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ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

HIGHLIGHTS

For the year ended 31 December 2023

- Revenue: HK\$413.8 million (2022: HK\$371.7 million), 11% increase
- Loss attributable to the shareholders of the Company: HK\$853.7 million (2022: HK\$383.7 million)
- Net asset value (“NAV”) and NAV per share of the Group attributable to the shareholders of the Company as at 31 December 2023: HK\$8,710.8 million and HK\$14.5 respectively[#].

[#] *The NAV is calculated on the basis of the Group’s book NAV of HK\$4,087.0 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 2023 together with the comparative figures of 2022.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	Notes	2023 HK\$'000	2022 HK\$'000
Revenue	4		
– Renting of investment properties		193,904	193,714
– Hotel operation		202,697	128,129
– Return from financial investment			
– Interest income and others		17,189	49,878
		<u>413,790</u>	<u>371,721</u>
Total revenue		413,790	371,721
Other income	5	28,841	9,679
Costs:			
Property and related costs	6	(3,735)	(3,887)
Staff costs		(98,377)	(82,770)
Depreciation and amortisation		(43,463)	(41,930)
Other expenses		(99,167)	(86,636)
		<u>(244,742)</u>	<u>(215,223)</u>
Profit before fair value changes on investment properties, impairment loss and other gains and losses		197,889	166,177
Fair value changes on investment properties		(451,494)	(234,954)
Loss after fair value changes on investment properties		(253,605)	(68,777)
Other gains and losses	7	25,368	94,871
Impairment loss recognised on debt instruments at fair value through other comprehensive income	12	(302,667)	(152,439)
Share of result of joint ventures		59,331	(3,277)
Finance costs	8	(378,568)	(260,891)
Loss before taxation		(850,141)	(390,513)
Income tax (expense) credit	9	(3,608)	6,854
Loss for the year		<u>(853,749)</u>	<u>(383,659)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)**For the year ended 31 December 2023*

	<i>Note</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Loss for the year attributable to the Company's shareholders		<u>(853,749)</u>	<u>(383,659)</u>
		<i>HK cents</i>	<i>HK cents</i>
Basic and diluted loss per share for loss attributable to the Company's shareholders	<i>11</i>	<u>(141.8)</u>	<u>(63.7)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	<i>Note</i>	2023 HK\$'000	2022 HK\$'000
Loss for the year		<u>(853,749)</u>	<u>(383,659)</u>
Other comprehensive (expense) income:			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value loss on equity instruments at fair value through other comprehensive income		(11,575)	(116,854)
Share of other comprehensive income (expense) of a joint venture		284	(2,631)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		72,782	(171,622)
Fair value loss on debt instruments at fair value through other comprehensive income		(107,924)	(225,213)
Reclassification to profit or loss upon disposal/derecognition of debt instruments at fair value through other comprehensive income		26,921	9,629
Impairment loss recognised on debt instruments at fair value through other comprehensive income	12	<u>302,667</u>	<u>152,439</u>
Other comprehensive income (expense) for the year		<u>283,155</u>	<u>(354,252)</u>
Total comprehensive expense for the year attributable to the Company's shareholders		<u><u>(570,594)</u></u>	<u><u>(737,911)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	<i>Notes</i>	2023 HK\$'000	2022 HK\$'000
Non-current assets			
Investment properties		6,744,962	6,958,517
Property, plant and equipment		576,667	595,662
Investments in joint ventures		722,160	883,374
Equity instruments at fair value through other comprehensive income		92,991	109,236
Debt instruments at fair value through other comprehensive income		15,889	73,820
Financial assets at fair value through profit or loss		54,100	57,234
Pledged bank deposits		190,156	105,979
Other assets		5,704	6,719
		8,402,629	8,790,541
Current assets			
Inventories		1,694	1,587
Loans to joint ventures		1,035,705	1,000,000
Debt instruments at fair value through other comprehensive income		37,347	135,854
Trade and other receivables, deposits and prepayments	<i>13</i>	176,718	150,942
Tax recoverable		–	6
Pledged bank deposits		44,001	–
Cash and cash equivalents		2,445,668	2,457,179
		3,741,133	3,745,568
Assets classified as held for sale	<i>15</i>	–	1,249,948
		3,741,133	4,995,516
Current liabilities			
Payables, rental deposits and accrued charges	<i>14</i>	131,030	189,943
Tax liabilities		14,942	14,145
Lease liabilities		12,380	11,925
Guaranteed notes		–	1,105,767
Bank borrowings – due within one year		2,310,653	539,927
		2,469,005	1,861,707
Liabilities associated with assets classified as held for sale	<i>15</i>	–	466,656
		2,469,005	2,328,363
Net current assets		1,272,128	2,667,153
Total assets less current liabilities		9,674,757	11,457,694

