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## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021**

### **HIGHLIGHTS**

For the year ended 31 December 2021

- Revenue: HK\$530.6 million (2020: HK\$602.9 million), 12% decrease
- Profit attributable to the shareholders of the Company: HK\$70.2 million (2020: HK\$151.0 million), 54% decrease
- Net asset value (“NAV”) and NAV per share of the Group attributable to the shareholders of the Company as at 31 December 2021: HK\$10,509.5 million and HK\$17.5 respectively<sup>#</sup>.

<sup>#</sup> *The NAV is calculated on the basis of the Group’s book NAV of HK\$5,455.7 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 2021 together with the comparative figures of 2020.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended 31 December 2021*

	<i>Notes</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue	4		
— Renting of investment properties		<b>227,555</b>	212,934
— Hotel operation		<b>119,312</b>	44,769
— Return from financial investment			
— Interest income and others		<u><b>183,712</b></u>	<u>345,246</u>
Total revenue		<b>530,579</b>	602,949
Other income	5	<b>10,180</b>	10,467
Costs:			
Property and related costs	6	<b>(4,869)</b>	(5,227)
Staff costs		<b>(83,178)</b>	(77,752)
Depreciation and amortisation		<b>(42,334)</b>	(36,908)
Other expenses		<b>(81,291)</b>	(52,237)
		<u><b>(211,672)</b></u>	<u>(172,124)</u>
Profit before fair value changes on investment properties, impairment loss and other gains and losses		<b>329,087</b>	441,292
Fair value changes on investment properties		<u><b>655,533</b></u>	<u>39,067</u>
Profit after fair value changes on investment properties		<b>984,620</b>	480,359
Other gains and losses	7	<b>57,100</b>	(29,897)
Impairment loss recognised on debt instruments at fair value through other comprehensive income	12	<b>(701,018)</b>	—
Share of result of joint ventures		<b>(8,995)</b>	(61)
Finance costs	8	<u><b>(202,332)</b></u>	<u>(273,679)</u>
Profit before taxation		<b>129,375</b>	176,722
Income tax expense	9	<u><b>(59,213)</b></u>	<u>(25,754)</u>
Profit for the year		<u><b>70,162</b></u>	<u>150,968</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS** *(Continued)**For the year ended 31 December 2021*

	<i>Note</i>	<b>2021</b> <b><i>HK\$'000</i></b>	2020 <i>HK\$'000</i>
Profit for the year attributable to the Company's shareholders		<b><u>70,162</u></b>	<u>150,968</u>
		<i>HK cents</i>	<i>HK cents</i>
Basic and diluted earnings per share for profit attributable to the Company's shareholders	<i>11</i>	<b><u>11.3</u></b>	<u>23.0</u>

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

*For the year ended 31 December 2021*

	<i>Note</i>	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
Profit for the year		<u><b>70,162</b></u>	<u>150,968</u>
<b>Other comprehensive (expense) income:</b>			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Fair value (loss) gain on equity instruments at fair value through other comprehensive income		<b>(283,918)</b>	668
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<b>(20,651)</b>	76,963
Fair value loss on debt instruments at fair value through other comprehensive income		<b>(846,106)</b>	(35,601)
Reclassification to profit or loss upon disposal of debt instruments at fair value through other comprehensive income		<b>(31,943)</b>	24,000
Impairment loss recognised on debt instruments at fair value through other comprehensive income	<i>12</i>	<u><b>701,018</b></u>	<u>—</u>
Other comprehensive (expense) income for the year		<u><b>(481,600)</b></u>	<u>66,030</u>
Total comprehensive (expense) income for the year attributable to the Company's shareholders		<u><b>(411,438)</b></u>	<u>216,998</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 31 December 2021*

