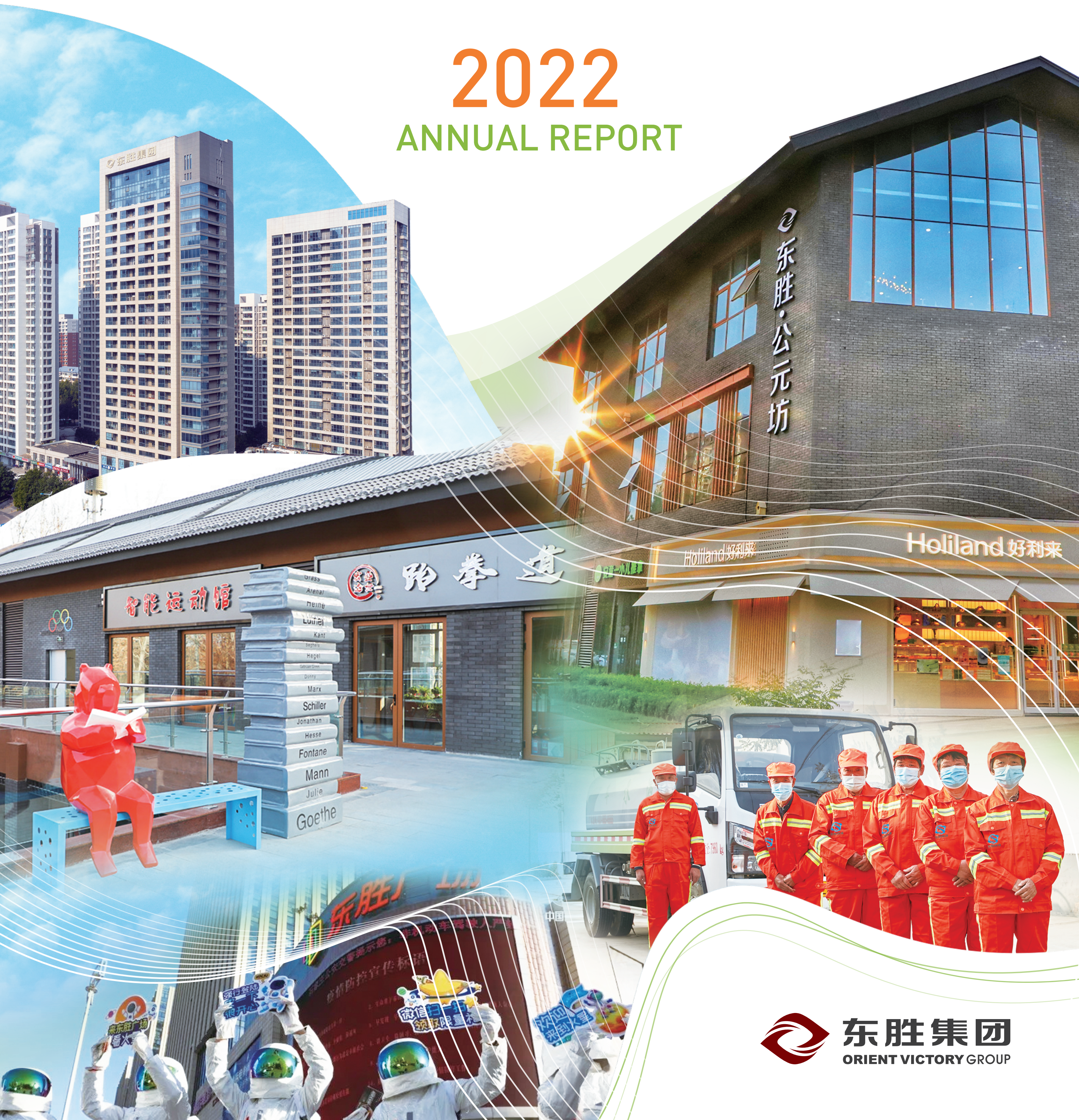
东胜智慧城市服务
ORIENT VICTORY SMART URBAN SERVICES

ORIENT VICTORY SMART URBAN SERVICES HOLDING LIMITED
東勝智慧城市服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 265)

2022
ANNUAL REPORT



东胜集团
ORIENT VICTORY GROUP

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Shi Baodong *(Chairman and Chief Executive Officer)*
Mr. Mo Yueming
Mr. Zhao Huining

Non-executive Directors

Ms. Chang Meiqi (appointed on 29 April 2022)
Ms. Song Sining (resigned on 29 April 2022)

Independent Non-executive Directors

Mr. Dong Xiaojie
Mr. He Qi
Mr. Suei Feng-jih

AUDIT COMMITTEE

Mr. Suei Feng-jih *(Chairman)*
Mr. He Qi
Ms. Chang Meiqi (appointed on 29 April 2022)
Ms. Song Sining (resigned on 29 April 2022)

REMUNERATION COMMITTEE

Mr. Dong Xiaojie *(Chairman)*
Mr. Shi Baodong
Mr. Suei Feng-jih

NOMINATION COMMITTEE

Mr. Shi Baodong *(Chairman)*
Mr. He Qi
Mr. Suei Feng-jih

COMPANY SECRETARY

Mr. Liu Kin Wai

INDEPENDENT AUDITORS

Mazars CPA Limited (appointed on 29 July 2022)
Certified Public Accountants
42/F Central Plaza
18 Harbour Road
Wanchai
Hong Kong

KPMG (resigned on 29 July 2022)
Public Interest Entity Auditor
registered in accordance with
the Financial Reporting Council Ordinance
8/F Prince's Building
10 Chater Road
Central
Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Asia) Limited
China Merchants Bank Co., Limited

REGISTERED OFFICE

P.O. Box 31119
Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

1201B, 12/F
Tower 1 Admiralty Centre
18 Harcourt Road
Admiralty
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Union Registrars Limited
Suites 3301-04, 33/F, Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

STOCK CODE

265

COMPANY'S WEBSITE

http://www.orientvictory.com.hk

CHAIRMAN'S STATEMENT

Dear shareholders,

On behalf of the board (the "Board") of directors (the "Director(s)") of Orient Victory Smart Urban Services Holding Limited (formerly known as Orient Victory Travel Group Company Limited) (the "Company", together with its subsidiaries the "Group"), I am pleased to present the annual report (the "Annual Report") of the Company for the year ended 31 December 2022 (the "Year").

INDUSTRY OVERVIEW, BUSINESS STRATEGY AND BUSINESS PERFORMANCE

Since the outbreak of the novel coronavirus disease (2019) (COVID-19) pandemic (the "Pandemic") in the early 2020, the Group's diversified tourism products and services businesses, which mainly engages in the sales of outbound air tickets and provision of outbound tourism-related services, have been inevitably affected. To cope with the unprecedented market change resulting from the Pandemic, the Group has been exploring new income stream in the PRC. Following the completion of acquisitions of the entire equity interests in Hebei Dongsheng Property Management Services Company Limited* (河北東勝物業服務有限公司, "Dongsheng PMS") (formerly known as Shijiazhuang Dongsheng Property Management Services Company Limited* (石家莊市東勝物業服務有限公司)) and Kinyoun International Limited ("Kinyoun International") in May 2021 and August 2021 respectively, and the secure of the Group's first environmental hygiene service project in Zhangjiakou City, Hebei Province, the PRC in the fourth quarter of 2021, the Group commenced its property management and leasing services businesses and environmental hygiene businesses, signifying the Group's success on diversifying its business focus into urban services related businesses with domestic demand and public services features. Benefit from the further development on these businesses, the Group recorded an increase in revenue for the Year, and profit attributable to the equity holders of the Company from continuing operations of approximately HK$23.7 million (2021: loss attributable to the equity holders of the Company from continuing operations of approximately HK$14.6 million (re-presented)) was recognised during the Year.

To better reflect the current status of the Group's diverse business development and its direction of future development, and to provide the Company with enhanced corporate image and clearer identity, the Board proposed in the annual general meeting of the Company held on 30 June 2022 to change the Company's name from "Orient Victory Travel Group Company Limited" to "Orient Victory Smart Urban Services Holding Limited", and was duly approved by the shareholders (the "Shareholders") of the Company. The change of company name has become effective from 11 July 2022, which is the date on which the new name of the Company in both English and Chinese is registered by the Registrar of Companies in the Cayman Islands as set out in the certificate of incorporation on change of name of the Company issued by the Registrar of Companies in the Cayman Islands.

Set out below is the performance review of each of the Group's principal businesses during the Year.

Property Management Businesses

Recent policies of the property management industry in the PRC continued to be positive. Pursuant to the Notice on Strengthening and Improving Residential Property Management (Jianfanggui (2020) 10th Document)* (關於加強和改進住宅物業管理工作的通知(建房規(2020)10號)) issued by ten government authorities including the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部), in order to satisfy the public aspiration of better living quality and condition, the development of residential property management industry shall be facilitated and the quality and diversification of services shall be enhanced. In particular, the notice requires the local governments to regulate the relationship between governments and enterprises at the grassroots level, facilitate the enhancement of scope of services, management and quality of property management services, support acquisition of the property management companies, encourage market-based property management fees, etc., to develop a long-term effective management mechanism of property management operations, pointing the way for healthy and long-term development of the industry. In addition, the "14th Five-Year" Plan promotes the development of property management industry on the aspects of quality development of the residential services industries, comprehensive promotion of rural revitalisation, consolidation of achievements in poverty alleviation, improvement in the urban governance level, improvement in community management and service mechanisms, construction of a green policy development system, etc., providing room for development of the property management industry.

Dongsheng PMS and its subsidiaries are the Group's flagship companies on the property management operations, which possesses certifications of the ISO 9001 (Quality Management Systems), ISO 14001 (Environmental Management Systems) and ISO 45001 (Occupational Health and Safety Management Systems). Benefit from the comprehensive strength and service quality, Dongsheng PMS won various awards in the past, including but not limited to the following:

Name of Awards	Awarding Institutions
2022 Companies in terms of Comprehensive Strength on China Property Services* (二零二二中國物業服務年度綜合實力品牌企業)	China Real Estate News* (中國房地產報社) and China International Real Estate & Architectural Technology Fair* (CIHAF中國住交會)
2022 Leading Companies in Property Management Industry in Hebei Province* (二零二二年度河北省物業管理行業先進單位)	Hebei Property Management Institute* (河北省物業管理行業協會)
2022 China Five-Star Property Management Services Project* (二零二二中國五星級物業服務項目)	Beijing China Index Academy* (北京中指信息技術研究院)
2022 Companies of Excellence in China City Property Services Satisfaction* (二零二二中國城市物業服務滿意度優秀企業)	China Index Academy* (中國指數研究院)
2022 Benchmark Companies in terms of Comprehensive Strength on China Property Services* (二零二二中國物業服務綜合實力標桿企業)	China Real Estate News* (中國房地產報社)
2021 Top 100 Property Management Services Companies in the PRC in terms of Brand Value* (二零二一年中國物業服務企業品牌價值百強企業)	China Real Estate News* (中國房地產報社)
2021 Star of Property Services in Hebei Province, Property Management Services with Gold Medal* (二零二一年冀房之星，金牌物業)	Hebeinews.cn* (河北新聞網)

During the Year, apart from improving the services quality of its existing projects, Dongsheng PMS and its subsidiaries put effort on operating scale expansion, and won several property management services biddings mainly in Shijiazhuang City, Hebei Province, the PRC, covering properties such as hospitals, colleges, commercial buildings and government buildings. As at 31 December 2022, Dongsheng PMS and its subsidiaries had a total contracted gross floor area of approximately 8.8 million square meters (2021: approximately 8.5 million square meters), of which a total gross floor area of approximately 7.9 million square meters (2021: approximately 7.6 million square meters) was under their management. The total gross floor area mainly involves residential properties, commercial properties, office buildings, sales offices and related areas, hospitals, government and other public facilities.

On the other hand, the Group commenced its leasing-related services upon the acquisitions of Dongsheng PMS and Kinyoun International. To further expand the Group's scale of leasing-related services, the Group entered into sale and purchase agreements (pre-sale) on 20 January 2022 with Hebei Qifuqianyue Real Estate Development Co., Ltd.* (河北祈福乾悦房地產開發有限公司) ("Qifuqianyue", which is owned as to 51% by OVPD (which is wholly-owned by Mr. Shi)) to acquire 47 commercial units with an estimated aggregate gross floor area of approximately 2,563 square meters located at the city centre of Shijiazhuang City, Hebei Province, the PRC. The delivery of the commercial units is expected to be completed on or before December 2023 and the Group shall operate the commercial units under operating lease arrangements. Further details of the acquisition are set out in the Company's announcements dated 20 January 2022 and 21 January 2022.

In addition, OVPD and its subsidiaries provided to the Group new business opportunities in relation to the property management services for their real estate projects. On 1 December 2021, the Company and OVPD entered into a framework agreement, pursuant to which OVPD agreed to appoint the Group for the provision of the property management services and the commercial properties and merchants management services for a term commencing on 1 December 2021 and ending on 31 December 2023, which allows the Group to further expand its property management businesses. The services constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules and the independent Shareholders approved the relevant framework agreement and transactions contemplated thereunder by way of poll at the extraordinary general meeting held on 16 March 2022. During the Year, relevant services provided to OVPD and its subsidiaries contributed revenue of approximately HK$48.6 million (2021: approximately HK$15.5 million) to the Group.

With the Group's effort on the development of its property management businesses, during the Year, the Group recorded revenue from property management businesses of approximately HK$157.5 million (2021: approximately HK$72.0 million).

Environmental Hygiene Businesses

The increasing awareness of environmental protection and governance in the PRC provides healthy development opportunities for the environmental hygiene industry. In 2022, the Chinese government launched a series of policies and implementation measures to support the environmental hygiene related industry, including promoting the investment and construction of urban and rural environmental protection infrastructures, accelerating the implementation of preferential policies on tax and surcharge for green development, intensifying efforts on reforming government procurement services in key areas such as urban and rural community public services and public health services, and speeding up the improvement of garbage collection and treatment system to facilitate the construction of smart garbage sorting facilities. Also, the Chinese government has promulgated the national standards for urban and rural sanitation and cleaning services to further regulate and improve the service quality.

Following the secure of the Group's first environmental hygiene service project in the fourth quarter of 2021, the Group further secured four environmental hygiene service projects at an aggregate annual contract sum of over RMB110 million (equivalent to approximately HK$127.3 million) in four cities of Hebei Province, the PRC in 2022, which signifies the Group's continuous effort on expanding the environmental hygiene businesses. Revenue of approximately HK$40.8 million (2021: approximately HK$2.2 million) was recognised by the Group during the Year.

Integrated Development Businesses

Benefit from the effective prevention and control measures for the Pandemic put in place by the local government, the Group was able to carry out its business of operation and management of tourist attraction and cultural spot in Shijiazhuang City, Hebei Province, the PRC in a relatively stable manner. Owing to the temporary closures of the facilities at certain times and the limitation of the number of visitors, revenue in both years remained at a lower level. On the other hand, the Group continues to facilitate the development of other businesses in the integrated development segment that are less affected by the Pandemic. Marketing, event planning and consulting services contributed revenue of approximately HK$20.4 million (2021: approximately HK$26.5 million) to the Group during the Year. The decrease in revenue during the Year was mainly due to fewer marketing, event planning and consulting services for real estate projects undertaken by the Group during the Year.

Diversified Tourism Products and Services Businesses

The Group's diversified tourism products and services segment principally engages in the provision of outbound travel-related services for customers in the PRC and Hong Kong. Such businesses were severely affected by the Pandemic since the early 2020. No revenue was recognised from the Group's outbound travel-related services in the PRC in both years, while a low level of revenue was recorded for the Group's outbound travel-related services in Hong Kong in both years.

Four Seas Tours Limited ("Four Seas", 四海旅行社有限公司), a then 65%-owned subsidiary of the Group, is principally engaged in the sale of air tickets and provision of other travel-related services in Hong Kong. In the view that Four Seas had been loss-making when it was a subsidiary of the Company and the timing of full recovery of the travel and tourism industry had been uncertain, on 22 August 2022, the Group (as vendor) entered into a share transfer agreement with Four Seas Travel (BVI) Limited ("Four Seas BVI", a then connected person of the Company at the subsidiary level) (as purchaser) to dispose of its 65% interest in Four Seas. The disposal was completed on 30 August 2022. By completing the disposal, the Group is able to (i) reallocate more resources on its profit-making businesses; (ii) avoid potential future operating losses of Four Seas; and (iii) recognise a net gain on disposal of Four Seas of approximately HK$6.2 million in the second half of 2022. Further details of the disposal are set out in the Company's announcement dated 22 August 2022.

FUTURE OUTLOOK

The recent supportive policies on property management and environmental hygiene industries pave a healthy way for the Group's property management businesses and environmental hygiene businesses, and the reopening of the PRC in early 2023 facilitates the recovery of the travel and tourism industry in the PRC.

Looking forward, the Group will uphold its social responsibility aiming at providing customers with high quality services for better quality of life while improving the Group's brand value. Meanwhile, the Group will continue to develop and expand its property management businesses and environmental hygiene businesses steadily through organic growth, bidding of new projects and strategic acquisitions and cooperation. As for the Group's diversified tourism products and services businesses, following the reopening of the PRC in early 2023, it is expected that outbound travel industry will be gradually recovered. The Group will monitor the development of the outbound travel industry and cautiously consider the profitability and resources available before resuming such businesses.

APPRECIATION

On behalf of the Board, I wish to express my sincere gratitude to the shareholders of the Company and business partners of the Group for their continuous support, as well as to each member of the Board, management and all our staff members for their diligence, devotions and contributions.

Shi Baodong
Chairman

Hong Kong, 30 March 2023

* denotes an English translation of the Chinese name for identification purpose only.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Property Management Businesses

The Group started engaging in the property management businesses since completion of the acquisition of the entire equity interest in Dongsheng PMS on 18 May 2021. Dongsheng PMS and its subsidiaries are principally engaged in the provision of property management and leasing services for residential and commercial properties in Hebei Province, the PRC. As at 31 December 2022, Dongsheng PMS and its subsidiaries had a total contracted gross floor area of approximately 8.8 million square meters (2021: approximately 8.5 million square meters), of which a total gross floor area of approximately 7.9 million square meters (2021: approximately 7.6 million square meters) was under their management. The total gross floor area mainly involves residential properties, commercial properties, office buildings, sales offices and related areas, hospitals, government and other public facilities.

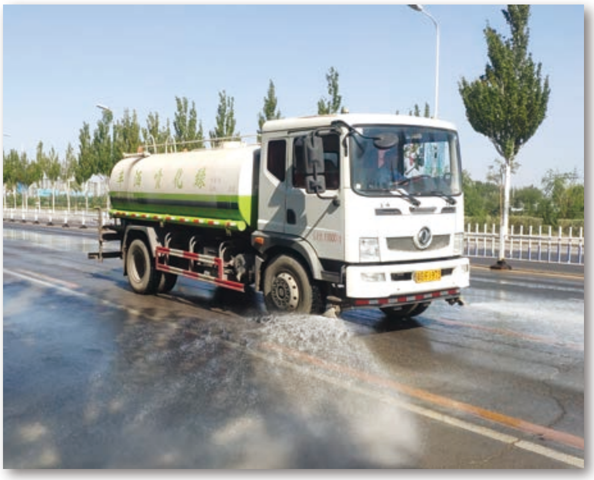
The Group further expanded its leasing related business by completing the acquisition of the entire equity interest in Kinyoun International on 9 August 2021, which, alongside its subsidiaries, are principally engaged in the sub-leasing business for non-residential properties in Shijiazhuang City, Hebei Province, the PRC.