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)**At 31 December 2023*

	<i>Note</i>	2023 HK\$'000	2022 HK\$'000
Capital and reserves			
Share capital		60,212	60,212
Reserves		4,026,816	4,627,516
Total equity		4,087,028	4,687,728
Non-current liabilities			
Payables, rental deposits and accrued charges	<i>14</i>	70,750	71,488
Lease liabilities		167,625	171,065
Bank borrowings – due after one year		5,337,063	6,519,231
Deferred taxation		12,291	8,182
		5,587,729	6,769,966
Total equity and non-current liabilities		9,674,757	11,457,694

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the annual periods beginning on 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and 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.

2.1 Amendments to HKAS 8 Definition of Accounting Estimates

The Group has applied the amendments for the first time in the current year. 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. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendment in the current year had no material impact on the consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

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

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements 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 has had no material impact on the Group’s financial positions and performance.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

2.3 *Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund (“MPF”) – Long Service Payment (“LSP”) offsetting mechanism in Hong Kong*

The Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee’s accrued retirement benefits derived from employers’ MPF contributions was allowed under the Employment Ordinance (Cap.57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “**Amendment Ordinance**”) which abolishes the use of the accrued benefits derived from employers’ mandatory MPF contributions to offset severance payment and LSP (the “**Abolition**”). The Abolition will officially take effect on 1 May 2025 (the “**Transition Date**”). In addition, under the Amendment Ordinance, the last month’s salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

This change in accounting policy in the current year had no material impact on the consolidated financial statements and the opening balance of equity as at 1 January 2022 and the cash flows amounts for the year ended 31 December 2022.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

Amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²
Amendments to HKAS 21	Lack of Exchangeability ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

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

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

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

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

Amendments to HKFRSs in issue but not yet effective (Continued)

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

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which an entity is required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if the entity classify liabilities arising from loan arrangements as non-current when the entity’s right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

Based on the Group’s outstanding liabilities as at 31 December 2023, the application of the 2020 and 2022 Amendments will not result in reclassification of the Group’s liabilities.

3. SEGMENT INFORMATION

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

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

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

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

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 2023

	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>
SEGMENT REVENUE					
External revenue	–	193,904	202,697	17,189	413,790
SEGMENT RESULTS					
Segment profit (loss)	114,414	(266,055)	39,928	(320,884)	(432,597)
Unallocated interest income					9,951
Corporate expenses					(52,149)
Share of result of a joint venture					(4)
Gain on disposal of club memberships					3,226
Finance costs					(378,568)
Loss before taxation					(850,141)

For the year ended 31 December 2022

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

3. SEGMENT INFORMATION *(Continued)*

Segment revenues and results *(Continued)*

Segment results of the property investment division for the year ended 31 December 2023 included a decrease in fair value of investment properties of HK\$452,134,000 (2022: a decrease of HK\$267,312,000).

Segment results of the property development division for the year ended 31 December 2023 included an amortisation of discount on acquisition of additional investments in joint ventures of HK\$57,095,000 (2022: HK\$101,800,000).

