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## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022**

### **HIGHLIGHTS**

For the year ended 31 December 2022

- Revenue: HK\$371.7 million (2021: HK\$530.6 million)
- Loss attributable to the shareholders of the Company: HK\$383.7 million (2021: Profit of HK\$70.2 million)
- Net asset value (“NAV”) and NAV per share of the Group attributable to the shareholders of the Company as at 31 December 2022: HK\$9,481.5 million and HK\$15.7 respectively<sup>#</sup>.

<sup>#</sup> *The NAV is calculated on the basis of the Group’s book NAV of HK\$4,687.7 million after adjusting hotel property (which is on cost basis in the book) to fair market value determined by an independent property valuer.*

*\* For identification purpose only*

The board of directors (the “**Board**”) of S E A Holdings Limited (the “**Company**”) announces the audited consolidated financial results of the Company and its subsidiaries (together, the “**Group**”) for the financial year ended 31 December 2022 together with the comparative figures of 2021.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2022

	Notes	2022 HK\$'000	2021 HK\$'000
Revenue	4		
– Renting of investment properties		193,714	227,555
– Hotel operation		128,129	119,312
– Return from financial investment			
– Interest income and others		49,878	183,712
Total revenue		371,721	530,579
Other income	5	9,679	10,180
Costs:			
Property and related costs	6	(3,887)	(4,869)
Staff costs		(82,770)	(83,178)
Depreciation and amortisation		(41,930)	(42,334)
Other expenses		(86,636)	(81,291)
		(215,223)	(211,672)
Profit before fair value changes on investment properties, impairment loss and other gains and losses		166,177	329,087
Fair value changes on investment properties		(234,954)	655,533
(Loss) profit after fair value changes on investment properties		(68,777)	984,620
Other gains and losses	7	94,871	57,100
Impairment loss recognised on debt instruments at fair value through other comprehensive income	12	(152,439)	(701,018)
Share of result of joint ventures		(3,277)	(8,995)
Finance costs	8	(260,891)	(202,332)
(Loss) profit before taxation		(390,513)	129,375
Income tax credit (expense)	9	6,854	(59,213)
(Loss) profit for the year		(383,659)	70,162

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS** *(Continued)**For the year ended 31 December 2022*

	<i>Note</i>	<b>2022</b> <b><i>HK\$'000</i></b>	2021 <i>HK\$'000</i>
(Loss) profit for the year attributable to the Company's shareholders		<b><u>(383,659)</u></b>	<b><u>70,162</u></b>
		<b><i>HK cents</i></b>	<b><i>HK cents</i></b>
Basic and diluted (loss) earnings per share for (loss) profit attributable to the Company's shareholders	<i>11</i>	<b><u>(63.7)</u></b>	<b><u>11.3</u></b>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2022*

	<i>Note</i>	2022 <b>HK\$'000</b>	2021 <b>HK\$'000</b>
(Loss) profit for the year		<u>(383,659)</u>	<u>70,162</u>
<b>Other comprehensive (expense) income:</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value loss on equity instruments at fair value through other comprehensive income		(116,854)	(283,918)
Share of other comprehensive expense of a joint venture		(2,631)	–
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(171,622)	(20,651)
Fair value loss on debt instruments at fair value through other comprehensive income		(225,213)	(846,106)
Reclassification to profit or loss upon disposal/derecognition of debt instruments at fair value through other comprehensive income		9,629	(31,943)
Impairment loss recognised on debt instruments at fair value through other comprehensive income	12	<u>152,439</u>	<u>701,018</u>
Other comprehensive expense for the year		<u>(354,252)</u>	<u>(481,600)</u>
Total comprehensive expense for the year attributable to the Company's shareholders		<u><u>(737,911)</u></u>	<u><u>(411,438)</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 31 December 2022*

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Non-current assets</b>			
Investment properties		6,958,517	7,046,884
Property, plant and equipment		595,662	603,598
Investments in joint ventures		883,374	1,685,935
Equity instruments at fair value through other comprehensive income		109,236	262,021
Debt instruments at fair value through other comprehensive income		73,820	695,176
Financial assets at fair value through profit or loss		57,234	48,146
Pledged bank deposits		105,979	59,148
Other assets		6,719	6,779
		<b>8,790,541</b>	<b>10,407,687</b>
<b>Current assets</b>			
Inventories		1,587	1,700
Loans to joint ventures		1,000,000	–
Debt instruments at fair value through other comprehensive income		135,854	617,397
Trade and other receivables, deposits and prepayments	<i>13</i>	150,942	245,610
Tax recoverable		6	–
Cash and cash equivalents		2,457,179	2,685,034
		<b>3,745,568</b>	<b>3,549,741</b>
Assets classified as held for sale	<i>15</i>	1,249,948	412,519
		<b>4,995,516</b>	<b>3,962,260</b>
<b>Current liabilities</b>			
Payables, rental deposits and accrued charges	<i>14</i>	189,943	243,983
Tax liabilities		14,145	36,895
Lease liabilities		11,925	6,633
Guaranteed notes		1,105,767	–
Bank borrowings – due within one year		539,927	1,278,785
		<b>1,861,707</b>	<b>1,566,296</b>
Liabilities associated with assets classified as held for sale	<i>15</i>	466,656	160,491
		<b>2,328,363</b>	<b>1,726,787</b>
<b>Net current assets</b>		<b>2,667,153</b>	<b>2,235,473</b>
<b>Total assets less current liabilities</b>		<b>11,457,694</b>	<b>12,643,160</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)***At 31 December 2022*