	<i>Notes</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Non-current assets</b>			
Investment properties		7,046,884	7,338,649
Property, plant and equipment		603,598	615,936
Investment in joint ventures		1,685,935	1,169,992
Equity instruments at fair value through other comprehensive income		262,021	431,485
Debt instruments at fair value through other comprehensive income		695,176	3,073,053
Financial assets at fair value through profit or loss		48,146	20,874
Pledged bank deposits		59,148	—
Other assets		6,779	6,839
		<u>10,407,687</u>	<u>12,656,828</u>
<b>Current assets</b>			
Inventories		1,700	941
Debt instruments at fair value through other comprehensive income		617,397	806,575
Financial assets at fair value through profit or loss		—	80,309
Trade and other receivables, deposits and prepayments	<i>13</i>	245,610	32,794
Tax recoverable		—	7
Pledged bank deposits		—	29,768
Bank balances and cash		2,685,034	3,354,456
		<u>3,549,741</u>	<u>4,304,850</u>
Assets classified as held for sale	<i>15</i>	412,519	—
		<u>3,962,260</u>	<u>4,304,850</u>
<b>Current liabilities</b>			
Payables, rental deposits and accrued charges	<i>14</i>	243,983	153,344
Tax liabilities		36,895	28,123
Lease liabilities		6,633	12,901
Bank borrowings — due within one year		1,278,785	3,511,586
		<u>1,566,296</u>	<u>3,705,954</u>
Liabilities associated with assets classified as held for sale	<i>15</i>	160,491	—
		<u>1,726,787</u>	<u>3,705,954</u>
<b>Net current assets</b>		<u>2,235,473</u>	<u>598,896</u>
<b>Total assets less current liabilities</b>		<u>12,643,160</u>	<u>13,255,724</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)***At 31 December 2021*

	<i>Note</i>	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
<b>Capital and reserves</b>			
Share capital		<b>60,212</b>	64,224
Reserves		<u><b>5,395,533</b></u>	<u>6,176,381</u>
<b>Total equity</b>		<u><b>5,455,745</b></u>	<u>6,240,605</u>
<b>Non-current liabilities</b>			
Rental deposits	<i>14</i>	<b>3,985</b>	—
Lease liabilities		<b>178,575</b>	190,911
Bank borrowings — due after one year		<b>5,835,022</b>	5,611,388
Guaranteed notes		<b>1,149,340</b>	1,158,222
Deferred taxation		<u><b>20,493</b></u>	<u>54,598</u>
		<u><b>7,187,415</b></u>	<u>7,015,119</u>
<b>Total equity and non-current liabilities</b>		<u><u><b>12,643,160</b></u></u>	<u><u>13,255,724</u></u>

## *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 AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS**

#### **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 annual periods beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories.

Except as described below, 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 HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

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

#### 2.1 *Impacts on application of Amendment to HKFRS 16 Covid-19-Related Rent Concessions*

The Group has applied the Amendment to HKFRS 16 Covid-19-Related Rent Concessions for the first time in the current year. The amendments introduce a new practical expedient for lessees to elect not to assess whether a Covid-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions that occurred as a direct consequence of the Covid-19 pandemic that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 Leases (“HKFRS 16”) if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The application of this amendment has had no material impact on the Group’s financial positions and performance for the current and prior years.

#### 2.2 *Impacts on application of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 Interest Rate Benchmark Reform — Phase 2*

The Group has applied the amendments for the first time in the current year. The amendments relate to changes in the basis for determining the contractual cash flows of financial assets, financial liabilities and lease liabilities as a result of interest rate benchmark reform, specific hedge accounting requirements and the related disclosure requirements applying HKFRS 7 *Financial Instruments: Disclosures* (“HKFRS 7”).



## 2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

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

#### 2.2 Impacts on application of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 Interest Rate Benchmark Reform — Phase 2 (Continued)

As at 1 January 2021, the Group has several bank borrowings, the interests of which are indexed to benchmark rates that will or may be subject to interest rate benchmark reform. The following table shows the total amounts of these outstanding contracts. The amounts of bank borrowings are shown at their carrying amounts.