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

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

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

4. REVENUE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Renting of investment properties <i>(note i)</i>	193,904	193,714
Hotel operation <i>(note ii)</i>	202,697	128,129
Return from financial investment		
– Interest income and others <i>(note iii)</i>	17,189	49,878
	<u>413,790</u>	<u>371,721</u>

Notes:

- i. Included in revenue generated from renting of investment properties, HK\$193,469,000 (2022: HK\$192,916,000) 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 2023, revenue from hotel operation, which arose from contracts with customers comprises of (i) hotel room revenue of HK\$164,021,000 (2022: HK\$82,788,000) being recognised over time and based on output method; (ii) food and beverage sales of HK\$28,655,000 (2022: HK\$36,667,000) and ancillary service of HK\$2,680,000 (2022: HK\$2,246,000) being recognised at point in time. The remaining revenue of HK\$7,341,000 (2022: HK\$6,428,000) is rental income from leasing of hotel's retail portion under operating leases in which the lease payments either fixed or variable that are based on the percentage of monthly sales and minimum monthly fixed payments that are fixed over the lease terms, whichever is higher.

4. REVENUE (Continued)

Notes: (Continued)

Performance obligations for contracts with customers and revenue recognition policies

The hotel room revenue from customers are recognised over time using output method when the services and facilities are provided. The Group allows an average credit period is not more than 30 days to travel agents and corporate customers.

For income from food and beverage, the performance obligation is the promise to provide catering services. Revenue from catering services is recognised at a point in time when the services are rendered. A receivable is recognised by the Group when the services are rendered to the customers at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment of the transaction price is due immediately at the point the services are rendered to the customers.

With the provision these services are at a period of one year or less, as permitted under HKFRS 15, the transaction price allocation to the unsatisfied contracts is not disclosed.

- iii. Interest income and others includes interest income from listed debt securities and time deposits of HK\$16,656,000 (2022: HK\$42,426,000) and dividend income from listed equity securities of HK\$533,000 (2022: HK\$7,452,000).

5. OTHER INCOME

	2023	2022
	HK\$'000	HK\$'000
Interest income from bank deposits	9,951	1,181
Management fee income (note i)	13,194	–
Government grants (note ii)	1,731	6,273
Others	3,965	2,225
	28,841	9,679

Notes:

- i. Amount represents income from a related company that certain directors of the Company, being the controlling shareholders of the Company, have significant influence over the related company through a series of controlled corporations. Accordingly, the related company is a related party of the Group.
- ii. For the year ended 31 December 2023, the Group recognised government grants of HK\$1,731,000 (2022:HK\$6,273,000) from Employment Support Scheme, Club-house Subsidy Scheme, Catering Business Subsidy Scheme, Designated Quarantine Hotel Scheme and Hotel Sector Support Scheme under Anti-Epidemic Fund of the Government of the Hong Kong Special Administrative Region, as well as Reimbursement of Maternity Leave Pay Scheme.

6. PROPERTY AND RELATED COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Selling and marketing expenses	198	148
Direct operating expenses of investment properties	<u>3,537</u>	<u>3,739</u>
	<u><u>3,735</u></u>	<u><u>3,887</u></u>

7. OTHER GAINS AND LOSSES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Net exchange (losses) gains	(201)	1,044
Gain on disposal of club memberships	3,226	–
Gain on early redemption of guaranteed notes	–	1,656
Loss on disposal/derecognition of debt instruments at fair value through other comprehensive income	(26,921)	(9,629)
Fair value loss on financial assets at fair value through profit or loss	(7,831)	–
Amortisation of discount on acquisition of additional investments in joint ventures	<u>57,095</u>	<u>101,800</u>
	<u><u>25,368</u></u>	<u><u>94,871</u></u>

8. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Bank borrowings:		
Interest on bank borrowings	342,308	166,762
Amortisation of bank borrowings front-end fee	<u>17,467</u>	<u>19,669</u>
	<u><u>359,775</u></u>	<u><u>186,431</u></u>
Guaranteed notes:		
Interest on guaranteed notes	2,710	55,550
Amortisation of guaranteed notes issued costs	<u>103</u>	<u>2,214</u>
	<u><u>2,813</u></u>	<u><u>57,764</u></u>
Lease liabilities:		
Interest on lease liabilities	5,519	5,523
Other charges	<u>10,461</u>	<u>11,173</u>
	<u><u>378,568</u></u>	<u><u>260,891</u></u>