	<i>Note</i>	<b>2022</b> <b>HK\$'000</b>	2021 <i>HK\$'000</i>
<b>Capital and reserves</b>			
Share capital		<b>60,212</b>	60,212
Reserves		<b>4,627,516</b>	5,395,533
<b>Total equity</b>		<b>4,687,728</b>	5,455,745
<b>Non-current liabilities</b>			
Payables, rental deposits and accrued charges	<i>14</i>	<b>71,488</b>	3,985
Lease liabilities		<b>171,065</b>	178,575
Bank borrowings – due after one year		<b>6,519,231</b>	5,835,022
Guaranteed notes		–	1,149,340
Deferred taxation		<b>8,182</b>	20,493
		<b>6,769,966</b>	7,187,415
<b>Total equity and non-current liabilities</b>		<b>11,457,694</b>	12,643,160

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**”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and by the Hong Kong Companies Ordinance.

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 the consideration given in exchange for goods and services.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”) AND AGENDA DECISIONS OF THE IFRS INTERPRETATIONS COMMITTEE (THE “**COMMITTEE**”)

### **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 Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the annual periods beginning on 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment 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

In addition, the Group applied the agenda decision of the Committee of the International Accounting Standards Board, including Lessor Forgiveness of Lease Payments (HKFRS 9 Financial Instruments and HKFRS 16 Leases), which is relevant to the Group.

Except as described below, the application of the amendments to HKFRSs and the committee’s agenda decision 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 NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) AND AGENDA DECISIONS OF THE IFRS INTERPRETATIONS COMMITTEE (THE “COMMITTEE”) (Continued)

### Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

#### 2.1 Impacts on application of Amendments to HKFRS 3 Reference to the Conceptual Framework

The Group has applied the amendments to business combinations for which the acquisition date was on or after 1 January 2022. The amendments update a reference in HKFRS 3 *Business Combinations* so that it refers to the *Conceptual Framework for Financial Reporting 2018* issued in June 2018 (the “**Conceptual Framework**”) instead of *Framework for the Preparation and Presentation of Financial Statements* (replaced by the *Conceptual Framework for Financial Reporting 2010* issued in October 2010), add a requirement that, for transactions and events within the scope of HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or HK(IFRIC) – Int 21 *Levies*, an acquirer applies HKAS 37 or HK(IFRIC) – Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination and add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The application of the amendments in the current year has had no impact on the Group’s consolidated financial statements.

#### 2.2 Impacts on application of the agenda decision of the Committee – Lessor Forgiveness of Lease Payments (HKFRS 9 Financial Instruments and HKFRS 16 Leases)

In October 2022, the Committee published the agenda decision related to the accounting for a rent concession where the lessor legally releases the lessee from its obligation to make specifically identified lease payments. Some of these lease payments are contractually due but not paid and some of them are not yet contractually due. The Committee concluded that, before the rent concession is granted, the lessor applies the impairment requirements in HKFRS 9 to the operating lease receivable, the measurement of expected credit losses (“ECL”) should include the lessor’s expectations of forgiving the related lease payments. In addition, the lessor accounts for the rent concession on the date it is granted by applying: (a) the derecognition requirements in HKFRS 9 to forgiven lease payments that the lessor has recognised as operating lease receivables; and (b) the lease modification requirements in HKFRS 16 to forgiven lease payments that the lessor has not recognised as an operating lease receivable.

The application of the Committee’s agenda decision has had no material impact on the Group’s consolidated financial statements.



## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) AND AGENDA DECISIONS OF THE IFRS INTERPRETATIONS COMMITTEE (THE “COMMITTEE”) (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	Insurance Contracts <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>3</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>3</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>3</sup> Effective for annual periods beginning on or 1 January 2024.

Except for amendments to HKFRSs mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### ***Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)***

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.
- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) AND AGENDA DECISIONS OF THE IFRS INTERPRETATIONS COMMITTEE (THE “COMMITTEE”) (Continued)

### New and amendments to HKFRSs in issue but not yet effective (Continued)

#### *Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”) (Continued)*

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which an entity is required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period. In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if the entity classify liabilities arising from loan arrangements as non-current when the entity’s right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period. The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

Based on the Group’s outstanding liabilities as at 31 December 2022, the application of the 2020 and 2022 Amendments will not result in reclassification of the Group’s liabilities.

### **Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies**

HKAS 1 is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group’s significant accounting policies. The impacts of application, if any, will be disclosed in the Group’s future consolidated financial statements.

## **2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) AND AGENDA DECISIONS OF THE IFRS INTERPRETATIONS COMMITTEE (THE “COMMITTEE”)** *(Continued)*

### **Amendments to HKAS 8 Definition of Accounting Estimates**

The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group’s consolidated financial statements.

## **3. SEGMENT INFORMATION**

Information reported to the executive directors of the Company, being the chief operating decision makers (“CODM”), for the purposes of resource allocation and assessment of segment performance is mainly focused on the property development, property investment, hotel operation and financial investment.

The property investment segment includes a number of various property locations, each location is considered as a separate operating segment by the CODM. For segment reporting, these individual operating segments have been aggregated into a single reportable segment as property investment provide the same nature of income with the same recognition criteria.

The financial investment segment includes interest income from time deposits and investment income from listed investments.

It is the Group’s strategy to make financial investment, particularly fixed income debt securities, from time to time in order to generate stable financial investment income for the Group.