Further details of the business performance of the property management businesses are set out in the section headed "Property Management Businesses" under "Industry Overview, Business Strategy and Business Performance" in "Chairman's Statement".

Benefit from the acquisitions and the business development and performance of Dongsheng PMS and Kinyoun International, the Group recorded revenue from property management and leasing services of approximately HK$157.5 million (2021: approximately HK$72.0 million) during the Year, representing an increase of 119% as compared to the corresponding period of last year.

Environmental Hygiene Businesses

The Group commenced its environmental hygiene businesses following the secure of an environmental hygiene service project in Zhangjiakou City, Hebei Province, the PRC in the fourth quarter of 2021. As at 31 December 2022, the Group had five environmental hygiene service projects in operation locating at five cities of Hebei Province, the PRC. Revenue of approximately HK$40.8 million (2021: approximately HK$2.2 million) was recognised by the Group during the Year.



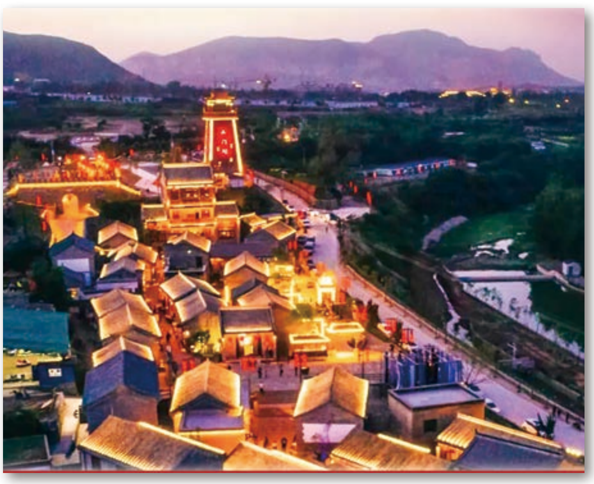
Integrated Development Businesses

The Group has been operating in the integrated development businesses since the acquisition of the entire interest in a piece of land located at corner Miller Rise, Bankside Road, Millwater Parkway, Silverdale, Auckland, New Zealand with an aggregate area of approximately 15,742 square meters in 2017. Construction of the first phase of the project was completed in 2019 and all residential units of the first phase of the project were sold in 2020. In respect of the remaining portion of the piece of land (approximately 12,986 square meters), with an aim to improving the cash inflows, in December 2020, the Group (as vendor) entered into two agreements for sale and purchase of real estate with an independent third party of the Company (as purchaser) to dispose of the remaining portion of the piece of land for a total consideration of approximately New Zealand Dollar ("NZD") 10.3 million (equivalent to approximately HK$56.5 million). The disposal was completed in May 2021 and total net gain on disposal of NZD1.7 million (equivalent to approximately HK$9.3 million) was recognised during the year ended 31 December 2021. Pursuant to a shareholder resolution of Orient Victory New Zealand Limited, a wholly-owned subsidiary of the Company dated 6 September 2021, as all the Group's land and residential properties in New Zealand were disposed of by May 2021 and the Group had no further investment and development plan in New Zealand, it was resolved to commence the liquidation procedures of all the Group's wholly-owned subsidiaries in New Zealand. The liquidation procedures were completed on 5 November 2021. Accordingly, results of the Group's property development business in New Zealand for the year ended 31 December 2021 were classified and presented as a discontinued operation in the Group's consolidated financial statements.

On the other hand, Hebei Tu Men Travel Development Limited* (河北土門旅遊開發有限公司) ("Tu Men Travel"), which is principally engaged in the operation and management of tourist attractions and cultural spots and owns a tourist attraction and cultural spot in Shijiazhuang City, Hebei Province, the PRC, contributed revenue of approximately HK$8.3 million (2021: approximately HK$27.1 million) to the Group during the Year. At the beginning of the Year, to better control its operating risks, Tu Men Travel revised its operating model providing relevant merchants with greater operating rights and responsibilities, whereby relevant merchants share with Tu Men Travel a portion of their merchandising revenue. The revision in operating model resulted in the change in revenue recognition for part of the revenue of Tu Men Travel from gross basis to net basis, and led to a decrease in revenue of Tu Men Travel for the Year as compared to the corresponding period of last year. Gross profit of Tu Men Travel for the Year amounted to approximately HK$2.9 million (2021: approximately HK$5.2 million). The decrease in gross profit as compared to the corresponding period of last year was primarily attributable to the decrease in number of visitors of the tourist attraction and cultural spot amid the stricter prevention and control measures for the Pandemic put in place by the local government in the second half of 2022.

In addition, since 2019, the Group has been operating event planning and all-round event production services in respect of the real estate development in the PRC, and has recruited a team of talents equipped with extensive experience in corporate image building, brand management, marketing, event planning and public relations and communication. Revenue of approximately HK$20.4 million (2021: approximately HK$26.5 million) was recognised during the Year. The decrease in revenue during the Year was mainly due to fewer marketing, event planning and consulting services for real estate projects undertaken by the Group during the Year.

The Group also engaged in the developments of tourism-related facilities in the PRC. During the Year, a piece of land in Shijiazhuang City, Hebei Province, the PRC, with an aggregate area of 14,637 square meters, is under planning stage and was recognised as inventories in the Group's consolidated financial statements as at 31 December 2022 in the carrying amount of approximately HK$15.3 million (2021: approximately HK$15.8 million).



Besides, pursuant to an agreement dated 28 October 2021 entered into between the Group and a local government authority, a piece of land in Shijiazhuang City, Hebei Province, the PRC with an aggregate area of approximately 21,647 square meters, which was recognised as inventories in the consolidated financial statements as at 31 December 2020 in the carrying amount of approximately HK$102.3 million, was returned to the local government in 2021 for the consideration of approximately RMB85.0 million (equivalent to approximately HK$102.2 million). Proceeds of RMB66.0 million (equivalent to approximately HK$74.3 million was received up to the date of this Annual Report.

Diversified Tourism Products and Services Businesses

The Group's diversified tourism products and services segment principally engages in the provision of outbound travel-related services for customers in the PRC and Hong Kong. Such businesses were severely affected by the Pandemic since the early 2020. No revenue was recognised from the Group's outbound travel-related services in the PRC in both years, while a low level of revenue was recorded for the Group's outbound travel-related services in Hong Kong in both years.

On 30 August 2022, the Group disposed of its outbound travel-related services business in Hong Kong, further details of which are set out in the section headed "Diversified Tourism Products and Services Businesses" under "Industry Overview, Business Strategy and Business Performance" in "Chairman's Statement".

FINANCIAL ANALYSIS

Operating Performance

a. *Continuing operations*

Analysis by nature of revenue:

	2022		2021	
	HK$'000	%	HK $'000 (Re-presented)	% (Re-presented)
Property management businesses:				
Property management and leasing related services	157,469	69.4	72,035	56.1
Environmental hygiene businesses:				
Environmental hygiene services	40,800	18.0	2,171	1.7
Integrated development businesses:				
Marketing, event planning and consulting services	20,413	9.0	26,521	20.7
Tourism attractions related income	8,285	3.6	27,058	21.1
Sub-total	28,698	12.6	53,579	41.8
Diversified tourism products and services businesses:				
Travel and other related services	–	–	567	0.4
Total	226,967	100.0	128,352	100.0

The Group recorded revenue of approximately HK$227.0 million (2021: approximately HK$128.4 million (re-presented)) for the Year, representing an increase of approximately 77% as compared to the corresponding period of last year.

The Group commenced its property management businesses in May 2021. The increase in revenue from property management businesses during the Year was mainly attributable to the recognition of full year performance of the property management businesses during the Year, while only approximately 7.5 months of relevant revenue was recognised during the year ended 31 December 2021. Details of the business performance of the property management businesses are set out in the section headed "Property Management Businesses" under "Industry Overview, Business Strategy and Business Performance" in "Chairman's Statement".

The Group's environmental hygiene businesses and integrated development businesses served as other revenue drives during the Year. Further details of these business performance are set out in sections headed "Environmental Hygiene Businesses" and "Integrated Development Businesses" under "Business Review" in "Management Discussion and Analysis".

As a result of the Pandemic, outbound travel and tourism activities has been severely affected in both years. The Group's revenue from diversified tourism products and services segment remained at a low level. Further details of these business performance are set out in section headed "Diversified Tourism Products and Services Businesses" under "Business Review" in "Management Discussion and Analysis".

Gross profit

The Group recorded gross profit of approximately HK$68.5 million (2021: approximately HK$36.2 million (re-presented)) for the Year, representing an increase of approximately 89% as compared to the corresponding period of last year. The increase in gross profit was primarily attributable to the increase in revenue from property management businesses during the Year, which had a higher gross profit percentage as compared to the revenue from other segments.

The increase in gross profit percentage from approximately 28% (re-presented) during the year ended 31 December 2021 to approximately 30% during the Year was mainly attributable to the increase in proportion of revenue from property management businesses to total revenue during the Year, which had a higher gross profit percentage than that of the revenue from other segments.

Profit/(loss) for the Year from continuing operations

Profit for the Year from continuing operations amounted to approximately HK$21.8 million (2021: loss for the year from continuing operations amounted to approximately HK$23.9 million (re-presented)). Such improvement was primarily attributable to the increase in segment results of the property management businesses by approximately HK$35.8 million during the Year as compared to the corresponding period of last year.

b. Discontinued operations

Included in profit for the year from discontinued operations for both years were the results of the below businesses:

i. the Group's property development business in New Zealand. Pursuant to a shareholder resolution of Orient Victory New Zealand Limited, a wholly-owned subsidiary of the Company dated 6 September 2021, as all the Group's land and residential properties in New Zealand were disposed of by May 2021 and the Group had no further investment and development plan in New Zealand, it was resolved to commence the liquidation procedures of all the Group's wholly-owned subsidiaries in New Zealand. The liquidation procedures were completed on 5 November 2021. Accordingly, results of the Group's property development business in New Zealand for the year ended 31 December 2021 were classified and presented as a discontinued operation in the Group's consolidated financial statements. The net profit of the property development business in New Zealand of approximately HK$6.2 million during the year ended 31 December 2021 was primarily attributable to the net gain on disposal of the remaining portion of the piece of land located in New Zealand of approximately HK$9.3 million, details of which are set out in the section headed "Integrated Development Businesses" under "Business Review" in "Management Discussion and Analysis".

ii. the Group's diversified tourism products and services businesses in Hong Kong operated by Four Seas (a then 65%-owned subsidiary of the Group), which was disposed of by the Group on 30 August 2022. Accordingly, results of Four Seas (with net loss of approximately HK$0.01 million (2021: approximately HK$3.0 million) for the Year) and gain on disposal of Four Seas of approximately HK$6.2 million (2021: nil) were classified and presented as a discontinued operation in the Group's consolidated financial statements, and the comparative figures of the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, and corresponding notes have been re-presented to reflect the discontinued operation separately from continuing operations. Further details of the disposal are set out in the section headed "Diversified Tourism Products and Services Businesses" under "Industry Overview, Business Strategy and Business Performance" in "Chairman's Statement".

Assets Structure

As at 31 December 2022 and 2021, the Group's assets mainly included property, plant and equipment and right-of-use assets, investment properties, investments in an associate, inventories, trade receivables, prepayments, deposits and other receivables, amounts due from an associate, restricted bank deposits and cash and cash equivalents, details of which are set out below:

i. Property, plant and equipment and right-of-use assets of approximately HK$182.7 million (2021: approximately HK$137.9 million) as at 31 December 2022 in aggregate mainly represented (1) properties and other equipment of the tourist attraction and cultural spot owned by Tu Men Travel in the net carrying amount of approximately HK$116.6 million (2021: approximately HK$129.1 million); and (2) vehicles and other equipment of the Group's environmental hygiene businesses in the net carrying amount of approximately HK$63.9 million (2021: approximately HK$3.9 million), which were acquired to cope with the Group's increasing number of environmental hygiene operating projects.

ii. Investment properties of approximately HK$82.4 million (2021: approximately HK$100.6 million) as at 31 December 2022 represented fair values of the right-of-use assets of non-residential properties located in Shijiazhuang City and Xingtai City, Hebei Province, the PRC leased by the Group from property owners to earn rentals.

iii. Investments in an associate of approximately HK$27.8 million (2021: approximately HK$32.9 million) as at 31 December 2022 represented the Group's 40% equity interest in Zhangjiakou Dakun Zhifang Real Estate Development Co., Limited* (張家口大坤直方房地產開發有限公司) ("Dakun Zhifang"). Dakun Zhifang owns a piece of land in Zhangjiakou City, Hebei Province, the PRC with an aggregate area of 79,039 square meters, which was under preliminary development stage with "Certificate of Permitting Construction and Engineering Planning*" ("建設工程規劃許可證") obtained in September 2021, and was recognised as investment properties and inventories in the books of Dakun Zhifang as at 31 December 2022 in the carrying amounts of approximately HK$131.0 million and approximately HK$95.7 million respectively (2021: approximately HK$150.7 million and approximately HK$103.0 million respectively).

Pursuant to two agreements dated 6 September 2021 (as supplemented on 15 July 2022) entered into between Dakun Zhifang and China Huarong Assets Management Co., Ltd. Hebei Branch* (中國華融資產管理股份有限公司河北省分公司) ("Hebei Huarong"), the land held by Dakun Zhifang (the "Pledge"), together with other assets owned by Mr. Shi, the controlling Shareholder, were pledged to Hebei Huarong to secure the repayments of certain borrowings obtained by entities controlled by Mr. Shi from Hebei Huarong in an aggregate principal amount of RMB464.1 million (equivalent to approximately HK$522.7 million) as at 31 December 2022.

As at 31 December 2022, the Group's amounts due from Dakun Zhifang (the "Advances", which were made when Dakun Zhifang was a subsidiary of the Company) of approximately HK$141.9 million (2021: approximately HK$153.9 million) are non-interest bearing and repayable on demand.

The obligations of Dakun Zhifang under the Pledge and the repayment of the Advances were guaranteed by the sales proceeds of certain properties held by an entity controlled by Mr. Shi, which shall be remitted into an escrow bank account (the "Arrangement"). As such, the directors of the Company consider that the risk associated with the Pledge and the credit risk arising from the Advances are significantly mitigated by the Arrangement after taking into consideration the estimated market value of the relevant properties and the Advances are expected to be fully recoverable.

iv. Inventories of approximately HK$15.5 million (2021: approximately HK$16.4 million) as at 31 December 2022 mainly represented the carrying amount of a piece of land in Shijiazhuang City, Hebei Province, the PRC with an aggregate area of 14,637 square meters under planning stage of approximately HK$15.3 million (2021: approximately HK$15.8 million).

v. Trade receivables of approximately HK$65.7 million (2021: approximately HK$30.6 million) as at 31 December 2022 were derived from the property management segment of approximately HK$30.3 million (2021: approximately HK$14.2 million), the environmental hygiene segment of approximately HK$14.7 million (2021: approximately HK$2.3 million), and the marketing, event planning and consulting services under the integrated development segment of approximately HK$20.7 million (2021: approximately HK$11.7 million). The increase in trade receivables was mainly attributable to the combined effect of the collection of trade receivables, disposal of 65% equity interest in Four Seas and the recognition of relevant revenue during the Year.

vi. Prepayments, deposits and other receivables and amounts due from an associate of approximately HK$229.4 million (2021: approximately HK$314.6 million) as at 31 December 2022 mainly represented (1) receivables of approximately HK$31.6 million (2021: approximately HK$73.4 million) for the return of the piece of land in Shijiazhuang City, Hebei Province, the PRC with an aggregate area of approximately 21,647 square meters as detailed in the section headed "Integrated Development Businesses" under "Business Review" in "Management Discussion and Analysis"; (2) consideration paid for the acquisition of 47 commercial units from Qifuqianyue in the total amount of approximately HK$25.6 million (2021: nil), which was classified as a non-current asset as at 31 December 2022; and (3) the Advances of approximately HK$141.9 million (2021: approximately HK$153.9 million). The decrease was mainly attributable to the receipts of loans in January 2022 made to certain independent third parties of the Company in an aggregate amount of approximately HK$57.9 million, and the receipt for the return of the afore-mentioned piece of land of RMB32.0 million (equivalent to approximately HK$37.0 million) during the Year.

vii. Restricted bank deposits and cash and cash equivalents were approximately HK$206.2 million (2021: approximately HK$256.6 million) as at 31 December 2022. The decrease was mainly attributable to the combined effect of (1) the receipts of loans in January 2022 made to certain independent third parties of the Company in an aggregate amount of approximately HK$57.9 million; (2) the receipt of approximately HK$37.0 million in respect of the receivables for the return of the piece of land in Shijiazhuang City, Hebei Province, the PRC with an aggregate area of approximately 21,647 square meters as detailed in the section headed "Integrated Development Businesses" under "Business Review" in "Management Discussion and Analysis"; (3) consideration paid for the acquisition of 47 commercial units from Qifuqianyue in the total amount of approximately HK$26.3 million; (4) the additions to vehicles and other equipment of the Group's environmental hygiene businesses in the net carrying amount of approximately HK$63.9 million; and (5) distributions paid to the holders of perpetual convertible securities of approximately HK$15.9 million during the Year.

Liabilities Structure

As at 31 December 2022 and 2021, the Group's liabilities mainly included trade payables and contract liabilities, other payables and lease liabilities, details of which are set out below:

i. Trade payables and contract liabilities of approximately HK$70.8 million (2021: approximately HK$60.9 million (re-presented)) as at 31 December 2022 were mainly derived from the property management segment of approximately HK$28.2 million (2021: approximately HK$24.7 million (re-presented)) and the marketing, event planning and consulting services under the integrated development segment of approximately HK$24.4 million (2021: approximately HK$13.3 million).

ii. Other payables of approximately HK$60.2 million (2021: approximately HK$96.7 million (re-presented)) as at 31 December 2022 mainly consisted of other payables of the property management businesses of approximately HK$21.6 million (2021: approximately HK$20.0 million (re-presented)) in aggregate, which mainly comprised receipts in advance from customers of the leasing services and deposits of the property management and leasing services, consideration payable regarding the acquisition of Tu Men Travel of approximately HK$6.9 million (2021: approximately HK$32.0 million), and land and construction costs payable of approximately HK$4.8 million (2021: approximately HK$10.7 million).

iii. Lease liabilities of approximately HK$54.8 million (2021: approximately HK$71.5 million) as at 31 December 2022 mainly comprised lease liabilities of the right-of-use assets of non-residential properties located in Shijiazhuang City and Xingtai City, Hebei Province, the PRC leased by the Group from property owners to earn rentals of approximately HK$53.1 million (2021: approximately HK$67.3 million).

LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts conservative treasury policies and controls tightly over its cash and risk management. During the Year, the Group's operations and investments were supported by internal resources.

As at 31 December 2022, the Group had a current ratio of approximately 3.4 (2021: approximately 3.7). As the Group had no bank and other borrowings as at 31 December 2022 and 2021, gearing ratio (calculated by dividing net debt (defined as bank and other borrowings net of cash and cash equivalents) by total equity) was not applicable to the Group as at 31 December 2022 and 2021.

