

RESULTS

Revenue

Revenue for the year ended 31 December 2023 ("Year") amounted to HK\$479.6 million (2022: HK\$1,435.0 million), a decrease of 66.6% over last year and comprised gross rental income of HK\$257.2 million (2022: HK\$293.7 million), gain on sales of investments held-for-trading on a net basis of HK\$65.8 million (2022: HK\$28.6 million), dividend income from listed and unlisted equity investments of HK\$81.7 million (2022: HK\$1,023.0 million), interest income from bonds and structured products of HK\$9.1 million (2022: HK\$22.0 million), building and property management services income of HK\$51.7 million (2022: HK\$52.0 million) and others of HK\$14.1 million (2022: HK\$15.7 million). The decrease in revenue was mainly due to decrease of dividend income from an investee company engages in property development and trading of HK\$938.0 million for the Year.

Gross Profit

Gross profit for the Year amounted to HK\$430.3 million (2022: HK\$1,376.7 million), a decrease of 68.7% as compared with last year which was also mainly due to decrease in dividend income from an investee company for the Year.

Property Leasing

For property leasing, the rental revenue in non-retail section decreased by 14.4% to HK\$195.1 million and retail section decreased by 5.5% to HK\$62.1 million during the Year. The total rental income in revenue for the Year recorded a decrease of 12.4% to HK\$257.2 million as compared with last year of HK\$293.7 million. The decrease in rental income was mainly due to the Company's and its subsidiaries' (collectively the "Group's") investment properties located in the United Kingdom are undergoing redevelopment and asset enhancement works.

業績

收入

截至二零二三年十二月三十一日止年度(「本年度」)之收入為479,600,000港元(二零二二年：1,435,000,000港元)，較去年下跌66.6%，當中包含租金收入總額257,200,000港元(二零二二年：293,700,000港元)、按淨額基準呈報出售持作買賣之投資收益65,800,000港元(二零二二年：28,600,000港元)、上市及非上市股本投資之股息收入81,700,000港元(二零二二年：1,023,000,000港元)、債券及結構性產品之利息收入9,100,000港元(二零二二年：22,000,000港元)、樓宇及物業管理服務收入51,700,000港元(二零二二年：52,000,000港元)以及其他收入14,100,000港元(二零二二年：15,700,000港元)。收入減少主要由於於本年度來自一間從事物業發展及買賣之接受投資公司之股息收入減少938,000,000港元。

毛利

本年度之毛利為430,300,000港元(二零二二年：1,376,700,000港元)，較去年下跌68.7%，主要亦由於於本年度來自一間接受投資公司之股息收入減少。

物業租賃

在物業租賃方面，於本年度非零售部分之租金收入減少14.4%至195,100,000港元及零售部分之租金收入減少5.5%至62,100,000港元。本年度之收入錄得之租金收入總額較去年之293,700,000港元減少12.4%至257,200,000港元。租金收入減少主要由於本公司及其附屬公司(統稱「本集團」)位於英國之投資物業正在進行重建及資產優化工程。

RESULTS (Cont'd)

Property Leasing (Cont'd)

Together with the attributable rental revenue generated from associates and investee companies of HK\$121.3 million (2022: HK\$87.0 million), the total attributable rental revenue to the Group amounted to HK\$378.5 million (2022: HK\$380.7 million), which represents a decrease of 0.6% over last year.

Attributable net rental income for the Year showed HK\$323.1 million, a decrease of 0.8% over HK\$325.7 million in last year.

Property Development and Trading

During the Year, the Group did not dispose of any trading property (2022: no disposal).

In respect of properties held by an investee company, sales of 80 units and certain 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 dividends and hence dividend income from the investee company had contributed HK\$76.0 million (2022: HK\$1,014.0 million) to the Group's revenue and profit during the Year.

The Group's investee company recorded attributable sales of HK\$120.2 million (2022: HK\$186.8 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 2023, comprised listed equity investments, bonds and treasury products. During the Year, the net loss (excluding gain/loss recognised in financial assets measured at fair value through other comprehensive income ("FVTOCI") reserve) recognised from securities investments and treasury products representing net loss on investments and treasury products at fair value through profit or loss ("FVTPL") of HK\$22.2 million (2022: HK\$274.0 million).

業績(續)

物業租賃(續)

連同應佔聯營公司及接受投資公司租金收入121,300,000港元(二零二二年: 87,000,000港元), 本集團應佔租金收入總額為378,500,000港元(二零二二年: 380,700,000港元), 相對去年減幅為0.6%。

本年度之應佔租金收入淨額為323,100,000港元, 較去年之325,700,000港元減少0.8%。

物業發展及買賣

於本年度, 本集團並無出售任何買賣物業(二零二二年: 並無出售)。

至於由一間接受投資公司所持有之物業, 銷售位於觀塘之凱滙80個單位及若干車位(佔10%權益)於本年度由該接受投資公司入賬。隨著該接受投資公司確認銷售及溢利, 於本年度該接受投資公司宣派股息, 因此來自該接受投資公司之股息收入76,000,000港元(二零二二年: 1,014,000,000港元)為本集團之收入及溢利帶來貢獻。

於本年度, 本集團錄得應佔接受投資公司銷售為120,200,000港元(二零二二年: 186,800,000港元)。

證券投資

本集團在一般及日常業務過程中進行證券投資活動, 於二零二三年十二月三十一日包含上市股本投資、債券及財資產品。於本年度, 來自證券投資及財資產品確認之虧損淨額(不包括於通過其他全面收益以反映公平值(「通過其他全面收益以反映公平值」)計量之金融資產之儲備內確認之收益/虧損)乃指通過損益以反映公平值(「通過損益以反映公平值」)之投資及財資產品之虧損淨額22,200,000港元(二零二二年: 274,000,000港元)。

RESULTS (Cont'd)

Securities Investments (Cont'd)

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\$65.8 million (2022: HK\$28.6 million) (the gains/losses of which was included in revenue) with gross proceeds of HK\$617.3 million (2022: HK\$1,486.8 million). In addition, realised loss on bonds of HK\$5.9 million (2022: realised gain of HK\$0.3 million) and realised loss on structured products and derivative financial instruments of HK\$0.6 million (2022: HK\$0.6 million) were recorded during the Year.

