



For the year ended 31 December 2023

	Notes	HK\$'000	2022 HK\$'000
Rental income	2		96,884
Direct operating expenses			(3,542)
			93,342
Dividend income from listed securities	2		136
Other income, gains and losses	3		467,687
Change in fair value of derivative			(166,108)
— change in fair value of investment properties			(22,280)
— change in fair value of investment securities			(251,580)
Administrative expenses			(181,456)
Change in fair value of investment properties			(208,156)
Finance costs	4		(530,034)
— associates			2,050
— joint ventures			1,130
Loss before taxation	6		(795,269)
Taxation	5		52,611
Loss for the year			(742,658)
Loss attributable to:			
— Owners of the Company			(734,563)
— Non-controlling interests			(8,095)
			(742,658)
	7		
— Basic			(31.87)
— Diluted			(31.87)



At 31 December 2023

	Note	<b>HK\$'000</b>	2022 <i>HK\$'000</i>
Investment properties			2,309,146
Right-of-use assets			238,199
Other intangible assets			43,729
Interests in associates			—
Interests in joint ventures			309,475
Amount due from an associate			1,506,247
Amounts due from joint ventures			439,486
			—
			1,640
<b>Total non-current assets</b>			<b>4,847,922</b>
Trade receivables	9		3,934
Deposits, prepayments and other receivables			908,352
Amounts due from joint ventures			430,437
Loan receivables			2,246,377
Restricted bank balance			809,429
Cash and bank balances			674,814
			97,517
<b>Total current assets</b>			<b>5,170,860</b>
Accrued charges, rental deposits and other payables			1,204,446
Interest-bearing bank and other borrowings			1,388,974
Taxation payable			107,335
Lease liabilities			2,045
Convertible bonds			41,712
<b>Total current liabilities</b>			<b>2,744,512</b>
			2,426,348
			7,274,270

(continued)

At 31 December 2023

	<i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest-bearing bank and other borrowings		2,541,766
Lease liabilities		45,958
Deferred tax liabilities		192,033
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Total non-current liabilities		2,779,757
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Net assets		4,494,513
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Share capital		3,626,781
Reserves		395,616
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Non-controlling interests		4,022,397
		472,116
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Vqvcn"gs wkv {		4,494,513
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The Group has adopted the following new and revised HKFRSs for the first time for the current

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform — Pillar Two Model Rules</i>

The nature and impact of the revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKAS 1 *Disclosure of Accounting Policies* require entities to disclose material accounting policy information rather than their significant accounting policies. 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. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments did not have any impact on the measurement, presentation and disclosure of accounting policy information.
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are based on judgements about the uncertainty of the outcome of a transaction or event. If the Group's approach and policy align with the amendments, the amendments had no impact on the consolidated financial statements.
- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it only applies to deferred tax assets and liabilities arising from a single transaction. The amendments do not apply to the Group's deferred tax assets and liabilities. Therefore, the amendments did not have any impact on the consolidated statement of financial position as at 31 December 2023, 31 December 2022 and 1 January 2022.
- (d) Amendments to HKAS 12 *International Tax Reform — Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet effective. If the Group's approach and policy align with the amendments, the amendments did not have any impact to the Group.

An analysis of revenue is as follows:

	<i>HK\$'000</i>	2022 <i>HK\$'000</i>
<i>Revenue from other sources</i>		
Gross rental income		96,884
Dividend income from listed securities		136
		97,020

	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue			
— Rental income			
— Dividend income from listed securities			
Segment loss			
Other unallocated income, gains and losses			
Corporate expenses			
Finance costs (other than interest on lease liabilities)			
Share of losses of:			
— associates			
— joint ventures			
Loss before taxation			
Taxation			
Loss for the year			

Year ended 31 December 2022

	Investments <i>HK\$ '000</i>	Property leasing <i>HK\$ '000</i>	Total <i>HK\$ '000</i>
Revenue			
— Rental income	—	96,884	96,884
— Dividend income from listed securities	<u>136</u>	<u>—</u>	<u>136</u>
	<u>136</u>	<u>96,884</u>	<u>97,020</u>
Segment loss	<u>(13,073)</u>	<u>(153,952)</u>	<u>(167,025)</u>
Other unallocated income, gains and losses			18,383
Corporate expenses			(123,874)
Finance costs (other than interest on lease liabilities)			(525,933)
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— associates			2,050
— joint ventures			<u>1,130</u>
Loss before taxation			(795,269)
Taxation			<u>52,611</u>
Loss for the year			<u>(742,658)</u>