Share of results of joint ventures were included in the segment of “unallocated” in prior periods. In the current year, as the CODM consider it more appropriate to classify share of results of joint ventures within “property development” in view of its nature and thus related share of results of joint ventures are included in the segment of “property development” for the current year. The comparative information has been restated to conform to current year’s presentation.

### 3. SEGMENT INFORMATION *(Continued)*

#### Segment revenues and results

The following is an analysis of the Group's revenue and results from operating and reportable segments:

#### For the year ended 31 December 2022

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Hotel operation <i>HK\$'000</i>	Financial investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>SEGMENT REVENUE</b>					
External revenue	–	193,714	128,129	49,878	371,721
<b>SEGMENT RESULTS</b>					
Segment profit (loss)	130,327	(95,344)	6,483	(110,551)	(69,085)
Unallocated interest income					1,181
Corporate expenses					(59,255)
Share of result of a joint venture					(2,463)
Finance costs					(260,891)
Loss before taxation					(390,513)

#### For the year ended 31 December 2021

	Property development <i>HK\$'000</i> (restated)	Property investment <i>HK\$'000</i>	Hotel operation <i>HK\$'000</i>	Financial investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i> (restated)
<b>SEGMENT REVENUE</b>					
External revenue	–	227,555	119,312	183,712	530,579
<b>SEGMENT RESULTS</b>					
Segment (loss) profit	(14,261)	870,762	1,149	(477,255)	380,395
Unallocated interest income					228
Corporate expenses					(51,364)
Share of result of a joint venture					2,448
Finance costs					(202,332)
Profit before taxation					129,375

### 3. SEGMENT INFORMATION *(Continued)*

#### Segment revenues and results *(Continued)*

Segment profit of the property investment division for the year ended 31 December 2022 included a decrease in fair value of investment properties of HK\$267,312,000 (2021: an increase of HK\$655,533,000).

Segment profit of the property development division for the year ended 31 December 2022 included an amortisation of discount on acquisition of additional investment in joint ventures of HK\$101,800,000 (2021: HK\$nil).

The accounting policies for operation segments are the same as the Group's accounting policies.

The Group does not allocate interest income generated from bank deposits, corporate expenses, share of results of joint ventures and finance costs to individual reportable segment profit or loss for the purposes of resource allocation and performance assessment by the CODM.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

### 4. REVENUE

	<b>2022</b>	2021
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Renting of investment properties <i>(note i)</i>	<b>193,714</b>	227,555
Hotel operation <i>(note ii)</i>	<b>128,129</b>	119,312
Return from financial investment		
– interest income and others <i>(note iii)</i>	<b>49,878</b>	183,712
	<b><u>371,721</u></b>	<b><u>530,579</u></b>

*Notes:*

- i. Included in revenue generated from renting of investment properties, HK\$192,916,000 (2021: HK\$226,777,000) is rental income from leasing of investment properties under operating lease in which the lease payments are fixed. No rental income from leasing of investment properties under operating lease in which the lease payments depend on an index or a certain rate is generated for both years.
- ii. For the year ended 31 December 2022, revenue from hotel operation, which arose from contracts with customers comprises of (i) hotel room revenue of HK\$82,788,000 (2021: HK\$63,913,000) being recognised over time and based on output method; (ii) food and beverage sales of HK\$36,667,000 (2021: HK\$46,767,000) and ancillary service of HK\$2,246,000 (2021: HK\$791,000) being recognised at point in time. The remaining revenue of HK\$6,428,000 (2021: HK\$7,841,000) is rental income from leasing of hotel's retail portion under operating lease in which the lease payments are fixed.
- iii. Interest income and others includes interest income from listed debt securities, and time deposits of HK\$42,426,000 (2021: HK\$177,274,000) and dividend income from listed equity securities of HK\$7,452,000 (2021: HK\$6,438,000).

## 5. OTHER INCOME

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest income from bank deposits	1,181	228
Government grants	6,273	3,253
Others	2,225	6,699
	<u>9,679</u>	<u>10,180</u>

For the year ended 31 December 2022, the Group recognised government grants of HK\$6,273,000 (2021:HK\$3,253,000) from Employment Support Scheme, Club-house Subsidy Scheme, Catering Business Subsidy Scheme, Designated Quarantine Hotel Scheme and Hotel Sector Support Scheme under Anti-Epidemic Fund of the Government of the Hong Kong Special Administrative Region.

## 6. PROPERTY AND RELATED COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Selling and marketing expenses	148	398
Direct operating expenses of investment properties	3,739	4,471
	<u>3,887</u>	<u>4,869</u>

## 7. OTHER GAINS AND LOSSES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Net exchange gains	1,044	15,558
Fair value gain on financial assets at fair value through profit or loss	–	9,673
Gain (loss) on early redemption of guaranteed notes	1,656	(74)
(Loss) gain on disposal/derecognition of debt instruments at fair value through other comprehensive income	(9,629)	31,943
Amortisation of discount on acquisition of additional investments in joint ventures ( <i>note</i> )	101,800	–
	<u>94,871</u>	<u>57,100</u>

*Note:* In connection with joint venture project “Grand Victoria”, during the year ended 31 December 2021, one of the joint venture partners as the vendor (the “**Vendor**”), entered into the sales and purchase agreements with the Group and another two of the joint venture partners as the purchasers (the “**Purchasers**”) pursuant to which the Vendor agreed to sell and assign, and the Purchasers agreed to purchase and take up the assignment of all the issued shares in each of joint venture companies held by the Vendor. As a result, the Group’s interest in the project increased from 10.0% to 14.5%. The relevant consideration paid by the Group amounted to approximately HK\$412,520,000 with a discount of HK\$158,896,000. During the year ended 2022, amortisation of discount on additional investment in joint ventures of HK\$101,800,000 (2021: HK\$nil) has been recognised in the profit or loss.