9. INCOME TAX EXPENSE (CREDIT)

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current tax:		
Hong Kong	10	18
The United Kingdom	–	3,622
Others	37	20
	<u>47</u>	<u>3,660</u>
Overprovision in prior years:		
Hong Kong	(15)	(119)
	<u>(15)</u>	<u>(119)</u>
Deferred tax:		
Current year	3,576	(10,395)
	<u>3,608</u>	<u>(6,854)</u>

10. DIVIDENDS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Dividends recognised as distributions during the year:		
2023 interim dividend – HK2 cents (2022: 2022 interim dividend – HK2 cents) per share	12,042	12,042
2022 final dividend – HK3 cents (2022: 2021 final dividend – HK3 cents) per share	18,064	18,064
	<u>30,106</u>	<u>30,106</u>
2023 final dividend proposed:		
HK3 cents (2022: HK3 cents) per share	18,064	18,064

Subsequent to the end of the reporting year, a final dividend in respect of the year ended 31 December 2023 of HK3 cents (2022: HK3 cents) per ordinary share, in an aggregate amount of HK\$18,064,000 (2022: HK\$18,064,000), has been proposed by the directors of the Company and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

11. LOSS PER SHARE

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Loss for the purpose of basic and diluted loss per share:		
Loss for the year attributable to the Company's shareholders	<u>(853,749)</u>	<u>(383,659)</u>
	Number of shares	
	2023	2022
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>602,122,726</u>	<u>602,122,726</u>

As the Group incurred losses for the years ended 31 December 2023 and 2022, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, dilutive loss per share for the years ended 31 December 2023 and 2022 is the same as basic loss per share.

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Impairment loss recognised on debt instruments at fair value through other comprehensive income	<u>302,667</u>	<u>152,439</u>

For the year ended 31 December 2023, the Group provided impairment allowance of HK\$302,667,000 (2022: HK\$152,439,000) for listed debt securities due to the deterioration of credit quality of respective listed debt securities issued by PRC property developers.

13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023	2022
	HK\$'000	HK\$'000
Trade receivables (<i>note i</i>)	5,342	869
Deposit paid for acquisition of properties (<i>note ii</i>)	127,508	127,508
Prepaid front-end fee	15,645	–
Deposits, prepayments and other receivables	28,223	22,565
	176,718	150,942

Notes:

- i. Trade receivables from corporate customers and travel agents for the use of hotel facilities as well as tenants for leasing of investment properties.
- ii. The amounts represented a refundable stamp duty of HK\$127,508,000 in relation to the acquisition of a property at Jardine's Lookout, Hong Kong.

As at 1 January 2022, trade receivables from contracts with customers amounted to HK\$954,000.

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

	2023	2022
	HK\$'000	HK\$'000
0 to 30 days	5,060	646
31 to 60 days	282	212
61 to 90 days	–	11
	5,342	869

As at 31 December 2023, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$282,000 (2022: HK\$223,000) 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

	2023 HK\$'000	2022 <i>HK\$'000</i>
Trade payables	1,482	1,078
Rental deposits	9,232	8,433
Rental received in advance	42,228	39,924
Other payables, other deposits and accrued charges	134,019	178,391
Interest payables	14,819	33,605
	201,780	261,431
Analysed for reporting purposes as:		
Current liabilities	131,030	189,943
Non-current liabilities	70,750	71,488
	201,780	261,431

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

	2023 HK\$'000	2022 <i>HK\$'000</i>
0 to 60 days	1,482	1,078

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

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

On 23 December 2022, the Group entered into a binding memorandum of agreement to dispose of 50% of its equity interests in Time Trade Global Limited and its subsidiaries that owns the land of Rural Building Lot No. 1203 located at South Bay Road, Repulse Bay, Hong Kong to Hon Kwok Land Investment Company, Limited, an independent third party incorporated in Hong Kong to form a joint venture for jointly owning and developing the land which was subsequently reclassified as property under development for sale. Pursuant to the memorandum of agreement, the strategic financial and operating decisions relating to relevant activities require the unanimous consent of both parties. With the disposal of 50% of Time Trade Global Limited, the Group accounts its remaining 50% shareholding in Time Trade Global Limited as an investment in a joint venture. The transaction was completed on 20 January 2023.