During the Year, the Group recorded an unrealised loss of HK\$95.8 million (2022: HK\$318.3 million) representing the changes in fair value of bonds, listed equity investments and structured product and derivative financial instrument, comprised unrealised loss on bonds of HK\$65.9 million (2022: HK\$160.2 million), unrealised loss on listed investments held-for-trading of HK\$29.8 million (2022: HK\$158.1 million) and unrealised loss on derivative financial instrument of HK\$0.1 million (2022: minimal unrealised gain on structured product), which had no effect on the cash flow of the Group. The unrealised loss on bonds mainly included bonds issued by the People's Republic of China ("PRC")-based real estate developers, the Group believes that the decrease in price of bonds in the industry of PRC-based real estate in the Year, among others, was owing to concerns about the liquidity and going concern issues and the tightening gearing policy over the real estate developers in the PRC. Given the unsatisfactory performance of stock market in Hong Kong during the Year, the price of listed equity investments experienced a downside in general.

During the Year, interest income from bonds and structured products (which were included in revenue) amounted to HK\$8.8 million (2022: HK\$21.0 million) and HK\$0.3 million (2022: HK\$1.0 million) respectively. Together with dividend income from listed equity investments at FVTPL (which were included in revenue) of HK\$5.1 million (2022: HK\$8.3 million), the Group recognised interest/dividend income from investments and treasury products at FVTPL of HK\$14.2 million (2022: HK\$30.3 million) for the Year.

業績(續)

證券投資(續)

通過損益以反映公平值之投資及財資產品

於本年度，本集團出售持作買賣之上市投資而確認之已變現收益為65,800,000港元(二零二二年：28,600,000港元)(其收益／虧損已包括於收入內)，所得銷售總額為617,300,000港元(二零二二年：1,486,800,000港元)。此外，於本年度錄得來自債券之已變現虧損為5,900,000港元(二零二二年：已變現收益300,000港元)及來自結構性產品及衍生金融工具之已變現虧損為600,000港元(二零二二年：600,000港元)。

於本年度，本集團錄得未變現虧損95,800,000港元(二零二二年：318,300,000港元)乃指債券、上市股本投資、結構性產品及衍生金融工具之公平值變動，包含債券之未變現虧損65,900,000港元(二零二二年：160,200,000港元)、持作買賣之上市投資之未變現虧損29,800,000港元(二零二二年：158,100,000港元)以及衍生金融工具之未變現虧損100,000港元(二零二二年：結構性產品之未變現收益屬數目較少)，對本集團現金流量並無影響。債券之未變現虧損主要包括來自由中華人民共和國(「中國」)房地產發展商發行之債券，本集團相信於本年度中國房地產行業之債券價格下跌，乃因(其中包括)於中國之房地產發展商面對流動資金及持續經營問題以及收緊借貸比率政策所致。於本年度由於香港股票市場表現未如理想，上市股本投資之價格普遍錄得下跌。

於本年度，債券及結構性產品之利息收入(已包括於收入內)分別為8,800,000港元(二零二二年：21,000,000港元)及300,000港元(二零二二年：1,000,000港元)。連同來自通過損益以反映公平值之上市股本投資之股息收入(已包括於收入內)5,100,000港元(二零二二年：8,300,000港元)，於本年度本集團確認來自通過損益以反映公平值之投資及財資產品之利息／股息收入14,200,000港元(二零二二年：30,300,000港元)。

RESULTS (Cont'd)

Securities Investments (Cont'd)

Investments and Treasury Products at Fair Value Through Profit or Loss (Cont'd)

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\$14.3 million (2022: net income from net dividend income, interest income, other investment income/expenses and net finance income/costs of HK\$16.0 million), the net loss recognised from securities investments and treasury products was HK\$22.2 million (2022: HK\$274.0 million) for the Year.

Listed Equity Investments at Fair Value Through Other Comprehensive Income

During the Year, the Group disposed all of its listed equity investment at FVTOCI and recorded a realised loss of HK\$65.2 million (inclusive of transaction costs) (2022: realised gain of HK\$15.0 million (inclusive of transaction costs) and an unrealised loss on fair value change of HK\$105.7 million), was recognised as other comprehensive expense. Realised gain/loss on fair value change is a cash item while unrealised fair value change is a non-cash item and will not affect the cash flow of the Group.

Other Income and Expenses

During the Year, the Group recorded other income of HK\$24.9 million (2022: HK\$18.0 million).

During the Year, administrative expenses decreased by 6.7% to HK\$333.9 million (2022: HK\$358.0 million). Finance costs increased by 67.8% to HK\$223.4 million (2022: HK\$133.1 million) during the Year, including exchange gain of HK\$1.4 million (2022: HK\$0.9 million) on translation of foreign currency bank borrowing. The increase in finance costs was mainly due to the surge in average interest rate during the Year.

Other gains and losses for the Year recorded a net gain of HK\$6.6 million (2022: loss of HK\$7.5 million), the turning from loss to gain for the Year was mainly due to reversal of allowance for credit loss recognised in respect of advance to an associate of HK\$7.4 million of which the credit loss was recorded in 2022.