## 8. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Bank borrowings:		
Interest on bank borrowings	166,762	112,732
Amortisation of bank borrowings front-end fee	19,669	18,644
	<u>186,431</u>	<u>131,376</u>
Guaranteed notes:		
Interest on guaranteed notes	55,550	56,735
Amortisation of guaranteed notes issued costs	2,214	2,263
	<u>57,764</u>	<u>58,998</u>
Lease liabilities:		
Interest on lease liabilities	5,523	1,545
Other charges	11,173	10,413
	<u>260,891</u>	<u>202,332</u>

## 9. INCOME TAX (CREDIT) EXPENSE

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current tax:		
Hong Kong	18	1,036
Australia	–	55,025
The United Kingdom	3,622	28,797
Others	20	–
	<u>3,660</u>	<u>84,858</u>
(Over) under provision in prior years:		
Hong Kong	(119)	(20)
The United Kingdom	–	7,465
	<u>(119)</u>	<u>7,445</u>
Deferred tax		
Current year	(10,395)	(33,090)
	<u>(6,854)</u>	<u>59,213</u>

## 10. DIVIDENDS

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Dividends recognised as distributions during the year:		
2022 interim dividend – HK2 cents (2021: 2021 interim dividend – HK2 cents) per share	<b>12,042</b>	12,042
2021 final dividend – HK3 cents (2021: 2020 final dividend – HK3 cents) per share	<b>18,064</b>	19,219
	<b>30,106</b>	31,261
2022 final dividend proposed: HK3 cents (2021: HK3 cents) per share	<b>18,064</b>	18,064

Subsequent to the end of the reporting year, a final dividend in respect of the year ended 31 December 2022 of HK3 cents (2021: HK3 cents) per ordinary share, in an aggregate amount of HK\$18,064,000 (2021: HK\$18,064,000), has been proposed by the directors of the Company and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

## 11. (LOSS) EARNINGS PER SHARE

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

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
(Loss) earnings for the purpose of basic and diluted (loss) earnings per share:		
(Loss) profit for the year attributable to the Company's shareholders	<b>(383,659)</b>	70,162
	<b>Number of shares</b>	
	<b>2022</b>	2021
Weighted average number of ordinary shares for the purpose of basic and diluted (loss) earnings per share	<b>602,122,726</b>	619,273,641

As the Group incurred losses for the year ended 31 December 2022, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, dilutive loss per share for the year ended 31 December 2022 is the same as basic loss per share.

The computation of diluted earnings per share for the year ended 31 December 2021 does not assume the exercise of the Company's share options as the exercise price of these options is higher than the average market price for the shares.



## 12. IMPAIRMENT ASSESSMENT OF FINANCIAL ASSETS SUBJECT TO EXPECTED CREDIT LOSS MODEL

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Impairment loss recognised on debt instruments at fair value through other comprehensive income	<u>152,439</u>	<u>701,018</u>

For the year ended 31 December 2022, the Group provided impairment allowance of HK\$152,439,000 (2021: HK\$701,018,000) for listed debt securities due to the deterioration of credit quality of respective listed debt securities issued by PRC property developers.

## 13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables ( <i>note i</i> )	869	954
Accrued income	–	104
Deposit paid for acquisition of properties ( <i>note ii</i> )	127,508	196,972
Deposits, prepayments and other receivables	<u>22,565</u>	<u>47,580</u>
	<u>150,942</u>	<u>245,610</u>

*Notes:*

- i. Trade receivables from corporate customers and travel agents for the use of hotel facilities as well as tenants for leasing of investment properties.
- ii. During the year ended 31 December 2021, the Group had entered into sales and purchase agreements with several independent third parties in relation to the acquisition of a property at Jardine's Lookout, Hong Kong ("**Property**"), in which the Group intended to redevelop the Property into a low-density luxury residence. The acquisition was completed in August 2022 and the initial deposits paid in 2021 was capitalised as an investment property upon completion. The remaining portion of deposit represented a refundable stamp duty of HK\$127,508,000.

As at 1 January 2021, trade receivables from contracts with customers amounted to HK\$133,000.

The following is an aged analysis of trade receivables presented based on the invoice date.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0 to 30 days	646	912
31 to 60 days	212	42
61 to 90 days	<u>11</u>	<u>–</u>
	<u>869</u>	<u>954</u>

As at 31 December 2022, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$223,000 (2021: HK\$42,000) which are past due as at the reporting date. The outstanding balances have been subsequently settled. The Group does not hold any collateral over these balances.

#### 14. PAYABLES, RENTAL DEPOSITS AND ACCRUED CHARGES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade payables	1,078	1,078
Rental deposits	8,433	8,491
Rental received in advance	39,924	43,872
Other payables, other deposits and accrued charges	178,391	166,229
Interest payables	33,605	28,298
	<u>261,431</u>	<u>247,968</u>
Analysed for reporting purposes as:		
Current liabilities	189,943	243,983
Non-current liabilities	71,488	3,985
	<u>261,431</u>	<u>247,968</u>

The following is an aged analysis of trade payable presented based on the invoice date.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0 to 60 days	<u>1,078</u>	<u>1,078</u>

The average credit period on purchase of goods is 60 days.