	<i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current:		
PRC Corporate Income Tax (“ ”) — charge for the year		344
Deferred		(52,955)
Total tax credit for the year		(52,611)

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The taxation charge of the PRC CIT for the year has been made based on the Group’s estimated assessable profits calculated in accordance with the relevant income tax laws applicable to the Company’s subsidiaries in the PRC. Under the Law of the PRC on Corporate Income Tax (“ ”) and the Implementation Regulation of the CIT Law, the tax rate of the Company’s subsidiaries in the PRC was 25% for the year ended 31 December 2023 (2022: 25%).

The withholding tax arising from dividend income received from the Company’s subsidiaries in the PRC is calculated at 5%.

The Group's loss before taxation is arrived at after charging/(crediting):

	<i>HK\$'000</i>	2022 <i>HK\$'000</i>
Auditor's remuneration		7,200
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F g r t g e k c v k q p " q h " r t q r g t v { . " r n c p v " c p f " g s w k r o g p v		13,527
Depreciation of right-of-use assets		3,824
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Wages and salaries*		64,354
R g p u k q p " u e j g o g " e q p v t k d w k q p u " * f g L p g f " e q p v t k d w k q p " s c h e m e ) * *		2,579
	<hr/>	<hr/>
		66,933
Rental income under operating leases for investment properties, less outgoing of HK\$6,465,000 (2022: HK\$3,542,000)		(93,342)
Impairment loss on other intangible assets***		2,814
Y t k v g / q " q h " n q c p " c p f " q v j g t " t g e g k x c d n g u		7,835
K o r c k t o g p v " q h " L p c p e k c n " c u u g v u . " p g v		251,580
Change in fair value of investment properties		208,156
E j c p i g " k p " h c k t " x c n w g " q h " f g t k x c v k x g " L p c p e k c n " k p u v t w o g p v u		22,280
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\* During the year ended 31 December 2022, wage subsidy of HK\$240,000 was granted to the Group from the Employment Support Scheme under the Anti-Epidemic Fund in Hong Kong. The amount was recognised in administrative expenses and set-off against the amount of y c i g u " c p f " u c n c t k g u 0 " V j g t g " y g t g " p q " w p h w n L n n g f " e q p f k v k q p u " q t " e q p v k p i g p e k g u " t g n c v k p i " v q " v j k u " i t c p v 0

\*\* There were no forfeited contributions that may be used by the Group as the employer to reduce its existing level of contributions.

\*\*\* The impairment loss on other intangible assets is included in "Other income, gains and losses" k p " v j g " e q p u q n k f c v g f " u v c v g o g p v " q h " r t q L v " q t " n q u u 0

is based on the following data:

	<i>HK\$'000</i>	2022 <i>HK\$'000</i>
Company used in the basic loss per share calculation	<u><u>                    </u></u>	<u><u>734,563</u></u>

	<i>in thousand</i>	2022 <i>in thousand</i>
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	<u><u>                    </u></u>	<u><u>2,304,850</u></u>

No adjustment for dilution has been made to the basic loss per share amount presented for the years ended 31 December 2023 and 2022 as the Company's convertible bonds then outstanding had an

No dividend was paid or proposed for the year ended 31 December 2023 (2022: Nil).

The Group allows a credit period of 30 to 60 days to its trade customers.

The following is an ageing analysis of trade receivables presented based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates:

	<i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 1 month	<u><u>                    </u></u>	<u><u>3,934</u></u>

The following is the extract of the Independent Auditor's Report from the auditor of the Company, Ernst & Young:

We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties relating to going concern and their possible effects on the consolidated financial statements, we have included a "Basis for disclaimer of opinion" section of our report, it is not possible for us to form an opinion on these consolidated financial statements and the "Basis for disclaimer of opinion" section and the "and loan interest receivables" section properly prepared in compliance with the Hong Kong Companies Ordinance.