FOREIGN EXCHANGE EXPOSURE

Majority of the subsidiaries of the Group operate in the PRC with most of the transactions denominated and settled in RMB. Fluctuations of exchange rates would impact the Group's net asset value due to currency translation in the preparation of the Group's consolidated accounts. If RMB appreciates/depreciates against HK$, the Group would record a(n) increase/decrease in the Group's net asset value. During the Year, the Group has not used derivative financial instruments to hedge against its foreign currency risk.

CAPITAL COMMITMENT

As at 31 December 2022, the Group had capital commitment relating to the investment in an equity security of approximately HK$16.9 million (2021: approximately HK$18.3 million).

MATERIAL ACQUISITION, INVESTMENTS AND DISPOSAL

Pursuant to the sale and purchase agreements (pre-sale) all dated 20 January 2022 (as supplemented on 20 January 2022) entered into between Qifuqianyue and Dongsheng PMS, Dongsheng PMS agreed to acquire, and Qifuqianyue agreed to sell, 47 commercial units with an estimated aggregate gross floor area of approximately 2,563 square meters located at 17th Floor and 18th Floor, building no. 1, Zijingyuehe Centre (South zone), 2 Fengya Road, Changan District, Shijiazhuang City, Hebei Province, the PRC* (中國河北省石家莊市長安區豐雅路2號紫晶悅和中心南區), for a total consideration of RMB22,876,305 (equivalent to approximately HK$26,467,000). Further details of the acquisition are set out in the Company's announcements dated 20 January 2022 and 21 January 2022. During the Year, Qifuqianyue had completed the filing procedures (i.e. the online signing and record uploaded) of the sale and purchase agreements and Dongsheng PMS had settled the consideration.

Pursuant to the share transfer agreement dated 22 August 2022 entered into between Sleek City Limited (a wholly-owned subsidiary of the Company) and Four Seas BVI, the Group disposed of its 65% interest in Four Seas to Four Seas BVI at a nominal value of HK$1. The disposal was completed on 30 August 2022. Further details of the disposal are set out in the Company's announcement dated 22 August 2022.

Save as disclosed above, the Group had no significant investments, material acquisition and disposal of subsidiaries and associated companies during the Year.

PLEDGE OF ASSETS

As at 31 December 2022 and 2021, the Group pledged the entire equity interest in Hua Yu New Life Services (Shenzhen) Company Limited* (華譽新生活服務(深圳)有限公司), an indirect wholly-owned subsidiary of the Company, and the entire issued share capital of Donghui Hong Kong Holdings Limited, an indirect wholly-owned subsidiary of the Company, to secure the issue of the perpetual convertible securities issued on 30 March 2016 with an aggregate principal amount of approximately HK$70.0 million, details of which are set out in the Company's announcement dated 30 March 2016 and the Company's circular dated 29 January 2016.

MATERIAL CONTINGENT LIABILITIES

As at 31 December 2022 and 2021, the Group had no material contingent liabilities.

NUMBER AND REMUNERATION OF EMPLOYEES

As at 31 December 2022, the total number of employees of the Group was 2,312 (2021: approximately 680). Staff costs (including Directors' emoluments) of approximately HK$56.7 million (2021: approximately HK$22.6 million) were incurred during the Year.

In addition to salary, other fringe benefits such as medical insurance and mandatory provident fund schemes for employees, are offered to all employees of the Group. Performance of the employees is normally reviewed on an annual basis with adjustment to their salaries comparable to that of the market. Individual employees may also receive a discretionary bonus at the end of each year based on their individual performance.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2021: nil).

EVENT AFTER THE REPORTING PERIOD

Notice of cancellation of thirteenth distribution payment of the unlisted perpetual convertible securities

Reference is made to the prospectus issued by the Company dated 29 September 2016 in relation to the open offer of offered shares with an alternative of unlisted perpetual convertible securities on the basis of one offered share for every five ordinary shares held on 28 September 2016.

As detailed in the Company's announcement dated 8 March 2023, the thirteenth distribution at the distribution rate of 6% per annum on the perpetual convertible securities scheduled to be made to the convertible securities holders on Monday, 24 April 2023 has been cancelled in accordance with the Condition 4(B) of the terms and conditions of the perpetual convertible securities.

* denotes an English translation of the Chinese name for identification purpose only.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Mr. Shi Baodong ("Mr. Shi")

Chairman, Executive Director and Chief Executive Officer

Mr. Shi, aged 54, was appointed as the chairman of the Company and an executive Director in September 2014, and the chief executive officer of the Company on 11 May 2018. Mr. Shi is the chairman of the nomination committee of the Company (the "Nomination Committee") and a member of the remuneration committee of the Company (the "Remuneration Committee"). Mr. Shi graduated from the Hebei University of Architecture in 1989. He has over 23 years of experience in properties development and is a qualified engineer in the PRC.

Mr. Shi is the founder of OVPD and its subsidiaries, which were established since 1999 and are principally engaged in the urban renewal business with seven core strategic focuses, including the real estate, commerce, properties, health care, scenic spots, tourism and education, with primary focuses paid on the areas of development and operation of real estate, urban environmental hygiene services, and property management and leasing services. Mr. Shi is the founder, shareholder and chairman of Orient Victory Cultural Tourism Group Co., Limited* (東勝文化旅遊集團有限公司) ("OVCT"), which is principally engaged in the tourism services and the operation and management businesses for scenic spots in the PRC, and including the developments of ecological agriculture, elderly care and sports-related projects.

Mr. Shi is the director of Orient Victory Group HK Holdings Limited, chairman of OVPD, chairman of OVCT and vice chairman of China Comfort Tourism Group Company Limited* (中國康輝旅遊集團有限責任公司) ("China Comfort"). In addition, Mr. Shi is the honorary vice chairman of China Real Estate Industry Association, chairman of Shijiazhuang City Real Estate Industry Association* (石家莊市房地產業協會) and vice president of Chinese Rowing Association.

Mr. Mo Yueming ("Mr. Mo")

Executive Director

Mr. Mo, aged 58, was appointed as an executive Director on 2 May 2018. Mr. Mo holds a degree of Executive Master of Business Administration from the HEC school of Management in Paris, France, a Master's degree in Business in Economics (商業經濟學) from the Chinese Academy of Social Sciences (中國社會科學院) and a Bachelor's degree in Accounting from Beijing Institute of Business* (北京商學院).

Mr. Mo has over 20 years of experience in accounting and corporate management of the tourism industry and other industries, including working as the vice general manager and Chief Accountant of China Pan Travel Industry Development Co., Ltd.* (中國泛旅實業發展股份有限公司) (now known as China Spacesat Co., Ltd. (中國天地衛星股份有限公司) ("China Spacesat")), a company listed on the Shanghai Stock Exchange with stock code 600118 and Mr. Mo has been a director of China Spacesat since June 2001; Mr. Mo has been a director of Zhejiang Yongfeng Environmental Sci&tech Co., Ltd. (浙江永峰環保科技股份有限公司), a company listed on National Equities Exchange and Quotations with stock code 838806 since 23 February 2016 for a term from 23 February 2016 to 22 February 2019; and the senior vice president of Orient Landscape Holdings Co., Ltd.* (東方園林股份公司) and the Chief Operating Officer of Orient Brigade Group* (東方文旅集團) from 28 April 2017 to 27 November 2017. Besides, Mr. Mo was the president of Orient Victory Culture & Travel Group* (東勝文化旅遊集團) that was controlled by Mr. Shi, and Comfort Cultural Tourism Industry Group Co., Ltd.* (康輝文化旅遊產業集團股份有限公司), of which China Comfort is the largest equity holder, from March 2018 to March 2019.

Mr. Mo currently serves as a co-vice chairman of Orient Victory Group* (東勝集團) that was controlled by Mr. Shi and has been a director of China Comfort since April 2018. Further, since 2020, Mr. Mo serves as the chairman of Beijing Dora Aimeng Travel Development Holding Co., Ltd.* (北京朵拉愛萌旅遊開發股份有限公司) and Beijing Dongfu Petroleum Technology Co., Ltd.* (北京東孚石油科技有限公司).

Mr. Zhao Huining ("Mr. Zhao")

Executive Director

Mr. Zhao, aged 55, was appointed as an executive Director on 16 June 2017. Mr. Zhao was the chief executive officer of the Company and a member of the Remuneration Committee and the Nomination Committee, and resigned on 11 May 2018 and 24 August 2018 respectively. Mr. Zhao graduated from the Transportation Management and Engineering Department (運輸管理工程系) of Northern Jiaotong University (北方交通大學), majoring in traffic and transportation* (交通運輸專業) in 1990. In 2004, Mr. Zhao obtained a master degree of Arts from Flinders University of South Australia in International Relations in Economy and Trade which were jointly offered by Nankai University (南開大學) and Flinders University of South Australia, and graduated from Yanshan University (燕山大學) with a doctor's degree in management science and engineering (管理科學與工程) in 2014. Mr. Zhao was conferred the title of senior economist qualification in PRC in 2002.

Mr. Zhao has extensive working experiences, including working as a staff member in Project Evaluation Division of Mechanical and Electrical Equipment Tendering Bureau of Hebei Province* (河北省機電設備招標局項目評估處) from 1990 to 1992; staff member and senior staff member of the Traffic, Post and Telecommunications Division of Hebei Provincial Economic and Trade Commission* (河北省經貿委交通郵電處) from 1992 to 1997; deputy director of Beijing office of Hebei Provincial Economic and Trade Commission* (河北省經貿委北京辦事處) from 1997 to 1998; deputy director of Foreign Economic Relations Division of Hebei Provincial Economic and Trade Commission* (河北省經貿委外經處) ("HPETC") from 1998 to 2000; deputy director of the office of HPETC and director of Beijing office of HPETC from 2000 to 2001 successively; legal representative, executive director and general manager of Hebei Economic and Trade Investment Co., Ltd.* (河北省經濟貿易投資有限公司) from 2001 to 2005 successively; legal representative, executive director, general manager and secretary of Party Committee of Hebei Information Industry Investment Co., Ltd.* (河北省資訊產業投資有限公司) from 2005 to 2009 successively. He was elected as the vice chairman of the tenth session of the committee of Hebei Youth League* (河北省青年聯合會) in December 2009. From 2009 to 2014, Mr. Zhao worked in Hebei Construction & Investment Group Co., Ltd* (河北建設投資集團有限責任公司) with last position as chairman and secretary for the Party Committee. He was also the chairman and president of Gaokang Capital Investment Management Co., Ltd (高康資本投資管理有限公司), a subsidiary of China Energy Conservation and Environmental Protection Group* (中國節能環保集團) from 2014 to 2016.

Ms. Chang Meiqi ("Ms. Chang")

Non-executive Director

Ms. Chang, aged 34, was appointed as the non-executive director of the Company and a member of the audit committee of the Company (the "Audit Committee") on 29 April 2022. Ms. Chang graduated from the College of Economics & Management of Hebei University of Economics & Business (河北經貿大學經濟管理學院) majoring in auditing, and obtained her bachelor's degree in management studies in 2011. Ms. Chang has joined OVPD since 2011 and has over 10 years of experience in corporate management, internal control, financial auditing and financial management covering industries such as real estate development, commercial operation, property management, travel and healthcare. From January 2014 to February 2019, she worked in the audit management centre of OVPD with last position as a manager of the audit management centre. From March 2019 to January 2023, she was the assistant to president of the finance centre of OVPD, and the general manager of the management department of the finance centre of OVPD. Ms. Chang is currently the assistant to general manager of the finance management centre of OVPD, the legal representative and a director of OVCT, and the supervisor of Hebei Orient Victory Healthcare County Development and Operation Co., Limited* (河北東勝康養小鎮開發運營有限公司). In addition, Ms. Chang is the supervisor of certain subsidiaries of the Company established in Mainland China, including Shenzhen Dongsheng Huamei Cultural Travel Company Limited* (深圳東勝華美文化旅遊有限公司) and Dongsheng (Beijing) International Travel Company Limited* (東勝(北京)國際旅行社有限公司).

Mr. Dong Xiaojie ("Mr. Dong")

Independent non-executive Director

Mr. Dong, aged 60, was appointed as an independent non-executive Director in September 2014, Mr. Dong is the chairman of the Remuneration Committee. Mr. Dong graduated from the Hebei Normal University, majoring in mathematics in 1984. Mr. Dong was the chairman of Hebei Shengyuan Asset Management Consulting Co., Ltd.* (河北盛元資產管理諮詢有限公司) for the period from April 2005 to October 2010. Moreover, he was the chairman of Beijing Old Street Shengyuan Venture Capital Management Co., Ltd.* (北京老街盛元創業投資管理有限公司) for the period from April 2010 to September 2014. For the period from February 2015 to August 2016, Mr. Dong was a director of Robyn Hode Capital Limited. He is the president of Zhangjiakou Financial Holding Group Co., Ltd.* (張家口金融控股集團有限公司) since July 2016, and the chairman of the board of directors and an executive director of BeijingWest Industries International Limited, a company listed on the Stock Exchange (stock code: 2339) since September 2022.

Mr. He Qi ("Mr. He")

Independent non-executive Director

Mr. He, aged 67, was appointed as an independent non-executive Director in September 2014. Mr. He is a member of the Audit Committee and the Nomination Committee. Mr. He has been an independent non-executive director of China Merchants Land Limited, a company listed on the Stock Exchange (stock code: 978), since 2013. He has also been an independent non-executive director of China Evergrande Group, a company listed on the Stock Exchange (stock code: 3333), since 2009. Mr. He was the deputy secretary of China Real Estate Association for the period from 2006 to 2016. Mr. He is currently a secretary of Real Estate in Distribution and Rental Committee of China Real Estate Association.

Mr. Suei Feng-jih ("Mr. Suei")

Independent non-executive Director

Mr. Suei, aged 54, was appointed as an independent non-executive Director on 25 June 2018. Mr. Suei is the chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee. Mr. Suei graduated from National Cheng-Chi University (國立政治大學), Taiwan with a Bachelor degree of Science in Banking in June 1993. In June 2005, he was awarded the Executive Master of Business Administration in Finance from National Central University (國立中央大學), Taiwan and was further awarded the Master of Business Administration from University of Glasgow, the United Kingdom in September 2006.

Mr. Suei has extensive experience in finance industry. He is licensed to carry on type 1 (dealing in securities) and type 9 (asset management) regulated activities under the SFO. From October 2001 to December 2006, Mr. Suei worked at the trust division of Taipei Fubon Bank as assistant vice president. From April 2007 to November 2009, he worked for KGI Wealth Management Limited with his last position as a responsible officer for type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO. From November 2009 to April 2010, he was the Head of Product Team of Wealth Management at Taishin International Bank Co., Ltd (Hong Kong). From September 2010 to June 2019, he was a responsible officer of Pamirs Capital (H.K.) Limited and in charge of the supervision of type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities. From August 2016 to February 2019, he was a director of ACF International Insurance Broker Co., Limited. From July 2019 to December 2021, he was the general manager of ZJKF Securities Investment (Hong Kong) Limited. From January 2022, he serves as the Head of Operating Department of the Finance and Accounting Department of Tatung Co., a company listed on the Taiwan Stock Exchange (stock code: 2371); and from March 2022, he serves as a director of Forward Electronics Co., Ltd., a company listed on the Taipei Exchange (stock code: 8085) and the chairman of Tatung (Shanghai) Co., Ltd. (大同(上海)有限公司).

SENIOR MANAGEMENT

Mr. Liu Kin Wai ("Mr. Liu")

Chief Financial Officer and Company Secretary

Mr. Liu, age 41, was appointed as the chief financial officer of the Company in December 2019 and the company secretary of the Company in January 2021. He obtained his bachelor's degree in Accounting from City University of Hong Kong in November 2003 and completed China Environmental Industry Senior Manager Training Programme (中國環境產業高級經理人研修班) organised by Tsinghua University (清華大學) in December 2016. Mr. Liu has been a member of the Hong Kong Institute of Certified Public Accountants and a certified public accountant since 2008 and has more than 18 years of experience in assurance services and financial, capital management and company secretarial works. From 2004 to 2015, he had worked in an international assurance firm with last position as a senior manager. From May 2015 to September 2016, he had served as a senior manager of Beijing Enterprises Water Group Limited (stock code: 371), a company listed on the Stock Exchange and from September 2016 to September 2019, he had served as the chief financial officer and company secretary of Shandong Hi-Speed New Energy Group Limited (formerly known as Beijing Enterprises Clean Energy Group Limited) (stock code: 1250), a company listed on the Stock Exchange. In addition, Mr. Liu has been appointed as an independent non-executive director of Bright Future Technology Holdings Limited (stock code: 1351), a company listed on the Stock Exchange, with effect from 11 November 2020, and an independent non-executive director of Wine's Link International Holdings Limited (stock code: 8509), a company listed on the Stock Exchange, with effect from 1 March 2023.

* denotes an English translation of the Chinese name for identification purpose only.

REPORT OF THE DIRECTORS

The Board hereby presents the Report of the Directors and the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

During the Year, the Company was an investment holding company and its subsidiaries were principally engaged in the property management and leasing services businesses for residential and commercial properties, the environmental hygiene businesses, the integrated development businesses and the diversified tourism products and services businesses.

FAIR REVIEW OF BUSINESS

The business review of the Group for the Year as required under Schedule 5 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a review of the business and a description of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have been occurred since the end of financial year 2022 and an indication of likely future development in the Group's business are set out in the Chairman's Statement and the Management Discussion and Analysis from pages 4 to 8 and pages 9 to 19 of this Annual Report respectively. These discussions form part of this report of the Directors.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Board is aware, the Group had complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group.

FINANCIAL RESULTS

The results of the Group for the Year are set out in the consolidated statement of profit or loss on page 51 of this Annual Report.

DIVIDEND POLICY

The declaration, form, frequency and amount of any dividend payout of the Company must be in accordance with relevant laws, rules and regulations and subject to the articles of association of the Company (the "Articles of Association").

Provided there are distributable profits and without affecting the operations of the Group, the Company may consider to declare and pay dividends to the shareholders (the "Shareholders") of the Company. In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, including but not limited to: (i) the general financial condition of the Group; (ii) working capital and debt level of the Group; (iii) future cash requirements and availability for business operations, business strategies and future development needs; (iv) any restrictions on payment of dividends that may be imposed by the Group's lenders; (v) the general market conditions; and (vi) any other factors that the Board deems appropriate.

The payment of the dividend by the Company is also subject to any restrictions under the Companies Act of the Cayman Islands and the Articles of Association.

The Board does not recommend the payment of a final dividend for the Year (2021: nil).

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements and restated/reclassified as appropriate, is set out on page 132 of this Annual Report.

INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Details of movements in the investment properties, property, plant and equipment and right-of-use assets of the Group during the Year are set out in notes 14, 13 and 15 to the consolidated financial statements respectively.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in note 27 to the consolidated financial statements.