	<b>HKD Hong Kong Interbank Offered Rate (“HIBOR”) HK\$’000</b>	<b>USD London Interbank Offered Rate (“LIBOR”) HK\$’000</b>	<b>GBP London Interbank Offered Rate (“LIBOR”) HK\$’000</b>
Financial liabilities — bank borrowings	5,115,537	1,158,041	2,849,396

The amendments have had no impact on the consolidated financial statements as none of the bank borrowings have been transitioned to the relevant replacement rates during the year. The Group will apply the practical expedient in relation to the changes in contractual cash flows resulting from the interest rate benchmark reform for bank borrowings measured at amortised cost. Additional disclosures as required by HKFRS 7.

#### 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 and the related Amendments <sup>3</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 <sup>1</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 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>3</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>3</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>3</sup>
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 <sup>2</sup>

## 2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

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

- <sup>1</sup> Effective for annual periods beginning on or after 1 April 2021.
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2022.
- <sup>3</sup> Effective for annual periods beginning on or after 1 January 2023.
- <sup>4</sup> Effective for annual periods beginning on or after a date to be determined.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company 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 HKFRS 3 Reference to the Conceptual Framework***

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 other 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 is not expected to have significant impact on the financial position and performance of the Group.

### ***Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2021)***

The 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:

- 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:
  - (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and
  - (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and

## 2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS *(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 (2021) (Continued)***

- 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*.

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Based on the Group's outstanding liabilities as at 31 December 2021, the application of the 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 AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS** *(Continued)*

### **New and amendments to HKFRSs in issue but not yet effective** *(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 and unlisted 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.

### 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 2021

	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	<u>—</u>	<u>227,555</u>	<u>119,312</u>	<u>183,712</u>	<u>530,579</u>
<b>SEGMENT RESULTS</b>					
Segment (loss) profit	<u>(2,818)</u>	<u>870,762</u>	<u>1,149</u>	<u>(477,255)</u>	391,838
Unallocated interest income					228
Corporate expenses					(51,364)
Share of result of joint ventures					(8,995)
Finance costs					<u>(202,332)</u>
Profit before taxation					<u>129,375</u>

#### For the year ended 31 December 2020

	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	<u>—</u>	<u>212,934</u>	<u>44,769</u>	<u>345,246</u>	<u>602,949</u>
<b>SEGMENT RESULTS</b>					
Segment (loss) profit	<u>(2,865)</u>	<u>240,867</u>	<u>(33,650)</u>	<u>320,979</u>	525,331
Unallocated interest income					226
Corporate expenses					(75,095)
Share of result of a joint venture					(61)
Finance costs					<u>(273,679)</u>
Profit before taxation					<u>176,722</u>

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

Segment profit of the property investment division for the year ended 31 December 2021 included an increase in fair value of investment properties of HK\$655,533,000 (2020: HK\$39,067,000).

The accounting policies for operating 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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Renting of investment properties <i>(note i)</i>	227,555	212,934
Hotel operation <i>(note ii)</i>	119,312	44,769
Return from financial investment		
— Interest income and others <i>(note iii)</i>	<u>183,712</u>	<u>345,246</u>
	<u><u>530,579</u></u>	<u><u>602,949</u></u>

#### *Notes:*

- i. Included in revenue generated from renting of investment properties, HK\$226,777,000 (2020: HK\$210,366,000) 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 2021, revenue from hotel operation, which arose from contracts with customers comprises of (i) hotel room revenue of HK\$63,913,000 (2020: HK\$28,156,000) being recognised over time and based on output method; (ii) food and beverage sales of HK\$46,767,000 (2020: HK\$6,265,000) and ancillary service of HK\$791,000 (2020: HK\$915,000) being recognised at point in time. The remaining revenue of HK\$7,841,000 (2020: HK\$9,433,000) 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 and unlisted debt securities, and time deposits of HK\$177,274,000 (2020: HK\$345,022,000) and dividend income from listed equity securities of HK\$6,438,000 (2020: HK\$224,000).