**Multiple uncertainties relating to going concern**

The Company had cash and bank balances of approximately HK\$57 million and the Group's interest-bearing bank and other borrowings with an aggregate carrying amount of approximately HK\$3,485 million are due to be repaid within 12 months from the end of the reporting period, including (i) borrowing of approximately HK\$195 million which has not been repaid according to the scheduled repayment date before the end of the reporting period; and (ii) borrowings of approximately HK\$3,007 million with original maturity dates of over one year from the end of the reporting period, another borrowing of the Group with a principal amount of approximately HK\$131 million has not been repaid according to the scheduled repayment date. These conditions, taken together, cast doubt on the Group's ability to continue as a going concern.

The directors of the Company have been undertaking plans and measures to improve the Group's statements. The validity of the going concern assumptions on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple uncertainties, including:

(a) the successful and timely implementation of the plans and measures for the disposal of the outstanding loan receivables and loan interest receivables;

(b) the successful completion of the Group's investments;

(c) the continual support from the existing lenders of the Group such that they will not demand for immediate repayment of the relevant borrowings; and

(d) the Group's ability to raise additional financing.

As a result of these multiple uncertainties, their potential interaction, and the possible cumulative effect thereof, we were unable to form an opinion as to whether the going concern basis of preparation is appropriate. Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments are set out in the accompanying notes to the consolidated financial statements.

Included in loan receivables and deposits, prepayments and other receivables on the consolidated statement of financial position as at 31 December 2023 were loan receivables from different borrowers with an aggregate carrying amount of approximately HK\$1,552 million, net of loss allowance, and related loan interest receivables with an aggregate carrying amount of approximately HK\$349 million, net of loss allowance. In addition, included in other income, gains and losses and impairment of financial assets, net on the consolidated statement of profit or loss for the year ended 31 December 2023 were interest income of approximately HK\$165 million and impairment loss of approximately HK\$390 million in relation to the abovementioned loan receivables and loan interest receivables. Furthermore, investing cash flows of interest received of approximately HK\$22 million, advance of loan receivables of approximately HK\$357 million and receipt of loan receivables of approximately HK\$75 million in relation to the abovementioned loan receivables and loan interest receivables were presented in the consolidated statement of cash flows.

As disclosed in note 20 to the consolidated financial statements, the Company has established a special investigation committee to undertake investigation on matters pertaining to the loan transactions, including but not limited to, the commercial rationale of the loan transactions and the relationship between the Group and the borrowers. Up to the date of this report, as the aforesaid investigation has not been completed and is still in progress, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the commercial rationale of the loan transactions, the relationships between the Group and the borrowers, and the relationships amongst the borrowers; (ii) whether the carrying amounts of the loan receivables and loan interest receivables were properly stated as at 31 December 2023; (iii) whether the impairment loss for these loan receivables and loan interest receivables for the year ended 31 December 2023 was properly assessed and recognised based on the reasonable and supportable information

income from these loan receivables was properly recognised during the year ended 31 December 2023. The financial position of the Group as at 31 December 2023 and the financial performance and cash flow of the Group for the year ended 31 December 2023 are set out in the consolidated financial statements.

Even had there been no multiple uncertainties relating to going concern as described in the *Basis for disclaimer of opinion* section of our report which precluded us from expressing an opinion on the matter as described above.

In respect alone of the inability to obtain sufficient appropriate audit evidence about the loan receivables and loan interest receivables as described in the *loan receivables and loan interest receivables* section of our report above:

we have not obtained all the information or explanations that, to the best of our knowledge and belief, are necessary and material for the purpose of the audit.”

The Group has recorded a loss attributable to owners of the Company of approximately HK\$947,409,000 for Year 2023, as compared with that of approximately HK\$734,563,000 for the year ended 31 December 2022 (“”). Basic loss per share of the Company was 41.11 HK cents for Year 2023 (Year 2022: 31.87 HK cents).

extreme weather conditions, the rapid developments in artificial intelligence, the continued regional conflicts and the volatility in the Sino-US relations, which all led to a faltering world economy. China’s economy also experienced a series of challenges, including insufficient

The Company's joint venture, 中海油氣(泰州)石化有限公司 (Zhong Hai You Qi (Tai Zhou) Petrochemical Company Limited\*) (“ ”), which is principally engaged in the crude oil processing business as well as the production and sale of petrochemical products, has still

The Group has been well-established in the investment industry for decades and has developed its own investment system. During the year under review, the Group had readjusted its business strategies and made the decision to scale down part of the business operations under its investments business segment (including its non-performing asset investments and asset

