreciation of:					
- Property, plant and equipment	-	(60,718)	-	-	(60,718)
- Right-of-use assets	-	(45,763)	-	-	(45,763)
Fair value changes on investment properties	-	-	(77,092)	(1,654,684)	(1,731,776)
Share of results of investments accounted for using the equity method	68,506	-	179	(179,859)	(111,174)
Income tax credit	-	16,044	-	-	16,044
Non-controlling interests	-	(411)	-	-	(411)

**4. Operating Segments (continued)**  
**Consolidated Statement of Comprehensive Income**  
For the year ended 31 December 2023

	Property development and trading HK\$'000	Property leasing		Listed equity investments at FVTOCI HK\$'000	Investments and treasury products at FVTPL HK\$'000	Unlisted investments, investment holding and brokerage HK\$'000	All other segments HK\$'000	Consolidated HK\$'000
		Retail HK\$'000	Non-retail HK\$'000					
<b>Major cash items excluding in revenue</b>								
- Hong Kong	-	-	-	44,662	328,217	-	-	372,879
- Other countries	-	-	-	-	490,974	-	-	490,974
	-	-	-	44,662	819,191	-	-	863,853
<b>Revenue</b>								
Dividend and interest income and gain on sales of investments held-for-trading								
- Hong Kong	76,000	-	-	-	17,255	-	600	93,855
- Other countries	-	-	-	-	62,710	-	-	62,710
Revenue from external customers								
- Hong Kong	-	30,525	121,433	-	-	3,032	62,769	217,759
- United Kingdom	-	31,613	73,652	-	-	-	-	105,265
	76,000	62,138	195,085	-	79,965	3,032	63,369	479,589
Revenue (excluding dividend income from segments of property development and trading and property leasing)	-	62,138	195,085	-	79,965	3,032	63,369	403,589
Attributable property sales from an investee company								
- Hong Kong	120,229	-	-	-	-	-	-	120,229
Attributable rental revenue from associates/investee companies								
- Hong Kong	-	16,248	49,916	-	-	-	-	66,164
- Mainland China	-	49,140	5,960	-	-	-	-	55,100
	120,229	127,526	250,961	-	79,965	3,032	63,369	645,082
<b>Results</b>								
Segment results								
- Hong Kong	76,000	26,030	116,890	-	(89,515)	30,189	37,556	197,150
- United Kingdom	-	28,865	65,059	-	-	3,671	-	97,595
- Mainland China	-	-	(13)	-	-	3,364	-	3,351
- Other countries	-	-	-	-	67,271	754	-	68,025
	76,000	54,895	181,936	-	(22,244)	37,978	37,556	366,121
Share of results of investments accounted for using the equity method								
- Attributable gross income								
- Hong Kong	-	15,789	49,529	-	-	-	2,294	67,612
- Mainland China	-	49,140	5,960	-	-	-	-	55,100
- Attributable operating cost								
- Hong Kong	-	(1,623)	(9,555)	-	-	-	-	(11,178)
- Mainland China	-	(19,612)	(3,320)	-	-	-	-	(22,932)
	76,000	98,589	224,550	-	(22,244)	37,978	39,850	454,723
Other income	-	-	13,436	-	-	-	-	13,436
Share of results of investments accounted for using the equity method								
- Income tax and others	-	38,616	4,839	-	-	-	(61)	43,394
	76,000	137,205	242,825	-	(22,244)	37,978	39,789	511,553
Unallocated items								
Unallocated corporate expenses, net								(317,153)
Finance costs								(223,373)
Income tax expense								(38,950)
Non-controlling interests								(307)
<b>Operating loss for the year attributable to owners of the Company</b>								(68,230)
Deferred tax credit on realised fair value changes on disposal of an investment property recognised in current year								528
Major non-cash items								
- Unrealised fair value changes on investment properties (including share of results of investments accounted for using the equity method)								133,270
- Deferred tax credit								11,264
<b>Profit for the year attributable to owners of the Company</b>								76,832
<b>Core loss (excluding major non-cash items)</b>								
Operating loss for the year attributable to owners of the Company								(68,230)
Accumulated realised fair value changes and related deferred tax on disposal of an investment property								
- Recognised in current year								528
- Recognised in prior years								521
<b>Core loss for the year attributable to owners of the Company</b>								(67,181)

**4. Operating Segments (continued)**  
**Consolidated Statement of Financial Position**  
*At 31 December 2023*

	Property development and trading HK\$'000	Property leasing		Listed equity investments at FVTOCI HK\$'000	Investments and treasury products at FVTPL HK\$'000	Unlisted investments, investment holding and brokerage HK\$'000	All other segments HK\$'000	Consolidated HK\$'000
		Retail HK\$'000	Non-retail HK\$'000					
<b>Assets</b>								
Segment assets								
- Hong Kong	700,602	1,242,024	6,116,023	-	229,910	299,745	247,838	8,836,142
- United Kingdom	-	951,704	6,284,203	-	-	-	-	7,235,907
- Mainland China	108,018	-	104	-	-	-	-	108,122
- Other countries	-	-	-	-	117,916	106	-	118,022
Investments accounted for using the equity method								
- Hong Kong	43,426	392,433	1,431,632	-	-	1,582	4,325	1,873,398
- Mainland China	-	72,258	90,493	-	-	-	-	162,751
Advances to associates								
- Hong Kong	1,945	-	162	-	-	3	3	2,113
- Mainland China	-	25,706	32,194	-	-	-	-	57,900
Reportable segment assets	<u>853,991</u>	<u>2,684,125</u>	<u>13,954,811</u>	<u>-</u>	<u>347,826</u>	<u>301,436</u>	<u>252,166</u>	<u>18,394,355</u>
Unallocated corporate assets								<u>151,111</u>
Consolidated total assets								<u>18,545,466</u>
<b>Liabilities</b>								
Segment liabilities								
- Hong Kong	36,717	16,128	97,335	6	284	9,945	18,844	179,259
- United Kingdom	-	18,447	76,429	-	-	-	-	94,876
- Mainland China	35	-	32	-	-	2	-	69
- Other countries	-	-	-	-	2	-	-	2
Reportable segment liabilities	<u>36,752</u>	<u>34,575</u>	<u>173,796</u>	<u>6</u>	<u>286</u>	<u>9,947</u>	<u>18,844</u>	<u>274,206</u>
Unallocated corporate liabilities								<u>4,036,159</u>
Consolidated total liabilities								<u>4,310,365</u>
<b>Additions to non-current assets (other than financial instruments and deferred tax assets)</b>								
	<u>-</u>	<u>233</u>	<u>319,898</u>	<u>-</u>	<u>-</u>	<u>207</u>	<u>402</u>	