業績(續)

證券投資(續)

通過損益以反映公平值之投資及財資產品(續)

總括已變現及未變現收益／虧損以及加入股息收入淨額、利息收入及其他投資收入／開支之收入淨額為14,300,000港元(二零二二年：股息收入淨額、利息收入、其他投資收入／開支及財務收入／費用淨額之收入淨額為16,000,000港元)，於本年度來自證券投資及財資產品已確認之虧損淨額為22,200,000港元(二零二二年：274,000,000港元)。

通過其他全面收益以反映公平值之上市股本投資

於本年度，本集團出售全部其通過其他全面收益以反映公平值之上市股本投資，並錄得已變現虧損65,200,000港元(包括交易成本)(二零二二年：已變現收益15,000,000港元(包括交易成本)及公平值變動之未變現虧損105,700,000港元)，確認為其他全面支出。公平值變動之已變現收益／虧損乃現金項目，而未變現公平值變動乃非現金項目且對本集團之現金流量並無構成影響。

其他收入及開支

於本年度，本集團錄得其他收入24,900,000港元(二零二二年：18,000,000港元)。

於本年度，行政開支減少6.7%至333,900,000港元(二零二二年：358,000,000港元)。財務費用於本年度增加67.8%至223,400,000港元(二零二二年：133,100,000港元)，當中包括外幣銀行借貸所產生之匯兌收益1,400,000港元(二零二二年：900,000港元)。財務費用之增加主要由於於本年度平均利率飆升所致。

本年度其他收益及虧損錄得收益淨額6,600,000港元(二零二二年：虧損7,500,000港元)，本年度轉虧為盈主要由於就墊付一間聯營公司款項確認撥回之信貸虧損撥備7,400,000港元，而該信貸虧損已於二零二二年入賬。

RESULTS (Cont'd)

Investments Accounted for Using the Equity Method

The share of results of investments accounted for using the equity method for the Year recorded a profit from the share of results of associates of HK\$296.3 million (2022: HK\$45.4 million). The increase of share of results of associates was mainly due to fair value change of investment properties held by associates turned from loss to gain and recognition of reversal of impairment loss by an associate 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 2023 by Peak Vision Appraisals Limited ("Peak Vision Appraisals") whereas investment properties in the United Kingdom were revalued by Moore Transaction Services Limited ("Moore Transaction"). Peak Vision Appraisals and Moore Transaction are independent qualified professional property valuers. An unrealised loss on fair value changes of investment properties of HK\$31.0 million (2022: unrealised gain of HK\$528.5 million) was recorded during the Year. The unrealised fair value change is a non-cash item and will not affect the cash flow of the Group.

PROFIT, CORE LOSS/PROFIT, DIVIDENDS, REPURCHASE AND TOTAL COMPREHENSIVE INCOME/EXPENSES

Profit

Profit for the Year attributable to owners of the Company was HK\$76.8 million as compared to HK\$1,152.2 million for last year. The decrease in profit for the Year was mainly due to (a) decrease in dividend income from an investee company; (b) turnaround of fair value changes of investment properties from gain to loss; and (c) increase in finance costs; despite of (d) decrease in net loss from results of investments and treasury products at FVTPL; and (e) increase in share of results of investments accounted for using the equity method during the Year. Earnings per share for the Year was HK\$0.04 (2022: HK\$0.60).

業績(續)

以權益法入賬之投資

本年度攤佔以權益法入賬投資之業績錄得攤佔聯營公司業績之溢利為296,300,000港元(二零二二年：45,400,000港元)。攤佔聯營公司業績之增加主要由於於本年度聯營公司持有之投資物業之公平值變動轉虧為盈以及一間聯營公司確認撥回之減值虧損。

投資物業之公平值變動

滙鋒評估有限公司(「滙鋒評估」)已就本集團位於香港及中國大陸之投資物業進行於二零二三年十二月三十一日之物業估值，而英國之投資物業由大華國際交易諮詢服務有限公司(「大華國際交易」)進行物業估值。滙鋒評估及大華國際交易為獨立合資格專業物業估值師。於本年度錄得投資物業之公平值變動之未變現虧損為31,000,000港元(二零二二年：未變現收益528,500,000港元)。未變現之公平值變動乃非現金項目，對本集團之現金流量並無構成影響。

溢利、核心虧損／溢利、股息、回購及全面收益／支出總額

溢利

本公司擁有人應佔本年度之溢利為76,800,000港元，相比去年溢利為1,152,200,000港元。本年度溢利減少主要由於於本年度(a)來自一間接受投資公司之股息收入減少；(b)投資物業之公平值變動由盈轉虧；及(c)財務費用增加；儘管(d)通過損益以反映公平值之投資及財資產品業績之虧損淨額減少；及(e)攤佔以權益法入賬投資之業績增加。本年度之每股盈利為0.04港元(二零二二年：0.60港元)。

PROFIT, CORE LOSS/PROFIT, DIVIDENDS, REPURCHASE AND TOTAL COMPREHENSIVE INCOME/EXPENSES (Cont'd)

Core Loss/Profit

Core profit/loss is a non-Hong Kong Financial Reporting Standards (“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 gain on the major non-cash items of HK\$144.5 million (2022: HK\$513.1 million) is excluded, but the accumulated realised fair value gain and related deferred tax recognised in prior years on disposal of an investment property 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\$67.2 million (2022: core profit of HK\$639.1 million) and a core loss per share of HK\$0.04 (2022: core profit per share of HK\$0.34).

The major non-cash items represented the attributable net unrealised fair value gain on investment properties together with their respective deferred tax from the Group and its associates of HK\$144.5 million (2022: HK\$513.1 million).

Dividends

No dividend was paid during the Year (2022: nil).