## 5. OTHER INCOME

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest income from bank deposits	228	226
Government grants	3,253	7,700
Others	<u>6,699</u>	<u>2,541</u>
	<u><b>10,180</b></u>	<u><b>10,467</b></u>

For the year ended 31 December 2021, the Group recognised government grants of HK\$3,253,000 (2020:HK\$7,700,000) from 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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Selling and marketing expenses	398	144
Direct operating expenses of investment properties	<u>4,471</u>	<u>5,083</u>
	<u><b>4,869</b></u>	<u><b>5,227</b></u>

## 7. OTHER GAINS AND LOSSES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Net exchange gain (losses)	15,558	(6,911)
Fair value gain on financial assets at fair value through profit or loss	9,673	1,014
Loss on early redemption of guaranteed notes	(74)	—
Gain (loss) on disposal of debt instruments at fair value through other comprehensive income	<u>31,943</u>	<u>(24,000)</u>
	<u><b>57,100</b></u>	<u><b>(29,897)</b></u>

## 8. FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Bank borrowings:		
Interest on bank borrowings	112,732	182,438
Amortisation of bank borrowings front-end fee	<u>18,644</u>	<u>13,428</u>
	<u>131,376</u>	<u>195,866</u>
Guaranteed notes:		
Interest on guaranteed notes	56,735	60,163
Amortisation of guaranteed notes issued costs	<u>2,263</u>	<u>2,443</u>
	<u>58,998</u>	<u>62,606</u>
Lease liabilities:		
Interest on lease liabilities	1,545	8,044
Other charges	<u>10,413</u>	<u>7,163</u>
	<u>202,332</u>	<u>273,679</u>

## 9. INCOME TAX EXPENSE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax:		
Hong Kong	1,036	5,338
Australia	55,025	2,816
The United Kingdom	<u>28,797</u>	<u>14,203</u>
	<u>84,858</u>	<u>22,357</u>
(Over)under provision in prior years:		
Hong Kong	(20)	2,738
The United Kingdom	<u>7,465</u>	<u>71</u>
	<u>7,445</u>	<u>2,809</u>
Deferred tax:		
Current year	<u>(33,090)</u>	<u>588</u>
	<u>59,213</u>	<u>25,754</u>



## 10. DIVIDENDS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Dividends recognised as distributions during the year:		
2021 interim dividend — HK2 cents (2020: 2020 interim dividend — HK2 cents) per share	12,042	13,203
2020 final dividend — HK3 cents (2020: 2019 final dividend — HK3 cents) per share	<u>19,219</u>	<u>19,869</u>
	<u><b>31,261</b></u>	<u><b>33,072</b></u>
2021 final dividend proposed:		
HK3 cents (2020: HK3 cents) per share	<u><b>18,064</b></u>	<u><b>19,267</b></u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2021 of HK3 cents (2020: HK3 cents) per ordinary share, in an aggregate amount of HK\$18,064,000 (2020: HK\$19,267,000), 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. EARNINGS PER SHARE

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Earnings for the purpose of basic and diluted earnings per share:		
Profit for the year attributable to the Company's shareholders	<u><b>70,162</b></u>	<u><b>150,968</b></u>
	<b>Number of shares</b>	
	2021	2020
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u><b>619,273,641</b></u>	<u><b>657,392,666</b></u>

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**

	<b>2021</b>	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Impairment loss recognised on debt instruments at fair value through other comprehensive income	<b><u>701,018</u></b>	<u>—</u>

For the year ended 31 December 2021, the Group provided impairment allowance of HK\$701,018,000 (2020: nil) for listed debt securities due to the deterioration of credit quality of respective securities issued by PRC property developers.

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

	<b>2021</b>	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables		
Hotel operation ( <i>note</i> )	<b>954</b>	133
Accrued income	<b>104</b>	1,066
Deposit paid for acquisition of properties	<b>197,496</b>	—
Deposits, prepayments and other receivables	<b><u>47,056</u></b>	<u>31,595</u>
 Total	 <b><u>245,610</u></b>	 <u>32,794</u>

*Note:* Trade receivables from corporate customers and travel agents for the use of hotel facilities.

### 13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

As at 1 January 2020, trade receivables from contracts with customers amounted to HK\$1,660,000.