PERPETUAL CONVERTIBLE SECURITIES

Details of the perpetual convertible securities of the Company during the Year are set out in note 28 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

For the Year, save as disclosed in this Annual Report, the Company has not entered into any equity-linked agreement.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the Companies Act, Chapter 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands where the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

RESERVES

Details of movements in the reserves of the Company and the Group during the Year are set out in note 39(a) to the consolidated financial statements and on page 55 in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES OF THE COMPANY

The aggregate amount of reserves available for distribution to equity shareholders of the Company as at 31 December 2022 amounted to approximately HK$207,374,000 (2021: approximately HK$236,869,000), calculated in accordance with the provisions of the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the purchase from the Group's five largest suppliers accounted for approximately 16% of the total purchases and purchase from the largest supplier included therein accounted for approximately 6% of the total purchases. The revenue of the Group's five largest customers accounted for approximately 39% of the total revenue and the revenue of the largest customer included therein accounted for approximately 31% of the total revenue. During the Year and for the year ended 31 December 2021, revenue from the largest customer represents the aggregate revenue derived from companies controlled by the ultimate controlling Shareholder.

Save as the aforementioned, none of our Directors or any of their respective close associates or, any Shareholder (so far as our Directors were aware, who owned 5% or more of our issued share capital as at 31 December 2022), had any interest in any of our five largest suppliers or our five largest customers in 2022 and 2021.

DIRECTORS

The Directors during the Year and up to the date of this Annual Report were:

Executive Directors:

Mr. Shi Baodong *(Chairman and Chief Executive Officer)*
Mr. Mo Yueming
Mr. Zhao Huining

Non-executive Directors:

Ms. Chang Meiqi (appointed on 29 April 2022)
Ms. Song Sining (resigned on 29 April 2022)

Independent Non-executive Directors:

Mr. Dong Xiaojie
Mr. He Qi
Mr. Suei Feng-jih

In accordance with Articles 116 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being (or, if such number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director shall be subject to retirement at least once every three years at the annual general meeting. The Company's forthcoming circular for annual general meeting will contain the detailed information of the Directors standing for re-election.

Biographical details of the Directors are set out on pages 20 to 23 of this Annual Report.

CHANGES IN DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), the change of the information of the Directors is as follows:

1. Ms. Chang has ceased to be the assistant to president of the finance centre of OVPD and the general manager of the management department of the finance centre of OVPD in January 2023, and serves as the assistant to general manager of the finance management centre of OVPD from January 2023.

2. Mr. Dong has been appointed as the chairman of the board of directors and an executive director of BeijingWest Industries International Limited, a company listed on the Stock Exchange (stock code: 2339) since September 2022.

Save as disclosed above and in the Company's interim report for the six months ended 30 June 2022, during the Year and up to date of this Annual Report, there was no change to information which is required to be disclosed and has been disclosed by the Directors pursuant to paragraphs (a) to (e) and (g) of rule 13.51(2) of the Listing Rules.

DIRECTORS' INDEMNITY

Pursuant to Article 179 of the Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director in defending any proceedings, whether civil or criminal, in which judgement is given in his favour, or in which he is acquitted.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent since the date of their respective appointment date and as at the date of this Annual Report, the Company still considers the independent non-executive Directors to be independent.

DIRECTORS' SERVICE CONTRACTS AND LETTER OF APPOINTMENTS

None of the Directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

SHARE OPTION SCHEME

At the general meeting of the Company held on 5 June 2012, the shareholders approved the adoption of a new share option scheme (the "2012 Option Scheme") and became effective on 11 June 2012. No share option has been granted under the 2012 Option Scheme since its adoption.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in this Annual Report, there was no contract of significance entered into between the Company or its holding companies or any of its subsidiaries and any controlling Shareholders or any of its subsidiaries for the Year.

For the Year, save as disclosed in this Annual Report, none of the Company or any of its subsidiaries has entered into any contract of significance for the provision of services by any controlling Shareholders or any of its subsidiaries.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this Annual Report, none of the Directors or entities connected with the Directors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Year.

EMOLUMENT POLICY

The Remuneration Committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, on the grounds of the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five highest paid individuals are set out in notes 9(a) and 9(b) respectively to the consolidated financial statements in this Annual Report.

During the Year, none of the Directors have waived their emoluments in relation to their services.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2022, the interests and short positions of the Directors and chief executive of the Company in the ordinary shares (the "Shares"), underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including long and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules were as follows:

Name of Director	Capacity	Number of Shares/ underlying shares of the Company held	Approximate percentage of shareholding in the Company (Note 3)
Mr. Shi	Interest in a controlled corporation	10,062,631,816 (Note 1)	77.87%
	Beneficial owner	130,239,145 (Note 2)	1.01%
Ms. Chang	Beneficial owner	650,000	0.01%
Mr. Dong	Beneficial owner	2,014,285	0.02%

Notes:

1. Mr. Shi holds 100% equity interest in Orient Victory Real Estate Group Holdings Limited ("OVRE") and is deemed to be interested in the 10,062,631,816 shares of the Company held by OVRE under the SFO. The interests include the holding of (i) 7,871,142,880 Shares; (ii) the perpetual convertible securities issued in March 2016 (the "2016 March PCS") convertible into 128,771,155 Shares; and (iii) the perpetual convertible securities issued in October 2016 (the "2016 October PCS") convertible into 2,062,717,781 Shares.

2. Mr. Shi beneficially owns 130,239,145 Shares as at 31 December 2022.

3. The approximate percentage was calculated based on 12,922,075,516 Shares in issue as at 31 December 2022.

Save as disclosed above, as at 31 December 2022, none of the Directors or chief executive of the Company has or is deemed to have any long or short position in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including long and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTOR’S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this Annual Report, at no time during the Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS’ INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2022, to the best knowledge of the Directors, the following entities (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Capacity	Number of Shares/ underlying shares of the Company held	Approximate percentage of shareholding in the Company (Note 4)
OVRE (Note 1)	Beneficial owner	10,062,631,816	77.87%
Outstanding Global Holdings Limited (“OGH”) (Note 2)	Person having security interests in shares and perpetual convertible securities of the Company	6,507,039,225	50.36%
Chance Talent Management Limited (“CTM”) (Note 3)	Person having security interests in shares and perpetual convertible securities of the Company	6,630,044,868	51.31%

Notes:

1. OVRE is wholly-owned by Mr. Shi. The interests include the holding of (i) 7,871,142,880 Shares; (ii) the 2016 March PCS convertible into 128,771,155 Shares; and (iii) the 2016 October PCS convertible into 2,062,717,781 Shares.

2. OGH is wholly-owned by China Huarong International Holdings Limited which is indirectly wholly-owned by China Huarong Asset Management Co., Ltd. (a corporation listed on the Stock Exchange (stock code: 2799)). The 6,507,039,225 shares of the Company, in aggregate, comprise security interests in (i) 6,501,273,713 Shares pledged by OVRE; and (ii) the 2016 October PCS (convertible into 5,765,512 Shares) pledged by OVRE.

3. CTM is a limited liability business company incorporated under the laws of the British Virgin Islands and an indirectly wholly-owned special purpose vehicle of CCB International (Holdings) Limited. CCB International (Holdings) Limited is an investment services flagship which is indirectly wholly-owned by China Construction Bank Corporation, a joint-stock company incorporated in the PRC and listed on the Main Board of the Stock Exchange (stock code: 0939) and the Shanghai Stock Exchange (stock code: 601939). The 6,630,044,868 shares of the Company, in aggregate, comprise security interests in (i) 6,501,273,713 Shares pledged by OVRE; and (ii) the 2016 March PCS (convertible into 128,771,155 Shares) pledged by OVRE.

4. The approximate percentage was calculated based on 12,922,075,516 Shares in issue as at 31 December 2022.

Save as disclosed above, as at 31 December 2022, the Directors and the chief executive of the Company are not aware of any other person or corporation having an interest or short positions in the Shares or underlying shares of the Company which would require to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

DIRECTOR'S INTEREST IN COMPETING BUSINESSES

During the Year and up to the date of this Annual Report, the following Director(s) is/are considered to have interests in the following businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group other than those businesses where the Director(s) of the Company was/were appointed as directors or represent the interests of the Company and/or the Group pursuant to the Listing Rules as set out below:

Name of Director	Name of entity which were considered to compete or likely to compete with the business of the Group	Description of competing business	Nature of interest
Mr. Shi	Orient Victory Group HK Holdings Limited 東勝集團香港控股有限公司("OVHK") (Note 1)	Real estate/Property development	Sole director and sole shareholder
	OVPD (東勝房地產開發集團有限公司) (Note 1)	Real estate/Property development	Sole shareholder
	Hebei Jianing Commercial Management Co., Limited* (河北嘉寧商業管理有限公司) (Note 2)	Commercial property management	Sole shareholder
	Hebei Orient Victory Commercial Management Co., Limited* (河北東勝商業管理有限公司) (Note 2)	Commercial property management	Sole shareholder

Notes:

1. As (i) Mr. Shi is fully aware of his fiduciary duty to the Group, and will abstain from voting on any matter where there is or may be a conflict of interest; and (ii) the Group have the right of first refusal on any travel-related property development projects, the Group is capable of carrying its business independently of and at arm's length from the businesses of these entities.

2. As (i) Mr. Shi is fully aware of his fiduciary duty to the Group, and will abstain from voting on any matter where there is or may be a conflict of interest; and (ii) the Group have the right of first refusal on any further projects relating to the property management services and commercial properties and merchants management services, the Group is capable of carrying its business independently of and at arm's length from the businesses of these entities.

Save as disclosed in this Annual Report, as at 31 December 2022, none of the Directors or any of their respective close associates had engaged in or had any interest in any business which causes or may cause any competition with the business of the Group or any conflicts with the interests of the Group.

CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTIONS

Continuing Connected Transactions

During the Year, the Group had the following continuing connected transactions which were subject to reporting, annual review and announcement requirements and, where required, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules:

(1) Renewed Service Agreement with HK Four Seas Tours Limited (香港四海旅行社有限公司) ("HK Four Seas")

On 24 September 2021, Four Seas, an indirect 65%-owned subsidiary of the Company, and HK Four Seas renewed the service agreement dated 30 September 2020 which expired on 3 September 2021 by entering into the renewed service agreement (the "Renewed Service Agreement") for a term of one year from 4 September 2021 to 3 September 2022 (both dates inclusive) with annual cap of HK$26.58 million (the "Original Annual Cap") for the period from 1 January 2022 to 3 September 2022. Pursuant to the Renewed Service Agreement, HK Four Seas shall continue granting a licence to Four Seas for the use of trademarks owned by HK Four Seas and HK Four Seas shall, at cost, sell to Four Seas air tickets purchased from the International Air Transport Association and such other agencies. Four Seas has agreed that it shall purchase a minimum of 1,000 air tickets from HK Four Seas every 3 months during the term (the "Minimum Air Tickets") and the average minimum purchase price of each of the Minimum Air Tickets shall be HK$3,400 (collectively the "Services"). On 18 August 2022, to cope with the expected increasing demand of the Services, the Board resolved to revise the Original Annual Cap to the sum of HK$31.66 million (the "Revised Annual Cap"), while all the terms of the Renewed Service Agreement remain unchanged.

As Four Seas was owned as to 35% by Four Seas BVI and HK Four Seas was a wholly-owned subsidiary of Four Seas BVI, HK Four Seas was a connected person of the Company at the subsidiary level, and the Revised Annual Cap is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules. Further details of the continuing connected transactions are set out in the Company's announcements dated 24 September 2021, 30 September 2021 and 18 August 2022.

The aggregate transaction amount under the Renewed Service Agreement for the period from 1 January 2022 to 3 September 2022 amounted to approximately HK$27.93 million. The Directors confirm that the aggregate transaction amount of the Services for the Year had not exceeded the Revised Annual Cap.

(2) New Framework Agreement with OVPD

On 1 December 2021, the Company entered into a new framework agreement (the "New Framework Agreement") with OVPD in respect of the provision of (i) the event planning and all-round event production services (the "Event Planning Services") in connection with the real estate development business of OVPD and its subsidiaries (collectively the "OVPD Group"); (ii) the property management services (the "Property Management Services"); and (iii) the commercial properties and merchants management services (the "Commercial Properties and Merchants Management Services") by the Group to the OVPD Group for a term commencing on the date of the New Framework Agreement and ending on 31 December 2023. Further details of the New Framework Agreement are set out in the Company's circular dated 28 February 2022.

As OVPD is wholly-owned by Mr. Shi, the chairman of the Company, the chief executive officer of the Company, an executive Director and a controlling Shareholder, OVPD is an associate of Mr. Shi and thus a connected person of the Company. Therefore, the New Framework Agreement and the transactions contemplated thereunder constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios (other than the profits ratio) in respect of the maximum total amount of the annual caps (the "Annual Caps") of the services are more than 5% and exceed HK$10 million, the transactions contemplated under the New Framework Agreement are subject to the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Set out below are the Annual Caps in respect of each of the Event Planning Services, the Property Management Services and the Commercial Properties and Merchants Management Services under the New Framework Agreement, which were approved in the Company's extraordinary general meeting held on 16 March 2022:

	Annual Caps for the year ended 31 December 2022	**Annual Caps for the year ending 31 December 2023**
	RMB (million)	RMB (million)
Event Planning Services	33.7	25.1
Property Management Services	16.5	23.8
Commercial Properties and Merchants Management Services	36.0	36.0

For the Year, the aggregate transaction amounts (including value added tax) of the Event Planning Services, the Property Management Services and the Commercial Properties and Merchants Management Services were RMB18.7 million (equivalent to approximately HK$21.6 million), RMB8.6 million (equivalent to approximately HK$9.9 million) and RMB36.0 million (equivalent to approximately HK$41.7 million) respectively. The Directors confirm that the aggregate transaction amounts of the Event Planning Services, the Property Management Services and the Commercial Properties and Merchants Management Services with the OVPD Group for the Year had not exceeded the respective Annual Caps for the Year.

Connected Transactions

During the Year, the Group had the following connected transactions which were subject to reporting and announcement requirements under Chapter 14A of the Listing Rules:

(1) Acquisition of commercial units located at Shijiazhuang City, Hebei Province, the PRC

Pursuant to the sale and purchase agreements (pre-sale) all dated 20 January 2022 (as supplemented on 20 January 2022) entered into between Qifuqianyue (which is owned as to 51% by OVPD (which is wholly-owned by Mr. Shi)) and Dongsheng PMS (an indirect wholly-owned subsidiary of the Company), Dongsheng PMS agreed to acquire, and Qifuqianyue agreed to sell, 47 commercial units with an estimated aggregate gross floor area of approximately 2,563 square meters located at 17th Floor and 18th Floor, building no. 1, Zijingyuehe Centre (South zone), 2 Fengya Road, Changan District, Shijiazhuang City, Hebei Province, the PRC* (中國河北省石家莊市長安區豐雅路2號紫晶悅和中心南區), for a total consideration of RMB22,876,305 (equivalent to approximately HK$26,467,000). Further details of the acquisition are set out in the Company's announcements dated 20 January 2022 and 21 January 2022. During the Year, Qifuqianyue had completed the filing procedures (i.e. the online signing and record uploaded) of the sale and purchase agreements and Dongsheng PMS had settled the consideration.

As at the date of the sale and purchase agreements (pre-sale) (as supplemented on 20 January 2022), Qifuqianyue was owned as to 51% by OVPD and OVPD was wholly-owned by Mr. Shi, the chairman of the Board, the chief executive officer of the Company, an executive Director and a controlling Shareholder, and the remaining 49% was owned by an independent third party. Accordingly, Qifuqianyue is an associate of Mr. Shi and thus a connected person of the Company, and the acquisition constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. As all the applicable percentage ratios in respect of the acquisition, when aggregated, exceed 0.1% but are less than 5%, pursuant to Chapter 14A of the Listing Rules, the acquisition is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(2) Disposal of 65% interest in Four Seas

Pursuant to the share transfer agreement dated 22 August 2022 entered into between Sleek City Limited (a wholly-owned subsidiary of the Company) and Four Seas BVI, the Group disposed of its 65% interest in Four Seas to Four Seas BVI at a nominal value of HK$1. Further details of the disposal are set out in the Company's announcement dated 22 August 2022. The disposal was completed on 30 August 2022.

As Four Seas BVI was a connected person of the Company at the subsidiary level, the disposal constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. Certain applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the disposal are more than 5% and all of such ratios are below 25%. As (i) the Board has approved the transaction contemplated under the share transfer agreement; and (ii) the Directors (including all the independent non-executive Directors) have confirmed that the share transfer agreement is on normal commercial terms and its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole, the disposal is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and Shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

Confirmations from the Directors, independent non-executive Directors and auditor of the Company

The Directors confirm that the Company had complied with the disclosure requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions and the connected transactions entered into by the Group during the Year.

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the above continuing connected transactions and other fully exempt continuing connected transactions during the Year, and confirmed that the transactions have been entered into:

1. in the ordinary and usual course of business of the Group;

2. on normal commercial terms or better; and

3. according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Mazars CPA Limited ("Mazars"), the auditor of the Company (the "Auditor"), was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Auditor has issued their unqualified letter containing the Auditor's findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with Main Board Listing Rule 14A.56. A copy of the Auditor's letter has been provided by the Company to the Stock Exchange.

The Directors confirm that, save as disclosed above, none of the related party transactions set out in note 34 to the consolidated financial statements constituted connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules that is required to be disclosed. Save as disclosed in note 34 to the consolidated financial statements, the Group had not entered into any connected transactions or continuing connected transactions which are required to be disclosed in this report pursuant to the Listing Rules during the Year.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference in compliance with the Listing Rules. The Audit Committee presently comprises two independent non-executive Directors, namely Mr. Suei Feng-jih (being the chairman of the Audit Committee) and Mr. He Qi, and a non-executive Director, namely Ms. Chang Meiqi.

The Audit Committee is primarily responsible for reviewing and providing supervision over the financial reporting procedure and internal control of the Group. The annual results of the Group for the Year have been reviewed by the Audit Committee. The Audit Committee considers that appropriate accounting policies have been adopted, and the applicable requirements of the Listing Rules have been complied with, in the preparation of relevant results, and sufficient disclosures have been made.

CORPORATE GOVERNANCE

Save as disclosed in the Corporate Governance Report on pages 36 to 44 of this Annual Report, the Company had complied with all applicable code provisions as in force during the Year under the "Corporate Governance Code" (the "CG Code") contained in Appendix 14 of the Listing Rules throughout the Year. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 36 to 44 of this Annual Report.

SIGNIFICANT LEGAL PROCEEDINGS

During the Year, the Company had not involved in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the knowledge of the Directors, at least 25% of the Company's total issued share capital, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, are held by the public at all times as of the date of this Annual Report.

EVENT AFTER THE REPORTING PERIOD

Details of the event after the reporting period are set out in the "Event after the Reporting Period" under the section headed "Management Discussion and Analysis" of this Annual Report.

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

During the Year, the Company did not redeem any of its Shares listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any such shares.

INDEPENDENT AUDITOR

KPMG resigned as the Auditor on 29 July 2022 and Mazars were appointed by the Company on 29 July 2022 to fill the casual vacancy so arising. There have been no others changes of the Auditor in the past three years. A resolution for the reappointment of Mazars as the Auditor will be proposed at the forthcoming annual general meeting of the Company.

APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements of the Group for the Year were approved by the Board on 30 March 2023.

On behalf of the Board

Shi Baodong
Chairman

Hong Kong, 30 March 2023

* denotes an English translation of the Chinese name for identification purpose only.

CORPORATE GOVERNANCE REPORT

The Company is committed to establishing good corporate governance practices and procedures. The corporate governance principles of the Company emphasise accountability and transparency to its Shareholders. Periodic review will be made to the corporate governance practices to comply with the regulatory requirements. After reviewing the effectiveness of the risk management and internal control systems during the Year, the Company considered them effective and adequate.