Repurchase

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

溢利、核心虧損／溢利、股息、回購及全面收益／支出總額(續)

核心虧損／溢利

核心溢利／虧損為一項非香港財務報告準則(「香港財務報告準則」)之計量，乃指(i)從呈報溢利／虧損中扣除投資物業及其他物業於本年度之未變現公平值變動連同彼等相關之遞延稅項(如適用)；及(ii)投資物業及其他物業於過往年度確認之累積已變現公平值變動連同彼等相關之遞延稅項(如適用)之總和。本集團相信透過消除若干項目之潛在影響而呈列非香港財務報告準則之計量，有助比較期間與期間之經營表現。

如撇除主要非現金項目收益淨額144,500,000港元(二零二二年：513,100,000港元)，但包括就出售一項投資物業於過往年度確認之累積已變現公平值收益及其相關之遞延稅項500,000港元，本集團將錄得本公司擁有人應佔本年度之核心虧損67,200,000港元(二零二二年：核心溢利639,100,000港元)及每股核心虧損0.04港元(二零二二年：每股核心溢利0.34港元)。

主要非現金項目乃指來自本集團及其聯營公司之應佔投資物業之未變現公平值收益淨額連同其相關之遞延稅項共144,500,000港元(二零二二年：513,100,000港元)。

股息

於本年度並無派付股息(二零二二年：無)。

回購

於本年度，本公司並無回購本公司之任何股份。

PROFIT, CORE LOSS/PROFIT, DIVIDENDS, REPURCHASE AND TOTAL COMPREHENSIVE INCOME/EXPENSES (Cont'd)

Total Comprehensive Income/Expenses

Total comprehensive income for the Year attributable to owners of the Company was HK\$227.5 million or HK\$0.12 per share (2022: total comprehensive expenses of HK\$403.8 million or HK\$0.21 per share), which comprised (a) profit for the Year attributable to owners of the Company of HK\$76.8 million (2022: HK\$1,152.2 million); and (b) other comprehensive income for the Year attributable to owners of the Company of HK\$150.6 million (2022: other comprehensive expenses of HK\$1,556.0 million) which mainly included (i) Pound Sterling (“GBP”) exchange gain of foreign operations of HK\$284.6 million (2022: exchange loss of HK\$484.0 million); (ii) realised loss of HK\$65.2 million (inclusive of transaction costs) (2022: realised gain of HK\$15.0 million (inclusive of transaction costs) and unrealised loss of HK\$105.7 million) on fair value change of a listed equity investment at FVTOCI; and (iii) unrealised loss of HK\$49.7 million (2022: HK\$862.5 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\$76.0 million (2022: HK\$1,014.0 million) (as disclosed in the subparagraph headed “Property Development and Trading” of paragraph headed “Results” above).

NET ASSET VALUE

As at 31 December 2023, the Group’s net asset value attributable to owners of the Company amounted to HK\$14,211.5 million (2022: HK\$13,979.5 million), an increase of HK\$232.0 million or 1.7% when compared with 31 December 2022. With the total number of ordinary shares in issue of 1,907,619,079 as at 31 December 2023 and 2022, the net asset value per share attributable to owners of the Company was HK\$7.45 (2022: HK\$7.33). The movement in net asset value represented total comprehensive income for the Year attributable to owners of the Company of HK\$227.5 million and forfeiture of unclaimed dividends recorded in retained profits of HK\$4.5 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 41 to the consolidated financial statements. Going forward, further investment in capital expenditures for these two redevelopment properties are planned.

溢利、核心虧損／溢利、股息、回購及全面收益／支出總額(續)

全面收益／支出總額

本公司擁有人應佔本年度之全面收益總額為227,500,000港元或每股0.12港元(二零二二年：全面支出總額403,800,000港元或每股0.21港元)，其中包含(a)本公司擁有人應佔本年度之溢利76,800,000港元(二零二二年：1,152,200,000港元)；及(b)本公司擁有人應佔本年度之其他全面收益150,600,000港元(二零二二年：其他全面支出1,556,000,000港元)，主要包括(i)境外業務之英鎊(「英鎊」)匯兌收益284,600,000港元(二零二二年：匯兌虧損484,000,000港元)；(ii)一項通過其他全面收益以反映公平值之上市股本投資之公平值變動之已變現虧損65,200,000港元(包括交易成本)(二零二二年：已變現收益15,000,000港元(包括交易成本)及未變現虧損105,700,000港元)；以及(iii)一項通過其他全面收益以反映公平值之非上市股本證券之公平值變動之未變現虧損49,700,000港元(二零二二年：862,500,000港元)(由於該非上市股本證券之賬面值於宣派股息76,000,000港元(二零二二年：1,014,000,000港元)(於上文「業績」一段中之「物業發展及買賣」分段內披露)時減少相應金額)所致。

資產淨值

於二零二三年十二月三十一日，本公司擁有人應佔本集團之資產淨值為14,211,500,000港元(二零二二年：13,979,500,000港元)，較二零二二年十二月三十一日增加232,000,000港元或1.7%。根據於二零二三年及二零二二年十二月三十一日之已發行普通股總數1,907,619,079股計算，本公司擁有人應佔之每股資產淨值為7.45港元(二零二二年：7.33港元)。資產淨值變動乃指本公司擁有人應佔本年度之全面收益總額227,500,000港元及於保留溢利錄得沒收未被領取之股息4,500,000港元。

就位於香港荃灣之物業及英國倫敦之「Fleet Street 120號」之重建計劃，若干重建開支已批准及已簽約而於綜合財務報表附註41「資本承擔」中披露。展望未來，已就該兩項重建物業之資本開支之進一步投資作出計劃。

NET ASSET VALUE (Cont'd)

In addition, the Group also invested 10% interest in a property development project located at New Kowloon Inland Lot No. 6590, Kai Tak, Kowloon, Hong Kong. Details of the transaction were set out in the announcement and circular of the Company dated 14 September 2023 and 6 October 2023 respectively. Other than 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.

NET CURRENT LIABILITIES

The Group recorded net current liabilities as at 31 December 2023 of HK\$960.5 million (2022: net current assets of HK\$18.8 million), of which current assets were HK\$1,555.1 million (2022: HK\$3,078.9 million) and current liabilities were HK\$2,515.6 million (2022: HK\$3,060.1 million).