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 to 30 days	912	131
31 to 60 days	<u>42</u>	<u>2</u>
	<u><b>954</b></u>	<u><b>133</b></u>

As at 31 December 2021, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$42,000 (2020: HK\$2,000) 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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade payables	1,078	593
Rental deposits	8,491	7,043
Rental received in advance	43,872	45,622
Other payables, other deposits and accrued charges	166,229	70,718
Interest payables	<u>28,298</u>	<u>29,368</u>
	<u><b>247,968</b></u>	<u><b>153,344</b></u>
Analysed for reporting purposes as:		
Current liabilities	243,983	153,344
Non-current liabilities	<u>3,985</u>	<u>—</u>
	<u><b>247,968</b></u>	<u><b>153,344</b></u>

Rental deposits to be refunded after twelve months from the end of the reporting period based on the respective lease terms amounted to HK\$3,985,000 (2020: HK\$nil).

**14. PAYABLES, RENTAL DEPOSITS AND ACCRUED CHARGES** *(Continued)*

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

	<b>2021</b>	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 60 days	<u><b>1,078</b></u>	<u>593</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 19 July 2021, the Group entered into a sale and purchase agreement to dispose of its 100% equity interests in Green Charm Global Limited and its subsidiary that held an investment property in Hong Kong to A & B Introductory Services Inc., a company incorporated in the British Virgin Islands with a purchaser's guarantor of Ms. Lau Sau Han Eliza, an independent third party. The transaction was completed on 15 March 2022.

On 27 July 2021, the Group entered into a sale and purchase agreement to dispose of its 100% equity interests in Glorious Creation Limited and its subsidiary that held an investment property in Hong Kong to Vibrant Colour Holdings Limited, a company incorporated in the British Virgin Islands with a purchaser's guarantor of Rykadan Capital Limited (the shares of which are listed and traded on the Main Board of the Stock Exchange), an independent third party. The transaction was completed on 27 January 2022.

The assets and liabilities of Green Charm Global Limited and Glorious Creation Limited, which are expected to be sold within twelve months, have been classified as assets and liabilities held for sale and are presented separately in the consolidated statement of financial position as at 31 December 2021 as below. The net proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognised.

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

As at 31 December 2021, the assets and liabilities of Green Charm Global Limited and Glorious Creation Limited classified as held for sale are as follows:

	<b>2021</b> <b>HK\$'000</b>
Investment properties	<b>408,000</b>
Pledged bank deposits	<b>1,122</b>
Trade receivables, deposits and prepayments	<b>148</b>
Bank balances and cash	<b><u>3,249</u></b>
Assets classified as held for sale	<b><u><u>412,519</u></u></b>
Other payables	<b>303</b>
Bank borrowings — due after one year	<b><u>160,188</u></b>
Liabilities associated with assets classified as held for sale	<b><u><u>160,491</u></u></b>

## **DIVIDENDS**

The Board has resolved to recommend for shareholders' approval at the forthcoming annual general meeting of the Company (the "2022 AGM") the payment of a final dividend of HK3 cents (2020: HK3 cents) per share for the year ended 31 December 2021 to the shareholders of the Company whose names appear on the register of members at the close of business on Monday, 6 June 2022. The relevant dividend warrants are expected to be despatched on or before Friday, 17 June 2022.

Together with the interim dividend of HK2 cents per share already paid (2020: HK2 cents), the total dividends for the year will be HK5 cents (2020: HK5 cents) per share.

## **ANNUAL GENERAL MEETING**

The 2022 AGM will be held in Hong Kong on Thursday, 26 May 2022 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) and the Company (www.seagroup.com.hk) in April 2022.

## **BOOK CLOSE DATES**

For the purpose of ascertaining the shareholders' entitlements to attend and vote at the 2022 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 2022 AGM

Latest time to lodge transfer documents	4:30 p.m. on 19 May 2022 (Thursday)
Closure of register of members	20 May 2022 (Friday) to 26 May 2022 (Thursday) (both days inclusive)
Record date	20 May 2022 (Friday)

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

Latest time to lodge transfer documents	4:30 p.m. on 31 May 2022 (Tuesday)
Closure of register of members	1 June 2022 (Wednesday) to 6 June 2022 (Monday) (both days inclusive)
Record date	6 June 2022 (Monday)

During the above closure periods, no transfer of shares will be registered. To be entitled to attend and vote at the 2022 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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong before the above latest time.