BOARD COMPOSITION AND BOARD PRACTICES

As at 31 December 2022, the Board consisted of seven Directors, including the chairman, Mr. Shi Baodong, who is also the chief executive officer of the Company and an executive Director, two additional executive Directors, a non-executive Director and three independent non-executive Directors. Not less than one-third of the Board are independent non-executive Directors. A list of the Directors and their respective biographies is set out on pages 20 to 23 of this Annual Report.

The Board composition is regularly reviewed to ensure that it has a balance of skills and experience which is appropriate to the requirement of the business of the Group. A balanced composition of executive Directors and non-executive Directors is maintained to ensure independence and effective management. The Company has satisfied the relevant provision of the Listing Rules in having at least one of the independent non-executive Directors with appropriate professional qualifications or accounting or related financial management expertise.

The appointment of the Directors is recommended by the Nomination Committee and approved by the Board based on a formal written procedure and a policy of the appointment of new Director(s). Skills, experience, expertise, devotion of time and conflicts of interests are the key factors of selecting potential candidates for Director(s). The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. All the current non-executive Directors and independent non-executive Directors were appointed for a term of three years. All the Directors (including non-executive and independent non-executive Directors) are subject to retirement by rotation at least once every three years in accordance with the Articles of Association.

The Board has adopted a policy on board diversity which will be reviewed by the Nomination Committee as appropriate to ensure the effectiveness of this policy. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered based on objective criteria, having due regard for the benefits of diversity on the Board. As at the date of this Annual Report, the Company has one female Director, i.e. Ms. Chang, who is a non-executive Director. Her appointment was approved by the Nomination Committee after taking into account her experience in various areas, including accounting, property management and development and travel sectors as well as her age. Save for Ms. Chang, all the Directors are at the age of over 50 while some of them are over 60. The Company considers that the young age of Ms. Chang would bring the Board new energy and new thoughts, which may improve the business performance of the Group.

The Board is collectively responsible for the formulation of the Group's strategy and overseeing the management of the business and affairs of the Group. The Board delegates the day-to-day management, administration and operations of the Group's business to the management of the relevant segments and divisions. The management is responsible for the implementation and adoption of the Company's strategies and policies. The delegated functions and tasks are periodically reviewed by the Board.

Every newly appointed Director is provided with an induction on the first occasion of his/her appointment to ensure that he/she has adequate understanding of the businesses and operations of the Group. The Directors are also kept informed on a timely basis of their responsibilities and obligations under the Listing Rules, as well as other relevant statutory or regulatory requirements. The Company also encourages its Directors to participate in continuous professional development programmes.

All the Directors have been fully consulted about any matters proposed for inclusion in the agenda of regular meetings. With the assistance of the executive Directors, the chairman seeks to ensure that all the Directors are properly briefed on issues arising at board meetings and have received adequate and reliable information in a timely manner.

The Board held sixteen Board meetings during the Year:

Board	**Attendance (Number of Board meetings attended/ eligible to attend)**
Executive Directors:	
Mr. Shi Baodong	15/16
Mr. Mo Yueming	16/16
Mr. Zhao Huining	14/16
Non-executive Directors:	
Ms. Chang Meiqi (appointed on 29 April 2022)	9/9
Ms. Song Sining (resigned on 29 April 2022)	5/6
Independent Non-executive Directors:	
Mr. Dong Xiaojie	14/16
Mr. He Qi	15/16
Mr. Suei Feng-jih	16/16

Notices of at least fourteen days are given to the Directors for regular meetings, while relevant documents are sent to the Directors not less than three days before the intended date of a board or board committee meeting. With respect to other meetings, the Directors are given as much notices as reasonable and practicable in the circumstances. The Directors can attend meetings in person or through other means of electronic communication in accordance with the Articles of Association. The company secretary of the Company (the "Company Secretary") ensures that the procedures are complied with all applicable rules and regulations. Minutes of board meetings and board committees meetings are kept by the Company Secretary and are available for inspection at any time on reasonable notice by any Director.

The Directors have full access to information of the Group and are able to obtain independent professional advices whenever they deem necessary. Memorandums are issued to the Directors from time to time to update them with legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties.

CORPORATE GOVERNANCE CODE

The Company had complied with all applicable code provisions as in force during the Year under the CG Code throughout the Year except for deviation from code provisions C.1.6 and C.2.1 of the CG Code.

The code provision C.1.6 of the CG Code requires that the independent non-executive directors and other non-executive directors, as equal board members, should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Dong Xiaojie was unable to attend the annual general meeting of the Company held on 30 June 2022 due to other important engagement.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Despite the responsibilities of the chairman and the chief executive officer of the Company vested in Mr. Shi during the Year, all major decisions are made in consultation with the Board. The Board considers that there is sufficient balance of power; and the current corporate arrangement maintains a strong management position of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct for dealings in securities of the Company by the Directors.

Specific enquiries have been made with all the Directors, who have confirmed that they complied with the required standards as set out in the Model Code throughout the Year.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the maintenance of a sound and effective risk management and internal control systems of the Group and has established the Group's internal control policies and procedures for monitoring the internal control systems. Such systems are designated to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Recognising that a well-designed and effective system of internal control is crucial to safeguard the assets of the Company and the Shareholders' investment and to ensure the reliability of financial reporting as well as compliance with the relevant requirement of the Listing Rules, a team, comprising qualified accountants and management of the Company, has been organised to carry out the internal audit function of the Company (the "IA Team").

Based on the assessment of risk exposure, the IA Team formulates audit plans periodically and ensures the audit programs cover key internal control areas of key operating subsidiaries for the review by the Audit Committee at regular intervals. The scopes and timing of audit reviews are usually determined according to risk assessment.

Special reviews may also be performed on areas of concern identified by management or the Audit Committee from time to time. Communication channel has been established between the IA Team and the members of the Audit Committee.

The Audit Committee reviews the findings and recommendations of the IA Team in their meetings held at least twice a year and reports to the Board on such review. In respect of the Year, the Board, through the Audit Committee, reviewed the overall effectiveness of the Group's risk management and internal control systems, covering financial, operational and compliance controls and risk management functions, which included the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function, and their training programmes and budget.

The Group acknowledges its responsibilities under the SFO and the Listing Rules and the overriding principle that inside information should be announced immediately when it is the subject of a decision. The Group will ensure that inside information will be disclosed to the public through public announcements and its website as soon as reasonably practicable pursuant to the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012. Besides, all inside information will be kept strictly confidential before disclosing to the public and only the relevant persons will have access to such information.

The Board believes that there are no material internal controls deficiencies that may affect the Shareholders and an effective and adequate risk management and internal control system are in place to safeguard the assets of the Group. The Group will continue to enhance the system to cope with the changes in the business environment.

RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group and ensure that the preparation of the consolidated financial statements of the Group is in accordance with statutory requirements and applicable accounting standards.

The statement of the Auditor's reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 45 to 50 of this Annual Report.

AUDITOR'S REMUNERATION

The Group's consolidated financial statements for the Year was audited by Mazars, of which the term of office as the Auditor will expire at the forthcoming annual general meeting, and for which it's eligible to offer themselves for re-appointment.

For the Year, the remuneration paid or payable to Mazars in respect of statutory annual audit services (i.e. statutory annual audit services) and non-audit services (i.e. non-audit services for the Group's interim report and report on the Group's continuing connected transactions) is of approximately HK$1.706 million and HK$0.145 million respectively.

WORKFORCE

In terms of workforce of the Group, as at 31 December 2022, the Group has 2,312 employees (including the Board and senior management). Among which, there were 1,356 male employees and 956 female employees. Based on the current sex ratio in the Group's workforce, the Board is of the view that the Company has basically achieved a certain degree of balanced diversity. Nevertheless, the Company aims to further enhance its diversity in workforce by introducing more staff with different sex and age (subject to job nature) and expects to perform a further review of its diversity in workforce by the end of 2023.

COMPANY SECRETARY

Mr. Liu Kin Wai, the Company Secretary, is a full-time employee of the Company and has complied with the relevant professional training required under Rule 3.29 of the Listing Rules during the Year.

CONTINUOUS PROFESSIONAL DEVELOPMENT FOR DIRECTORS AND SENIOR MANAGEMENT

The Directors must keep abreast of their collective responsibilities. Each newly appointed Director receives an induction package covering the Group's businesses and the statutory and regulatory obligations of a director of a listed company.

Apart from updates on regulatory changes and governance developments provided by the Company, the Directors are encouraged to participate in professional trainings and seminars to develop and refresh their knowledge and skill. During the Year, training had been provided by external professional parties. Further, the Company has continuously provided reading materials and other updated information regarding latest development of the Listing Rules and other applicable regulations to the Directors for their reference and study.

The Company encourages the senior management to improve their professional knowledge by attending the external seminars and participating in the internal trainings provided by the Company.

AUDIT COMMITTEE

For the Year, the Audit Committee consists of two independent non-executive Directors, namely Mr. Suei Feng-jih (being the chairman of the Audit Committee) and Mr. He Qi, and the non-executive Director, namely Ms. Song Sining (ceased to be a member of the Audit Committee on 29 April 2022) and Ms. Chang Meiqi (appointed as a member of the Audit Committee on 29 April 2022).

The principal duties of the Audit Committee, in accordance with its terms of reference, are substantially the same as those under the CG Code, including review of the Group's financial reporting system and internal control procedures, review of financial information of the Group, review of interim and annual results of the Group, (unless expressly addressed by a separate risk committee or the Board itself) review of the risk management and internal control systems, the effectiveness of the Company's internal audit function, and other duties under the CG Code, and review of the relationship with the Auditor.

The Audit Committee was also delegated by the Board to be responsible for performing the corporate governance duties under the CG Code, which includes developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board, reviewing and monitoring the training and continuous professional development of the Directors and senior management, reviewing and monitoring the Company's policies and practices being in compliance with the legal and regulatory requirements, and reviewing the Company's compliance with the CG Code.

The Audit Committee held four meetings during the Year in which representatives of the management were present to review the interim and annual results, the interim report and annual report, the change of the Auditor, and other financial, internal control and corporate governance matters. The Board has not taken a different view from that of the Audit Committee regarding the selections, appointment, resignation or dismissal of the Auditor. The Auditor was present in three of the meetings.

Audit Committee	**Attendance (Number of meetings attended/eligible to attend)**
Mr. Suei Feng-jih *(Chairman)*	4/4
Mr. He Qi	4/4
Ms. Chang Meiqi (appointed on 29 April 2022)	3/3
Ms. Song Sining (resigned on 29 April 2022)	0/1

REMUNERATION COMMITTEE

The Remuneration Committee performs the remuneration function under the CG Code. The Remuneration Committee consists of one executive Director, namely Mr. Shi Baodong, and two independent non-executive Directors, namely Mr. Dong Xiaojie (chairman of the Remuneration Committee) and Mr. Suei Feng-jih.

The principal duties of the Remuneration Committee, in accordance with its terms of reference, are substantially the same as those under the CG Code, which include determining the policy for the remuneration of executive Directors, assessing performance of executive Directors, approving the terms of executive Directors' service contracts, and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management. On 17 January 2023, the Company amended the terms of reference of the Remuneration Committee by adding reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules as part of its duty.

The Remuneration Committee held one meeting during the Year and the attendance record is set out below:

Remuneration Committee	**Attendance (Number of meetings attended/eligible to attend)**
Mr. Dong Xiaojie *(Chairman)*	1/1
Mr. Shi Baodong	1/1
Mr. Suei Feng-jih	1/1

During such meeting, the Remuneration Committee reviewed the policies for the remuneration of Directors and senior management, including basic salaries, discretionary performance bonus and other emoluments, based on skills, knowledge, involvement in the Company's affairs and performance of the individual executive Director and senior management with reference to the Company's performance and profitability, as well as industry practice.

NOMINATION COMMITTEE

The Nomination Committee performs the nomination function under the CG Code. The Nomination Committee consists of one executive Director, namely Mr. Shi Baodong (chairman of the Nomination Committee), and two independent non-executive Directors, namely Mr. He Qi and Mr. Suei Feng-jih.

The principal duties of the Nomination Committee, in accordance with its terms of reference, are substantially the same as those under the CG Code, which include reviewing the structure and composition of the Board, identification of suitably qualified Board candidates, and determining the policy for the nomination of the Directors.

The Nomination Committee held two meetings during the Year and the attendance record is set out below:

Nomination Committee	Attendance (Number of meetings attended/eligible to attend)
Mr. Shi Baodong *(Chairman)*	2/2
Mr. He Qi	2/2
Mr. Suei Feng-jih	2/2

During such meetings, the Nomination Committee reviewed the structure, size and composition of the Board, assessed the independence of independent non-executive Directors and made recommendations to the Board on the appointment of Ms. Chang and reappointment of the Directors.

Reimbursement is allowed for out-of-pocket expenses incurred in connection with the performance of their duties including attendance at board meetings and committee meetings.

SHAREHOLDERS' RIGHTS

Information is communicated to the Shareholders mainly through the Company's corporate communications (such as interim and annual reports, announcements and circulars), annual general meeting and other general meetings, as well as disclosure on the website of the Company.

Interim reports, annual reports and circulars are sent to the Shareholders in a timely manner and are available on the website of the Company. The Company's website provides Shareholders with the corporate information of the Group.

Shareholders are provided with contact details of the Company to enable them to make enquiries with respect to the Company's affairs. Shareholders can also send their enquiries to the Company through these channels or contact Union Registrars Limited, the Company's share registrar and transfer office in Hong Kong, in case of enquiries about their respective shareholdings in the Company.

Shareholders may at any time send their enquiries and concerns to the Board in writing to the Company's registered office in Hong Kong at 1201B, 12/F., Tower 1 Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong. Shareholders may also send such enquiries and concerns to ovchina@orientvictory.com.cn, an email specifically set up by the Company for investor communications.

Annual general meeting of the Company ("AGM(s)") allows the Directors to meet and communicate with Shareholders. The Company ensures that Shareholders' views are communicated to the Board. The chairman of the AGM proposes separate resolutions for each issue to be considered. Members of the Audit Committee, the Remuneration Committee and the Nomination Committee and the external auditor also attend the AGMs to answer questions from Shareholders. AGM proceedings are reviewed from time to time to ensure that the Company follows good corporate governance practices. Notices of AGMs are distributed to all Shareholders at least 21 days prior to the respective AGMs. The accompanying circular sets out the details of each proposed resolution and other relevant information as required under the Listing Rules. Voting results are posted on the Company's website on the day of the AGM.

The Articles of Association set out the procedures for the Shareholders to convene general meetings, move a resolution at general meetings and propose a person for election as a Director, which are available at the Company's corporate website http://www.orientvictory.com.hk.

Extraordinary general meetings of the Company ("EGM(s)") shall be convened on the requisition of any one Shareholder, who is a recognised clearing house (or its nominee), or any two or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid-up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 3 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed with convening such meeting, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them may convene such meeting, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The Company held two general meetings during the Year:

Directors	**Attendance (Number of general meetings attended/ eligible to attend)**
Executive Directors:	
Mr. Shi Baodong	2/2
Mr. Mo Yueming	2/2
Mr. Zhao Huining	2/2
Non-executive Directors:	
Ms. Chang Meiqi (appointed on 29 April 2022)	1/1
Ms. Song Sining (resigned on 29 April 2022)	1/1
Independent Non-executive Directors:	
Mr. Dong Xiaojie	1/2
Mr. He Qi	2/2
Mr. Suei Feng-jih	2/2

CONSTITUTIONAL DOCUMENTS

During the Year, the Company had not made any changes to its Articles of Association. However, the Company proposes to make certain amendments to its existing Articles of Association to, among other things, (i) conform the existing Articles of Association to the Core Shareholder Protection Standards set out in Appendix 3 to the Listing Rules; (ii) reflect certain updates in relation to the Listing Rules and the applicable laws of the Cayman Islands; and (iii) make other consequential and housekeeping improvements in the forthcoming AGM to be held in June 2023. The Company will publish an announcement as and when appropriate.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Environmental, Social and Governance Report of the Group is issued simultaneously with this Annual Report, which is available only on the websites of the Stock Exchange and the Company.

MAZARS CPA LIMITED
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Opinion

We have audited the consolidated financial statements of Orient Victory Smart Urban Services Holding Limited (formerly known as Orient Victory Travel Group Company Limited) (the "Company") and its subsidiaries (together the "Group") set out on pages 51 to 130, which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters *(continued)*

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties	
Refer to significant accounting policies in note 2 and the disclosure of investment properties in note 14 to the consolidated financial statements.	
The Group's investment properties measured at fair value amounted to HK$82,437,000 as at 31 December 2022. The fair values were determined with reference to the valuation carried out by an independent professional valuer engaged by the management. We have identified this matter to be a key audit matter because the amount is significant and the valuation of investment properties involved significant judgements and estimates including the determination of valuation techniques and the selection of input data used in the valuation models.	Our audit procedures to assess the valuation of the investment properties included the following: • Obtaining and reviewing the valuation reports prepared by the independent professional valuers engaged by the management; • Evaluating the competence, capabilities and objectivity of the independent professional valuer; • Discussing with the independent professional valuer to understand the valuation methodologies and key estimate and assumptions adopted; • Assessing the reasonableness of the significant assumptions adopted in the valuation; • Checking the accuracy and relevance of the key inputs used in the valuation; and • Challenging the judgement and estimates made by management and the valuer regarding the factors considered during the assessment.

Key audit matters *(continued)*

Key audit matter	How our audit addressed the key audit matter
Loss allowance for expected credit losses ("ECL") on amounts due from an associate	
Refer to significant accounting policies in note 2 and the disclosure of amounts due from an associate in note 18 to the consolidated financial statements.	
As at 31 December 2022, the Group recorded the amounts due from an associate of approximately HK$141,901,000. We considered this matter to be a key audit matter because of the assessment of loss allowances for amounts due from an associate requires significant judgement and estimates by the management.	Our key procedures, among others, included: • Obtaining an understanding of and evaluating the Group's credit policies; • Assessing management's judgement over the ECL and creditworthiness of an associate by assessing the available information, such as financial information, past collection history, concentration risk, the Group's actual loss experience, subsequent settlement and ageing analysis of an associate, adjusted for forward-looking factors specific to an associate and the economic environment; • Assessing the credit quality, practicality and feasibility of the guarantee provided by a related party (the "guarantor") in respect of recovering the amounts due through the sales proceeds of certain properties held by the guarantor; and • Challenging the critical judgements made by management regarding the factors considered during the ECL assessment.