As at 31 December 2022, the assets and liabilities of Time Trade Global Limited and its subsidiaries have been classified as assets and liabilities held for sale and are presented separately in the consolidated statement of financial position as Time Trade Global Limited are expected to be sold within twelve months.

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

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

DIVIDENDS

The Board has resolved to recommend for shareholders' approval at the forthcoming annual general meeting of the Company (the "2024 AGM") the payment of a final dividend of HK3 cents (2022: HK3 cents) per share for the year ended 31 December 2023 to the shareholders of the Company whose names appear on the register of members at the close of business on Tuesday, 4 June 2024. The relevant dividend warrants are expected to be despatched on or before Tuesday, 18 June 2024.

Together with the interim dividend of HK2 cents per share already paid (2022: HK2 cents), the total dividends for the year will be HK5 cents (2022: HK5 cents) per share.

ANNUAL GENERAL MEETING

The 2024 AGM will be held in Hong Kong on Friday, 24 May 2024 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 2024.

BOOK CLOSE DATES

For the purpose of ascertaining the shareholders' entitlements to attend and vote at the 2024 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 2024 AGM

Latest time to lodge transfer documents	4:30 p.m. on 17 May 2024 (Friday)
Closure of register of members	20 May 2024 (Monday) to 24 May 2024 (Friday) (both days inclusive)
Record date	20 May 2024 (Monday)

For ascertaining shareholders' entitlement to the proposed final dividend

Latest time to lodge transfer documents	4:30 p.m. on 30 May 2024 (Thursday)
Closure of register of members	31 May 2024 (Friday) to 4 June 2024 (Tuesday) (both days inclusive)
Record date	4 June 2024 (Tuesday)

During the above closure periods, no transfer of shares will be registered. To be entitled to attend and vote at the 2024 AGM and to qualify for the proposed final dividend, all duly completed and stamped transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Branch Share Registrar in Hong Kong, Tricor Standard Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before the above latest time.

DISCUSSION AND ANALYSIS

Financial Summary

Revenue for the year ended 31 December 2023 amounted to HK\$413.8 million (2022: HK\$371.7 million). The revenue was principally attributable to the recognition of rental income from investment properties, revenue from hotel operation and return from financial investment.

Despite the increase in ordinary operating profit of the Group during the year under review, the loss attributable to the Company's shareholders for the year amounted to HK\$853.7 million (2022: HK\$383.7 million), equivalent to a basic loss per share of HK141.8 cents (2022: HK63.7 cents). The loss attributable to the shareholders of the Company in the year under review was mainly attributable to non-recurring items including (i) a fair value loss on investment properties in the United Kingdom; and (ii) an impairment loss on listed debt securities investments. The abovementioned fair value loss and impairment loss are non-cash items and have no immediate impact on the cash flow of the Group.

As at 31 December 2023, the Group's equity attributable to the Company's shareholders amounted to HK\$4,087.0 million (2022: HK\$4,687.7 million). The net asset value per share attributable to the Company's shareholders as at 31 December 2023 was HK\$6.8 as compared with HK\$7.8 as at 31 December 2022.

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

	31 December 2023 <i>HK\$'million</i>	31 December 2022 <i>HK\$'million</i>
Hong Kong	5,192.9	6,563.4
United Kingdom	3,769.4	4,001.9
Total	8,962.3	10,565.3

The Group's hotel property is stated at cost less accumulated depreciation charges at a carrying value of HK\$506.2 million (2022: HK\$526.2 million), whereas the market value as at 31 December 2023 as determined by valuation carried out by an independent property valuer is HK\$5,130.0 million (2022: HK\$5,320.0 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 2023, 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\$13,586.1 million (2022: HK\$15,359.1 million), HK\$8,710.8 million (2022: HK\$9,481.5 million) and HK\$14.5 (2022: HK\$15.7) respectively.

Business Review

Property Investment and Development

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

Hong Kong

During the year, the Group continues our effort in the residential development project in West Kowloon Waterfront "Grand Victoria"¹. The Group holds 14.5% equity interest in the project. The development has been completed with certificate of compliance issued. More than 1,100 units of the project have been sold with total sale proceeds of more than HK\$19.0 billion. During the year, the Group received approximately HK\$800.0 million cash repatriated from the project. As at 31 December 2023, the Group's interest in this joint venture was HK\$1,267.9 million (2022: HK\$1,804.0 million) (including loans to joint ventures) of which HK\$1,035.7 million to be recovered within one year for the reporting year and classified under current assets.