## **DISCUSSION AND ANALYSIS**

### **Financial Summary**

Revenue for the year ended 31 December 2021 amounted to HK\$530.6 million (2020: HK\$602.9 million). The revenue was principally attributable to the recognition of rental income from investment properties, revenue from hotel operation and return from financial investment.

Profit attributable to the Company's shareholders for the year amounted to HK\$70.2 million (2020: HK\$151.0 million), equivalent to a basic earnings per share of HK11.3 cents (2020: HK23.0 cents). The decrease in profit attributable to the shareholders in current year was mainly due to the decline in return from financial investment and provision for impairment loss on listed debt securities but largely offset by fair value increase in investment properties.

As at 31 December 2021, the Group's equity attributable to the Company's shareholders amounted to HK\$5,455.7 million (2020: HK\$6,240.6 million). The net asset value per share attributable to the Company's shareholders as at 31 December 2021 was HK\$9.1 as compared with HK\$9.7 as at 31 December 2020.

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

	<b>31 December 2021</b> <i>HK\$' million</i>	31 December 2020 <i>HK\$' million</i>
Hong Kong	<b>4,964.8</b>	4,243.8
United Kingdom	<b>4,663.3</b>	4,697.2
Australia	<u>—</u>	<u>171.0</u>
Total	<b><u>9,628.1</u></b>	<b><u>9,112.0</u></b>

The Group's hotel property is stated at cost less accumulated depreciation charges at a carrying value of HK\$546.2 million (2020: HK\$566.2 million), whereas the market value as at 31 December 2021 as determined by valuation carried out by an independent property valuer is HK\$5,600.0 million (2020: 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 2021, 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\$14,681.9 million (2020: HK\$14,145.8 million), HK\$10,509.5 million (2020: HK\$11,274.4 million) and HK\$17.5 (2020: HK\$17.6) 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 a residential project in Hong Kong (No. 1 Shouson Hill Road East), an investment property in Hong Kong (a portion of Winway Building) and a joint venture residential development project "Grand Victoria" at West Kowloon Waterfront in Hong Kong, 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>. In December 2021, the Group further acquired 4.5% equity interest 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%. Superstructure work is in progress as scheduled and the development is expected to be completed by 2023. Pre-sale of the residential units has been launched in March 2021. More than 700 units of the project have been sold with total sale proceeds of nearly HK\$10.0 billion.

Winway Building<sup>2</sup>, one of the Group’s investment properties, 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 year ended 31 December 2021 was slightly increased primarily due to rising in COVID vaccination rate which help restore the economic stability in the second half of the year, including rental relief granted to selective tenants to help them weather through this difficult time. As at 31 December 2021, the occupancy rate was increased to 95% (2020: 87%).

The Group owns a residential properties project at Shouson Hill Road East. Parts of the renovation works were completed during the year with remaining works to be completed in 2022 by phases. Despite of COVID-19 during the year, the Group entered into agreements with several independent third parties to dispose of several houses at an aggregate consideration of approximately HK\$670 million. One of the transactions was completed in 2021 and the remaining transactions were completed in first quarter of 2022. The disposal provides an attractive opportunity to realise the Group’s long-term investment in the project and realise a cash amount of approximately HK\$420.0 million (after repayment of the existing bank loan) for future reinvestment. During the year, the Group recorded fair value surplus of HK\$482.3 million for this project, which included the disposal gains of the above transactions and unrealised fair value surplus for the remaining unsold houses.

During the year, the demand for luxury house continues to show resilience amid limited new supply. In October 2021, the Group entered into several agreements with independent third parties to acquire the properties located at Jardine’s Lookout at No. 89–93 Tai Hang Road, a traditional luxury residential area, with deposits paid during the year. The completion of the acquisition is subject to fulfillment of certain conditions. If the acquisition is completed, the site will be redeveloped into low-density luxury residence.

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.