The Group has made investments in certain enterprises in the PRC which are classified by the Scheme (as defined below) was the most significant financial asset investment of the Group, the carrying value of which represented approximately 3.0% (31 December 2022: 3.9%) of the total assets of the Group. Further details of the NT Trust Scheme are set out below:

Vjg" I tqwr" jcu" kpxgugvf" TOD727.222.222" \*gswkxcngpv" vq" cr rtqzk o cvgn{ " JM&779.63 ; .222+ "kp" aggregate into a trust (" ") managed by 國民信託有限公司 (National Trust Co., Ltd.\*), which holds a portfolio of limited liability partnerships investing in property development investments in Zhuozhou and Shenyang in the PRC. As at 31 December 2023, the carrying value of vjg" PV" Vtwuv" Uejg o g" cu" o gcuwtgf" cv" hckt" xcnwg" vj tqw i j " rtqL" qt" nquu. "c o qwpvgf" vq" cr rtqzk o cvgn{ " HK\$230,801,000 (31 December 2022: HK\$387,458,000) and accounted for approximately 3.0% (31 December 2022: 3.9%) of the total assets of the Group. Out of the lo(HK\$)0.o (hng value of which

The objective of the Group in relation to its investments in financial assets is to capture returns from the appreciation of the value of its investments and to receive income therefrom. The Board financial and operating performance of the investee companies and market sentiment, which are major economies. The Group will continue to adopt prudent investment principles, closely monitor the performance of its investment portfolio, and readjust its investment strategies as and when appropriate. In response to the potential market volatility and economic downturns, the Group has accelerated the realisation of its mature investments while reducing the proportion of its medium

The rental income from the Group's property leasing business in Year 2023 was approximately HK\$96,958,000 (Year 2022: HK\$96,884,000), which had remained stable between the two years. Revenue from this business segment was derived from the leasing of East Gate Plaza, an investment property of the Group located in Beijing, China, consisting of apartments, shops and to stabilise the rental income of the Group, including: (1) conducting monthly market research, the relationships between the Group and its existing corporate and institutional customers and developing new customers to establish a long-term stable customer base; and (3) developing a rigorous and timely collection process to recover any rents in arrears and improve the rent recovery ratio of the Group in 2023.

Looking forward to 2024, global economic growth is expected to slow down further. It is noted from China's Central Economic Work Conference held in December 2023 that stable growth will remain the keynote of the economic work of China in 2024. The main tasks of the Chinese government will include expanding domestic demand, effectively resolving the risks of the real estate corporations, and promoting financial stability. It is expected that investors will still focus on identifying new growth drivers through innovation and value chain upgrade, while capital in the market will continue to pour into areas such as the digital economy, artificial intelligence development and green technology. In order to maintain the stable growth of its existing businesses, the Group will delve deeply into new energy and scale down its investments in non-performing assets and loans gradually. By strengthening the construction of talent teams, developing relationships with different business partners and considering diversified financing channels, the Group will increase its investments in the "photovoltaics, storage and charging" sectors in the new energy industry, so as to lay a solid foundation for its sustainable development.

On 11 October 2023, (i) the Company, Silver Grant Hainan Investments (BVI) Limited (“ ”), a wholly owned subsidiary of the Company, and Silver Grant Group Limited (“ ”), an independent third party, entered into a sale and purchase agreement, pursuant to which (a) the Company and SG Hainan have conditionally agreed to sell, and the First Purchaser jcu"eqpfkqpcnm{"ci tggf"vq"ceswktg."322 ' "qh"vjg"kuuwgf"ujctgu"qh"tgcn"Ekpc"fgxgnqr o gpv" Limited (“ ”), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company which held offices 1, 2 and 9 on 49th Floor, Office Tower, Convention Plaza, No. 1 Harbour Road, Hong Kong (“ ”), and (b) the Company has conditionally agreed to sell, and the First Purchaser has conditionally agreed to ceswktg."cnn"coqwpvu."kpenwfkpi"vjg"rtkpekrcn"cpf"kpvgtguv"qykipi"d{"vjg"Vctigv"Eqo rcp{"vq"vjg" Company, at the consideration of HK\$200,000,000, subject to adjustments (“ ”); and (ii) the Company and Mr. Gao Jimmy Z. (“ ”), an independent third party, entered into a sale and purchase agreement, pursuant to which the Company has conditionally ci tggf"vq"ugmn."cpf"vjg"Ugeqpf"Rwtejcu"jcu"eqpfkqpcnm{"ci tggf"vq"ceswktg."vjg"fwrngz"crctv o gpv" 9B on 9/F & 10/F, No. 6A Bowen Road, Hong Kong and the car parking space No. 106 on 2nd Level Basement, No. 6A Bowen Road, Hong Kong (“ ”), at the consideration of HK\$70,000,000 (“ ”).