**Other Material Items**

*For the year ended 31 December 2023*

	Reportable segments HK\$'000	Adjustments for unallocated items HK\$'000	Adjustment related to realised fair value changes HK\$'000	Adjustments for major non-cash items HK\$'000	Consolidated statement of comprehensive income HK\$'000
Interest income	46,425	-	-	-	46,425
Finance costs	-	(223,373)	-	-	(223,373)
Net income (expenses)	46,425	(223,373)	-	-	(176,948)
Depreciation of:					
- Property, plant and equipment	-	(58,791)	-	-	(58,791)
- Right-of-use assets	-	(45,811)	-	-	(45,811)
Fair value changes on investment properties	-	-	-	(31,007)	(31,007)
Share of results of investments accounted for using the equity method	131,996	-	-	164,277	296,273
Income tax (expense) credit	-	(38,950)	528	11,264	(27,158)
Non-controlling interests	-	(307)	-	-	(307)

## 5. Other Income

	2024 HK\$'000	2023 HK\$'000
Included in other income are:		
Rental services income	3,033	3,252
Leasing administration services and property administration services income	4,881	5,121
Advisory and consultancy services income	45	39
Dilapidations settlement and surrender premium received from tenants in respect of properties in the United Kingdom	12,292	13,436
Exchange gain, net	-	422
	<u>12,292</u>	<u>13,436</u>

## 6. Investment Income (Expenses), Net

	2024 HK\$'000	2023 HK\$'000
Financial assets/liabilities measured at fair value through profit or loss:		
Unrealised loss arising from change in fair value of bonds	(12,609)	(65,863)
Realised gain (loss) arising from change in fair value of bonds		
- Change in fair value	867	(6,435)
- Exchange component of change	616	529
Net loss arising from change in fair value of bonds	(11,126)	(71,769)
Unrealised gain (loss) arising from change in fair value of structured products and derivative financial instruments	127	(99)
Realised loss arising from change in fair value of structured products and derivative financial instruments	(1,773)	(614)
Net loss arising from change in fair value of structured products and derivative financial instruments	(1,646)	(713)
Unrealised loss arising from change in fair value of investments held-for-trading	(20,508)	(29,820)
Unrealised (loss) gain arising from change in fair value of club and corporate debentures	(2,890)	1,760
Realised loss arising from change in fair value of a club debenture	-	(582)
Net (loss) gain arising from change in fair value of club and corporate debentures	(2,890)	1,178
Realised loss arising from change in fair value of cross currency swap	-	(1,250)
Other investment income, net	158	847
Interest income from other financial assets	56,722	36,066
	<u>20,710</u>	<u>(65,461)</u>

## 7. Finance Costs

	2024 HK\$'000	2023 HK\$'000
Interest on:		
Bank borrowings	216,480	229,066
Other borrowing	7,935	-
Lease liabilities	2,764	3,768
Total interest	<u>227,179</u>	<u>232,834</u>
Exchange gain on translation of foreign currency bank borrowing	-	(1,356)
Other finance costs	7,792	2,883
	<u>234,971</u>	<u>234,361</u>
Less: Interest capitalised to investment properties under construction	<u>(21,546)</u>	<u>(10,988)</u>
	<u><b>213,425</b></u>	<u><b>223,373</b></u>

During the Year, the Group has capitalised borrowing costs at a rate of 5.68% (2023: 5.48%) per annum, amounting to approximately HK\$21,546,000 (2023: HK\$10,988,000) on qualifying assets.

## 8. Other Gains and Losses

	2024 HK\$'000	2023 HK\$'000
Included in other gains and losses are:		
Loss on disposal of a subsidiary ( <i>note</i> )	(100,142)	-
Impairment loss of land and building	(4,234)	-
(Allowance for credit losses) reversal of allowance for credit losses recognised in respect of advances to associates, net	(7)	7,326
	<u><b>(7)</b></u>	<u><b>7,326</b></u>

*Note: Loss on disposal of a subsidiary arose from the disposal of the entire issued share capital of State Smart Limited ("State Smart"), an indirect wholly-owned subsidiary of the Company on 14 August 2024 ("State Smart Disposal"). At the time of disposal, State Smart held the property located at 14 St George Street, London, United Kingdom. Details of the State Smart Disposal are set out in Note 15.*

## 9. Income Tax (Credit) Expense

	2024 HK\$'000	2023 HK\$'000
The (credit) charge comprises:		
Current tax:		
Hong Kong Profits Tax	1,934	3,215
Other than Hong Kong	17,280	16,066
	19,214	19,281
(Overprovision) underprovision in prior years:		
Hong Kong Profits Tax	(37)	(124)
Other than Hong Kong	(5,490)	13,454
	(5,527)	13,330
Deferred tax:		
Current year credit	(29,731)	(5,453)
	<u><b>(16,044)</b></u>	<u><b>27,158</b></u>

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5% (2023: 16.5%). The People's Republic of China ("PRC") Enterprise Income Tax for the PRC subsidiaries are calculated at the PRC Enterprise Income Tax rate of 25% (2023: 25%). The Group is subject to tax rate in the United Kingdom at 25% (2023: changed from 19% to 25%). Taxation arising from other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

## 10. (Loss) Profit for the Year

	2024 HK\$'000	2023 HK\$'000
(Loss) profit for the year has been arrived at after (charging) crediting:		
Total staff costs:		
Staff costs, including Directors' emoluments	(131,532)	(129,920)
Retirement benefit scheme contributions, net of forfeited contributions of approximately HK\$205,000 (2023: HK\$408,000)	(7,778)	(8,140)
	(139,310)	(138,060)
Auditors' remuneration for audit services:		
Auditors of the Company		
- Current year	(2,050)	(2,128)
Other auditors		
- Current year	(667)	(592)
	(2,717)	(2,720)
Auditors' remuneration for non-audit services:		
Auditors of the Company	(645)	(450)
Depreciation of:		
- Property, plant and equipment	(60,718)	(58,791)
- Right-of-use assets	(45,763)	(45,811)
	(106,481)	(104,602)
Impairment loss of land and building	(4,234)	-
Exchange loss, net	(39,438)	-
Rental expenses from short-term leases	(3,258)	(3,875)
Cost of cosmetics products sold	(4,959)	(5,334)
Share of tax of investments accounted for using the equity method (included in share of results of investments accounted for using the equity method)		
- Share of tax (expense) credit of associates	(11,293)	1,786
Gross proceeds on sales of investments held-for-trading	118,308	617,279
Carrying amount of investments held-for-trading disposed of	(102,252)	(550,345)
Transaction costs on sales of investments held-for-trading	(168)	(1,125)
Gain on sales of investments held-for-trading included in revenue	15,888	65,809
Gross rental income from investment properties	204,616	257,223
Less: Direct operating expenses from investment properties that generated rental income during the year	(13,949)	(7,673)
Direct operating expenses from investment properties that did not generate rental income during the year	(14,398)	(12,719)
	176,269	236,831
(Allowance for credit losses) reversal of allowance for credit losses recognised, net in respect of:		
- Other receivable	(20)	-
- Trade receivables	(19)	-
- Advances to associates	(7)	7,326

## 11. Dividends

On 14 August 2024, the Board resolved not to declare any interim dividend for 2024 (2023: nil).