#### 15. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

On 23 December 2022, the Group entered into a binding memorandum of agreement to dispose 50% of its equity interests in Time Trade Global Limited and its subsidiary that is holding a land located at South Bay Road, Repulse Bay, Hong Kong to Hon Kwok Land Investment Company, Limited, an independent third party incorporated in Hong Kong. Pursuant to the memorandum of agreement, the strategic financial and operating decisions relating to relevant activities require the unanimous consent of both parties. With the disposal of 50% of Time Trade Global Limited, the Group will account its remaining 50% shareholding in Time Trade Global Limited as an investment in a joint venture. The transaction was completed on 20 January 2023.

As at 31 December 2022, the assets and liabilities of Time Trade Global Limited and its subsidiary have been classified as assets and liabilities held for sale and are presented separately in the consolidated statement of financial position as Time Trade Global Limited is expected to be sold within twelve months. As the net proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities, no impairment loss has been recognised.

**15. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE (Continued)**

**FY2022**

As at 31 December 2022, the assets and liabilities of Time Trade Global Limited classified as held for sale are as follows:

	<b>2022</b> <b>HK\$'000</b>
Investment properties	<b>1,233,000</b>
Pledged bank deposits	<b>16,100</b>
Trade receivables, deposits and prepayments	<b>54</b>
Cash and cash equivalents	<b>794</b>
	<hr/>
Assets classified as held for sale	<b>1,249,948</b>
	<hr/> <hr/>
Other payables	<b>431</b>
Bank borrowings – due after one year	<b>466,225</b>
	<hr/>
Liabilities associated with assets classified as held for sale sale	<b>466,656</b>
	<hr/> <hr/>

## **DIVIDENDS**

The Board has resolved to recommend for shareholders' approval at the forthcoming annual general meeting of the Company (the "2023 AGM") the payment of a final dividend of HK3 cents (2021: HK3 cents) per share for the year ended 31 December 2022 to the shareholders of the Company whose names appear on the register of members at the close of business on Tuesday, 30 May 2023. The relevant dividend warrants are expected to be despatched on or before Monday, 12 June 2023.

Together with the interim dividend of HK2 cents per share already paid (2021: HK2 cents), the total dividends for the year will be HK5 cents (2021: HK5 cents) per share.

## **ANNUAL GENERAL MEETING**

The 2023 AGM will be held in Hong Kong on Friday, 19 May 2023 and the relevant notice and documents will be despatched to the shareholders of the Company and published on the websites of Hong Kong Exchanges and Clearing Limited ("HKEX") ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.seagroup.com.hk](http://www.seagroup.com.hk)) in April 2023.

## **BOOK CLOSE DATES**

For the purpose of ascertaining the shareholders' entitlements to attend and vote at the 2023 AGM and to qualify for the proposed final dividend, the register of members of the Company will be closed. Details of such closures are set out below:

### **For ascertaining shareholders' eligibility to attend and vote at the 2023 AGM**

Latest time to lodge transfer documents	4:30 p.m. on 12 May 2023 (Friday)
Closure of register of members	15 May 2023 (Monday) to 19 May 2023 (Friday) (both days inclusive)
Record date	15 May 2023 (Monday)

### **For ascertaining shareholders' entitlement to the proposed final dividend**

Latest time to lodge transfer documents	4:30 p.m. on 24 May 2023 (Wednesday)
Closure of register of members	25 May 2023 (Thursday) to 30 May 2023 (Tuesday) (both days inclusive)
Record date	30 May 2023 (Tuesday)

During the above closure periods, no transfer of shares will be registered. To be entitled to attend and vote at the 2023 AGM and to qualify for the proposed final dividend, all duly completed and stamped transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Branch Share Registrar in Hong Kong, Tricor Standard Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before the above latest time.

## DISCUSSION AND ANALYSIS

### Financial Summary

Revenue for the year ended 31 December 2022 amounted to HK\$371.7 million (2021: HK\$530.6 million). The revenue was principally attributable to the recognition of rental income from investment properties, revenue from hotel operation and return from financial investment.

Loss attributable to the Company's shareholders for the year amounted to HK\$383.7 million (2021: Profit of HK\$70.2 million), equivalent to a basic loss per share of HK63.7 cents (2021: earnings per share of HK11.3 cents). The loss attributable to the shareholders in current year was mainly due to (i) a fair value loss on investment properties in the United Kingdom during the year of 2022 while a fair value gain on other investment properties was recorded for the year in 2021; and (ii) a significant decline in return from financial investments for the year 2022 partially offset by a decrease in impairment loss on listed debt securities investments. The abovementioned fair value loss and impairment loss are non-cash items and have no immediate impact on the cash flow of the Group.

As at 31 December 2022, the Group's equity attributable to the Company's shareholders amounted to HK\$4,687.7 million (2021: HK\$5,455.7 million). The net asset value per share attributable to the Company's shareholders as at 31 December 2022 was HK\$7.8 as compared with HK\$9.1 as at 31 December 2021.