The directors of the Company ("Directors") are of the opinion that there will be sufficient financial resources available to the Group to enable it to meet its liabilities as and when they fall due. The Group believes that the net current liabilities position as at 31 December 2023 would not have adverse financial effect to the Group's liquidity or gearing position and the Group has ability to continue as a going concern.

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 2023, the portfolio of securities investments and treasury products of HK\$342.4 million comprised listed investments held-for-trading, bonds and derivative financial instrument (presented as financial assets/liabilities measured at FVTPL (non-current and current assets/liabilities)) (2022: HK\$702.3 million comprised listed investments held-for-trading, bonds and structured product (presented as financial assets measured at FVTPL (non-current and current assets)) in aggregate of HK\$592.5 million and listed equity investment (presented as financial assets measured at FVTOCI) of HK\$109.8 million), representing 1.8% (2022: 3.6%) of total assets.

資產淨值(續)

此外，本集團亦投資位於香港九龍啟德新九龍內地地段第6590號之物業發展項目之10%權益。交易詳情已載列於本公司日期分別為二零二三年九月十四日及二零二三年十月六日之公布及通函內。除現有項目及於全年業績內所披露者外，本集團並無重大收購或出售資產及重大投資或資本資產之未來計劃。

流動負債淨值

於二零二三年十二月三十一日，本集團錄得流動負債淨值960,500,000港元(二零二二年：流動資產淨值18,800,000港元)，其中流動資產為1,555,100,000港元(二零二二年：3,078,900,000港元)及流動負債為2,515,600,000港元(二零二二年：3,060,100,000港元)。

本公司之董事(「董事」)相信本集團將具備足夠財務資源以償還其到期負債。本集團相信，於二零二三年十二月三十一日之流動負債淨值狀況將不會對本集團之流動資金或負債狀況造成不利之財務影響，且本集團能夠繼續持續經營。

證券投資

本集團之策略是維持證券投資組合之財資管理以及投資具吸引收益率及良好前景之證券投資及財資產品，以確保長遠帶來穩定及滿意之變現回報。

證券投資及財資產品

於二零二三年十二月三十一日，證券投資及財資產品組合342,400,000港元中包含持作買賣之上市投資、債券及衍生金融工具(呈列為通過損益以反映公平值計量之金融資產／負債(於非流動及流動資產／負債內))(二零二二年：702,300,000港元中包含持作買賣之上市投資、債券及結構性產品(呈列為通過損益以反映公平值計量之金融資產(於非流動及流動資產內))合共592,500,000港元以及上市股本投資(呈列為通過其他全面收益以反映公平值計量之金融資產)109,800,000港元)，佔資產總額1.8%(二零二二年：3.6%)。

SECURITIES INVESTMENTS (Cont'd)

Unlisted Securities Investments

The Group also invested in an exempted limited partnership formed under the Exempted Limited Partnership Law (Revised) of the Cayman Islands ("Cayman Islands Partnership") (presented as financial assets measured at FVTOCI) and the carrying amount was HK\$290.0 million as at 31 December 2022. During the Year, the Group has contributed United States dollar ("US\$") 1.4 million (equivalent to approximately HK\$10.6 million) which was funded from its distribution and received distributions of US\$35.4 million (equivalent to approximately HK\$276.1 million) (which were included in financial assets measured at FVTOCI). The Group recognised fair value loss for the Year of HK\$24.5 million (which was recognised in financial assets measured at FVTOCI reserve). The Group proceeded winding up of the Cayman Islands Partnership and it was dissolved at the end of the reporting period.

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 2023 and 2022 were 1,907,619,079.

DEBT AND GEARING

As at 31 December 2023, the Group's total debt amounted to HK\$3,933.8 million (2022: HK\$4,975.5 million), comprised bank borrowings of HK\$3,851.8 million (2022: HK\$4,886.9 million) and lease liabilities amounted to HK\$82.0 million (2022: HK\$88.6 million). Cash and deposits at banks amounted to HK\$592.2 million (2022: HK\$2,038.8 million), pledged deposits amounted to HK\$152.9 million (2022: HK\$147.8 million) and net debt (including lease liabilities) amounted to HK\$3,188.7 million (2022: HK\$2,788.9 million).

證券投資(續)

非上市證券投資

本集團亦已投資於一間按開曼群島獲豁免有限合夥企業法(經修訂)成立之獲豁免有限合夥企業(「開曼群島合夥企業」)(呈列為通過其他全面收益以反映公平值計量之金融資產)及於二零二二年十二月三十一日其賬面值為290,000,000港元。於本年度，本集團已注資1,400,000美元(「美元」)(相當於約10,600,000港元)(該資金源自其分派)及收取分派35,400,000美元(相當於約276,100,000港元)(包括於通過其他全面收益以反映公平值計量之金融資產內)。於本年度本集團已確認公平值虧損24,500,000港元(於通過其他全面收益以反映公平值計量之金融資產之儲備內確認)。本集團已進行該開曼群島合夥企業之清盤並於報告期末已告解散。

風險管理

本集團設有一套完善的風險管理程序，以識別、衡量、監察及控制其面對的各種風險，同時輔以管理層之積極參與、有效的內部監控及足夠的內部審核，以保障本集團的最佳利益。

股本

於二零二三年及二零二二年十二月三十一日的已發行普通股數目為1,907,619,079股。

債務及資本與負債比率

於二零二三年十二月三十一日，本集團之債務總額為3,933,800,000港元(二零二二年：4,975,500,000港元)，包含銀行借貸3,851,800,000港元(二零二二年：4,886,900,000港元)以及租賃負債82,000,000港元(二零二二年：88,600,000港元)。現金及銀行存款為592,200,000港元(二零二二年：2,038,800,000港元)，抵押存款為152,900,000港元(二零二二年：147,800,000港元)，而債務淨額(包括租賃負債)為3,188,700,000港元(二零二二年：2,788,900,000港元)。

DEBT AND GEARING (Cont'd)

Total debt to equity ratio (including lease liabilities) was 27.6% (2022: 35.5%) and net debt to equity ratio (including lease liabilities) was 22.4% (2022: 19.9%), which are expressed as a percentage of total debt, and net debt, respectively, over the total equity of HK\$14,235.1 million (2022: HK\$14,002.8 million).