Winway Building², one of the Group's investment property, is at the prime location of central business district of Hong Kong and is a high quality commercial property. The rental income generated from the property for the year ended 31 December 2023 was the same as previous year. As at 31 December 2023, the occupancy rate was 94% (31 December 2022: 92%).

The Group owns a residential property project at Shouson Hill Road East for long term investment. The renovation works were completed. The Group will continue to hold the project for long term investment purpose.

The Group also focuses on developing luxury residential projects. The Group collaborates with a joint venture partner to develop South Bay Road, Repulse Bay project. The joint venture was established in January 2023, which the Group holds 50% interest in the project. In addition, the Group also 100% holds a land site located at Jardine's Lookout for luxury residential development. The two development projects are progressing well according to their development schedules.

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.

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 rental uplift every five years.

Given the strong lease covenants on our reputable tenants, the UK properties continue to provide stable cash flow to the Group, reflecting the Group's success in making investment strategy and the Group's capability to withstand in any market instability.

Hotel Operation

Crowne Plaza Hong Kong Causeway Bay is a 29-storey five-star hotel comprising 263 guest rooms with ancillary facilities and is operated under the brand of Crowne Plaza of the InterContinental Hotels Group. After the worldwide travel restrictions were lifted as well as the border between Mainland and Hong Kong was fully opened in mid-February 2023, the hotel revenue for the year ended 31 December 2023 had shown improvement, which was HK\$202.7 million (2022: HK\$128.1 million), increased by approximately 58.2%.

The Group is taking all practicable measures to address the challenges and opportunities at hand. We understand the importance of delivering exceptional experience that exceed our guests' expectations. The Group will continue to improve the quality of its hotel services to ensure our guests have enjoyable experiences during their stays in our hotel.

Financial Investment

Adhering to prudent management of our capital, the Group continues to optimize its capital structure and decrease the gearing. As at 31 December 2023, the Group held financial investment of approximately HK\$200.3 million (2022: HK\$376.1 million), which are comprised of listed equity and debt securities and unlisted investments.

During the year, the Group recorded an unrealised loss of HK\$302.7 million mainly representing impairment loss on debt securities. 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

Treasury Policies

The Group adheres to prudent treasury policies. As at 31 December 2023, all of the Group's project borrowings are on a non-recourse basis, with no cross default at corporate level.

During the year, the Group maintained high financial flexibility and liquidity under the environment of high interest rates and economic downturn. Following the lifting of all tightening control by the Hong Kong government, Grand Victoria experienced strong sales momentum which the Group expected to receive a further HK\$1.0 billion in 2024. The Group's robust cash contributions from other investment projects and hotel further strengthen its ability to reduce gearing ratio and finance costs. Looking ahead, the Group does not anticipate significant refinancing needs until 2026. These factors demonstrate the Group's ample financial flexibility and liquidity.

Working Capital and Loan Facilities

As at 31 December 2023, the Group's total available fund amounted to HK\$5,516.2 million which include the Group's total pledged bank deposits, bank balances and cash of HK\$2,679.8 million (2022: HK\$2,580.1 million) and unutilised facilities of HK\$2,836.4 million (2022: HK\$4,299.3 million). The 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) amounted to HK\$200.3 million as at 31 December 2023 (2022: HK\$376.1 million).

As at 31 December 2023, the Group's bank borrowings was HK\$7,647.7 million (2022: HK\$7,525.4 million). The guaranteed notes were fully repaid during the year (2022: HK\$1,105.8 million). After netting off the bank balance, cash and the financial investments, the Group had a net debt position of HK\$4,767.6 million (2022: HK\$5,675.0 million) with gearing ratio of 35.1% (2022: 36.9%) (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\$5,130.0 million (2022: HK\$5,320.0 million)).

