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亞證地產有限公司

ASIASEC PROPERTIES LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 271)

ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR 2022

The board of directors (“Board”) of Asiasec Properties Limited (“Company”) announces that the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31st December, 2022 with the comparative figures for the corresponding year ended 31st December, 2021 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31st December, 2022

	Notes	2022 HK\$'000	2021 HK\$'000
Revenue	(3)	38,379	38,166
Other income	(4)	12,728	17,781
Other (loss) gains	(5)	(549)	967
Loss on disposal of a subsidiary	(6)	–	(1,467,958)
Rent and rates		(1,381)	(1,257)
Building management fees		(6,959)	(6,948)
Staff costs (including directors' emoluments)		(13,084)	(12,516)
Depreciation and amortisation		(198)	(172)
Repairs and maintenance		(5,870)	(935)
Other expenses		(8,879)	(15,373)
Operating profit (loss) before impairment losses under expected credit loss model, net of reversal and change in fair value of investment properties and financial instruments		14,187	(1,448,245)
Loss from change in fair value of investment properties		(27,457)	(25,939)
Impairment losses under expected credit loss model, net of reversal		(22,691)	(74,370)
Net decrease in fair value of financial assets at fair value through profit or loss		(8,325)	(15,272)
Operating loss		(44,286)	(1,563,826)
Share of loss of associates		–	(907)
Loss before taxation		(44,286)	(1,564,733)
Income tax credit	(7)	585	1,681
Loss for the year	(8)	(43,701)	(1,563,052)
		HK cents	HK cents
Loss per share			
Basic	(9)	(3.52)	(125.98)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st December, 2022

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss for the year	<u>(43,701)</u>	<u>(1,563,052)</u>
Other comprehensive (expense) income:		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Change in fair value of equity instrument at fair value through other comprehensive income	<u>(3,060)</u>	<u>(797)</u>
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Currency translation differences	<u>(4,555)</u>	<u>1,986</u>
Other comprehensive (expense) income for the year, net of tax	<u>(7,615)</u>	<u>1,189</u>
Total comprehensive expense for the year	<u>(51,316)</u>	<u>(1,561,863)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st December, 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		1,071	1,269
Investment properties		1,297,022	1,329,370
Interests in associates		–	–
Loan receivables		78,024	111,592
Financial assets at fair value through profit or loss		43,079	43,116
Equity instrument at fair value through other comprehensive income		29,600	32,660
Club memberships		4,261	4,261
		1,453,057	1,522,268
Current assets			
Trade and other receivables, prepayments and deposits	(11)	26,752	37,693
Loan receivables		76,705	64,737
Financial assets at fair value through profit or loss		35,147	42,814
Income tax recoverable		1,785	3,961
Cash and cash equivalents		147,668	119,853
		288,057	269,058
Total assets		1,741,114	1,791,326
EQUITY			
Share capital		681,899	681,899
Reserves		872,206	923,522
Total equity		1,554,105	1,605,421
LIABILITIES			
Non-current liability			
Deferred tax liabilities		161,040	163,708
Current liabilities			
Creditors and accruals	(12)	25,380	22,155
Income tax payable		589	42
		25,969	22,197
Total liabilities		187,009	185,905
Total equity and liabilities		1,741,114	1,791,326

Notes:

(1) Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance (“CO”).

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

The financial information relating to the financial years ended 31st December, 2022 and 2021 included in this announcement of annual results does not constitute the Company’s statutory annual consolidated financial statements for those financial years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the CO is as follows:

The Company has delivered the financial statements for the year ended 31st December, 2021 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the CO and will deliver the financial statements for the year ended 31st December, 2022 in due course.

The Company’s auditor has reported on the financial statements of the Group for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the CO.

(2) Application of amendments to HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on 1st January, 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

The application of the amendments to HKFRSs in the current year has 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.