Final dividend for the Year of HK3 cents (2023: nil) per share has been proposed by the Board and is subject to shareholders' approval at the forthcoming annual general meeting of the Company.

## 12. (Loss) Earnings per Share

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

	2024 HK\$'000	2023 HK\$'000
(Loss) earnings:		
(Loss) earnings for the purposes of basic and diluted (loss) earnings per share		
(Loss) profit for the year attributable to owners of the Company	<u>(2,108,331)</u>	<u>76,832</u>
	<b>Number of shares</b>	
	2024	2023
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic and diluted (loss) earnings per share	<u>1,907,619,079</u>	<u>1,907,619,079</u>

Diluted (loss) earnings per share for the years ended 31 December 2024 and 2023 were the same as the basic (loss) earnings per share as there were no potential ordinary shares of the Company in issue during both years.

## 13. Debtors, Deposits, Other Receivables and Prepayments

	2024 HK\$'000	2023 HK\$'000
Trade receivables (net of allowance for credit losses)	11,324	6,607
Deposits and prepayments	40,762	54,683
Interest receivables from bonds (net of allowance for credit losses)	4,964	4,665
Other receivables	<u>107,927</u>	<u>143,380</u>
	<u>164,977</u>	<u>209,335</u>
Analysed for reporting purpose as:		
Non-current	-	4,904
Current	<u>164,977</u>	<u>204,431</u>
	<u>164,977</u>	<u>209,335</u>

Included in debtors, deposits, other receivables and prepayments are trade receivables of approximately HK\$11,324,000 (2023: HK\$6,607,000), which comprised rental and building management fee receivables billed in advance and settlements from tenants which are expected upon receipts of billings and receivables from property management services and cosmetics business.

The carrying amounts of trade receivables (net of allowance for credit losses) of the Group's major businesses are as follows:

	2024 HK\$'000	2023 HK\$'000
Rental receivables from property leasing	5,128	1,262
Receivables from building and property management services	4,368	3,296
Receivables from cosmetics business	<u>1,828</u>	<u>2,049</u>
	<u>11,324</u>	<u>6,607</u>



### 13. Debtors, Deposits, Other Receivables and Prepayments (continued)

The following is the aged analysis of trade receivables (net of allowance for credit losses), presented based on the respective revenue recognition dates, at the end of the reporting period:

	2024 HK\$'000	2023 HK\$'000
0 - 30 days	5,666	3,336
31 - 60 days	1,752	1,652
61 - 90 days	821	933
Over 90 days	3,085	686
	<u>11,324</u>	<u>6,607</u>

### 14. Creditors and Accruals

Included in creditors and accruals are trade payables of approximately HK\$632,000 (2023: HK\$2,516,000).

The following is the aged analysis of trade payables, presented based on the invoice date, at the end of the reporting period:

	2024 HK\$'000	2023 HK\$'000
0 - 90 days	183	765
Over 90 days	449	1,751
	<u>632</u>	<u>2,516</u>

### 15. Disposal of a Subsidiary

#### State Smart Disposal

On 14 August 2024, Capital Castle Global Limited (“Capital Castle”), an indirect wholly-owned subsidiary of the Company; and Oval Gymkhana Holdco Limited (“Oval”), which is an independent third party, entered into a sale and purchase agreement, pursuant to which Capital Castle agreed to sell and Oval agreed to acquire the entire issued share capital of State Smart.

Completion of the State Smart Disposal took place immediately after signing of the sale and purchase agreement. At completion, Oval repaid on behalf of State Smart its bank debt (including principal, interest and related fees) (“Bank Debt”) of approximately Pound Sterling (“GBP”) 22,920,000 (equivalent to approximately HK\$229,964,000) and amount due to the Group of approximately GBP96,415,000 (equivalent to approximately HK\$967,360,000) to its respective creditors. The consideration for sale share amounted to approximately GBP6,198,000 (equivalent to approximately HK\$62,191,000).

The cash consideration of approximately HK\$50,653,000 was received during the Year and the remaining of the consideration is expected to be received within one year from the end of the reporting period. The transfer of control over State Smart has been completed on 14 August 2024.

Upon completion, State Smart ceased to be a subsidiary of the Company and its financial results, assets and liabilities were ceased to be consolidated with those of the Group.

Details of the State Smart Disposal were set out in the announcement of the Company dated 15 August 2024 and the circular of the Company dated 17 September 2024.

## 15. Disposal of a Subsidiary (continued)

### State Smart Disposal (continued)

	2024 HK\$'000
The net assets of State Smart as at the date of disposal were as follows:	
Investment properties	1,254,162
Other receivables and prepayment	7,918
Creditors and accruals	(2,366)
Receipts in advance	(5,103)
Tax liabilities	(862)
Net assets disposed of	<u>1,253,749</u>
Release of translation reserve upon disposal	98,247
Loss on disposal of a subsidiary	<u>(100,142)</u>
	<u><u>1,251,854</u></u>
Satisfied by:	
Cash consideration	50,653
Consideration receivable	11,538
Sale share consideration	62,191
Settlement of Bank Debt by Oval	229,964
Settlement of amount due to the Group by Oval	967,360
Expenses incurred for disposal	(7,661)
	<u><u>1,251,854</u></u>
Net cash inflow arising from disposal:	
Cash consideration	50,653
Settlement of amount due to the Group by Oval	967,360
Expenses incurred for disposal	(7,661)
	<u><u>1,010,352</u></u>

The loss on the State Smart Disposal was included in other gains and losses (Note 8) in the consolidated statement of comprehensive income.

## 16. Capital Commitments

	2024 HK\$'000	2023 HK\$'000
Authorised and contracted for:		
Redevelopment expenditure of properties	344,813	523,046
Refurbishment of properties	-	27,516
Purchases of equipment and leasehold improvement	-	8,748
	<u>344,813</u>	<u>559,310</u>

## 17. Contingent Liabilities

	2024 HK\$'000	2023 HK\$'000
Guarantee given to a bank in respect of banking facilities in lieu of the cash public utility deposit jointly utilised by subsidiaries	15,000	15,000
Guarantee given to banks in respect of banking facilities utilised by investee companies/indemnity given to a third party in relation to an investee company	827,830	613,830
	<u>842,830</u>	<u>628,830</u>

No provision for financial guarantee contracts and/or deed of indemnity have been made as at 31 December 2024 and 2023 as the Directors considered the default risk is low.

## DIVIDENDS

The Board has recommended the payment of a final dividend of HK3 cents per share (2023: nil) for the Year (the “Final Dividend”).

The Company did not declare any interim dividend for the six months ended 30 June 2024 (2023: nil). At present, we have maintained a healthy cash flow and have sufficient resources to support our ongoing operations. Having considered the Company’s dividend policy, the Board has recommended the payment of the Final Dividend of HK3 cents per share (2023: nil).

Despite the unrealised fair value loss on investment properties, our Group’s operating cash flow will not be affected. The overall financial and business position of the Group remains positive.