As at 31 December 2023, maturity of the Group's outstanding borrowings (including the guaranteed notes) was as follows:

	31 December 2023 <i>HK\$' million</i>	31 December 2022 <i>HK\$' million</i>
Due		
Within 1 year	2,324.3	2,138.1
1-2 years	697.6	2,640.0
3-5 years	3,696.4	2,319.0
Over 5 years	963.9	1,589.1
	7,682.2	8,686.2
Less: Unamortised front-end fee and notes issued expenses	(34.5)	(55.0)
	7,647.7	8,631.2

Pledge of Assets

For the Company's subsidiaries operating in Hong Kong, the total bank borrowings drawn as at 31 December 2023 amounted to HK\$5,100.1 million (2022: HK\$5,043.7 million) which comprised of secured bank borrowings of HK\$2,811.5 million (2022: HK\$3,088.0 million) and unsecured bank borrowings of HK\$2,288.6 million (2022: HK\$1,955.7 million). The secured bank borrowings were secured by properties with carrying value of HK\$3,475.2 million (2022: HK\$4,044.2 million), and pledged cash of HK\$83.3 million (2022: HK\$122.1 million).

Subsidiaries of the Company operating in the United Kingdom pledged its investment properties with an aggregate carrying value of HK\$3,769.4 million (2022: HK\$4,001.9 million) and pledged cash of HK\$150.9 million as at 31 December 2023 (2022: Nil) to secure bank borrowings of HK\$2,582.1 million (2022: HK\$2,536.6 million).

Staff and Emolument Policy

As at 31 December 2023, the Group had a total of approximately 190 employees (2022: approximately 170 employees) in Hong Kong. Employee costs, including the emoluments of the directors of the Group, amounted to HK\$98.4 million for the year ended 31 December 2023 (2022: HK\$82.8 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

The Chinese economy encountered several challenges arising from a complicated external environment, insufficient domestic demand, dampened foreign demand and a persistent downturn in the property market in 2023. The Chinese government has implemented a series fiscal and monetary support to boost consumer confidence and recently set a growth target of 5% for 2024. The growth target exceeds IMF's expectation of 4.6%, demonstrating Chinese government remains confidence in maintaining the stable growth.

The real GDP rebounded with a growth rate of 3.2% in 2023. Looking ahead to 2024, the Hong Kong economy is projected to expand by 2.5% to 3.5%. Consumer price inflation is expected to remain moderate, with a forecast of 1.7% for 2024. The external environment in 2024 presents a complex landscape. Geopolitical tensions and the adverse effects of tight monetary policies in advanced economies will continue to impact global economic growth. However, the market generally believes that major central banks will have interest rates cut later in the year, which could provide some support to economic confidence and activities.

In 2023, Hong Kong experienced a decline in housing prices and transaction volumes due to persistently high interest rates and sluggish economic growth in both the mainland and Hong Kong. In response to this situation, the government made an announcement in the latest budget to cancel all demand-side management measures for residential properties. This move resulted in a recent surge in transactions. However, it remains uncertain whether this increase in transaction will lead to a sustainable recovery and trigger a rebound in prices. The market's future trajectory is yet to be determined.

The UK economy had a challenging year in 2023 due to high interest rates, but it likely avoided a recession in the second half as the global market position became less fragile. GDP grew modestly by 0.1% in 2023, and the Bank of England maintained its base rate at 5.25% on 1 February, 2024. As inflationary pressures gradually ease, a more positive outlook is expected for the UK property market, with the potential for the release of tightened monetary policies.

The hotel industry in Hong Kong experienced a recovery in 2023 as visitor numbers rebounded after the lifting of all COVID-related restrictions and measures in early 2023. Supported by resilient consumption as well as government's continued economic stimulus, the hotel industry is expected to remain positive.

Given the uncertain local and global economic outlook, the Group will maintain financial prudence and enhance operational efficiency to navigate the complex and ever-changing environment and deliver long-term value to the shareholders of the Company.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2023.

CORPORATE GOVERNANCE PRACTICES

Throughout the year ended 31 December 2023, the Company applied the principles and complied with all the code provisions set out in the Corporate Governance Code contained in Appendix C1 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 2023.

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 2023, 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 2023 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 2023 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) and the Company (www.seagroup.com.hk) in April 2024.

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, 27 March 2024

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, Welmán