The Group's property assets (including interests in joint ventures) by geographical location at the year end were as follows:

	<b>31 December 2022</b> <i>HK\$' million</i>	31 December 2021 <i>HK\$' million</i>
Hong Kong	<b>6,563.4</b>	4,964.8
United Kingdom	<b>4,001.9</b>	4,663.3
Total	<b><u>10,565.3</u></b>	<b><u>9,628.1</u></b>

The Group's hotel property is stated at cost less accumulated depreciation charges at a carrying value of HK\$526.2 million (2021: HK\$546.2 million), whereas the market value as at 31 December 2022 as determined by valuation carried out by an independent property valuer is HK\$5,320.0 million (2021: HK\$5,600.0 million). For the purpose of providing supplementary information, if the carrying value of the Group's hotel property was restated to its market value as at 31 December 2022, the adjusted total property assets, the adjusted net asset value and adjusted net asset value per share attributable to the Company's shareholders would be HK\$15,359.1 million (2021: HK\$14,681.9 million), HK\$9,481.5 million (2021: HK\$10,509.5 million) and HK\$15.7 (2021: HK\$17.5) respectively.

## Business Review

### *Property Investment and Development*

The Group continues to focus on property development and property investment projects. The strategy of the Group will be determined by the Board taking into consideration market opportunities, the Group's financial resources and its core competence. It is the Group's approach to review and optimize the project portfolios from time to time. Currently, the Group's core projects mainly consist of two residential projects in Hong Kong (No. 1 Shouson Hill Road East and Inland Lot. 7384 at Jardine's Lookout), a commercial property in Hong Kong (a portion of Winway Building) and two joint venture residential development projects ("**Grand Victoria**" at West Kowloon Waterfront and Rural Building Lot No. 1203 at South Bay Road, Repulse Bay), and two investment properties in London, the United Kingdom (20 Moorgate and 33 Old Broad Street).

#### *Hong Kong*

During the year, the Group continues our effort in the residential development project in West Kowloon Waterfront "Grand Victoria"<sup>1</sup>. The Group acquired an additional 4.5% equity interest in 2021 in the project at an aggregate cash consideration of HK\$413 million, resulting increase in the Company interests in the project from 10% to 14.5%. The construction work is in progress as scheduled and the development is expected to complete in 2023. Pre-sale of the residential units has been launched in March 2021. Approximately 900 units of the project have been sold with total sale proceeds of nearly HK\$13.6 billion. We expect the certificate of compliance shall be obtained during the year-end of 2023. As at 31 December 2022, the Group's interest in such joint venture was HK\$1,804.0 million (including loans to joint ventures).

Winway Building<sup>2</sup>, one of the Group's investment property, is at the prime location of central business district of Hong Kong and is a high quality commercial property. The rental income generated from the property for the period ended 31 December 2022 was slightly decreased as compared with previous year. As at 31 December 2022, the occupancy rate was 92% (31 December 2021: 95%).

The Group owns a residential property project at Shouson Hill Road East. The renovation works were completed during the year. Disposal of two houses to independent third parties at an aggregate consideration of approximately HK\$408.0 million were completed in first quarter of 2022. The disposal provided an attractive opportunity to realise the Group's long-term investment in the project and realised a cash amount of approximately HK\$245.6 million (after repayment of the existing bank loan) for future reinvestment.

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1 The Group is being a part of the consortium comprised of well-known property developers.

2 The Group owns approximately 59% of the gross floor area of Winway Building.

In February 2022, the Group acquired a piece of land at the land premium of HK\$1,188.2 million through a Government tender which is situated at South Bay Road, Repulse Bay with a gross floor area of about 19,055 sq.ft., and is being developed into luxury residences with most fascinating sea views. In December 2022, the Group entered into a binding memorandum of agreement under which the Group agreed to sell 50% interest in the project to an independent third party, Hon Kwok Land Investment Company, Limited for establishing a joint venture to jointly develop the land into a luxury residence for sale purpose. The co-operation allows both parties to share their resources, expertise and extensive experience in property construction and development. The disposal of such 50% interest in the project at a premium to our acquisition cost realised a cash amount of approximately HK\$387.1 million as general working capital and for future investment and development by the Group.

In August 2022 the Group completed the acquisition of the properties located at Jardine's Lookout at No. 89-93 Tai Hang Road, Hong Kong which is a traditional luxury residential area. The site will be redeveloped into low density luxury residence for long term investment. Jardine's Lookout is set just above Happy Valley, overlooks the dazzling Victoria Harbour view. This predominant lavish residential neighborhood are mostly expansive detached properties. It enjoys a convenient transportation network.

### ***The United Kingdom***

The Group owns two investment properties located in the heart of London in the United Kingdom.

20 Moorgate, London is almost fully let to the Prudential Regulatory Authority (a regulatory body of the Bank of England) as a headquarter under long-term lease agreements.

33 Old Broad Street, London is fully leased to Bank of Scotland as their London Headquarter and guaranteed by HBOS Plc (a wholly owned subsidiary of the Lloyds Banking Group) for a fixed term until 2039 with fixed uplift every five years on rental.

Despite the COVID-19 pandemic in the United Kingdom and world economy uncertainties, the Group did not have any rent arrear from the above tenants in the United Kingdom, reflecting the Group's success in making investment strategy and the Group's capability to withstand in any market instability.

### ***Hotel Operation***

Crowne Plaza Hong Kong Causeway Bay is a 29-storey five-star hotel comprising 263 guest rooms with ancillary facilities and is operated under the brand of Crowne Plaza of the InterContinental Hotels Group. In spite of Hong Kong hospitality market continued to be negatively affected by stringent travel restrictions and border closures, the hotel revenue for the period ended 31 December 2022 had improvement, which was HK\$128.1 million (2021: HK\$119.3 million), increased by approximately 7.4%. This was the result from increase in room revenue by joining the Designated Quarantine Hotel Scheme. With the gradual uplifting of travel restrictions around the world, the border between Mainland and Hong Kong was fully opened in mid-February 2023 which bringing Hong Kong hotel industry towards the pre-unrest levels.