If the securities investments and treasury products of HK\$342.4 million (2022: HK\$702.3 million) are included, the net debt to equity ratio would be 20.0% (2022: 14.9%).

As at 31 December 2023, the Group's bank borrowings of HK\$3,851.8 million, 49.1%, 7.8%, 1.9% and 41.2% were repayable within 1 year, on demand (bank borrowings that contain repayment on demand clause but repayable within a period of more than one year), 1 to 2 years and 2 to 5 years respectively. Of which the Group's bank borrowings were denominated in HK\$ (58.0%) and GBP (42.0%). As at 31 December 2023, the Group's bank 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 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 2023, the Group had pledged the following assets with their respective carrying amounts:

- (a) The Group's investment properties of HK\$9,281.6 million (2022: HK\$8,869.0 million), properties of HK\$40.3 million (2022: HK\$38.2 million) and bank deposits of HK\$152.9 million (2022: HK\$147.8 million) were pledged to the banks to secure general banking facilities granted to the Group.
- (b) Interests in certain subsidiaries of the Company have been pledged as part of the security to secure certain bank borrowings granted to the Group.

債務及資本與負債比率(續)

債務總額與股本權益比率(包括租賃負債)為27.6%(二零二二年: 35.5%)，而債務淨額與股本權益比率(包括租賃負債)為22.4%(二零二二年: 19.9%)，乃分別將債務總額及債務淨額除以股本權益總額14,235,100,000港元(二零二二年: 14,002,800,000港元)得出之百分比。

倘計入證券投資及財資產品342,400,000港元(二零二二年: 702,300,000港元)，債務淨額與股本權益比率為20.0%(二零二二年: 14.9%)。

於二零二三年十二月三十一日，本集團之銀行借貸3,851,800,000港元中，49.1%、7.8%、1.9%及41.2%須分別於一年內、按要求(附帶按要求償還條款之銀行借貸，惟償還期間須於一年以上)、一年至兩年內及兩年至五年內償還。於本集團之銀行借貸中，以港元(58.0%)及英鎊(42.0%)計值。於二零二三年十二月三十一日，本集團之銀行借貸參照資金成本、香港銀行同業拆息或複合參考利率計算利率，而本集團所有銀行借貸均為浮息借貸。於報告期末並無就利率作出對沖。

資產抵押

於二零二三年十二月三十一日，本集團已抵押以下資產連同其相關之賬面值：

- (a) 就本集團獲授之一般銀行融資，本集團之投資物業9,281,600,000港元(二零二二年: 8,869,000,000港元)、物業40,300,000港元(二零二二年: 38,200,000港元)及銀行存款152,900,000港元(二零二二年: 147,800,000港元)已抵押予銀行。
- (b) 本公司若干附屬公司之權益已質押為本集團獲授若干銀行借貸之部分抵押品。

FINANCIAL AND INTEREST INCOME/EXPENSES 財務及利息收入／開支

Interest income was included in revenue and investment expenses, net. Interest income for the Year increased to HK\$46.4 million (2022: HK\$40.2 million), representing an increase of 15.4% as compared with last year which was mainly due to increase in interest income from bank deposits as result of the increase in interest rates during the Year.

Finance costs included interest expenses on bank 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\$218.1 million, representing a significant increase of 74.1% over last year of HK\$125.3 million. Interest capitalised for the Year was HK\$11.0 million (2022: HK\$4.5 million). The increase in interest expenses was mainly due to the surge in average interest rate during the Year. The average interest rate over the year under review was 5.93% (2022: 2.58%), 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 2023, the Group employed a total of 495 staff (2022: 498 staff) including about 249 staff (2022: 260 staff) employed under the estate management company in Hong Kong and 9 staff (2022: 8 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.

收入及投資開支淨額均包括利息收入。本年度之利息收入增加至46,400,000港元(二零二二年：40,200,000港元)，較去年增加15.4%，銀行存款利息收入增加主要由於於本年度利率上升所致。

財務費用包括銀行借貸及租賃負債之利息開支；外幣借貸所產生之匯兌差額；以及安排費用與信貸及承擔費用開支。本年度之利息開支(不包括租賃負債之利息開支)為218,100,000港元，較去年之125,300,000港元顯著增加74.1%。於本年度資本化之利息為11,000,000港元(二零二二年：4,500,000港元)。利息開支增加主要由於於本年度平均利率飆升所致。於回顧年內之平均利率為5.93厘(二零二二年：2.58厘)，乃以利息支付總額(不包括租賃負債之利息)除以平均計息借貸總額得出之百分比。

酬金政策

於二零二三年十二月三十一日，本集團共有僱員495人(二零二二年：498人)包括受僱於香港物業管理公司之僱員約249人(二零二二年：260人)以及位於英國之僱員9人(二零二二年：8人)。

僱員薪金乃根據其表現、經驗及目前業內慣例釐定。酬金包含薪金以及按市況及個人表現釐定之年終酌情花紅。執行董事持續檢討僱員之貢獻及向彼等提供所需之獎勵及彈性，使其更投入工作及有更佳表現。

UNITED KINGDOM AND MAINLAND CHINA

As at 31 December 2023, the Group's investment properties (excluding properties occupied for own use) in the United Kingdom with carrying amount of GBP705.4 million (equivalent to approximately HK\$7,023.7 million) (2022: GBP717.2 million (equivalent to approximately HK\$6,746.3 million)) incurred a net loss of HK\$297.6 million (2022: net profit of HK\$468.3 million) to the Group for the Year, the loss mainly included in gross profit, other income, fair value changes on investment properties, administrative expenses, finance costs and taxation. Due to appreciation of GBP against HK\$ during the Year, GBP exchange gain of foreign operations included in other comprehensive income for the Year amounted to HK\$284.6 million (2022: exchange loss of HK\$484.0 million). As at 31 December 2023, the Group's net investment in the United Kingdom amounted to HK\$5,517.3 million (2022: HK\$4,570.9 million) representing 38.8% (2022: 32.6%) of the Group's total equity.