Subject to shareholders’ approval at the forthcoming annual general meeting of the Company to be held on 23 May 2025 (the “2025 AGM”), dividend warrants for the Final Dividend will be posted on or about 10 June 2025 to shareholders whose names appear on the register of members of the Company on 30 May 2025.

## CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the members’ eligibility to attend and vote at the 2025 AGM, and entitlement to the recommended Final Dividend, the register of members will be closed during the following periods respectively:

- |  |   |
|--|---|
| <b>(1) <i>For ascertaining eligibility to attend and vote at the 2025 AGM:</i></b> |   |
| Latest time to lodge transfers documents for registration                          | 4:30 p.m. on 19 May 2025                            |
| Closure of register of members   | 20 May 2025 to 23 May 2025<br>(both days inclusive) |
| <b>(2) <i>For ascertaining entitlement to the recommended Final Dividend:</i></b>  |   |
| Latest time to lodge transfers documents for registration                          | 4:30 p.m. on 28 May 2025                            |
| Closure of register of members   | 29 May 2025 to 30 May 2025<br>(both days inclusive) |
| Record date  | 30 May 2025   |

To be eligible to attend and vote at the 2025 AGM, and to qualify for the recommended Final Dividend, all properly completed share transfers documents accompanied by the relevant share certificates must be lodged for registration with the Company’s Branch Registrar and Transfer Office in Hong Kong, namely Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than the respective latest time as stated above.

## FINANCIAL OPERATION REVIEW

### Results

#### Revenue

Revenue for the Year amounted to HK\$336.8 million (2023: HK\$479.6 million), a decrease of 29.8% over last year and comprised gross rental income of HK\$204.6 million (2023: HK\$257.2 million), gain on sales of investments held-for-trading on a net basis of HK\$15.9 million (2023: HK\$65.8 million), dividend income from listed and unlisted equity investments of HK\$40.5 million (2023: HK\$81.7 million), interest income from bonds and structured products of HK\$10.3 million (2023: HK\$9.1 million), building and property management services income of HK\$52.0 million (2023: HK\$51.7 million) and others of HK\$13.5 million (2023: HK\$14.1 million). The decrease in revenue was mainly due to decrease in (a) gross rental income of HK\$52.6 million; (b) net gain on sales of investments held-for-trading of HK\$49.9 million; and (c) dividend income from an investee company engages in property development and trading of HK\$38.0 million for the Year.

#### Gross Profit

Gross profit for the Year amounted to HK\$280.2 million (2023: HK\$430.3 million), a decrease of 34.9% as compared with last year which was also mainly due to decrease in (a) net rental income; (b) net gain on sales of investments held-for-trading; and (c) dividend income from an investee company for the Year.

#### Property Leasing

For property leasing, the rental revenue in non-retail section declined by 29.1% to HK\$138.3 million while retail section increased by 6.8% to HK\$66.3 million during the Year. The total rental income in revenue for the Year recorded a decrease of 20.5% to HK\$204.6 million as compared with last year of HK\$257.2 million.

Together with the attributable rental revenue generated from associates and investee companies of HK\$121.4 million (2023: HK\$121.3 million), the total attributable rental revenue to the Group amounted to HK\$326.0 million (2023: HK\$378.5 million), which represents a decrease of 13.9% over last year.

Attributable net rental income for the Year showed HK\$269.2 million, a decrease of 16.7% over HK\$323.1 million in last year.

The decline in attributable rental revenue and net rental income was mainly due to (a) disposal of a subsidiary holding 14 St George Street, London, United Kingdom in August 2024; (b) the decreased occupancy of the property located at 11 and 12 St James's Square and 14 to 17 Ormond Yard, London, United Kingdom for upgrading works on part of the property, of which the property was disposed in December 2024; and (c) drop in rental income from office portion in Hong Kong.

#### Property Development and Trading

During the Year, the Group did not dispose of any trading property (2023: no disposal).

In respect of properties held by an investee company, sales of certain units and parking spaces of Grand Central in Kwun Tong (10% interest) were recorded by the investee company during the Year. Following the recognition of sales and profits by the investee company, the investee company declared dividend and hence dividend income from the investee company had contributed HK\$38.0 million (2023: HK\$76.0 million) to the Group's revenue and results during the Year.

The Group's investee company recorded an attributable sales of HK\$12.4 million (2023: HK\$120.2 million) for the Year.

#### Securities Investments

The Group has in the ordinary and usual course of business conducted its securities investment activities, as at 31 December 2024, comprised listed equity investments, bonds and treasury products. During the Year, the net loss (excluding gain/loss recognised in financial assets measured at FVTOCI reserve) recognised from securities investments and treasury products representing net loss on investments and treasury products at FVTPL of HK\$4.4 million (2023: HK\$22.2 million).

## *Investments and Treasury Products at Fair Value Through Profit or Loss*

During the Year, the Group disposed of listed investments held-for-trading and recognised a realised gain of HK\$15.9 million (2023: HK\$65.8 million) (the gains/losses of which was included in revenue) with gross proceeds of HK\$118.3 million (2023: HK\$617.3 million). In addition, realised gain on bonds of HK\$1.5 million (2023: realised loss HK\$5.9 million) and realised loss on derivative financial instruments of HK\$1.8 million (2023: realised loss on structured products and derivative financial instruments of HK\$0.6 million) were recorded during the Year.

During the Year, the Group recorded an unrealised loss of HK\$33.0 million (2023: HK\$95.8 million) representing the changes in fair value of listed equity investments, bonds and derivative financial instruments, comprised unrealised loss on listed investments held-for-trading of HK\$20.5 million (2023: HK\$29.8 million), unrealised loss on bonds of HK\$12.6 million (2023: HK\$65.9 million) and unrealised gain on derivative financial instruments of HK\$0.1 million (2023: unrealised loss of HK\$0.1 million), which had no effect on the cash flow of the Group.

During the Year, interest income from bonds (which were included in revenue) of HK\$10.3 million (2023: from bonds of HK\$8.8 million and structured products of HK\$0.3 million). Together with dividend income from listed equity investments at FVTPL (which were included in revenue) of HK\$2.5 million (2023: HK\$5.1 million), the Group recognised interest/dividend income from investments and treasury products at FVTPL of HK\$12.8 million (2023: HK\$14.2 million) for the Year.

Summing up the realised and unrealised gain/loss and adding the net income from net dividend income, interest income and other investment income/expenses of HK\$13.0 million (2023: HK\$14.3 million), the net loss recognised from securities investments and treasury products was HK\$4.4 million (2023: HK\$22.2 million) for the Year.

### *Other Income and Expenses*

During the Year, the Group recorded other income of HK\$25.8 million (2023: HK\$24.9 million).

During the Year, administrative expenses increased by 4.3% to HK\$348.2 million (2023: HK\$333.9 million). Finance costs decreased by 4.5% to HK\$213.4 million (2023: HK\$223.4 million) during the Year.

Other gains and losses recorded a net loss of HK\$110.5 million mainly comprised loss on the State Smart Disposal of HK\$100.1 million for the Year (2023: net gain of HK\$6.6 million mainly comprised reversal of allowance for credit loss recognised in respect of advance to an associate of HK\$7.4 million).