The Group is taking all practicable measures to cope with the challenges. We prioritize in delivering feeling of safety to our guests, putting in place strict sanitisation and hygiene protocol. At the same time, the hotel will strive to implement cost saving measures and take decisive decisions to reduce operating costs in this challenging time to gain further market share. The Group will continue to improve the quality of its hotel services to ensure our guests have enjoyable experiences during their stays in our hotel.

### ***Financial Investment***

Adhering to prudent management of our capital, the Group continues to optimize its capital structure and decrease the gearing. As at 31 December 2022, the Group held financial investment of approximately HK\$376.1 million (31 December 2021: HK\$1,622.7 million), which are comprised of listed equity and debt securities and unlisted investments.

During the year, the Group recorded an unrealised loss of HK\$152.4 million mainly representing impairment loss on debt securities investments. The above mentioned impairment loss is a non-cash item and has no immediate impact on the cash flow of the Group.

### **Financial Resources and Liquidity**

#### ***Working Capital and Loan Facilities***

As at 31 December 2022, the Group's total pledged bank deposits, bank balances and cash was HK\$2,580.1 million (2021: HK\$2,748.6 million), total financial investments (including debt instruments at fair value through other comprehensive income, financial assets at fair value through profit or loss and equity instruments at fair value through other comprehensive income) were HK\$376.1 million (2021: HK\$1,622.7 million) and unutilised facilities were HK\$4,299.3 million (2021: HK\$5,053.0 million).

As at 31 December 2022, the Group's bank borrowings was HK\$7,525.4 million (2021: HK\$7,274.0 million) and the guaranteed notes was HK\$1,105.8 million (2021: HK\$1,149.3 million). After netting off the bank balance, cash and the financial investments, the Group had a net debt position of HK\$5,675.0 million (2021: HK\$4,052.0 million) with gearing ratio of 36.9% (2021: 27.6%) (calculated on the basis of net debt as a percentage of the adjusted total property assets with hotel property adjusted to fair market value of HK\$5,320.0 million (2021: HK\$5,600.0 million)).



As at 31 December 2022, maturity of the Group's outstanding borrowings (including the guaranteed notes) was as follows:

	<b>31 December 2022</b> <i>HK\$' million</i>	31 December 2021 <i>HK\$' million</i>
Due		
Within 1 year	<b>2,138.1</b>	1,288.0
1-2 years	<b>2,640.0</b>	1,203.1
3-5 years	<b>2,319.0</b>	4,224.6
Over 5 years	<b>1,589.1</b>	1,779.0
	<b>8,686.2</b>	8,494.7
Less: Unamortised front-end fee and Notes issued expenses	<b>(55.0)</b>	(71.4)
	<b>8,631.2</b>	8,423.3

### *Pledge of Assets*

For the Company's subsidiaries operating in Hong Kong, the total bank borrowings drawn as at 31 December 2022 amounted to HK\$5,043.7 million (2021: HK\$4,503.4 million) which comprised of secured bank borrowings of HK\$3,088.0 million (2021: HK\$3,651.4 million) and unsecured bank borrowings of HK\$1,955.7 million (2021: HK\$852.0 million). The secured bank borrowings were secured by properties valued at HK\$4,044.2 million (2021: HK\$3,331.2 million), listed debt securities of HK\$nil million (2021: HK\$1,312.6 million) and pledged cash of HK\$122.1 million (2021: HK\$25.3 million).

Subsidiaries of the Company operating in the United Kingdom pledged its investment properties with an aggregate carrying value of HK\$4,001.9 million (2021: HK\$4,663.3 million) as at 31 December 2022 to secure bank borrowings of HK\$2,536.6 million (2021: HK\$2,839.7 million).

### *Treasury Policies*

The Group adheres to prudent treasury policies. As at 31 December 2022, all of the Group's borrowings except the guaranteed notes were raised through its wholly-owned subsidiaries on a non-recourse basis.

### **Staff and Emolument Policy**

As at 31 December 2022, the Group had a total of approximately 170 employees (2021: 160 employees) in Hong Kong. Employee costs, including the emoluments of the directors of the Group, amounted to HK\$82.8 million for the year ended 31 December 2022 (2021: HK\$83.2 million).

The Group maintains a good working relationship with its employees and continues to recruit, retain and develop competent individuals committed for its long-term success and growth. Salary and benefits of employees are reviewed at least annually both in response to market conditions and trends, and in conjunction with individual appraisals based on qualifications, experience, skills, responsibilities, performance and development potentials. Discretionary bonuses are granted in line with the Group's financial results and employees' performance. Fringe benefits including medical insurance scheme, study and training allowances, examination leave and voluntary employer contributions to retirement schemes are offered to employees. In addition, to retain and motivate management staff and good performers, the Company has adopted an employee share option scheme and a share award scheme with options to subscribe for shares in the Company and awards of shares being granted by the Group to its employees (including directors of the Company) on a discretionary basis. To further enhance employee relations and communications, recreational activities for general staff with senior management's participation are arranged.

## **Outlook**

Amid recurring COVID-19 outbreaks, extreme heat waves and a slump in China's property market, Chinese economy grew just 3% in 2022, less than half of the previous year's 8.4% growth rate, marking one of the worst performances in nearly half a century. That said, we have seen signs of stabilization following the lifting of virus restrictions as China ramped up economic stimulus to boost growth. China's economy is expected to rebound in 2023 as economic activity picks up after Chinese government abandoned strict COVID-19 restrictions. Nevertheless, due to uncertainties such as the threat of a new wave of epidemics, the contraction of the real estate market, and weak export demand, the road to recovery for the economy in the short term will still be bumpy.