(2) Application of amendments to HKFRSs (continued)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendment to HKFRS 16	Lease Liability in a Sale and Leaseback ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³
Amendments to HKAS 1	Non-current Liabilities with Covenants ³
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ³

¹ Effective for annual periods beginning on or after 1st January, 2023

² Effective for annual periods beginning on or after a date to be determined

³ Effective for annual periods beginning on or after 1st January, 2024

The directors of the Company (“Directors”) anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

(3a) Revenue and segment information

	2022 <i>HK\$’000</i>	2021 <i>HK\$’000</i>
Rental income from investment properties that is fixed	32,164	31,304
Estate management fees	4,715	5,362
Dividend income from equity instrument at fair value through other comprehensive income (“FVTOCI”)	1,500	1,500
	<u>38,379</u>	<u>38,166</u>

Revenue from estate management fees is recognised over time. The Group applied the practical expedient in HKFRS 15 “Revenue from Contracts with Customers” (“HKFRS 15”) to recognise revenue in the amount that the Group has the right to invoice based on the terms of the relevant lease agreements in which the Group bills a fixed monthly amount in advance. As permitted under HKFRS 15, the transaction price of estate management services allocated to the remaining performance obligations as at 31st December, 2022 and 2021 is not disclosed.

The executive directors of the Company have been identified as the chief operating decision maker. The executive directors regard the Group’s business as a single operating segment, which is property leasing and estate management and reviews financial information as a whole accordingly. Therefore, no segment analysis of the Group’s revenue, results, assets and liabilities are presented.

As at 31st December, 2022, other than financial assets at fair value through profit or loss (“FVTPL”), equity instrument at FVTOCI and loan receivables, the total of non-current assets located in Hong Kong and the People’s Republic of China (“PRC”) are HK\$1,244,637,000 and HK\$57,717,000 (2021: HK\$1,272,334,000 and HK\$62,566,000) respectively. During the current year, the total revenue derived from Hong Kong and the PRC are HK\$37,115,000 and HK\$1,264,000 (2021: HK\$36,951,000 and HK\$1,215,000) respectively.

(3b) Information about major customers

Revenue from customers relating to rents from investment properties of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Customer A	5,189	5,551
Customer B	N/A ¹	4,661

¹ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

(4) Other income

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Bank interest income	1,616	935
Loan interest income	8,967	13,158
Government grants (<i>Note</i>)	540	(16)
Interest income from other receivables	245	237
Dividend income from financial assets at FVTPL	347	3,242
Management fee income from intermediate holding company	864	144
Others	149	81
	<u>12,728</u>	<u>17,781</u>

Note: During the current year, the Group recognised government grants of HK\$540,000 (2021: penalty of government grants of HK\$16,000) in respect of COVID-19-related subsidies, which related to Employment Support Scheme was paid by Hong Kong Special Administrative Region.

(5) Other (loss) gains

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Net exchange (loss) gain	<u>(549)</u>	<u>967</u>

(6) Loss on disposal of a subsidiary

On 2nd August, 2021, the Company entered into a sale and purchase agreement with a direct wholly-owned subsidiary of Tian An China Investments Company Limited (“TACI”), to sell the Company’s interests in associates (such associates being private companies incorporated in Hong Kong) through the disposal of the entire issued share capital and shareholder’s loan of an investment holding company, a wholly-owned subsidiary of the Company, at the consideration of HK\$1,080,000,000. The transaction was completed on 28th October, 2021, and a loss on disposal of a subsidiary of HK\$1,467,958,000 was recognised and charged to the profit or loss in 2021. Details of the disposal were disclosed in the joint announcement of the Company and TACI dated 2nd August, 2021 and are as follows:

The net assets of the subsidiary at the date of disposal were as follows:

	28th October, 2021 <i>HK\$’000</i>
Net assets disposed of:	
Investment properties	1,150
Interests in associates	2,555,528
Trade and other receivables	16
Income tax recoverable	124
Bank balances and cash	59,355
Deferred tax liabilities	(1)
Creditors and accruals	(6,329)
Amounts due to associates	(57,071)
Amount due to intermediate holding company	(5,814)
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Net assets disposed of	2,546,958
Loss on disposal	(1,467,958)
	<hr/>
Proceeds on disposal	1,079,000
	<hr/>
Cash consideration received in current year	1,080,000
Cash consideration for assignment of shareholders’ loans	(1,000)
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	1,079,000
	<hr/>

(7) **Income tax credit**

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
The charge comprises:		
Current year		
– Hong Kong Profits Tax	843	2,148
– PRC Enterprise Income Tax	29	–
	<u>872</u>	<u>2,148</u>
Overprovision in prior years		
– Hong Kong Profits Tax	(53)	(154)
	<u>819</u>	<u>1,994</u>
Deferred taxation	<u>(1,404)</u>	<u>(3,675)</u>
Income tax credit for the year	<u>(585)</u>	<u>(1,681)</u>