### *Major Disposals*

#### *Disposal of a Subsidiary*

On 14 August 2024, Capital Castle, an indirect wholly-owned subsidiary of the Company; and Oval, which is an independent third party, entered into a sale and purchase agreement, pursuant to which Capital Castle agreed to sell and Oval agreed to acquire the entire issued share capital of State Smart. At the time of disposal, State Smart held the property located at 14 St George Street, London, United Kingdom. Completion of the State Smart Disposal took place immediately after signing of the sale and purchase agreement. At completion, Oval repaid on behalf of State Smart the Bank Debt equivalent to approximately HK\$230.0 million and amount due to the Group equivalent to approximately HK\$967.3 million to its respective creditors. The consideration for sale share amounted to equivalent to approximately HK\$62.2 million. Upon completion, State Smart ceased to be a subsidiary of the Company and its financial results, assets and liabilities were ceased to be consolidated with those of the Group. The Group recorded a loss on the State Smart Disposal of HK\$100.1 million and an other comprehensive income in respect of reclassification adjustment related to foreign operation disposed of HK\$98.2 million. As a result, the Group recorded a net loss of HK\$1.9 million in total comprehensive expenses for the Year.

Details of the State Smart Disposal were set out in the announcement of the Company dated 15 August 2024 and the circular of the Company dated 17 September 2024.

## *Disposal of a Property*

On 19 December 2024, KNIGHTLIGHTS PROPERTY INTERNATIONAL S.A., an indirect wholly-owned subsidiary of the Company entered into a sale and purchase agreement in relation to the disposal of the property located at 11 and 12 St James's Square and 14 to 17 Ormond Yard, London, United Kingdom to an independent third party at a consideration of GBP162.0 million (equivalent to approximately HK\$1,590.8 million) ("St James's Square Disposal"). The Group recorded a realised loss on fair value changes of investment property and impairment loss of land and building of HK\$104.1 million. Completion of the St James's Square Disposal took place on the date of signing of the sale and purchase agreement.

Details of the St James's Square Disposal were set out in the announcement of the Company dated 19 December 2024 and the circular of the Company dated 21 January 2025.

## *Investments Accounted for Using the Equity Method*

The share of results of investments accounted for using the equity method for the Year recorded a loss from the share of results of associates of HK\$111.2 million (2023: profit of HK\$296.3 million). The turning from profit to loss on share of results of associates was mainly due to fair value changes of investment properties held by associates turned from gain to loss during the Year.

## *Fair Value Changes on Investment Properties*

Investment properties of the Group in Hong Kong and Mainland China were revalued at 31 December 2024 by Peak Vision Appraisals Limited ("Peak Vision Appraisals") whereas investment properties in the United Kingdom were revalued by LCH (Asia-Pacific) Surveyors Limited ("LCH (Asia-Pacific)"). Peak Vision Appraisals and LCH (Asia-Pacific) are independent qualified professional property valuers. An unrealised loss and realised loss on fair value changes of investment properties of HK\$1,654.7 million (2023: HK\$31.0 million) and HK\$77.1 million (2023: nil) respectively were recorded during the Year. The unrealised fair value change is a non-cash item and will not affect the cash flow of the Group.

## **Loss/Profit, Core Loss, Dividends, Repurchase and Total Comprehensive Expenses/Income**

### *Loss/Profit*

Loss for the Year attributable to owners of the Company was HK\$2,108.3 million as compared to profit of HK\$76.8 million for last year. The turning from profit to loss was mainly arising from decrease in fair value of investment properties during the Year. Loss per share for the Year was HK\$1.11 (2023: earnings per share of HK\$0.04).

### *Core Loss*

Core profit/loss is a non-HKFRS measure, is arrived at by adding (i) reported profit/loss excluding unrealised fair value changes of investment properties and other properties together with their respective deferred tax (if applicable) during the Year; and (ii) accumulated realised fair value changes of investment properties and other properties together with their respective deferred tax (if applicable) recognised in prior years. The Group believes that the presentation of non-HKFRS measure facilitates comparisons of operating performance from period to period by eliminating potential impact of certain items.

If the net loss on the major non-cash items of HK\$1,834.5 million (2023: net gain of HK\$144.5 million) is excluded, but the accumulated realised fair value loss recognised in prior years on disposals of investment properties of HK\$215.5 million (2023: accumulated realised fair value gain and related deferred tax of HK\$0.5 million) is included, the Group will have a core loss for the Year attributable to owners of the Company of HK\$489.3 million (2023: HK\$67.2 million) and a core loss per share of HK\$0.26 (2023: HK\$0.04).

The major non-cash items represented the attributable net unrealised fair value loss on investment properties together with their respective deferred tax (if applicable) from the Group and its associates of HK\$1,834.5 million (2023: net gain of HK\$144.5 million).

### *Dividends*

No dividend was paid during the Year (2023: nil).

A final dividend of HK3 cents per share (2023: nil) for the Year has been recommended.

## Repurchase

During the Year, the Company had not repurchased any of the Company's share.

## Total Comprehensive Expenses/Income

Total comprehensive expenses for the Year attributable to owners of the Company was HK\$2,144.8 million or HK\$1.12 per share (2023: total comprehensive income of HK\$227.5 million or HK\$0.12 per share), which comprised (a) loss for the Year attributable to owners of the Company of HK\$2,108.3 million (2023: profit of HK\$76.8 million); and (b) other comprehensive expenses for the Year attributable to owners of the Company of HK\$36.5 million (2023: other comprehensive income of HK\$150.6 million) which mainly included (i) GBP exchange loss of foreign operations of HK\$73.4 million (2023: exchange gain of HK\$284.6 million); (ii) unrealised loss of HK\$34.4 million (2023: HK\$49.7 million) on fair value change of an unlisted equity security at FVTOCI as a result of the decrease in the carrying amount of the unlisted equity security by the corresponding amount upon declaration of dividend of HK\$38.0 million (2023: HK\$76.0 million) (as disclosed in the sub-paragraph headed "Property Development and Trading" of paragraph headed "Results" above); despite of (iii) reclassification adjustment related to foreign operation disposed of recognised as other comprehensive income of HK\$98.2 million (2023: nil).

## **Net Asset Value**

As at 31 December 2024, the Group's net asset value attributable to owners of the Company amounted to HK\$12,066.7 million (2023: HK\$14,211.5 million), a decrease of HK\$2,144.8 million or 15.1% when compared with 31 December 2023. With the total number of ordinary shares in issue of 1,907,619,079 as at 31 December 2024 and 2023, the net asset value per share attributable to owners of the Company was HK\$6.33 (2023: HK\$7.45). The movement in net asset value represented total comprehensive expenses for the Year attributable to owners of the Company of HK\$2,144.8 million.