There is no doubt that Hong Kong's economy started badly in 2022, but ended much better, with more citizens becoming immune to the COVID-19 virus and social distancing restrictions being gradually eased. The economy was extremely challenging in 2022. The fifth wave of the local epidemic, the deterioration of the external environment and the tightening of the financial environment have led to weak economic activities. As a result, real GDP contracted by 3.5% in 2022. However, thanks to excellent connectivity with Mainland China and the rest of the world, Hong Kong economy will benefit from a rebound in China and other emerging market economies in Asia, and is expected to rebound with relatively high economic growth in 2023.

The Hong Kong real estate market showed significant signs of correction in 2022. Market sentiment turned cautious amid surging interest rates and deteriorating economic conditions in Hong Kong and globally. Trading activities was moderate in the first half of 2022. After the first half of 2022, deal activity slowed down significantly. Both transaction volume and property prices fell sharply. The good news is that, luxury residence have been sold at record pricing since the end of 2022, reflecting the optimistic market sentiment for premium residential. Coupled with a decrease in HIBOR in early 2023 from its peak in December 2022, the Hong Kong real estate market, especially the luxury segment, should remain firm in the coming years.

Financial conditions in the United Kingdom ("UK") tightened sharply in 2022 due to high energy prices, rising mortgage costs and persistent labor shortages. Despite headwinds, UK GDP growth remained at 4.0% in 2022. After a strong post-COVID rebound, the UK economy is now more challenging. Taking into accounts of ongoing high inflation and rising interest rate, we expect that the UK economy will shrink in 2023.

The Hong Kong hotel industry was first hit by social unrest in 2019 and then hit hard by the pandemic in 2020-22. Although steady improvement has been seen since the second quarter of 2022 following the gradual relaxation of control arrangements for inbound visitors, hotel remained operated in low capacity in 2022. As of the first quarter of 2023, the government has lifted all social distance and quarantine. All borders between mainland China and Hong Kong have reopened. Consequently, the occupancy rate and demand for hotel rooms in early 2023 rebound significantly. It appears that the hotel industry will rebound in 2023 and hopefully return to pre-pandemic level soon.

Overall, the Group has taken measures to identify new business opportunities and suitable investment opportunities to strengthen the Group's core business, and actively acquire new projects to enhance business performance and competitive advantage. Going into 2023, our strong financial position and diversified business model still provide a solid foundation for continued growth. We believe that our strong track record, combined with our dedication, passion and resilience, will continue to provide us with an excellent foundation for the future. We are optimistic that the Group will bring higher returns to our shareholders in the coming years.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2022.

## **CORPORATE GOVERNANCE PRACTICES**

Throughout the year ended 31 December 2022, the Company has applied the principles and complied with all the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

## **REVIEW BY AUDIT COMMITTEE**

The audit committee of the Company comprises four members, namely Messrs. Chan Kwok Wai, Walujo Santoso, Wally, Chung Pui Lam and Lo Wai Tung Welman, all being independent non-executive directors of the Company. The audit committee of the Company has reviewed with the management the audited consolidated financial statements of the Company for the year ended 31 December 2022.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2022, 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 31 December 2022 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

## **PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS AND ADOPTION OF NEW BYE-LAWS**

The Board proposes to amend the Existing Bye-laws of the Company and adopt the New Bye-laws in order to (i) bring the Existing Bye-laws in line with the Core Shareholder Protection Standards as set out in Appendix 3 to the Listing Rules; (ii) reflect the prevailing requirements under the applicable laws of Bermuda; (iii) allow general meetings of the Company to be held as a physical meeting, an electronic meeting or a hybrid meeting; and (iv) make other consequential and housekeeping amendments. The proposed amendments and the proposed adoption of the New Bye-laws are subject to the consideration and approval of the shareholders of the Company by way of a special resolution at the forthcoming 2023 AGM. A circular containing, among other matters, details of the proposed amendments and the proposed adoption of the New Bye-laws, together with the notice of convening the 2023 AGM will be dispatched to the shareholders of the Company in due course.

## **PUBLICATION OF ANNUAL REPORT**

The 2022 Annual Report of the Company containing all the applicable information required by the Listing Rules will be despatched to the shareholders of the Company and published on the websites of HKEX ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.seagroup.com.hk](http://www.seagroup.com.hk)) in April 2023.

## **ACKNOWLEDGEMENT**

On behalf of the Board, I would like to take this opportunity to express our heartfelt gratitude to the founders of the Group, our sincere thanks to the long-standing business partners, customers and shareholders, and our appreciation to all staff members for their dedication and hard work for the Group during the year.

By Order of the Board  
**S E A Holdings Limited**  
**Lu Wing Chi, Jesse**  
*Chairman*

Hong Kong, 24 March 2023

The directors of the Company as at the date of this announcement are:

*Executive Directors:*

Mr. Lu Wing Chi, Jesse (*Chairman*)  
Mr. Lambert Lu (*Chief Executive*)  
Mr. Yap Shee Liam (*Chief Financial Officer*)

*Independent Non-executive Directors:*

Mr. Walujo Santoso, Wally  
Mr. Chung Pui Lam  
Mr. Chan Kwok Wai  
Mr. Lo Wai Tung Welman