Both the First Disposal and the Second Disposal were completed in December 2023. Further details of the First Disposal and the Second Disposal are set out in the announcement and the circular of the Company dated 11 October 2023 and 22 November 2023 respectively.

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The loss attributable to the owners of the Company increased by approximately 29% from approximately HK\$734,563,000 for Year 2022 to approximately HK\$947,409,000 for Year 2023 cpf"vjg"dcuke"nquu"rgt"ujctg"cvtkdwcdng"vq"qtfkpc{"gswkv{"jqnfgtu"qh"vjg"Eqo rcp{"kpetgcugf"htqo" 31.87 HK cents for Year 2022 to 41.11 HK cents for Year 2023, mainly due to the following:

- (a) the decrease in the Group’s other income, gains and losses from approximately HK\$467,687,000 for Year 2022 to approximately HK\$258,946,000 for Year 2023, mainly due to the combined effect of: (i) the decrease in the aggregate interest income from an amount due from a joint venture and loan receivables from approximately HK\$455,174,000 for Year 2022 to approximately HK\$202,694,000 for Year 2023; and (ii) the gain on the disposal of a subsidiary of approximately HK\$36,957,000 during Year 2023, which was absent during Year 2022;
- (b) the increase in the Group’s impairment of financial assets, net from approximately HK\$251,580,000 for Year 2022 to approximately HK\$489,129,000 for Year 2023, mainly attributable to the increase in the impairment loss provision in the amount of approximately HK\$172,452,000 made by the Group on its loan receivables under the expected credit loss model in accordance with HKFRS 9 *Financial Instruments* from Year 2022 to Year 2023, as c"tguwnv"qh"vjg"fgvgtkqtcvkqp"kp"vjg"etgfkv"swcnkv{"qh"vjg" I tqwr"ou"nqcp"tgegkxcdngu"fwtkpi" [gct" 2023;

- (c) the decrease in the loss from the fair value of the investment properties of the Group from approximately HK\$208,156,000 for Year 2022 to approximately HK\$63,646,000 for Year 2023, mainly due to (i) the decrease in the fair value loss of the Group's investment property located in Beijing as at 31 December 2023, as compared with that as at 31 December 2022; and (ii) the disposal of the Investment Property by the Group in December 2023;

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- (e) the decline in the performance of Zhong Hai You Qi (one of the Company's joint ventures) in Year 2023 as a result of the major overhaul carried out by Zhong Hai You Qi at its factory, which led to a two-month interruption in its operation in Year 2023 and hence the turn of the Eq o rcp{ø"ujctg"qh"\ jqp i " J ck" [qw"Skø"tguwnv"htq o "c"rtqŁv"qh"cr rtqzk o cvgn{" J M&8.822.222" for Year 2022 to a loss of approximately HK\$68,937,000 for Year 2023.

Rental income of the Group for Year 2023 amounted to approximately HK\$96,958,000 (Year 2022: HK\$96,884,000), which had remained stable between the two years.

The decrease in the Group's other income, gains and losses from approximately HK\$467,687,000 for Year 2022 to approximately HK\$258,946,000 for Year 2023 was mainly due to the combined g gev"qh<"\*k+"vjg"fgetgcug"kp"vjg"ci i tgi cvg"kpvtguv"kpeq o g"htq o "cp"c o qwpv"fwg"htq o "c"lqpv"xgpvwtg" and loan receivables from approximately HK\$455,174,000 for Year 2022 to approximately HK\$202,694,000 for Year 2023; and (ii) the gain on the disposal of a subsidiary of approximately HK\$36,957,000 during Year 2023, which was absent during Year 2022.