In view of the redevelopment plan of properties in Tsuen Wan, Hong Kong and "120 Fleet Street" in London, United Kingdom, certain redevelopment expenditures which have been authorised and contracted for have been disclosed in "Capital Commitments" in Note 16 to the consolidated financial statements. Going forward, further investment in capital expenditures for these two redevelopment properties are planned.

Other than disposal of a subsidiary holding 14 St George Street, London, United Kingdom and disposal of a property located at 11 and 12 St James's Square and 14 to 17 Ormond Yard, London, United Kingdom (as disclosed in section headed "Other Information" below), the existing projects and those disclosed in the final results, the Group did not have material acquisition or disposal of assets and any future plans for material investment or capital assets.

## **Securities Investments**

The Group's strategy is to maintain securities investment portfolio for treasury management and invest in securities investments and treasury products with attractive yield and good prospect in order to bring stable and satisfactory realised return in long run.

## Securities Investments and Treasury Products

As at 31 December 2024, the portfolio of securities investments and treasury products of HK\$365.7 million (2023: HK\$342.4 million) comprised listed investments held-for-trading, bonds and derivative financial instruments (presented as financial assets/liabilities measured at FVTPL (non-current and current assets/liabilities)), representing 2.3% (2023: 1.8%) of total assets.

## **Risk Management**

The Group has established adequate risk management procedures that enable it to identify, measure, monitor and control various types of risk it faces. This is supplemented by active management involvement, effective internal controls and adequate internal audit in the best interests of the Group.

## **Equity**

The number of issued ordinary shares as at 31 December 2024 and 2023 were 1,907,619,079.

## Debt and Gearing

As at 31 December 2024, the Group had a strong financial position, the Group had cash and deposits at banks of HK\$2,779.5 million (2023: HK\$745.1 million), comprised unpledged cash and deposits HK\$1,742.3 million (2023: HK\$592.2 million) and pledged deposits of HK\$1,037.2 million (2023: HK\$152.9 million). After netting off the total debt of HK\$2,967.2 million (2023: HK\$3,933.8 million), comprised bank and other borrowings of HK\$2,928.5 million (2023: HK\$3,851.8 million) and lease liabilities of HK\$38.7 million (2023: HK\$82.0 million), the net debt (including lease liabilities) amounted to HK\$187.7 million, a decrease of HK\$3,001.0 million when compared with 31 December 2023 of HK\$3,188.7 million.

Total debt to equity ratio (including lease liabilities) was 24.5% (2023: 27.6%) and net debt to equity ratio (including lease liabilities) was 1.6% (2023: 22.4%), which are expressed as a percentage of total debt, and net debt, respectively, over the total equity of HK\$12,090.7 million (2023: HK\$14,235.1 million). The net debt to equity ratio decreased significantly was mainly due to decrease in net debt as a result of significant increase in cash and deposits at banks.

If the securities investments and treasury products of HK\$365.7 million (2023: HK\$342.4 million) are included, there would be a net cash position of HK\$178.0 million (2023: net debt of HK\$2,846.3 million and net debt to equity ratio of 20.0%).

As at 31 December 2024, the Group's bank and other borrowings of HK\$2,928.5 million, 56.5%, 30.5% and 13.0% were on demand and/or repayable within 1 year, more than 1 year but within 2 years and more than 2 years but within 5 years respectively. Of which the Group's bank and other borrowings were denominated in HK\$ (83.4%) and GBP (16.6%). As at 31 December 2024, the Group's bank and other borrowings were carried at interest rates calculated with reference to cost of funds, Hong Kong Interbank Offered Rate or compounded reference rate and all the Group's bank and other borrowings were on floating rate basis. No hedging for interest rate is subsisted at the end of the reporting period.

## Pledge of Assets

As at 31 December 2024, the Group had pledged the following assets with their respective carrying amounts:

- (a) The Group's investment properties of HK\$4,054.5 million (2023: HK\$9,281.6 million), bank deposits of HK\$112.3 million (2023: HK\$152.9 million) and properties of nil (2023: HK\$40.3 million) were pledged to the banks to secure general banking facilities granted to the Group.
- (b) The Group's bonds and listed equity investments at FVTPL with carrying amounts of HK\$231.7 million (2023: nil) and cash deposits of HK\$924.9 million (2023: nil) were pledged to a financial institution to secure margin facility granted to the Group.
- (c) Interests in certain subsidiaries of the Company have been pledged as part of the security to secure certain bank borrowings granted to the Group.

## Financial and Interest Income/Expenses

Interest income was included in revenue and investment income (expenses), net. Interest income for the Year increased to HK\$68.1 million (2023: HK\$46.4 million), representing an increase of 46.8% as compared with last year which was mainly due to increase in interest income from bank deposits as a result of the increase in bank deposits during the Year.

Finance costs included interest expenses on bank and other borrowings and lease liabilities; exchange difference on translation of foreign currency borrowings; and arrangement fee and facility and commitment fee expenses. Interest expenses (excluding interest expenses on lease liabilities) for the Year amounted to HK\$202.9 million, representing a decrease of 7.0% over last year of HK\$218.1 million. Interest capitalised for the Year was HK\$21.5 million (2023: HK\$11.0 million). The average interest rate over the year under review was 6.09% (2023: 5.93%), which was expressed as a percentage of total interest paid (excluding interest on lease liabilities) over the average total interest-bearing borrowings.



## Remuneration Policies

As at 31 December 2024, the Group employed a total of 476 staff (2023: 495 staff) including about 241 staff (2023: 249 staff) employed under the estate management company in Hong Kong and 8 staff (2023: 9 staff) in the United Kingdom.

Employees were remunerated on the basis of their performance, experience and prevailing industry practice. Remuneration packages comprised salary and year-end discretionary bonus based on market conditions and individual performance. The executive Directors continued to review employees' contributions and to provide them with necessary incentives and flexibility for their better commitment and performance.

## United Kingdom and Mainland China

During the Year, the Group disposed two investment properties in the United Kingdom in August 2024 and December 2024. As at 31 December 2024, the Group's investment properties in the United Kingdom amounted to GBP395.9 million (equivalent to approximately HK\$3,856.9 million) (2023: GBP705.4 million (equivalent to approximately HK\$7,023.7 million) (excluding properties occupied for own use)). During the Year, the Group incurred a net loss of HK\$412.5 million (2023: HK\$297.6 million) in respect of its business in the United Kingdom, the loss mainly included in gross profit, other income, fair value changes on investment properties, administrative expenses, finance costs and taxation. Due to depreciation of GBP against HK\$ during the Year, GBP exchange loss of foreign operations included in other comprehensive expenses for the Year amounted to HK\$73.4 million (2023: exchange gain of HK\$284.6 million). As at 31 December 2024, the Group's net investment in the United Kingdom amounted to HK\$3,401.8 million (2023: HK\$5,517.3 million) representing 28.1% (2023: 38.8%) of the Group's total equity.