Profit incurred by the Group's investment in Mainland China (mainly included in administrative expenses, share of results of investments accounted for using the equity method, other gains and losses and taxation (2022: also included in fair value changes on investment properties)) for the Year amounted to HK\$156.9 million (2022: loss of HK\$28.8 million). Due to depreciation of Renminbi ("RMB") against HK\$ during the Year, RMB exchange loss of foreign operations included in other comprehensive income for the Year amounted to HK\$4.0 million (2022: HK\$15.4 million). The Group's net investment in Mainland China as at 31 December 2023 amounted to HK\$352.5 million (2022: HK\$200.8 million) representing 2.5% (2022: 1.4%) of the Group's total equity.

PROPERTY VALUATION

As at 31 December 2023, property valuations in respect of the Group's investment properties in Hong Kong and Mainland China were carried out by Peak Vision Appraisals (2022: B.I. Appraisals Limited), whereas the investment properties in the United Kingdom were carried out by Moore Transaction (2022: LCH (Asia-Pacific) Surveyors Limited), both 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 2023 final results.

英國及中國大陸

本集團位於英國之投資物業(不包括自用之物業)於二零二三年十二月三十一日之賬面值為705,400,000英鎊(相當於約7,023,700,000港元)(二零二二年: 717,200,000英鎊(相當於約6,746,300,000港元))並為本集團於本年度帶來虧損淨額297,600,000港元(二零二二年: 溢利淨額468,300,000港元), 而該虧損主要包括毛利、其他收入、投資物業之公平值變動、行政開支、財務費用及稅項。由於於本年度英鎊兌港元升值, 已計入本年度之其他全面收益之境外業務之英鎊匯兌收益為284,600,000港元(二零二二年: 匯兌虧損484,000,000港元)。於二零二三年十二月三十一日, 本集團於英國之投資淨額為5,517,300,000港元(二零二二年: 4,570,900,000港元), 佔本集團股本權益總額38.8%(二零二二年: 32.6%)。

本集團於中國大陸之投資於本年度帶來溢利(主要包括行政開支、攤佔以權益法入賬投資之業績、其他收益及虧損以及稅項(二零二二年: 亦包括投資物業之公平值變動))156,900,000港元(二零二二年: 虧損28,800,000港元)。由於於本年度人民幣(「人民幣」)兌港元貶值, 已計入本年度之其他全面收益之境外業務之人民幣匯兌虧損為4,000,000港元(二零二二年: 15,400,000港元)。於二零二三年十二月三十一日, 本集團於中國大陸之投資淨額為352,500,000港元(二零二二年: 200,800,000港元), 佔本集團股本權益總額2.5%(二零二二年: 1.4%)。

物業估值

於二零二三年十二月三十一日, 本集團位於香港及中國大陸之投資物業由漂鋒評估(二零二二年: 保柏國際評估有限公司)進行物業估值, 而位於英國之投資物業由大華國際交易(二零二二年: 利駿行測量師有限公司)進行物業估值, 兩者均為獨立合資格專業物業估值師。該等評估皆採納投資法及/或直接比較法及/或剩餘價值法作為估值方法, 並已用於編製二零二三年全年業績。

PROPERTY VALUATION (Cont'd)

The Group's investment properties were valued at HK\$13,957.7 million (2022: HK\$13,396.7 million (including those presented as assets classified as held for sale)), a decrease of 0.2% over 2022 after adjusted for the additions, disposal and exchange adjustments of investment properties during the Year. The decrease in fair value of HK\$31.0 million was recognised in the consolidated statement of comprehensive income for the Year. The Group shared an increase in fair value of investment properties of associates of HK\$164.3 million for the Year.

The decrease in fair value of HK\$31.0 million was mainly derived from the decrease in fair value of redevelopment properties located in Hong Kong and the United Kingdom. The unrealised fair value change is a non-cash item and will not affect the cash flow of the Group.

MONEY LENDING BUSINESS

As one of the principal activities of the Group, the Group conducted its money lending business through its wholly-owned subsidiary(ies) (the "Money Lending Subsidiary(ies)"), to grant loans to individuals and corporations in return for interest income. The Money Lending Subsidiary(ies) has (have) either maintained a valid money lenders licence granted by the Licensing Court or made loans which are exempted under the Money Lenders Ordinance (Cap. 163) (the "MLO"). The licensing of money lenders and regulation of money-lending transactions are governed by the MLO. The Group is required to and has, at all times, strictly complied with all relevant laws and regulations including the MLO, Guideline on Compliance of Anti-Money Laundering and Counter-Terrorist Financing Requirements for Licensed Money Lenders as well as Guidelines on Licensing Conditions of Money Lenders Licence issued by the Companies Registry of Hong Kong in conduct of money lending business. The Group has followed all forms and procedures prescribed under the provisions of the MLO when making relevant application for the renewal of money lenders licence and conducting money lending business.

During the Year, the Group has no money lending transaction transacted (2022: nil) and no loan outstanding as at 31 December 2023 (2022: nil).