The increase in the Group's impairment of financial assets, net from approximately HK\$251,580,000 for Year 2022 to approximately HK\$489,129,000 for Year 2023 was mainly attributable to the increase in the impairment loss provision in the amount of approximately HK\$172,452,000 made by the Group on its loan receivables under the expected credit loss model in accordance with HKFRS 9 *Financial Instruments* from Year 2022 to Year 2023, as a result of vjg"fgvgtkqtcvkqp"kp"vjg"etgfkv"swcnkv{"qh"vjg" I tqwrøu"nqcp"tgegkxcdngu"fwtkp i " [gct"42450

The decrease in the loss from the fair value of the investment properties of the Group from approximately HK\$208,156,000 for Year 2022 to approximately HK\$63,646,000 for Year 2023 was mainly attributable to (i) the decrease in the fair value loss of the Group's investment property located in Beijing as at 31 December 2023, as compared with that as at 31 December 2022; and (ii) the disposal of the Investment Property by the Group in December 2023.

Vjg"fgetgcug"kp"vjg"Łpcpeg"equvu"kpewttgf"d{"vjg" I tqwr"htqo"cr rtqzko cvgn{" J M&752.256.222"htq" Year 2022 to approximately HK\$342,422,000 for Year 2023 was mainly due to the full redemption qh"vjg"eqpxgtvkdng"dqpfu"d{"vjg" I tqwr"kp"vjg"Łtuv"j cnh"qh" [gct"42450

The change in the Company's share of profits or losses of joint ventures from profits of approximately HK\$1,130,000 for Year 2022 to losses of approximately HK\$83,071,000 for Year 2023 was mainly attributable to the decline in the performance of Zhong Hai You Qi (one of the Company's joint ventures) in Year 2023 as a result of the major overhaul carried out by Zhong Hai You Qi at its factory, which led to a two-month interruption in its operation in Year 2023 and jgpeg"vjg"vwtp"qh"vjg"Eqo rcp{"ou"ujctg"qh"\ j qpi" J ck" [qw"Skou"tguwnv"htqo"cr rtqŁv"qh"cr rtqzko cvgn{" HK\$6,600,000 for Year 2022 to a loss of approximately HK\$68,937,000 for Year 2023.

Vjg"uwduvcpvkc" fgetgcug"kp"vjg" rtqrgtv{" . rncpv"cpf"gs wkr o gpv"qh"vjg" I tqwr"htqo"cr rtqzko cvgn{" HK\$238,199,000 as at 31 December 2022 to approximately HK\$54,134,000 as at 31 December 2023 was mainly due to the disposal of the Office Property in December 2023, which had been wugf"d{"vjg"Eqo rcp{"cu"kvu"q eg"kp" J qpi" M qpi 0

The decrease in the Group's accrued charges, rental deposits and other payables from approximately HK\$1,204,446,000 as at 31 December 2022 to approximately HK\$419,184,000 as at 31 December 2023 was mainly attributable to (i) the settlement of certain payables due to other creditors of approximately HK\$715,004,000 by the Group in Year 2023; and (ii) the decrease in the accrued interest payables as at 31 December 2023 as compared with that as at 31 December 4244."cu"c"tguwnv"qh"vjg"hwnn"tgfgo rvkqp"qh"vjg"eqpxgtvkdng"dqpfu"d{"vjg" I tqwr"fwtkpi"vjg"Łtuv"j cnh" of Year 2023.

The Group adopts a conservative treasury policy under which the Group keeps its investment costs wpfgt"eqpvtqn"cpf"o cpci gu"vjg"tgvwtpu"qh"kvu"kp xguv o gpvu"g ekgpvn{"0"Vjg" I tqwr"j cu"i wkfgnkpgu"kp" place to monitor and control its investment risk exposure and to manage its capital. The Group also strives to reduce its exposure to credit risk by performing ongoing credit assessments and gxcnwcvkqpu"qh"vjg"Łpcpekcn"uvcvwu"qh"kvu"ewuvq o gtu0"Vjg"Dqctf"enqugn{"tgxkgyu"vjg" I tqwr"ou"nkswkfkv{" rqukvkqp"vq"gpwvtg"vjg" I tqwr"j cu"cf gswcvg"nkswkfkv{"vq"o ggv"kvu"hw p fkp i "tgs wktg o gpvu"cv"cn"vk o gu0