In addition, upon completion of the State Smart Disposal, the Group recorded a loss on the State Smart Disposal of HK\$100.1 million and an other comprehensive income in respect of reclassification adjustment related to foreign operation disposed of HK\$98.2 million (as disclosed in the sub-paragraph headed "Total Comprehensive Expenses/Income" of paragraph headed "Loss/Profit, Core Loss, Dividends, Repurchase and Total Comprehensive Expenses/Income" above). As a result, the Group recorded a net loss of HK\$1.9 million in total comprehensive expenses for the Year.

Loss incurred by the Group's investment in Mainland China (mainly included in gross profit, fair value changes on investment properties, administrative expenses, share of results of investments accounted for using the equity method and taxation) for the Year amounted to HK\$3.6 million (2023: profit of HK\$156.9 million). Due to depreciation of Renminbi ("RMB") against HK\$ during the Year, RMB exchange loss of foreign operations included in other comprehensive expenses for the Year amounted to HK\$9.7 million (2023: HK\$4.0 million). The Group's net investment in Mainland China as at 31 December 2024 amounted to HK\$345.0 million (2023: HK\$352.5 million) representing 2.9% (2023: 2.5%) of the Group's total equity.

## Property Valuation

Property valuations in respect of the Group's investment properties in Hong Kong and Mainland China were carried out by Peak Vision Appraisals for both 31 December 2024 and 2023, whereas property valuations of investment properties in the United Kingdom were carried out by LCH (Asia-Pacific) as at 31 December 2024 (2023: Moore Transaction Services Limited), all are independent qualified professional property valuers. The valuations were based on investment method and/or direct comparison method and/or residual method as the valuation methodologies and were used in preparing 2024 final results.

The Group's investment properties were valued at HK\$9,719.2 million (2023: HK\$13,957.7 million), a decrease of 14.6% over 2023 after adjusted for the additions, disposals and exchange adjustments of investment properties during the Year. The unrealised fair value loss of HK\$1,654.7 million was recognised in the consolidated statement of comprehensive income for the Year. The Group also shared unrealised fair value loss of investment properties of associates of HK\$179.8 million for the Year.

The unrealised fair value loss of HK\$1,654.7 million was mainly derived from the decrease in fair value of properties located in Hong Kong. The unrealised fair value change is a non-cash item and will not affect the cash flow of the Group.

## FINANCIAL INFORMATION

The financial information in this announcement does not constitute the Group's consolidated financial statements for the Year, but represents an extract from those consolidated financial statements. The final results of the Group for the Year have been reviewed by the Audit Committee of the Company.

### Scope of work of HLB Hodgson Impey Cheng Limited

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income, and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

## BUSINESS REVIEW

### Hong Kong Property Investment and Development

As at 31 December 2024, the occupancy rate of the shops of Causeway Place in Causeway Bay was approximately 92.80%.

During the Year, the average occupancy rate of the office property, Harcourt House in Wanchai was approximately 71.56%. Together with the retail portion, the average occupancy rate of Harcourt House was approximately 73.39% during the Year.

Nos. 14-18 Ma Kok Street is an industrial site in Tsuen Wan. It will be redeveloped into a 25-storey industrial building (including 2 basement levels for parking and loading/unloading facilities). Its total gross floor area is approximately 227,950 square feet. Construction of the new development is currently underway, with the main contract works (basement and superstructure) in progress. The new building is expected to be completed by the second quarter of 2025.

Nos. 86 and 88 Apliu Street is a 25-storey residential-cum-commercial building in Sham Shui Po. During the Year, ground floor retail portion was fully let while other floors were let to a non-governmental organisation to operate a youth hostel in the name of Joseph's House under the "Youth Hostel Scheme – Subsidy Scheme for Using Hotels and Guesthouses as Youth Hostels" approved by the Government. Joseph's House consists a total of 42 rooms with up to 84 hostel places.

No. 1 Hung To Road (33.33% interest), a 33-storey industrial building in Kwun Tong, the occupancy rate was approximately 99.44% as at 31 December 2024.

Olympian City 3 (25% interest), the retail mall in The Hermitage residences in West Kowloon, the average occupancy rate was approximately 94.15% during the Year.

Coronation Circle (15% interest), the retail mall in The Coronation residences in West Kowloon, the average occupancy rate was approximately 29.85% during the Year.

Grand Central (10% interest) is a joint venture development project of the Group in Kwun Tong awarded by the Urban Renewal Authority, with a total gross floor area of around 1,853,561 square feet. It comprises two phases with 4 residential tower blocks and provides 1,999 residential units in aggregate. As at 31 December 2024, all residential units of two phases were sold and completed.

Kai Tak Project (Kai Tak Area 2A Site 2 and Site 3) (10% interest) is a joint venture development project of the Group awarded by Government tender. Its total site area is approximately 145,303 square feet and its total gross floor area is around 992,279 square feet. It will be developed into a residential and retail development together with government, institution or community facilities. The development is expected to be completed by the fourth quarter of 2030.

## **Mainland China Property Investment**

Hilton Beijing (50% interest), a five-star international hotel having 506 rooms. 5th to 14th floors of the hotel main tower were pending for renovation. Therefore, as at 31 December 2024, there were 308 rooms available for rent and the occupancy rate was approximately 91.60%.

Oriental Place (50% interest), a 10-storey office building next to Hilton Beijing. As at 31 December 2024, the occupancy rate was approximately 84.28%.

## **Overseas Property Investment and Development**

“120 Fleet Street” consists of a freehold office building known as River Court and the Grade II\* listed Daily Express Building, situated at 116-129 Fleet Street, London, United Kingdom. River Court will be redeveloped into a 21-storey high rise Grade A office led, mixed use building with 2 basement levels, and is expected to comprise approximately 540,800 square feet of office space and approximately 18,600 square feet of retail space and will be renamed as Evergo Tower, while Daily Express Building will be retained and refurbished.

“14 St George Street” is a freehold office building located in London, United Kingdom with total net internal area of around 51,861 square feet. Office accommodation is arranged over lower ground, ground and four upper floors. The Group disposed the company holding the property to an independent third party on 14 August 2024.

“61-67 Oxford Street and 11-14 Soho Street” is a mixed use freehold building located in London, United Kingdom, comprising approximately 55,151 square feet in aggregate. The building provides retails, office and residential accommodation, occupying approximately 33,843 square feet, 13,694 square feet and 7,614 square feet respectively, over lower ground, ground and six upper floors. As at 31 December 2024, it was fully let.

“11 and 12 St James’s Square and 14 to 17 Ormond Yard” is a mixed use freehold building located in London, United Kingdom. Its total net internal area is around 82,374 square feet. Office accommodation is arranged over lower ground, ground and six upper floors. The Group disposed the property to an independent third party on 19 December 2024.

## **Securities Investment**

The Group’s strategy is to maintain securities investment portfolio for treasury management. As at 31 December 2024, the Group’s securities investment portfolio comprised of listed equity investments, bonds and treasury products. The Group’s primary objectives when managing capital are to safeguard the abilities of the entities in the Group to continue as a going concern, so that it can continue to provide returns for shareholders of the Company. The Group’s strategy for future investments is to invest in a diversified portfolio to minimise risks with attractive yield, good liquidity and issuers from reputable entities, so as to maintain a healthy financial status and grasp every good investment chance.