物業估值(續)

本集團投資物業之估值為13,957,700,000港元(二零二二年：13,396,700,000港元(包括該等呈列為持作出售之資產))，經作出調整本年度投資物業之添置、出售及匯兌調整後，較二零二二年下跌0.2%。本年度之公平值減少31,000,000港元已於綜合全面收益報表中確認。本集團亦於本年度攤佔聯營公司之投資物業之公平值增加164,300,000港元。

公平值減少31,000,000港元乃主要來自位於香港及英國之重建物業之公平值減少所致。未變現公平值變動乃非現金項目，對本集團之現金流量並無構成影響。

放債業務

作為本集團主要業務之一，本集團透過其全資擁有附屬公司(「放債附屬公司」)進行放債業務，向個人及企業授出貸款並以利息收入作為回報。該放債附屬公司持有由牌照法庭發出之有效放債人牌照或根據《放債人條例》(第163章)(「放債人條例」)提供獲豁免的貸款。放債人牌照及放債交易規管均受放債人條例監管。本集團就進行放債業務須一直嚴格遵守包括放債人條例、由香港公司註冊處發出之持牌放債人遵從打擊洗錢及恐怖分子資金籌集規定的指引以及有關放債人牌照的牌照條件指引在內之所有相關法律及法規。本集團在作出相關放債人牌照續期申請及進行放債業務時，已遵照放債人條例條文規定之所有形式及程序。

於本年度，本集團並無進行放債交易(二零二二年：無)及於二零二三年十二月三十一日並無未償還貸款(二零二二年：無)。

MONEY LENDING BUSINESS (Cont'd)

The Group has put in place procedural manual on money lending business which sets out policies and procedures including (a) customer due diligence check and reporting suspicious transactions; (b) ongoing monitoring of existing borrower; (c) loan drawdown control; (d) loan repayment control; (e) record keeping; and (f) staff training.

The Group has adopted a credit policy to manage its money lending business which includes compliance with all applicable laws and regulations, credit assessment on potential borrower and the potential borrower's assets, the credibility, the necessity in obtaining collaterals and determination of suitable interest rate to reflect the risk level of the provision of loan. The Group has adopted various commercial terms for granting loan facilities to its potential borrowers, such commercial terms will depend on the credit assessment and/or collateral level of particular borrower. Where collaterals are required, such loans are generally secured by properties by first or second mortgages, equitable mortgages or other assets as collaterals.

Under the Group's current credit policy, unless otherwise approved by the directors of the Company under special circumstances (i) no loan, whether secured or unsecured, shall be granted by the Group that exceeds the maximum loan amount preset by the Group, (ii) for secured loans, the loan to collateral value ratios shall not exceed 90% and the tenor shall not exceed 30 years, and (iii) for unsecured loans, they should meet the requirement that the debt to income ratio of a borrower shall not exceed 70% and the tenor shall not exceed 36 months.

The Group will only provide money lending services and grant loan facilities to a relevant borrower after the borrower has passed the Group's due diligence process and other applicable internal control procedures. Due diligence performed by the Group generally involves know your client procedures including obtaining information as to source and amount of income, proof of other net assets, identity document copy and address proof.

放債業務(續)

本集團就放債業務已建立程序手冊，列載政策及程序當中包括(a)客戶盡職審查及舉報可疑交易；(b)持續對現有借款人進行監察；(c)貸款提取監控；(d)貸款償還監控；(e)備存紀錄；及(f)員工培訓。

本集團已採取信貸政策管理其放債業務，包括遵守所有適用法律及法規、對潛在借款人以及潛在借入人之資產、信譽、獲取抵押品之必要性及釐定合適之利率以反映提供貸款之風險水平進行信貸評估。本集團已採取不同商業條款向其潛在借款人授出貸款融資，有關商業條款將視乎個別借入人之信貸評估及／或抵押品水平而釐定。倘需要抵押品，則有關貸款一般以一按或二按之物業、衡平法按揭或其他資產作為抵押品予以抵押。

根據本集團之現有信貸政策，除本公司之董事在特別情況下另行批准外，(i)本集團授出之貸款(不論為有抵押或無抵押)不得超過本集團預設之最高貸款金額；(ii)就有抵押貸款而言，貸款與抵押品價值比率不得超過90%，而還款期不得超過30年；及(iii)就無抵押貸款而言，該等貸款應符合借入人之債務與收入比率不得超過70%，而還款期不得超過36個月之規定。

本集團僅將於相關借款人通過本集團之盡職審查程序及其他適用之內部監控程序後，方會向其提供放債服務及授出貸款融資。本集團進行之盡職審查一般涉及了解客戶之程序，包括獲取有關收入來源及金額之資料、其他淨資產證明、身份證明文件副本以及地址證明。

MONEY LENDING BUSINESS (Cont'd)

Most of the potential borrowers of the Group's money lending services are the Group's potential customers interested in acquiring properties sold by the Group who during commercial negotiation with the Group has indicated that they will require financing arrangements in purchasing the properties.

For ongoing monitoring of the loan performance and their risk levels, the Group will closely monitor the status of interest and loan principal collections and perform annual valuation of the collaterals held by the Group to assess the recoverability of the loans granted by the Group.

There is also internal audit function within the Group to examine the operation of money lending business to ensure proper procedures and control are implemented, and reported the result of the audit to the audit committee of the Company.

放債業務(續)

本集團放債服務之大部分潛在借款人均為有意向本集團購買由本集團出售之物業之潛在客戶，在與本集團進行商業磋商時，已表示其於購買物業時將需融資安排。

為持續監察貸款表現及其風險水平，本集團將密切監察利息及貸款本金收回狀況，並就本集團持有之抵押品每年進行估值，以評估本集團授出貸款之可收回程度。

本集團亦設有內部審核職能，審查放債業務營運以確保正確程序及監控得以實行，並向本公司審核委員會報告審核結果。