	<i>HK\$'000</i>	2022 <i>HK\$'000</i>
Restricted bank balance		674,814
Cash and bank balances		97,517
Total		772,331

As at 31 December 2023, the Group's cash and bank balances were denominated in the following currencies:

	2022
HK\$	0.5%
RMB	99.5%
US\$	0.0%
	100.0%

The Group conducted its business almost exclusively in RMB except that certain transactions were conducted in HK\$ and United States dollars (“ ”). The conversion of RMB into HK\$, US\$ or other foreign currencies has been based on the rates set by the People's Bank of China. The value of RMB against HK\$, US\$ and other foreign currencies may fluctuate and is affected by factors such as changes in the PRC's political and economic conditions. The Group has not adopted any foreign exchange risk that may arise.

As at 31 December 2023, the Group's total borrowings amounted to approximately HK\$3,551,936,000 in aggregate. The composition of these borrowings is summarised below:

	<i>HK\$'000</i>	2022 <i>HK\$'000</i>
Short term borrowings		1,388,974
Long term borrowings		2,541,766
Convertible bonds		41,712
Total borrowings		3,972,452
Cash and bank balances		97,517
Net borrowings		3,874,935

Interests for all borrowings of the Group for Year 2023 were charged at fixed and floating rates ranging from 3.7% per annum to 27.6% per annum (Year 2022: 3.7% per annum to 12.0% per annum).

As at 31 December 2023, the long and short term borrowings of the Group which remained outstanding were denominated as follows:

	<i>HK\$'000</i>	2022 <i>HK\$'000</i>
HK\$		180,000
RMB		3,750,740
		3,930,740



The 12% per annum convertible bonds in the aggregate principal amount of HK\$1,150,000,000 due in December 2022 issued by the Company had been fully redeemed after the Company redeemed the remaining balance of such bonds in the aggregate principal amount of approximately

As at 31 December 2023, the gearing ratio (calculated as interest-bearing bank and other as current assets over current liabilities) of the Group were 114% (31 December 2022: 99%) and 0.8x (31 December 2022: 1.9x) respectively. These ratios are key performance indicators used by the management of the Group to measure the Group's level of leverage to ensure the Group has the by expediting the collection and/or disposal of its outstanding loan receivables and the disposal portfolio).

As at 31 December 2023, the Group had cash and bank balances of approximately HK\$57 million and the Group's interest-bearing bank and other borrowings with an aggregate carrying amount of approximately HK\$3,485 million are due to be repaid within 12 months from the end of the reporting period, including (i) borrowing of approximately HK\$195 million which has not been repaid according to the scheduled repayment date before the end of the reporting period; and (ii) borrowings of approximately HK\$3,007 million with original maturity dates of over one year from the end of the reporting period which have been reclassified to current liabilities due to the delay in the payment of interest of certain borrowings and which has been repaid after year with a principal amount of approximately HK\$131 million has not been repaid according to the scheduled repayment date. Up to the date of approval of this announcement, the Group has not received any demand for immediate repayment of these and other borrowings, and the Group has been actively negotiating with the lenders for extension of the repayment date of certain of the aforesaid borrowings.

In view of the above circumstances, the Directors have given careful consideration to the Group's assessing the Group's ability to continue operating as a going concern. The following plans and Group:

- (i) the Group will continue to implement measures for the disposal of the outstanding loan receivables and loan interest receivables;

(ii) the Group will continue to implement measures for the disposal of the outstanding loan receivables and loan interest receivables;

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than 12 months from 31 December 2023. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient resources to meet its obligations due within 12 months from 31 December 2023. Accordingly, the Directors are satisfied that it is probable that the Group will be able to continue as a going concern.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend on (i) the successful and timely implementation of the plans and measures for the disposal of the outstanding loan receivables and loan interest receivables; (ii) the successful and timely implementation of the plans for the disposal of the financial asset investments; (iii) the continual support from the existing lenders of the Group such that they will not demand for immediate repayment of the relevant borrowings; and (iv) the successful obtaining of new financing facilities.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these financial statements.