The net loss recognised from securities investments and treasury products for the Year was approximately HK\$4.4 million. Details of the performance of securities investments are disclosed in the “Financial Operation Review” of this announcement.

The Group will continue to closely monitor its portfolio of securities investment to achieve satisfactory returns.

## **OTHER INFORMATION**

### **Resignation of Independent Non-executive Director and Change in Member of Board Committees**

Ms. Phillis Loh, Lai-ping (“Ms. Loh”) resigned as an Independent Non-executive Director, a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company respectively, and the chairman of the Nomination Committee of the Company with effect from 12 June 2024. In light of the resignation of Ms. Loh, the Board appointed Mr. Ma, Tsz-chun, an Independent Non-executive Director, as the chairman of the Nomination Committee of the Company with effect from 12 June 2024. The Company had made relevant announcement on 12 June 2024.

The Board currently comprised seven Directors with Independent Non-executive Directors representing more than one-third of the Board.

## **Disposal of a Subsidiary holding a Property in the United Kingdom – Major Transaction**

On 14 August 2024, the Group and an independent third party (the “Purchaser”) entered into a sale and purchase agreement in relation to the disposal of the entire issued share capital of an indirect wholly-owned subsidiary of the Company (the “Target Company”) that held the property located at 14 St George Street, London, United Kingdom, and repayment of bank debt and intra group debt by the Purchaser on behalf of the Target Company at a final consideration of GBP125,533,471.82 (equivalent to approximately HK\$1,259.5 million) (the “Disposal”). Completion of the Disposal had been taken place immediately after signing of the sale and purchase agreement. The Disposal constituted a major transaction of the Company under the Listing Rules. Details of the Disposal were set out in the Company’s announcement dated 15 August 2024 and circular dated 17 September 2024.

## **Disposal of a Property in the United Kingdom – Major Transaction**

On 19 December 2024, the Group entered into a sale and purchase agreement in relation to the disposal of the property located at 11 and 12 St James’s Square and 14 to 17 Ormond Yard, London, United Kingdom to an independent third party at a consideration of GBP162,000,000 (equivalent to approximately HK\$1,590.8 million) (the “St James’s Square Disposal”). Completion of the St James’s Square Disposal had been taken place on the date of signing of the sale and purchase agreement. The St James’s Square Disposal constituted a major transaction of the Company under the Listing Rules. Details of the St James’s Square Disposal were set out in the Company’s announcement dated 19 December 2024 and circular dated 21 January 2025.

## **Change of Bermuda Principal Registrar and Transfer Office**

As announced on 31 December 2024, the Company’s principal registrar and transfer office in Bermuda has been changed to Appleby Global Corporate Services (Bermuda) Limited of Canon’s Court, 22 Victoria Street, PO Box HM 1179, Hamilton HM EX, Bermuda with effect from 1 January 2025.

## **PROSPECTS**

At the beginning of 2025, the global economic landscape exhibits signs of recovery and steady improvement. Despite new challenges such as the pace of United States interest rate cut, escalation of geopolitical tensions and trade conflicts under the new United States administration, as well as the growing impacts of climate change, over the past few years, major global economies, such as Mainland China, have built stronger resilience underpinning the economies’ trajectory.

Domestically, the Group has observed a promising increase in economic activity, which has been supported by various government policies. This improvement is partly attributed to a series of high-profile mega-events organised by the Government that have significantly boosted public engagement, resulting in an increase in local consumption, investment in real estate, and ultimately, benefiting the Group’s businesses. The public sector’s commitment to hosting global attractions is expected to further amplify consumption and investments and invigorate key sectors such as retail and food and beverage service, directly enhancing the profitability of our retail investment properties.

As interest rates decline gradually, property developers will accelerate the launching their project sales to sell off their stock and inventory. It is expected that the local residential property market sentiment will improve in 2025, while home prices will remain soft due to the ample supply.

Given the change in leadership, uncertainty surrounding new measures from the United Kingdom Government poses concerns for its economic landscape, which have, in turn, created compelling reasons for us to adopt a more asset-light approach in the near future. Despite this, the Group will continue to monitor the challenges and capture investment opportunities at opportune times.

Looking to the future, the persistence of geopolitical tension and climate change risks are indeed expected to influence the global stage in the short to medium term. Nevertheless, with a trend toward decreasing interest rates initiated by the United States, we remain optimistic about the resultant positive stimulus on business and investment activities. It is anticipated that such dynamics may induce variability across different property sectors and segments. The Group steadfastly maintains its prudence in business planning and operational execution, ensuring that stakeholders’ values are both protected and enhanced. In parallel, we remain committed to integrating corporate social responsibilities into our business strategies, underpinning our long-term vision for sustainable success.

## CORPORATE GOVERNANCE

Throughout the Year, the Company had applied the principles and complied with the code provisions and certain recommended best practices set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules, except the following deviation(s):-

### **Chairman / Non-executive Director Attending General Meeting**

Mr. Lau, Ming-wai, the Chairman of the Board and a Non-executive Director, was unable to attend the annual general meeting of the Company held on 24 May 2024 (“AGM”) as he had business engagement. Mr. Chan, Kwok-wai, the chairman of the Audit Committee and Remuneration Committee, was elected as the chairman of the AGM to ensure effective communication with shareholders of the Company at the AGM. The then chairman of the Nomination Committee, Ms. Phillis Loh, Lai-ping had also attended the AGM.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms without deviation from the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the “Model Code”). All Directors, after specific enquiries by the Company, confirmed that they had complied with the required standard set out in the Model Code and the said code of conduct during the Year.

The Company has also adopted a code of conduct regarding securities transactions by relevant employees on terms no less exacting than the required standard set out in the Model Code. All the relevant employees (the “Relevant Employees”) who, because of office or employment, are likely to be in possession of unpublished inside information in relation to the Group’s securities had been requested to follow such code when dealing in the securities of the Company. All Relevant Employees, after specific enquiries by the Company, confirmed that they had complied with the required standard set out in the said code during the Year.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

## APPRECIATION

We would like to take this opportunity to express our gratitude to the shareholders for their continuing support. We would also like to express our sincere thanks to all staff members for their dedication and hard work.

On behalf of the Board  
**Lau, Ming-wai**  
Chairman

Hong Kong, 28 February 2025

*As at the date of this announcement, the Board comprised Ms. Chan, Hoi-wan and Ms. Chan, Lok-wan as Executive Directors, Mr. Lau, Ming-wai and Ms. Amy Lau, Yuk-wai as Non-executive Directors, and Mr. Chan, Kwok-wai, Mr. Leung, Yun-fai and Mr. Ma, Tsz-chun as Independent Non-executive Directors.*

Website: <https://www.chineseestates.com>

*This results announcement is published on the website of the Company (<https://www.chineseestates.com>) and the HKEXnews website (<https://www.hkexnews.hk>).*

*Results Highlights will also be posted on the Company’s website on 28 February 2025.*