Subsequent to the financial year end, the Group won a tender from the Lands Department of the Government of Hong Kong with total gross floor area of approximately 19,055 sq.ft. for Rural Building Lot 1203 situated at South Bay Road, Repulse Bay, Hong Kong at the land premium of HK\$1,188.2 million. The Group intends to develop the land into a luxury residential development as a long term investment for rental purpose.

### *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 of the prolonged lockdown in the United Kingdom and world economy uncertainties during the COVID-19 pandemic, 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.

### *Australia*

On 25 October 2021, the Group entered into an agreement with an independent third party to dispose of the property located at Lizard Island, Queensland, Australia for a total cash consideration of AUD42 million (equivalent to approximately HK\$243.6 million). The transaction was completed in November 2021 with a disposal gain of HK\$78.1 million recorded under fair value surplus on investment properties during the year. The property was sub-leased to a hotel operator on a long-term lease and secured by an investment-grade conglomerate. The disposal provides a good opportunity for the Group to realise its investment in the property and allows the Group to reallocate the proceeds from the disposal for other investment opportunities that arise in the future.

## ***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 year ended 31 December 2021 had improvement, which was HK\$119.3 million (2020: HK\$44.8 million), increased by approximately 166.5%. This was the result from room revenue from joining the designated quarantine hotel scheme and the increase in food and beverage revenue after rebranding of our existing restaurant outlets and introducing new Italian and Japanese restaurants.

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 prioritise access to ample liquidity under the low interest rate environment. As at 31 December 2021, the Group held financial investment of approximately HK\$1,622.7 million (31 December 2020: HK\$4,412.3 million), which are comprised of listed equity and debt securities and unlisted investments.

During the year, the Group recorded an unrealised loss of HK\$701.0 million mainly representing impairment loss on listed 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 2021, the Group's total pledged bank deposits, bank balances and cash was HK\$2,748.6 million (2020: HK\$3,384.2 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\$1,622.7 million (2020: HK\$4,412.3 million) and unutilised facilities were HK\$5,053.0 million (2020: HK\$3,332.1 million).

As at 31 December 2021, the Group's bank borrowings was HK\$7,274.0 million (2020: HK\$9,123.0 million) and the guaranteed notes was HK\$1,149.3 million (2020: HK\$1,158.2 million). After netting off the bank balance, cash and the financial investments, the Group had a net debt position of HK\$4,052.0 million (2020: HK\$2,484.7 million) with gearing ratio of 27.6% (2020: 17.6%) (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\$5,600.0 million (2020: HK\$5,600.0 million)).

As at 31 December 2021, maturity of the Group's outstanding borrowings (including the guaranteed notes) was as follows:

	<b>31 December 2021</b> <i>HK\$' million</i>	31 December 2020 <i>HK\$' million</i>
Due		
Within 1 year	<b>1,288.0</b>	3,516.3
1–2 years	<b>1,203.1</b>	1,118.4
3–5 years	<b>4,224.6</b>	5,681.8
Over 5 years	<b>1,779.0</b>	—
	<b>8,494.7</b>	10,316.5
Less: Unamortised front-end fee and Notes issued expenses	<b>(71.4)</b>	(35.3)
	<b>8,423.3</b>	10,281.2

### ***Pledge of Assets***

For the Company's subsidiaries operating in Hong Kong, the total bank borrowings drawn as at 31 December 2021 amounted to HK\$4,503.4 million (2020: HK\$6,274.3 million) which comprised of secured bank borrowings of HK\$3,651.4 million (2020: HK\$4,722.8 million) and unsecured bank borrowings of HK\$852.0 million (2020: HK\$1,551.5 million). The secured bank borrowings were secured by properties valued at HK\$3,331.2 million (2020: HK\$3,020.2 million), listed debt securities of HK\$1,312.6 million (2020: HK\$3,879.6 million) and pledged cash of HK\$25.3 million (2020: HK\$29.8 million).

Subsidiaries of the Company operating in Australia and the United Kingdom pledged its investment properties with an aggregate carrying value of HK\$4,663.3 million (2020: HK\$4,868.2 million) as at 31 December 2021 to secure bank borrowings of HK\$2,839.7 million (2020: HK\$2,879.5 million).