(8) **Loss for the year**

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss for the year has been arrived at after charging:		
Depreciation of property, plant and equipment	<u>198</u>	<u>172</u>
Impairment allowance on trade receivables (included in other expenses)	<u>234</u>	<u>1,741</u>
Salaries and other costs	12,793	12,230
Retirement benefits scheme contributions	<u>291</u>	<u>286</u>
Total staff costs (including directors' emoluments)	<u>13,084</u>	<u>12,516</u>
Direct operating expenses of investment properties that generated rental income	13,557	10,744
Direct operating expenses of investment properties that did not generate rental income	2,065	816
Auditor's remuneration	<u>1,605</u>	<u>2,001</u>

(9) Loss per share

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss		
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	<u>43,701</u>	<u>1,563,052</u>

	2022 <i>'000</i>	2021 <i>'000</i>
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Number of shares

Weighted average number of ordinary shares for the purpose of basic loss per share

<u>1,240,669</u>	<u>1,240,669</u>
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No diluted loss per share for both 2022 and 2021 were presented as there were no potential ordinary shares in issue for both 2022 and 2021.

(10) Dividend

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
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Dividend recognised as distributions during the year:

A special dividend for 2021 paid of HK\$0.95 per share	<u>–</u>	<u>1,178,635</u>
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The Board of Directors has resolved not to declare any interim dividend for the year ended 31st December, 2022 (2021: nil).

(11) Trade and other receivables, prepayments and deposits

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables	14,624	17,068
Other receivables	10,636	18,922
Prepayments and deposits	1,492	1,703
	<u>26,752</u>	<u>37,693</u>

Trade receivables represent rental receivable which are receivable on the presentation of debit notes. Rental income is billed in advance at month-end. The Group generally allows a credit period of 30 days to its tenant. The aging of these trade receivables of the Group, net of provisions and in accordance with the revenue recognition dates, is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 30 days	13,366	13,951
31–60 days	733	1,520
61–90 days	6	–
91–120 days	348	1,137
121–180 days	171	460
	<u>14,624</u>	<u>17,068</u>

(12) Creditors and accruals

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade creditors	1,640	371
Other creditors	5,951	6,185
Tenants deposits	14,377	12,244
Accrued operating expenses	3,412	3,355
	<u>25,380</u>	<u>22,155</u>

The ageing of the trade creditors of the Group in accordance with invoice date is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 30 days	1,228	356
31–60 days	397	–
Over 120 days	15	15
	<u>1,640</u>	<u>371</u>

(13) Events after the end of the reporting period

On 27th February, 2023, an indirect wholly-owned subsidiary of the Company (“Purchaser”) entered into a sale and purchase agreement with third parties to acquire a property in Hong Kong through (i) the acquisition of the entire issued share capital of an investment holding company (“Target Company”); and (ii) the assignment of loan indebted by the Target Company to its shareholder at the consideration of HK\$3. It was further agreed that at completion, the Purchaser shall enter into a loan agreement to provide to the Target Company a loan in the amount of HK\$1,000,000,000. The total payment for the acquisition shall be HK\$1,000,000,003.

On the even date, the Group entered into two sale and purchase agreements to dispose of its non-core properties. One sale and purchase agreement was entered into between a direct wholly-owned subsidiary of the Company and a direct wholly-owned subsidiary of TACI to dispose of certain PRC non-core properties of the Group through the disposal of the entire issued share capital of an investment holding company and the assignment of shareholder’s loan at the consideration of HK\$80,000,000. Another sale and purchase agreement was entered into between a direct wholly-owned subsidiary of the Company and an indirect wholly-owned subsidiary of Allied Group Limited (“AGL”) to dispose of certain Hong Kong non-core properties of the Group through the disposal of the entire issued share capital of two investment holding companies and the assignment of the respective shareholder’s loans at the aggregate consideration of HK\$250,000,000.