Other information

The directors of the Company are responsible for the other information. The other information comprises the information included in the 2022 annual report of the Company but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's responsibilities for the audit of the consolidated financial statements *(continued)*

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor's responsibilities for the audit of the consolidated financial statements *(continued)*

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Mazars CPA Limited
Certified Public Accountants
Hong Kong, 30 March 2023

The engagement director on the audit resulting in this independent auditor's report is:
Fung Shiu Hang
Practising Certificate number: P04793

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2022

	Notes	2022 HK$'000	2021 HK$'000 (Re-presented) (Note)
Continuing operations:			
Revenue	3	226,967	128,352
Cost of sales and services		(158,489)	(92,121)
Gross profit		68,478	36,231
Other income	5	4,552	3,171
Selling, general and administrative expenses		(35,741)	(57,861)
Impairment of intangible assets		–	(4,213)
Share of results of an associate	18	(2,578)	41
Fair value changes on investment properties	14	(6,840)	3,144
Gain on acquisition of subsidiaries		–	2,986
Finance costs	6	(2,891)	(1,721)
Profit (Loss) before taxation	7	24,980	(18,222)
Income tax	8	(3,223)	(5,669)
Profit (Loss) for the year from continuing operations		21,757	(23,891)
Discontinued operations:			
Profit for the year from discontinued operations	32	6,158	3,157
Profit (Loss) for the year		27,915	(20,734)
Attributable to:			
Equity holders of the Company			
– continuing operations		23,661	(14,626)
– discontinued operations	32	6,158	4,218
		29,819	(10,408)
Non-controlling interests			
– continuing operations		(1,904)	(9,265)
– discontinued operations		–	(1,061)
		(1,904)	(10,326)
Profit (Loss) for the year		27,915	(20,734)
Basic and diluted earnings (loss) per share	11		
– continuing operations		HK0.03 cent	(HK0.21 cent)
– discontinued operations		HK0.05 cent	HK0.03 cent

Note: The re-presentation of comparative information is attributable to (i) the discontinued operations; and (ii) the reclassification of certain comparative figures, where necessary, to conform to the basis of presentation and the classification adopted in the current year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Note	2022 HK$'000	2021 HK$'000 (Re-presented) (Note)
Profit (Loss) for the year		**27,915**	(20,734)
Other comprehensive income (loss)			
Items that are reclassified or may be reclassified subsequently to profit or loss:			
– exchange differences on translation of foreign operations		**(45,484)**	16,996
– exchange difference on translation of share of other comprehensive income of an associate	18	**(2,559)**	–
– exchange reserve recycled to profit or loss upon disposal of subsidiaries		**–**	718
		(48,043)	17,714
Total comprehensive loss for the year		**(20,128)**	(3,020)
Attributable to:			
Equity holders of the Company			
– continuing operations		**(21,961)**	2,202
– discontinued operations		**6,158**	4,130
		(15,803)	6,332
Non-controlling interests			
– continuing operations		**(4,325)**	(8,291)
– discontinued operations		**–**	(1,061)
		(4,325)	(9,352)
Total comprehensive loss for the year		**(20,128)**	(3,020)

Note: The re-presentation of comparative information is attributable to the discontinued operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	2022 HK$'000	2021 HK$'000 (Re-presented) (Note)
Non-current assets			
Goodwill	12	–	–
Property, plant and equipment	13	155,629	105,704
Investment properties	14	82,437	100,599
Right-of-use assets	15	27,046	32,151
Intangible assets	16	109	159
Investments in an associate	18	27,779	32,916
Prepayments, deposits and other receivables	21	25,614	–
Deferred tax assets	26	2,088	2,625
		320,702	274,154
Current assets			
Inventories	19	15,535	16,385
Trade receivables	20	65,656	30,607
Amounts due from an associate	18	141,901	153,943
Prepayments, deposits and other receivables	21	61,854	160,688
Restricted bank deposits	22	315	1,423
Cash and cash equivalents	22	205,857	255,219
		491,118	618,265
Current liabilities			
Trade payables	23	45,545	31,178
Contract liabilities	23	25,297	29,688
Other payables	23	60,194	96,730
Tax payable		5,337	1,390
Lease liabilities	24	7,704	9,024
Provisions		930	1,010
		145,007	169,020
Net current assets		346,111	449,245
Total assets less current liabilities		666,813	723,399
Non-current liabilities			
Lease liabilities	24	47,134	62,450
Deferred tax liabilities	26	12,734	13,226
Provisions		662	1,729
		60,530	77,405
NET ASSETS		606,283	645,994

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	2022 HK$'000	2021 HK$'000 (Re-presented) (Note)
Capital and reserves			
Share capital	27	64,610	64,610
Perpetual convertible securities	28	296,274	296,274
Reserves	29	228,272	262,490
Equity attributable to equity holders of the Company		589,156	623,374
Non-controlling interests		17,127	22,620
TOTAL EQUITY		606,283	645,994

Note: Certain comparative figures have been reclassified, where necessary, to conform to the basis of presentation and the classification adopted in the current year.

The consolidated financial statements on pages 51 to 130 were approved and authorised for issue by the Board of Directors on 30 March 2023 and signed on its behalf by:

Shi Baodong
Chairman

Mo Yueming
Director

	Attributable to equity holders of the Company							
		Reserves						
	Share capital HK$'000 (Note 27)	Share premium HK$'000 (Note 29)	Perpetual convertible securities HK$'000 (Note 28)	Exchange reserve HK$'000 (Note 29)	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2021	64,610	635,378	296,274	6,850	(378,292)	624,820	77,733	702,553
Loss for the year	–	–	–	–	(10,408)	(10,408)	(10,326)	(20,734)
Other comprehensive income:								
Items that are reclassified or may be reclassified subsequently to profit or loss								
Exchange differences on translation of foreign operations	–	–	–	16,740	–	16,740	256	16,996
Exchange reserve recycled to profit or loss upon disposal of subsidiaries	–	–	–	–	–	–	718	718
Other comprehensive income for the year	–	–	–	16,740	–	16,740	974	17,714
Total comprehensive income (loss) for the year	–	–	–	16,740	(10,408)	6,332	(9,352)	(3,020)
Transactions with owners:								
Contribution and distribution								
Contribution from a non-controlling shareholder	–	–	–	–	–	–	2,809	2,809
Distribution to holders of perpetual convertible securities	–	–	–	–	(7,937)	(7,937)	–	(7,937)
Equity-settled share-based transactions (Note 25)	–	159	–	–	–	159	–	159
	–	159	–	–	(7,937)	(7,778)	2,809	(4,969)
Changes in ownership interests								
Deemed disposal of a subsidiary	–	–	–	–	–	–	(48,570)	(48,570)
	–	159	–	–	(7,937)	(7,778)	(45,761)	(53,539)
At 31 December 2021	64,610	635,537	296,274	23,590	(396,637)	623,374	22,620	645,994

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Attributable to equity holders of the Company								
		Reserves							
	Share capital HK$'000 (Note 27)	Share premium HK$'000 (Note 29)	Perpetual convertible securities HK$'000 (Note 28)	Exchange reserve HK$'000 (Note 29)	Other reverse HK$'000 (Note 31)	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2022	64,610	635,537	296,274	23,590	–	(396,637)	623,374	22,620	645,994
Profit (Loss) for the year	–	–	–	–	–	29,819	29,819	(1,904)	27,915
Other comprehensive loss:									
Items that are reclassified or may be reclassified subsequently to profit or loss									
Exchange differences on translation of foreign operations	–	–	–	(43,063)	–	–	(43,063)	(2,421)	(45,484)
Exchange difference on translation of share of other comprehensive income of an associate	–	–	–	(2,559)	–	–	(2,559)	–	(2,559)
	–	–	–	(45,622)	–	–	(45,622)	(2,421)	(48,043)
Total comprehensive income (loss) for the year	–	–	–	(45,622)	–	29,819	(15,803)	(4,325)	(20,128)
Transactions with owners:									
Contribution and distribution									
Contribution from a non-controlling shareholder	–	–	–	–	–	–	–	3,305	3,305
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	(2,539)	(2,539)
Distribution to holders of perpetual convertible securities	–	–	–	–	–	(15,874)	(15,874)	–	(15,874)
Equity-settled share-based transactions (Note 25)	–	219	–	–	–	–	219	–	219
	–	219	–	–	–	(15,874)	(15,655)	766	(14,889)
Changes in ownership interests									
Acquisition of remaining non-controlling interests (note 31)	–	–	–	–	(2,760)	–	(2,760)	(3,087)	(5,847)
Disposal of a subsidiary (note 32)	–	–	–	–	–	–	–	3,321	3,321
Non-controlling interests of subsidiaries disposed in prior years	–	–	–	–	–	–	–	(2,168)	(2,168)
	–	–	–	–	(2,760)	–	(2,760)	(1,934)	(4,694)
	–	219	–	–	(2,760)	(15,874)	(18,415)	(1,168)	(19,583)
At 31 December 2022	64,610	635,756	296,274	(22,032)	(2,760)	(382,692)	589,156	17,127	606,283

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2022

	Notes	2022 HK$'000	2021 HK$'000 (Re-presented) (Note)
OPERATING ACTIVITIES			
Profit (Loss) before taxation			
– continuing operations		24,980	(18,222)
– discontinued operations		6,158	5,039
		31,138	(13,183)
Adjustments for:			
Fair value changes on investment properties	14	6,840	(3,144)
Depreciation and amortisation			
– property, plant and equipment		7,052	5,071
– right-of-use assets		3,291	2,571
– intangible assets		39	39
Impairment of intangible assets		–	4,213
Interest income		(3,081)	(3,171)
Finance costs		2,930	1,919
Share of results of an associate		2,578	(41)
Loss allowance on trade receivables		3,523	1,059
(Reversal of) Provision for bad debt of other receivables		(5,209)	15,595
Loss on disposal of investment properties and lease liabilities, net		61	–
Loss on disposal of discontinued operations		–	295
Gain on disposal of interest in a subsidiary	32	(6,168)	–
Gain on acquisition of subsidiaries		–	(2,986)
Write-off of property, plant and equipment, net		58	41
Equity-settled share-based payment expenses		219	159
Operating cash flows before changes in working capital		43,271	8,437
Changes in working capital:			
Assets held-for-sale		–	47,538
Inventories		(460)	98,886
Trade receivables		(51,282)	(8,165)
Prepayments, deposits and other receivables		35,362	(81,130)
Trade payables		37,740	5,133
Contract liabilities		(6,017)	8,401
Other payables		(18,071)	(3,660)
Net cash generated from operations		40,543	75,440
Income tax paid		(950)	(2,036)
Interest received		3,081	3,171
Net cash generated from operating activities		42,674	76,575

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2022

	Notes	2022 HK$'000	2021 HK$'000 (Re-presented) (Note)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(66,613)	(17,711)
Deposits paid for acquisition of investment properties		(26,313)	–
Proceeds from disposal of property, plant and equipment		–	515
Proceeds from refund of prepaid investments		–	81,497
Net cash outflow on disposal of a subsidiary	32	(8,676)	(106)
Repayment from (loans to) third parties		57,850	(61,156)
Net decrease in restricted bank deposits		1,108	816
Net cash (used in) generated from investing activities		(42,644)	3,855
FINANCING ACTIVITIES	30		
New other borrowings raised		1,573	830
Net cash outflow on acquisition of non-controlling interests of a subsidiary	31	(5,847)	(2,355)
Contribution from a non-controlling shareholder		3,305	2,809
Dividend paid to non-controlling interests	17	(2,539)	–
Distributions paid to holders of perpetual convertible securities	28	(15,874)	(7,937)
Repayment of lease liabilities		(7,771)	(3,392)
Interest paid		(2,930)	(1,919)
Net cash used in financing activities		(30,083)	(11,964)
Net (decrease) increase in cash and cash equivalents		(30,053)	68,466
Cash and cash equivalents at the beginning of the reporting period		255,219	179,309
Effect of foreign exchange rate changes		(19,309)	7,444
Cash and cash equivalents at the end of the reporting period	22	205,857	255,219

Note: The re-presentation of comparative information is attributable to the discontinued operations.

1. General

Orient Victory Smart Urban Services Holding Limited (formerly known as Orient Victory Travel Group Company Limited) (the "Company") is an exempted limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The address of the registered office and principal place of business of the Company are disclosed in the "Corporation Information" section of the annual report.

With effect from 11 July 2022, the name of the Company was changed from Orient Victory Travel Group Company Limited to Orient Victory Smart Urban Services Holding Limited.

The principal activity of the Company is investment holding. Details of the principal subsidiaries of the Company and their principal activities are disclosed in note 17 to the consolidated financial statements. In the opinion of the directors of the Company, the immediate and ultimate holding company of the Company is Orient Victory Real Estate Group Holdings Limited, which is incorporated in the British Virgin Islands (the "BVI") and is wholly owned by Mr. Shi Baodong ("Mr. Shi"), the controlling shareholder, an executive director and the chief executive officer of the Company.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company and its subsidiaries (collectively referred to as the "Group"), except for the subsidiaries established in the People's Republic of China (the "PRC") whose functional currency are Renminbi ("RMB"). All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2. Significant accounting policies

Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure requirements under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and the Companies Ordinance.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2021 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year.

Adoption of new/revised HKFRSs

Amendments to HKFRS 16: Covid-19-Related Rent Concessions Beyond 30 June 2021

The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and allow lessees to account for such rent concessions as if they were not lease modifications. It applies to covid-19-related rent concessions that reduce lease payments due on or before 30 June 2022. The amendments do not affect lessors.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

2. Significant accounting policies *(continued)*

Adoption of new/revised HKFRSs *(continued)*

Amendments to HKAS 16: Proceeds before Intended Use

The amendments clarify the accounting requirements for proceeds received by an entity from selling items produced while testing an item of property, plant or equipment before it is used for its intended purpose. An entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss and measures the cost of those items applying the measurement requirements of HKAS 2.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKAS 37: Cost of Fulfilling a Contract

The amendments clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (for example, direct labour and materials) and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKFRS 3: Reference to the Conceptual Framework

The amendments update a reference in HKFRS 3 to the Conceptual Framework for Financial Reporting issued in 2018. The amendments also add to HKFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying HKFRS 3 should instead refer to HKAS 37. The exception has been added to avoid an unintended consequence of updating the reference.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Annual Improvements Project – 2018–2020 Cycle

HKFRS 1: Subsidiary as a First-time Adopter

This amendment simplifies the application of HKFRS 1 for a subsidiary that becomes a first-time adopter of HKFRSs later than its parent – i.e. if a subsidiary adopts HKFRSs later than its parent and applies HKFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to HKFRSs.

HKFRS 9: Fees in the "10 per cent" Test for Derecognition of Financial Liabilities

This amendment clarifies that – for the purpose of performing the "10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

HKFRS 16: Lease Incentives

The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, Example 13 is not clear as to why such payments are not a lease incentive.

2. Significant accounting policies *(continued)*

Adoption of new/revised HKFRSs *(continued)*

Annual Improvements Project – 2018–2020 Cycle (continued)

HKAS 41: Taxation in Fair Value Measurements

This amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in HKAS 41 with those in HKFRS 13.

These amendments do not have significant impact on the consolidated financial statements.

A summary of the principal accounting policies adopted by the Group is set out below:

Basis of measurement

The measurement basis used in the preparation of the consolidated financial statements is historical cost, except for investment properties that are measured at fair values as explained in the accounting policies set out below.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra- group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Non-controlling interests are presented, separately from equity holders of the Company, in the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, are measured initially either at fair value or at the present ownership instrument's proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by- acquisition basis other types of non-controlling interests are initially measured at fair value, unless another measurement basis is recognised by HKFRSs.

Allocation of total comprehensive income

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests. Total comprehensive income is attributed to the equity holders of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in ownership interest

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

2. Significant accounting policies *(continued)*

Basis of consolidation *(continued)*

Changes in ownership interest (continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset, associate, joint venture or others as appropriate from the date when control is lost.

A discontinued operation is a component of the Group, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale in accordance with HKFRS 5, if earlier. It also occurs when the operation is abandoned.

When an operation is classified as discontinued, a single amount is presented in the statement of profit or loss and other comprehensive income, which comprises:

(i) the post-tax profit or loss of the discontinued operation; and

(ii) the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets.

Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position which is presented within these notes, investments in subsidiaries are stated at cost less accumulated impairment losses. The carrying amount of the investments is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

2. Significant accounting policies *(continued)*

Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The Group's investments in an associate is accounted for under the equity method of accounting, except when the investment or a portion thereof is classified as held for sale. Under the equity method, the investment is initially recorded at cost and adjusted thereafter for the post-acquisition changes in the Group's share of the investee's net assets and any impairment loss relating to the investment. Except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee, the Group discontinues recognising its share of further losses when the Group's share of losses of the investee equals or exceeds the carrying amount of its interest in the investee, which includes any long term interests that, in substance, form part of the Group's net investment in the investee.

Goodwill arising on acquisition of an associate is measured as the excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the acquired associate. Such goodwill is included in interests in associates. On the other hand, any excess of the Group's share of its net fair value of identifiable assets and liabilities over the cost of investment is recognised immediately in profit or loss as an income.

Unrealised profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the investees, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

Business combination and Goodwill

Goodwill arising on an acquisition of a business is measured at the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree (if applicable) and the fair value of any previously held equity interests in the acquiree over the acquisition date amounts of the identifiable assets acquired and the liabilities assumed of the acquired business.

Goodwill on acquisition of business is recognised as a separate asset and is carried at cost less accumulated impairment losses, which is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment test and determination of gain or loss on disposal, goodwill is allocated to cash-generating units. An impairment loss on goodwill is not reversed.

On the other hand, any excess of the acquisition date amounts of identifiable assets acquired and the liabilities assumed of the acquired business over the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree (if applicable) and the fair value of the acquirer's previously held interest in the acquiree, if any, after reassessment, is recognised immediately in profit or loss as an income from bargain purchase.

Any resulting gain or loss arising from remeasuring the previously held equity interests in the acquiree at the acquisition-date fair value is recognised in profit or loss or other comprehensive income, as appropriate.

2. Significant accounting policies *(continued)*

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment over their estimated useful lives from the date on which they are available for use and after taking into account their estimated residual value, using the straight-line method at the following rates per annum. Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis and depreciated separately.

Buildings	2.5% to 5%
Furniture and leasehold improvements	10% to 25%, or over the lease term, whichever is shorter
Machinery and equipment	9.5% to 33.33%
Motor vehicles	9.5% to 33.33%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

Investment properties

Investment properties are land and/or building that are held by owner to earn rental income and/or for capital appreciation. These include properties held for a currently undetermined future use, properties that are being constructed or developed for future use as investment properties and properties that are held under operating lease, which satisfy the definition of investment property and are carried at fair value.

Investment properties are stated at fair value at the end of the reporting period. Any gain or loss arising from a change in fair value is recognised in profit or loss. The fair value of investment property is based on a valuation by an independent valuer who holds a recognised professional qualification and has recent experience in the location and category of property being valued. The fair value reflects, among other things, rental income from current leases and other assumptions that market participants would use when pricing investment property under current market conditions. and is adjusted for separately recognised assets or liabilities to avoid double-counting assets or liabilities.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the item is derecognised.

If an item of investment property becomes owner-occupied property for the Group's own use, the Group accounts for such property in accordance with the accounting policy stated under "Investment properties" up to the date of change in use. At the date of transfer, the properties are stated at fair value with difference recognised in the profit or loss and are subsequently stated at cost less accumulated depreciation and accumulated impairment losses under property, plant and equipment.

2. Significant accounting policies *(continued)*

Intangible assets

Travel licenses and others

The initial cost of acquiring travel licenses and others is capitalised. Travel licenses and others with indefinite useful lives are carried at cost less accumulated impairment losses. Travel licenses and others with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided on the straight-line basis over their estimated useful lives ranging from 1 to 2 years.

Computer software

The initial cost of acquiring computer software is capitalised. Computer software with indefinite useful lives are carried at cost less accumulated impairment losses. Computer software with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided on the straight-line basis over their estimated useful lives ranging from 3 to 8 years.