## ***Treasury Policies***

The Group adheres to prudent treasury policies. As at 31 December 2021, 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 2021, the Group had a total of 160 employees (2020: 133 employees) in Hong Kong. Employee costs, including the emoluments of the directors of the Group, amounted to HK\$83.2 million for the year ended 31 December 2021 (2020: HK\$77.8 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**

China's economic activity cooled rapidly in the second half of 2021 after a strong rebound in the first half of 2021. It was mainly attributable to the government's continued deleveraging efforts, and prolonged financial stress among property developers. The downside risk of its economic outlook is increasing. The slow growth will remain in 2022 and 2023.

Locally, since the beginning of 2022, under the deterioration in the local epidemic situation of late and tougher pandemic measures, the near-term business operating environment has become increasingly tough. To provide support to businesses and individuals hard hit by the pandemic and the ongoing strict social distancing measures, the fifth and the sixth round of measures under the Anti-epidemic Fund have been rolled out. Hopefully the outbreaks can be effectively contained in the coming months. It is expected that Hong Kong economy will gradually pick up momentum after the pandemic situation improves later this year.

Hong Kong's residential property market in the first quarter of 2022 has returned quiet, which was mainly attributable to the recent surging local COVID-19 cases and the adoption of stringent social distancing restrictions. Notwithstanding this, the property market is expected to demonstrate its resilience in the long run, with the ongoing strong demand, together with the latest announced relaxation of maximum loan-to-value ratio for mortgage financing under the Mortgage Insurance Scheme. Hong Kong luxury residential in prime location is scarce and expected to be less affected by the economic cycle and shall outperform the market.

In the past three years, the hotel business was in deep pain. In spite of the Designated Quarantine Hotel Scheme and the Designated Transportation Scheme, requiring all arrivals from specified places to undergo compulsory quarantine at designated quarantine hotels, the hotel sector remained under pressure in 2021. Following the imposition of stricter cross border restriction since early this year, the occupancy rate for quarantine hotels has been seriously affected. However, the long term outlook looks promising if borders across the world reopen.

As a result of the emergence of the Omicron variant and the measures of controlling the spread of the virus, UK economic activity slowed down in December 2021 and January 2022. Its impact, yet, is expected to be limited and temporary. Following the improvement of the epidemic situation and ease of many containment measures, UK economy is expected to recover since February 2022. However, the degree of uncertainty around the outlook, including for energy prices and the Russia-Ukraine war, remains high.

Looking ahead, business operating environment in 2022 will remain tough amidst the current epidemic situation and the geopolitical risk around the world. For longer run, we are cautiously optimistic on Hong Kong property market. However, the Group's performance depends necessarily on containment of the epidemic, re-open local markets as well as the borders. The Group will continue to tackle all difficulties, proactively participate in sustainable developments and make precise efforts to optimize earnings and enhance performance.

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

During the year ended 31 December 2021, the Company repurchased a total of 40,116,000 issued ordinary shares of the Company on the Stock Exchange at an aggregate cash consideration of HK\$342,242,507 (excluding expenses) and cancelled all the purchased shares. Particulars of the repurchases are as follows:

<b>Period of repurchase</b>	<b>Total number of shares repurchased</b>	<b>Price paid per share</b>		<b>Aggregate consideration HK\$</b>
		<b>Highest HK\$</b>	<b>Lowest HK\$</b>	
May 2021	1,620,000	8.48	8.28	13,683,168
June 2021	<u>38,496,000</u>	8.88	8.07	<u>328,559,339</u>
	<u><u>40,116,000</u></u>			<u><u>342,242,507</u></u>

The directors of the Company considered that the aforesaid shares were repurchased at a discount to the underlying fair value per share and such purchases resulted in an increase in the net asset value and earnings of every remaining share of the Company.

Apart from the above, 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 2021.

## **CORPORATE GOVERNANCE PRACTICES**

Throughout the year ended 31 December 2021, 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 2021.



## **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 2021, 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 2021 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.

## **PUBLICATION OF ANNUAL REPORT**

The 2021 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 2022.

## **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, 25 March 2022

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