The above transactions are subject to the approval of the shareholders or independent shareholders (as the case may be) of the Company at an extraordinary general meeting and fulfilment of other conditions precedent. The acquisition and disposals have not been completed as at the report date. Details of the abovementioned transactions were disclosed in the joint announcement of the Company, AGL and TACI dated 27th February, 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The revenue of the Group for the year ended 31st December, 2022 was HK\$38,379,000 (2021: HK\$38,166,000), an increase of HK\$213,000 or 0.56% compared to the year before. The loss for the year amounted to HK\$43,701,000 (2021: loss for the year of HK\$1,563,052,000), representing a decrease of HK\$1,519,351,000 from 2021. The primarily items for the decrease in loss for the year ended 31st December, 2022 are as follows:

1. an impairment losses on loan and interest receivables of HK\$22,691,000 in current year as compared with an impairment losses of HK\$74,370,000 in last year. These impairment losses in both years are mainly caused by the default of a senior note issued by an independent listed group in Hong Kong, of which the Group has subscribed for investment purpose in 2018; and
2. the absence of a loss on disposal of a subsidiary of approximately HK\$1,467,958,000 which was completed in October 2021.

Loss per share amounted to HK3.52 cents (2021: loss per share of HK125.98 cents), while the net asset value per share was HK\$1.25 as at 31st December, 2022 (2021: HK\$1.29).

Business Review

The Group's core businesses comprise property investment, property leasing and estate management in Hong Kong.

For the year ended 31st December 2022, the Group's commercial properties situated at Harbour Crystal Centre recorded an average occupancy level of approximately 87%, but the performance of rental income was not so good as expected.

During the fifth wave of COVID-19 in Hong Kong starting in early 2022, retail business in Harbour Crystal Centre was seriously affected due to the mandatory closure or restrictions of designated retail premises adopted by the Government. As a result, the Group has granted rent concession to some tenants depending on the trades during the period resulting a decrease in rental income from Harbour Crystal Centre. Following the relaxation of social distancing measures in late 2022, the said concession granted was minimal and the rental income was getting increased.

The Group's office spaces in Billion Centre and some strata residential apartments recorded 90% and 89% occupancy rate respectively for the year ended 2022.

Financial Review

Group Assets and Charges

The total assets of the Group have decreased from HK\$1,791,326,000 last year to HK\$1,741,114,000 in this year. The net assets of the Group have decreased from HK\$1,605,421,000 to HK\$1,554,105,000. At 31st December, 2022, no investment properties of the Group in Hong Kong (2021: HK\$ Nil) were pledged as security for banking facilities. The Group has no bank loan, but will undergo a discussion with the bank for the renewal of banking facilities and the bank has agreed to provide banking facilities if necessary.

Group Financial Position, Liquidity and Financial Resources

The total liabilities of the Group have increased from HK\$185,905,000 as at 31st December, 2021 to HK\$187,009,000 as at 31st December, 2022. The Group had cash and bank balances of HK\$147,668,000 as at 31st December, 2022 (2021: HK\$119,853,000). The ratio of total liabilities to total assets was approximately 10.74% (2021: 10.38%). As at 31st December, 2022, the Group had no bank loans (2021: Nil) and the total equity was HK\$1,554,105,000 (2021: HK\$1,605,421,000).

As at 31st December, 2022, the current assets of the Group, amounting to HK\$288,057,000 (2021: HK\$269,058,000), exceeded its current liabilities by HK\$262,088,000 (2021: HK\$246,861,000).

For the year ended 31st December, 2022, the Group had no material exposure to fluctuations in exchange rates and no related hedges and there were no contingent liabilities.

Event after the Reporting Date

Details regarding event after the reporting date are set out in note 13 to the consolidated financial information.

Employees

As at 31st December, 2022, the Group employed 34 (2021: 30) persons, all (2021: all) were employed in Hong Kong. The Group maintains a policy of paying competitive remuneration packages and employees are also rewarded on performance related basis including salary and bonus.

In addition to basic salaries, full-time employees in Hong Kong are provided with medical insurance and mandatory provident fund scheme.

Business Outlook

With all COVID-19-related restrictions cancelled in Hong Kong, we expect a rapid recovery in customer traffic in the Group's retail space in Harbour Crystal Centre (portion). The re-opening of borders with mainland China will also be a significant boost for business activity in Harbour Crystal Centre because of the property's proximity to the terminus for cross-border trains.

We believe the Hong Kong retail sector has already bottomed and will recover quickly. The Group will take advantage of this recovery for the retail segment by focusing our property portfolio on commercial properties with retail elements. As part of this focused strategy, we plan to diversify away from our non-core assets in residential and office properties in Hong Kong and mainland China.

A factor for negative risk to our business going forward is the impact of rising interest rates, which has the potential effect of dampening business activity as well as capital values. However, we believe the long-term prospects for the Hong Kong economy – backed by the recovering mainland Chinese economy – remain healthy, and that the economic rebound from border openings and removal of COVID-19 restrictions will be substantial. We will continue to search for attractive real estate opportunities to add to our portfolio in line with our focus on the retail segment.