Land use rights

Land use right are up-front payments to acquire fixed term interests in lessee-occupied land that are classified as operating leases. The premiums are stated at cost less accumulated amortisation and impairment losses and are amortised over the period of the lease on a straight-line basis to profit or loss, which are accounted for as right-of-use assets.

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay.

2. Significant accounting policies *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Classification and measurement

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income ("Mandatory FVOCI"); (iii) Designated FVOCI; or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

(a) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include trade and other receivables, amounts due from an associate and cash and cash equivalents.

2. Significant accounting policies *(continued)*

Financial instruments *(continued)*

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables, contract liabilities and interest-bearing borrowings. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Impairment of financial assets and other items

The Group recognises loss allowances for expected credit losses ("ECL") on financial assets that are measured at amortised cost and lease receivables to which the impairment requirements apply in accordance with HKFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

2. Significant accounting policies *(continued)*

Financial instruments *(continued)*

Impairment of financial assets and other items (continued)

Measurement of ECL *(continued)*

Where ECL is measured on a collective basis, the financial instruments are grouped based on the following one or more shared credit risk characteristics:

(a) past due information

(b) nature of instrument

(c) nature of collateral

(d) industry of debtor

(e) geographical location of debtors

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument meets any of the following criteria:

(a) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or

(b) there is a breach of financial covenants by the counterparty.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

2. Significant accounting policies *(continued)*

Financial instruments *(continued)*

Impairment of financial assets and other items (continued)

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. In particular, the following information is taken into account in the assessment:

- the debtor's failure to make payments of principal or interest on the due dates;
- an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Notwithstanding the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Low credit risk

A financial instrument is determined to have low credit risk if:

(a) it has a low risk of default;

(b) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and

(c) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

2. Significant accounting policies *(continued)*

Financial instruments *(continued)*

Impairment of financial assets and other items (continued)

Simplified approach of ECL

For trade receivables without a significant financing component or otherwise for which the Group applies the practical expedient not to account for the significant financing components, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

As detailed in note 35(a) to the consolidated financial statement, cash and cash equivalents is determined to have low credit risk.

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower.

(b) a breach of contract, such as a default or past due event.

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

2. Significant accounting policies *(continued)*

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

Revenue recognition

Rental income

Rental income under operating leases is recognised when the assets are let out and on the straight-line basis over the lease term. Variable lease payments that depend on an index or a rate are initially measured using the index or rate at the commencement date and subsequently adjusted when such index or rate changes. Such payments are recognised as income on the straight-line basis over the lease term. Other variable lease payments are recognised as income in the period in which the event or condition that triggers those payments occurs. Lease income from lease of hotel room is recognised as income over the lease period.

Revenue from contracts with customers within HKFRS 15

Nature of goods or services

The nature of the goods or services provided by the Group is as follows:

- Provision of property management services
- Provision of sales of air ticket and related tourism products
- Provision of sales of marketing related products
- Provision of marketing, event planning and consulting services
- Provision of environmental hygiene services
- Provision of travel and other related services

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

(a) a good or service (or a bundle of goods or services) that is distinct; or

(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

2. Significant accounting policies *(continued)*

Revenue recognition *(continued)*

Revenue from contracts with customers within HKFRS 15 (continued)

Identification of performance obligations *(continued)*

A good or service that is promised to a customer is distinct if both of the following criteria are met:

(a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and

(b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

(c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Revenue is recognised on the following basis:

- Provision of sales of air ticket and related tourism products/sales of marketing related products are recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed; and

- Service income from the provision of property management services/marketing, event planning and consulting services/ environmental hygiene services and travel and other related services are recognised as income over time when the relevant transactions have been arranged or the relevant services have been rendered.

2. Significant accounting policies *(continued)*

Revenue recognition *(continued)*

Revenue from contracts with customers within HKFRS 15 (continued)

Timing of revenue recognition *(continued)*

For revenue recognised over time under HKFRS 15, provided the outcome of the performance obligation can be reasonably measured, the Group applies the output method (i.e. based on the direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract) to measure the progress towards complete satisfaction of the performance obligation because the method provides a faithful depiction of the Group's performance and reliable information is available to the Group to apply the method. Otherwise, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

For a single contract or a single set of related contracts, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

For the sale of properties, it is common for the Group to receive from the customer the whole or some of the contractual payments before the goods are delivered (i.e. the timing of revenue recognition for such transactions). The Group recognises a contract liability until it is recognised as revenue. During that period, any significant financing components, if applicable, will be included in the contract liability and will be expensed as accrued unless the interest expense is eligible for capitalisation.

2. Significant accounting policies *(continued)*

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in the currency of HK$, which is also the functional currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses resulting from the retranslation of non-monetary items carried at fair value are recognised in profit or loss except for those arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the gains or losses are also recognised directly in equity.

The results and financial position of all the group entities that have a functional currency different from the presentation currency ("foreign operations") are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented and fair value adjustments on the carrying amounts of assets and liabilities arising on an acquisition of a foreign operation which are to be treated as assets and liabilities of that foreign operation, are translated at the closing rate at the end of the reporting period.

- Income and expenses for each statement of comprehensive income are translated at average exchange rate.

- All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity.

- On the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation, a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest is no longer equity-accounted for, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

- On the partial disposal of the Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss.

- On all other partial disposals, which includes partial disposal of associates that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount of exchange differences recognised in the separate component of equity is reclassified to profit or loss.

2. Significant accounting policies *(continued)*

Inventories

Properties for sale under development

Properties for sale under development are stated at the lower of cost and net realisable value. Costs include acquisition costs, prepaid land lease payments, construction costs, borrowing costs capitalised and other direct costs attributable to such properties. Net realisable value is determined with reference to sale proceeds received after the reporting period less estimated costs of completion and costs to be incurred in selling the properties.

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using first-in-first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period of the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Impairment of non-financial assets, other than goodwill

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that its property, plant and equipment, intangible assets, land use rights, right-of-use assets, investments in an associate and subsidiaries may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense in profit or loss immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior periods. Reversal of impairment loss is recognised as an income in profit or loss immediately.

The accounting policy for recognition and reversal of the impairment loss for goodwill is stated in the accounting policy for goodwill in the earlier part of this note.

2. Significant accounting policies *(continued)*

Borrowings costs

Borrowings costs which are directly attributable to the acquisition, construction and production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as and included in finance costs in profit or loss in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognised are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditures expected to be required to settle the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant. The benefit of the below-market rate of interest shall be measured as the difference between the initial fair value of the loan and the proceeds received.

Leases

The Group assesses whether a contract is, or contains, a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2. Significant accounting policies *(continued)*

Leases *(continued)*

As lessee

The Group applies the recognition exemption to short-term leases and low-value asset leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group has elected not to separate non-lease components from lease components, and accounts for each lease component and any associated non-lease components as a single lease component.

The Group accounts for each lease component within a lease contract as a lease separately. The Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component.

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises

(a) the amount of the initial measurement of the lease liability;

(b) any lease payments made at or before the commencement date, less any lease incentives received;

(c) any initial direct costs incurred by the Group; and

(d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful life of the right-of-use asset as follows:

Land use rights	40 years
Staff quarter	2 years
Office premises	2–3 years
Motor vehicle	3 years

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.

2. Significant accounting policies *(continued)*

Leases *(continued)*

As lessee (continued)

The lease payments including in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;

(b) variable lease payments that depend on an index or a rate;

(c) amounts expected to be payable under residual value guarantees;

(d) exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

(e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

A lease modification is accounted for as a separate lease if

(a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

(b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

2. Significant accounting policies *(continued)*

Leases *(continued)*

As lessee (continued)

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

(a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.

(b) the Group determines the lease term the modified contract.

(c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.

(d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full elimination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.

(e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

As lessor

The Group classifies each of its leases as either a finance lease or an operating lease at the inception date of the lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and sublease as two separate contracts. The sublease is classified as an operating lease if the head lease is a short-term lease to which the Group has applied the recognition exemption. Otherwise, the sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

When the Group is an intermediate lessor, it accounts for the head lease and sublease as two separate contracts. The sublease is classified as an operating lease if the head lease is a short-term lease to which the Group has applied the recognition exemption. Otherwise, the sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

As lessor – operating lease

The Group applies the derecognition and impairment requirements in HKFRS 9 to the operating lease receivables.

A modification to an operating lease is accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

2. Significant accounting policies *(continued)*

Employee benefits

Short-term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

Defined contribution plans

The obligations for contributions to a defined contribution retirement scheme are recognised as an expense in profit or loss as incurred. The assets of the scheme are held separately from those of the Group in an independently administered fund.

Overseas subsidiaries (including Hong Kong) also operate pension schemes or similar arrangements for their employees in accordance with the statutory requirements prescribed by the relevant legal authorities.

Share-based payment transactions

Equity-settled transactions

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Taxation

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, any deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax assets or liabilities are measured at the tax rates that are expected to apply to the period when the asset is recovered or liability is settled, based on the tax rates and the tax laws that have been enacted or substantively enacted at the end of the reporting period.

2. Significant accounting policies *(continued)*

Taxation *(continued)*

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

For the purpose of measuring deferred tax assets or liabilities for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale.

Related parties

A related party is a person or entity that is related to the Group.

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) the entity and the Group are members of the same group (which means that each holding company, subsidiary and fellow subsidiary is related to the others).
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the entity is a member).
- (iii) both entities are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity).
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

2. Significant accounting policies *(continued)*

Related parties *(continued)*

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Critical accounting estimates and judgements

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

Valuation of investment properties

The Group's investment properties are stated at fair value based on the valuation carried out by an independent professional valuer by adopting the income approach by reference of current existing tenancy and potential reversionary rental income at market level.

In determining the fair value of investment properties, the valuer has based on a method of valuation which involves, inter alia, achievable daily unit rent of comparable properties in close proximity adjusted for differences in key valuation attributes, such as size and age. In relying on the valuation report, management has exercised its judgement and is satisfied that the method of valuation is reflective of the current market conditions as at the end of the reporting period. Particulars of the investment properties of the Group are set out in note 14 to the consolidated financial statements.

Loss allowance for ECL

The Group's management estimates the loss allowance for financial assets by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of financial assets. Details of the key assumptions and inputs used in estimating ECL are set out in note 35(a) to the consolidated financial statements.

2. Significant accounting policies *(continued)*

Critical accounting estimates and judgements *(continued)*

Impairment of investments

The Group assesses annually if investments in subsidiaries and an associate have suffered any impairment in accordance with HKAS 36 and follows the guidance of HKFRS 9 in determining whether amounts due from these entities are impaired. Details of the approach are stated in the respective accounting policies. The assessment requires an estimation of future cash flows, including expected dividends, from the assets and the selection of appropriate discount rates. Future changes in financial performance and position of these entities would affect the estimation of impairment loss and cause the adjustments of their carrying amounts.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for property, plant and equipment, investment properties, land use rights and right-of-use assets at the end of each reporting period in accordance with the accounting policies as disclosed in Note 2 to the consolidated financial statements. In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the management has to assess whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence. If any such indication exists, the recoverable amounts of the asset would be determined as the greater of the fair value less costs of disposal and value in use, the calculations of which involve the use of estimates. Owing to inherent risk associated with estimations in the timing and amounts of the future cash flows and fair value less costs of disposal, the estimated recoverable amount of the asset may be different from the amount actually received and profit or loss could be affected by accuracy of the estimations.

Key sources of estimation uncertainty

Fair value measurements and valuation processes

Certain of the Group's financial assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, management of the Group uses market- observable data to the extent available. Where Level 1 inputs are not available, the Group engages third-party qualified valuers to perform the valuation. At the end of the reporting period, management of the Group works closely with the qualified external valuers to establish and determine the appropriate valuation techniques and inputs for Level 2 and Level 3 fair value measurements. Management of the Group first considers and adopts Level 2 inputs where inputs can be derived from observable quoted prices in the active market. When Level 2 inputs are not available, management of the Group would adopt valuation techniques that include Level 3 inputs. Where there is a material change in the fair value of an asset or a liability, the causes of the fluctuations are reported to the directors of the Company for appropriate actions to be taken.

Information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various financial assets and liabilities are disclosed in notes 36 to consolidated financial statements.

2. Significant accounting policies *(continued)*

Future changes in HKFRSs

At the date of authorisation of the consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are relevant to the Group and are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKAS 1	Disclosure of Accounting Policies [1]
Amendments to HKAS 8	Definition of Accounting Estimates [1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction [1]
HKFRS 17	Insurance Contracts [1]
Amendment to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information [1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current [2]
Amendments to HKAS 1	Non-current Liabilities with Covenants [2]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback [2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [3]

[1] Effective for annual periods beginning on or after 1 January 2023
[2] Effective for annual periods beginning on or after 1 January 2024
[3] The effective date to be determined

The directors do not anticipate that the adoption of the new/revised HKFRSs in future periods will have any material impact on the results of the Group.

3. Revenue

Revenue represents the consideration received or expected to be received in respect of the transfer of goods and services in accordance with HKFRS 15, and rental income derived from the leasing services, which is recognised under the scope of HKFRS 16. The amount of each significant category of revenue recognised during the year is as follows:

	2022 HK$'000	2021 HK$'000 (Re-presented)
Continuing operations		
Revenue from contracts with customers within HKFRS 15 – At fixed price:		
– Property management services	136,057	62,263
– Environmental hygiene services	40,800	2,171
– Marketing, event planning and consulting services	20,413	26,521
– Tourism attractions related income	8,285	27,058
– Travel and other related services	–	567
	205,555	118,580
Revenue from other sources:		
– Rental income	21,412	9,772
	226,967	128,352

Disaggregation of revenue from contracts with customers within HKFRS 15 are shown in segment disclosures in note 4 to the consolidated financial statements.

4. Segment reporting

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance, focuses on types of goods and services delivered by each operating division.

The Group's operating divisions are as follows:

Continuing reportable segments:

- The property management segment, which involves the provision of property management and leasing services for residential and commercial properties in the PRC.

- The environmental hygiene segment, which involves the provision of environmental hygiene services for urban and rural areas in the PRC.

- The integrated development segment, which involves the development and operation of tourism and cultural attractions, and the provision of marketing, event planning and consulting services in the PRC.

- The diversified tourism products and services segment, which comprises the provision of travel related and other services principally to corporate clients in the PRC.

Discontinued reportable segments:

- The diversified tourism products and services segment in Hong Kong (which mainly comprised sales of air tickets) operated by Four Seas Tours Limited ("Four Seas"), a then 65%-owned subsidiary of the Group, which was disposed of by the Group on 30 August 2022.

- The property development business segment in New Zealand. Pursuant to a shareholder resolution of Orient Victory New Zealand Limited ("OVNZ"), a wholly-owned subsidiary of the Company dated 6 September 2021, as all the Group's land and residential properties in New Zealand were disposed of by May 2021 and the Group had no further investment and development plan in New Zealand, it was resolved to commence the liquidation procedures of all the Group's wholly-owned subsidiaries in New Zealand (collectively the "OVNZ Group"). The liquidation procedures were completed on 5 November 2021.

Accordingly, results of Four Seas and the OVNZ Group were classified and presented as discontinued operations in the consolidated financial statements, and the comparative figures have been re-presented to show the discontinued operations separately from continuing operations.

Segment performance is evaluated based on reportable segment profit (loss), which is a measure of adjusted profit (loss) before tax. For continuing reportable segments, the adjusted profit (loss) before tax is measured consistently with the Group's profit (loss) before tax except that finance costs and head office and corporate income and expenses are excluded from such measurement.

Segment assets and liabilities include all assets and liabilities with the exception of cash and cash equivalents, restricted bank deposits and head office and corporate assets and liabilities, which are managed centrally.

4. Segment reporting *(continued)*

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2022 and 2021 is set out below.

(a) By business segment

Segment results

	Continuing operations										Discontinued operations						
	Property management		Environmental hygiene		Integrated development		Diversified tourism products and services		Sub-total		Diversified tourism products and services Four Seas		OVNZ Group	Sub-total		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2021	2022	2021	2022	2021
	HK$'000	HK$'000 (Re-presented) (Note)	HK$'000	HK$'000 (Re-presented) (Note)	HK$'000	HK$'000	HK$'000	HK$'000 (Re-presented) (Note)	HK$'000	HK$'000 (Re-presented) (Note)	HK$'000	HK$'000 (Re-presented) (Note)	HK$'000	HK$'000	HK$'000 (Re-presented) (Note)	HK$'000	HK$'000 (Re-presented) (Note)
Disaggregated by timing of revenue recognition:																	
– Point in time	–	–	–	–	–	38,018	–	567	–	38,585	33,410	13,920	–	33,410	13,920	33,410	52,505
– Over time	136,057	62,263	40,800	2,171	28,698	15,561	–	–	205,555	79,995	–	–	–	–	–	205,555	79,995
	136,057	62,263	40,800	2,171	28,698	53,579	–	567	205,555	118,580	33,410	13,920	–	33,410	13,920	238,965	132,500
Rental income	21,412	9,772	–	–	–	–	–	–	21,412	9,772	–	–	–	–	–	21,412	9,772
Reportable segment revenue	157,469	72,035	40,800	2,171	28,698	53,579	–	567	226,967	128,352	33,410	13,920	–	33,410	13,920	260,377	142,272
Segment results	44,754	8,954	(4,019)	(1,043)	(8,249)	2,601	5,711	(17,690)	38,197	(7,178)	6,197	(2,963)	8,200	6,197	5,237	44,394	(1,941)
Corporate and other unallocated income and expenses, net									(10,326)	(9,323)	–	–	–	–	–	(10,326)	(9,323)
Finance costs									(2,891)	(1,721)	(39)	(69)	(129)	(39)	(198)	(2,930)	(1,919)
Profit (loss) before taxation									24,980	(18,222)	6,158	(3,032)	8,071	6,158	5,039	31,138	(13,183)

Note: The re-presentation of comparative information is attributable to (i) the discontinued operations; (ii) the reclassification of results, assets and liabilities attributable to the environmental hygiene segment for the year ended 31 December 2021 from the property management segment; and (iii) the reclassification of certain comparative figures, where necessary, to conform to the basis of presentation and the classification adopted in the current year.

4. Segment reporting *(continued)*

(a) By business segment *(continued)*

Segment assets and liabilities

	Continuing operations										Discontinued operations					Total	
	Property management		Environmental hygiene		Integrated development		Diversified tourism products and services		Sub-total		Diversified tourism products and services Four Seas		OVNZ Group	Sub-total			
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2021	2022	2021	2022	2021
	HK$'000	HK$'000 (Re-presented) (Note)	HK$'000	HK$'000 (Re-presented) (Note)	HK$'000	HK$'000	HK$'000	HK$'000 (Re-presented) (Note)	HK$'000	HK$'000 (Re-presented) (Note)	HK$'000	HK$'000 (Re-presented) (Note)	HK$'000	HK$'000	HK$'000 (Re-presented) (Note)	HK$'000	HK$'000 (Re-presented) (Note)
Segment assets	153,302	119,820	92,772	7,803	356,896	435,272	825	3,423	603,795	566,318	-	3,946	-	-	3,946	603,795	570,264
Corporate and other unallocated assets																208,025	322,155
Total assets																811,820	892,419
Segment liabilities	118,891	119,553	18,680	357	47,537	70,065	16,671	18,143	201,779	208,118	-	20,152	-	-	20,152	201,779	228,270
Corporate and other unallocated liabilities																3,758	18,155
Total liabilities																205,537	246,425

Note: The re-presentation of comparative information is attributable to (i) the discontinued operations; (ii) the reclassification of results, assets and liabilities attributable to the environmental hygiene segment for the year ended 31 December 2021 from the property management segment; and (iii) the reclassification of certain comparative figures, where necessary, to conform to the basis of presentation and the classification adopted in the current year.