As at 31 December 2023, certain investment properties of the Group with aggregate carrying value of approximately HK\$2,078,366,000 (2022: investment properties and leasehold land and buildings with aggregate carrying values of approximately HK\$2,251,652,000 and HK\$176,300,000, respectively) were pledged to secure general banking facilities granted to the Group and other payable due to an independent third party. As at 31 December 2022, certain receivables (mainly the loans granted by the Group to its joint venture and independent subsidiaries and associates of the Company holding receivables of the Group were pledged to secure the Group's bank borrowings.

As at 31 December 2023, the Group did not have any capital expenditures contracted for but not yet incurred (2022: HK\$167,973,000). The management of the Group does not expect there to be any plans for material investments or capital assets in 2024 with reference to the current situation as at the date of this announcement.

As at 31 December 2023, the Group provided corporate guarantees of approximately HK\$2,839,041,000 (31 December 2022: HK\$3,576,622,000) in respect of loans granted to a joint venture of the Company.

As at 31 December 2023, the shareholders' funds of the Group decreased by approximately HK\$902,605,000 to approximately HK\$3,119,792,000 (31 December 2022: HK\$4,022,397,000), representing a decline of approximately 22%. The decrease was mainly due to the loss attributable to the owners of the Company in Year 2023.

The Group had in aggregate 55 employees in Hong Kong and the PRC as at 31 December 2023 (31 December 2022: 36) for Year 2023 (Year 2022: HK\$66,933,000). The employees of the Group are remunerated according to their respective job nature, market conditions, individual performance and the Company's remuneration policy and the prevailing market conditions.

The Group encourages sustainable training of its employees through coaching and further studies. In-house training was provided to eligible employees during Year 2023, including training on updates of accounting standards and market updates.

The Group has not experienced any significant problem with its employees or disruption to its operations due to labour discipline nor has it experienced any difficulty in the recruitment and retention of employees.

The Company aims to maximise the interests of its shareholders and at the same time maintaining its sustainable development in the future. In deciding whether to propose a dividend and in determining the dividend amount, the Board will take into account the interests of its shareholders and the Company's financial position. In addition, the Board will also take into account any restrictive covenants imposed by banks and other funding facilities granted to the Group from time to time and any other factors the Board may deem appropriate and/or relevant.

The Board has resolved not to recommend the payment of a final dividend for Year 2023 (Year 2022: Nil).

The Company is committed to establishing and maintaining a standard of corporate governance that is consistent with market practices. The Company complied with all the applicable code provisions set out in the Corporate Governance Code (“CG Code”) contained in Appendix 14 (renumbered as Appendix C1 with effect from 31 December 2023) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“SEHK Listing Rules”) then in force.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be the same individual. During the year under review, the Company did not have a separate chairman and chief executive officer as Mr. Chu Hing Tsung, who served as both chairman and chief executive officer. The Board believes that vesting both the roles of the chairman and the co-chief executive officer in Mr. Chu Hing Tsung will not impair the balance of power and authority for the present arrangement and this structure will remain appropriate.

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 (renumbered as Appendix C3 with effect from 31 December 2023) to the Listing Rules then in force as its own code of conduct regarding Directors’ securities transactions.

During Year 2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

The audit committee of the Company has reviewed and accepted the Group’s annual results for Year 2023.

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity thereto for Year 2023 as set out in this announcement have been agreed by the Company’s auditor, Ernst & Young, to the amounts set out in the Group’s draft consolidated financial statements for Year 2023. The work performed by Ernst & Young in this respect did not constitute an assurance engagement. Ernst & Young on this announcement.

On 18 March 2024, an independent special investigation committee (“ ”), initially comprising Mr. Hung Muk Ming as chairman, Mr. Liang Qing and Mr. Zhang Lu as members, being all independent non-executive Directors, has been established pursuant to a resolution of the Board passed on 18 March 2024 for the purposes of, among other things, investigating on various matters and events relating to the loan agreements (“ ”) in relation to the portfolio of loan receivables held by the Group (consisting of loan receivables in the aggregate principal amount and accrued interest of approximately RMB2,201 million as at 31 December 2023) (“ ”), in particular, the approval process of the Loan Agreements, the background information of the related borrowers, the commercial rationale for entering into the Loan Agreements and the effectiveness of the internal control system of the Group in relation to the approval of the Loan Agreements and the collection of the Loan Receivables and the interest accrued thereon. On 18 March 2024, the Special Investigation Committee appointed a leading global professional services firm specialising in forensic accounting and investigations (“ ”) to assist in conducting independent