DIVIDEND

No Dividend

The Board does not recommend the payment of a dividend for the year ended 31st December, 2022 (2021 interim dividend (in lieu of a final dividend): Nil).

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company (“2023 AGM”)

The 2023 AGM is scheduled to be held on Tuesday, 23rd May, 2023. For determining the entitlement to attend and vote at the 2023 AGM, the register of members of the Company will be closed from Thursday, 18th May, 2023 to Tuesday, 23rd May, 2023 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order for a Shareholder to be eligible to attend and vote at the 2023 AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Tengis Limited of 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 17th May, 2023.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the year ended 31st December, 2022, the Company has applied the principles of, and complied with, the applicable code provisions set out in the section headed “Part 2 – Principles of good corporate governance, code provisions and recommended best practices” of the Corporate Governance Code (“CG Code”) under in Appendix 14 of the Listing Rules, except for certain deviations which are summarised below:

Code Provisions E.1.2 and D.3.3

Code provisions E.1.2 and D.3.3 of the CG Code stipulate that the terms of reference of the remuneration committee and audit committee should include, as a minimum, those specific duties as set out in the respective code provisions.

During the year ended 31st December, 2022, the Board has reviewed and updated the terms of reference of the remuneration committee (“Remuneration Committee”) and the audit committee (“Audit Committee”) according to the revised CG Code effective on 1st January, 2022. The updated terms of reference of the Remuneration Committee adopted by the Company are in compliance with the code provision E.1.2 of the CG Code except that the Remuneration Committee shall make recommendations to the Board on the remuneration packages of the Executive Directors only and not senior management (as opposed to executive directors and senior management under the code provision).

The updated terms of reference of the Audit Committee adopted by the Company are in compliance with the code provision D.3.3 of the CG Code except that the Audit Committee (i) shall recommend (as opposed to implement under the code provision) the policy on the engagement of the external auditors to supply non-audit services; (ii) only possesses the effective ability to scrutinise (as opposed to ensure under the code provision) whether management has performed its duty to have effective risk management and internal control systems; and (iii) can promote (as opposed to ensure under the code provision) the co-ordination between the internal and external auditors, and check (as opposed to ensure under the code provision) whether the internal audit function is adequately resourced.

The reasons for the above deviations are set out in the Corporate Governance Report to be contained in the Company’s Annual Report for the financial year ended 31st December, 2022 (“2022 Annual Report”). The Board has reviewed the terms during the year under review and considers that the Remuneration Committee and the Audit Committee should continue to operate according to the relevant terms of reference as adopted by the Company. The Board will review the terms at least annually and make appropriate changes if considered necessary.

Further information on the Company’s corporate governance practices during the year under review will be set out in the Corporate Governance Report to be contained in the Company’s 2022 Annual Report which will be sent to the shareholders of the Company (“Shareholders”) by the end of April 2023.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and the financial statements for the year ended 31st December, 2022.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31st December, 2022 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 16th March, 2023. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31st December, 2022, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares.

FORFEITURE OF UNCLAIMED DIVIDENDS

Pursuant to Article 160(A) of the articles of association of the Company, all dividends unclaimed for 6 years after having been declared may be forfeited by the Board and shall revert to the Company. The Board wishes to inform the Shareholders that any of the following dividends declared remaining unclaimed on 14th April, 2023 will be forfeited and revert to the Company.

Financial Year End

Types of Dividends

2012

Interim Dividend and Final Dividend

Shareholders who are entitled to but yet to receive the dividends payments in respect of the aforesaid dividends are advised to contact the share registrar of the Company, Tricor Tengis Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but no later than 4:30 p.m. on Friday, 14th April, 2023.

On behalf of the Board
Asiasec Properties Limited
Edwin Lo King Yau
Executive Director

Hong Kong, 16th March, 2023

As at the date of this announcement, the Board comprises Mr. Patrick Lee Seng Wei (Chairman), Mr. Lee Shu Yin (Chief Executive), Mr. Edwin Lo King Yau and Mr. Tao Tsan Sang being the Executive Directors; and Mr. Li Chak Hung, Mr. Choi Kin Man and Ms. Lisa Yang Lai Sum being the Independent Non-Executive Directors.