4. Segment reporting *(continued)*

(a) By business segment *(continued)*

Other segment information

	Continuing operations												Discontinued operations						
													Diversified tourism products and services		OVNZ				
	Property management		Environmental hygiene		Integrated development		Diversified tourism products and services		Corporate and other unallocated items		Sub-total		Four Seas		Group	Sub-total		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2021	2022	2021	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		(Re-presented) (Note)		(Re-presented) (Note)		(Re-presented) (Note)		(Re-presented) (Note)		(Re-presented) (Note)		(Re-presented) (Note)		(Re-presented) (Note)			(Re-presented) (Note)		(Re-presented) (Note)
Amortisation and depreciation	1,302	1,401	2,309	30	5,027	4,874	117	115	1,130	624	9,885	7,044	497	635	2	497	637	10,382	7,681
Capital expenditure	664	3,406	65,240	828	763	4,898	-	-	1,000	436	67,667	9,568	13	2,203	-	13	2,203	67,680	11,771
Fair value changes on investment properties	6,840	3,785	-	-	-	(6,929)	-	-	-	-	6,840	(3,144)	-	-	-	-	-	6,840	(3,144)
Impairment of intangible assets	-	-	-	-	-	-	-	4,213	-	-	-	4,213	-	-	-	-	-	-	4,213
Loss on disposal of investment properties and lease liabilities, net	61	-	-	-	-	-	-	-	-	-	61	-	-	-	-	-	-	61	-
Share of results of an associate	-	-	-	-	2,578	(41)	-	-	-	-	2,578	(41)	-	-	-	-	-	2,578	(41)
Provision (Reversal) of loss allowance on trade receivables, recognised in selling, general and administrative expenses	393	102	532	-	2,908	2,209	(306)	(1,256)	-	-	3,527	1,055	(4)	4	-	(4)	4	3,523	1,059
Provision (Reversal) of bad debt of other receivables, recognised in selling, general and administrative expenses	-	-	-	-	530	-	(5,739)	18,174	-	(2,579)	(5,209)	15,595	-	-	-	-	-	(5,209)	15,595
Write-off of property, plant and equipment	33	1	-	-	25	-	-	-	-	40	58	41	-	-	-	-	-	58	41
Direct operating expenses arising from investment properties that generated rental income	2,471	420	-	-	-	-	-	-	-	-	2,471	420	-	-	-	-	-	2,471	420

Note: The re-presentation of comparative information is attributable to (i) the discontinued operations; (ii) the reclassification of results, assets and liabilities attributable to the environmental hygiene segment for the year ended 31 December 2021 from the property management segment; and (iii) the reclassification of certain comparative figures, where necessary, to conform to the basis of presentation and the classification adopted in the current year.

4. Segment reporting *(continued)*

(b) Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers and the Group's non-current assets (excluding investments in an associate and deferred tax assets). The geographical location of customers is based on the location at which the goods and services were sold or provided. The geographical location of the specified assets is based on the physical location of the assets or the location of the operations.

	Revenue from external customers				Non-current assets	
	Continuing operations		Discontinued operations			
	2022	2021	2022	2021	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		(Re-presented)		(Re-presented)		
		(Note)		(Note)		
Hong Kong	–	–	33,410	13,920	2,630	5,541
Mainland China	226,967	128,352	–	–	288,205	233,072
	226,967	128,352	33,410	13,920	290,835	238,613

Note: The re-presentation of comparative information is attributable to the discontinued operations.

(c) Information about major customers

Revenue from customers contributing 10% or more of the total revenue of the Group is as follows:

	2022	2021
	HK$'000	HK$'000
Customer A (Note)	69,058	40,615

Note: It represented the revenue from related companies controlled by Mr. Shi and Orient Victory Property Development Group Co., Ltd., which is wholly owned by Mr. Shi, under the property management segment and the integrated development segment.

5. Other income

	2022	2021
	HK$'000	HK$'000
		(Re-presented)
Continuing operations		
Interest income	3,081	3,171
Government subsidies	353	–
Sundry income	1,118	–
	4,552	3,171

6. Finance costs

	2022 HK$'000	2021 HK$'000 (Re-presented)
Continuing operations		
Interest on lease liabilities	2,712	1,704
Interest on other borrowings	179	17
	2,891	1,721

7. Profit (loss) before taxation

This is stated after charging (crediting):

	2022 HK$'000	2021 HK$'000 (Re-presented)
Continuing operations		
Staff costs, including directors' emoluments		
Wages, salaries and other benefits	51,584	17,132
Contribution to defined contribution scheme	4,919	644
Equity-settled share-based payment expenses	219	159
	56,722	17,935
Other items		
Auditors' remuneration	1,851	5,707
Amortisation of intangible assets	39	39
Depreciation:		
– property, plant and equipment	7,052	4,931
– right-of-use assets	2,794	2,074
Cost of inventories sold	131	4,622
Direct operating expenses arising from investment properties that generated rental income	2,471	420
Impairment of intangible assets	–	4,213
Write-off of property, plant and equipment	58	41
Loss on disposal of investment properties and lease liabilities, net	61	–
Loss allowance on trade receivables	3,527	1,055
(Reversal) provision of bad debt of other receivables	(5,209)	15,595
Exchange gain, net	(956)	(660)

8. Taxation

The PRC Enterprise Income Tax ("EIT") in respect of operations in Mainland China is calculated at a rate of 25% (2021: 25%) on the estimated assessable profits for the year based on existing legislation, interpretations and practices in respect thereof.

For the years ended 31 December 2022 and 2021, Hong Kong Profits Tax has not been provided as the Group incurred losses for taxation purpose in Hong Kong for both years.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Company and the subsidiaries of the Group incorporated in the Cayman Islands and the BVI are not subject to any income tax in the Cayman Islands and the BVI.

	2022 HK$'000	2021 HK$'000 (Re-presented)
Continuing operations		
Current tax – EIT		
Current year	4,897	4,494
Deferred tax		
(Reversal) origination of temporary differences (Note 26)	(1,674)	1,175
	3,223	5,669

Further details of the deferred taxation status are set out in note 26 to the consolidated financial statements.

Reconciliation of income tax expenses

	2022 HK$'000	2021 HK$'000 (Re-presented)
Continuing operations		
Profit (loss) before taxation	24,980	(18,222)
Tax calculated at applicable tax rate	6,818	(1,911)
Non-deductible expenses	514	14
Non-taxable income	(223)	(968)
Tax effect of share of results of an associate	645	(10)
(Utilisation of previously) unrecognised tax losses and temporary differences	(4,531)	8,544
Income tax expenses for the year	3,223	5,669

9. Directors' and five highest paid individuals' emoluments

(a) Directors' emoluments

The aggregate amounts of remuneration paid or payables to each director of the Company are as follows:

	2022			
	Directors' fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension scheme contributions HK$'000	Total HK$'000
Executive directors				
Mr. Shi *(Chairman)*	3,000	–	18	3,018
Mr. Zhao Huining	–	–	–	–
Mr. Mo Yueming	–	–	–	–
Non-executive director				
Ms. Chang Meiqi (appointed on 29 April 2022)	–	–	–	–
Ms. Song Sining (resigned on 29 April 2022)	–	–	–	–
Independent non-executive directors				
Mr. Dong Xiaojie	150	–	–	150
Mr. He Qi	150	–	–	150
Mr. Suei Feng-jih	150	–	–	150
	3,450	–	18	3,468

	2021			
	Directors' fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension scheme contributions HK$'000	Total HK$'000
Executive directors				
Mr. Shi *(Chairman)*	–	18	18	36
Mr. Zhao Huining	–	–	–	–
Mr. Mo Yueming	–	–	–	–
Non-executive director				
Ms. Song Sining	–	–	–	–
Independent non-executive directors				
Mr. Dong Xiaojie	150	–	–	150
Mr. He Qi	150	–	–	150
Mr. Suei Feng-jih	150	–	–	150
	450	18	18	486

9. Directors' and five highest paid individuals' emoluments *(continued)*

(a) Directors' emoluments *(continued)*

There were no arrangements under which a director waived or agreed to waive any emoluments for the year (2021: HK$1,922,000 for Mr. Shi). In addition, no emoluments were paid by the Group to any of the directors as an inducement to join, or upon joining the Group or as a compensation for loss of office for the year (2021: HK$nil).

(i) Loans, quasi-loans and other dealings in favour of directors

Other than disclosed in notes 18 and 21 to the consolidated financial statements, there are no other loans, quasi-loans or other dealings in favour of the directors of the Company that were entered into or subsisted during the year ended 31 December 2022 (2021: HK$nil).

(ii) Directors' material interests in transactions, arrangements or contracts

Other than disclosed in notes 18 and 34 to the consolidated financial statements, the directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2022 (2021: HK$nil).

(b) Individuals with highest emoluments

Of the five individuals with the highest emoluments, one (2021: none) is director whose emolument is disclosed above. The aggregate of the emoluments in respect of the remaining four (2021: five) highest paid individuals, who are not directors, are as follows:

	2022 HK$'000	2021 HK$'000
Salaries and other benefits	3,985	5,224
Retirement benefits scheme contributions	54	54
	4,039	5,278

The emoluments of the four (2021: five) individuals with the highest emoluments are within the following bands:

	Number of employees	
	2022	2021
Nil to HK$1,000,000	3	3
HK$1,000,001 to HK$1,500,000	–	1
HK$1,500,001 to HK$2,000,000	1	1

There were no arrangements under which any of the four (2021: five) highest paid individuals waived or agreed to waive any remuneration during the year (2021: HK$nil). In addition, no remuneration was paid by the Group to any of the four (2021: five) highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office (2021: HK$nil).

10. Dividend

The Board of Directors of the Company does not recommend the payment of a final dividend for the years ended 31 December 2022 and 2021.

11. Earnings (loss) per share

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

	2022 HK$'000	2021 HK$'000 (Re-presented)
Continuing operations		
Profit (Loss) attributable to the equity holders of the Company	23,661	(14,626)
Distributions paid to the holders of perpetual convertible securities	(15,874)	(7,937)
Accrued distributions to the holders of perpetual convertible securities	(4,200)	(4,200)
	3,587	(26,763)
Discontinued operations		
Profit attributable to the equity holders of the Company	6,158	4,218

	2022 Number of shares '000	2021 Number of shares '000
Weighted average number of ordinary shares for the purposes of calculating basic earnings (loss) per share	12,922,075	12,922,075

The computation of diluted earnings (loss) per share for the years ended 31 December 2022 and 2021 did not assume the conversion of the perpetual convertible securities and the issue of certain shares under the share award scheme since their assumed conversion and issue during the years would have an anti-dilutive effect on the basic earnings (loss) per share amount presented.

12. Goodwill

Goodwill related to the acquisition of Hebei Tu Men Travel Development Limited and Beijing Jinlv Shidai Tourism Co., Limited. Both of the goodwill had been fully impaired in prior years.

13. Property, plant and equipment

	Building HK$'000	Furniture and leasehold improvements HK$'000	Machinery and equipment HK$'000	Motor vehicle HK$'000 (Re-presented)	Total HK$'000
Cost					
At 1 January 2021	106,081	1,407	3,228	1,316	112,032
Acquisition of subsidiaries	–	–	2,860	–	2,860
Additions	1,513	346	1,274	–	3,133
Disposal of subsidiaries	–	–	(16)	–	(16)
Write-off	–	(745)	(150)	–	(895)
Exchange realignment	2,658	9	164	64	2,895
At 31 December 2021 and 1 January 2022	110,252	1,017	7,360	1,380	120,009
Additions	273	–	66,239	101	66,613
Disposal of subsidiaries	–	(445)	(615)	–	(1,060)
Write-off	–	–	(51)	(41)	(92)
Exchange realignment	(8,262)	(11)	(2,136)	(48)	(10,457)
At 31 December 2022	102,263	561	70,797	1,392	175,013
Accumulated depreciation					
At 1 January 2021	6,170	759	1,594	1,199	9,722
Charge for the year	3,100	129	1,798	44	5,071
Disposal of subsidiaries	–	–	(9)	–	(9)
Write-off	–	(745)	(109)	–	(854)
Exchange realignment	247	13	72	43	375
At 31 December 2021 and 1 January 2022	9,517	156	3,346	1,286	14,305
Charge for the year	3,082	52	3,900	18	7,052
Disposal of subsidiaries	–	(183)	(461)	–	(644)
Write-off	–	–	(11)	(23)	(34)
Exchange realignment	(667)	(5)	(598)	(25)	(1,295)
At 31 December 2022	11,932	20	6,176	1,256	19,384
Net carrying values					
At 31 December 2022	90,331	541	64,621	136	155,629
At 31 December 2021	100,735	861	4,014	94	105,704

Note: As at 31 December 2022, the Group is in process of applying for certificates of ownership for certain buildings with carrying amount of HK$62,024,000 (2021: HK$66,852,000).

14. Investment properties

	2022 HK$'000	2021 HK$'000
Fair value		
At the beginning of the reporting period	100,599	139,403
Addition	67	–
Acquisition of subsidiaries	–	102,969
Disposal of a subsidiary	–	(147,915)
Disposal	(3,702)	–
Fair value change	(6,840)	3,144
Exchange realignment	(7,687)	2,998
At the end of the reporting period	82,437	100,599

Notes:

(a) The investment properties held at the end of the reporting period were valued by Vincorn Consulting and Appraisal Limited (2021: Vincorn Consulting and Appraisal Limited), an independent professional valuer. The valuation, which conforms to the International Valuation Standards published by the International Valuation Standards Council, was conducted by the income approach by reference of current existing sub-leasing tenancy and potential reversionary rental income at market level. Achievable daily unit rent of comparable properties in close proximity adjusted for differences in key valuation attributes, such as size and age, were used to value the properties. The most significant inputs used in this valuation approach are capitalisation rates and prevailing unit market rent.

All of the Group's property interests held under leases to earn rental or for capital appreciation purposes are measured using the fair value model and are classified as investment properties.

(b) The investment properties of the Group are situated in the PRC, with remaining unexpired lease term ranging from 2 to 19 years (2021: from 7 to 20 years).

Leasing arrangement – as lessor

Certain investment properties are leased to tenants for a term ranging from 1 to 13 years (2021: 1 to 8 years). The leases provide the lessees with option to renew the leases upon expiry. Monthly rental charges consist of fixed payments. The tenants also bear the management fees.

The lease income from operating leases is set out in note 3 to the consolidated financial statements.

Properties under leases are subject to residual value risk. The lease contracts, as a result, include a provision based on which the Group has the right to charge the tenants for any damages to the investment properties at the end of the leases. Besides, the Group has purchased insurance to protect it against any losses that may arise from accidents or physical damages of the properties.

14. Investment properties *(continued)*

Leasing arrangement – as lessor *(continued)*

Below is a maturity analysis of undiscounted lease payments to be received from the investment properties under operating leases.

	2022 HK$'000	2021 HK$'000
Year 1	23,829	23,110
Year 2	21,267	20,621
Year 3	19,073	17,985
Year 4	15,098	15,842
Year 5	6,065	11,830
After Year 5	19,028	2,061
	104,360	91,449

15. Right-of-use assets

The movements of right-of-use assets within HKFRS 16 are set out below:

	Land use rights HK$'000 (Re-presented)	Staff Quarter HK$'000 (Re-presented)	Office premises HK$'000 (Re-presented)	Motor vehicle HK$'000 (Re-presented)	Total HK$'000
Reconciliation of carrying amount – year ended 31 December 2021					
At the beginning of the reporting period	27,541	–	1,544	–	29,085
Addition	–	571	1,850	3,224	5,645
Depreciation	(1,442)	(215)	(735)	(179)	(2,571)
Disposal	–	–	(475)	–	(475)
Disposal of subsidiaries	–	–	(76)	–	(76)
Exchange realignment	1,029	–	(483)	(3)	543
At the end of the reporting period	27,128	356	1,625	3,042	32,151

15. Right-of-use assets *(continued)*

	Land use rights HK$'000	Staff Quarter HK$'000	Office premises HK$'000	Motor vehicle HK$'000	Total HK$'000
Reconciliation of carrying amount					
– year ended 31 December 2022					
At the beginning of the reporting period	27,128	356	1,625	3,042	32,151
Addition	–	–	1,000	–	1,000
Depreciation	(992)	(286)	(976)	(1,037)	(3,291)
Disposal of subsidiaries	–	–	(896)	–	(896)
Exchange realignment	(1,720)	–	(46)	(152)	(1,918)
At the end of the reporting period	24,416	70	707	1,853	27,046
At 31 December 2021					
Cost	29,568	571	3,224	3,225	36,588
Accumulated depreciation	(2,440)	(215)	(1,599)	(183)	(4,437)
Net carrying amount	27,128	356	1,625	3,042	32,151
At 31 December 2022					
Cost	27,626	571	2,374	3,030	33,601
Accumulated depreciation	(3,210)	(501)	(1,667)	(1,177)	(6,555)
Net carrying amount	24,416	70	707	1,853	27,046

Land use right represents the prepaid lease payment of land located in the PRC. The land use right has a finite useful life and is depreciated on a straight-line basis over 40 years. At the end of the reporting period, the remaining useful life is 36 years (2021: 37 years). The Group's land use rights for its operation of tourism and cultural attractions, where the buildings and facilities are primarily located. The Group is the registered owner of the land. Lump sum payments were made upfront to acquire the land from the previous registered owner, and there are no ongoing payments to be made under the terms of the land lease.

During the year ended 31 December 2022, the Group leased office premises and staff quarter in Hong Kong for its daily operations and staff benefits respectively for a term of 2 years with fixed lease payments. The lease of office premises and staff quarter imposed a restriction that, unless approval was obtained from the lessor, the right-of-use asset can only be used by the Group and the Group was prohibited from selling or pledging the underlying assets. In addition, the Group was also required to keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. The Group leases offices under leases expiring in 1 to 2 years. None of the leases includes variable lease payments.

During the year ended 31 December 2022, the Group leases motor vehicles under leases for business operation expiring in 3 years. None of the leases includes variable lease payments.

15. Right-of-use assets *(continued)*

The Group has recognised the following amounts for the year:

	2022 HK$'000	2021 HK$'000
Lease payments – Expenses recognised in profit or loss:		
Lease payments for short-term leases	454	337
Total cash outflow for leases	10,976	5,502

Commitments under operating leases

As at 31 December 2022 and 2021, no commitments under operating leases for short-term leases were committed.

16. Intangible assets

	Travel license and others HK$'000	Software HK$'000	Total HK$'000
Cost:			
At 1 January 2021	8,246	131	8,377
Acquisition of a subsidiary	–	133	133
Exchange realignment	332	5	337
At 31 December 2021 and 1 January 2022	8,578	269	8,847
Exchange realignment	(784)	(23)	(807)
At 31 December 2022	7,794	246	8,040
Accumulated amortisation			
At 1 January 2021	4,252	70	4,322
Charge for the year	–	39	39
Impairment loss	4,213	–	4,213
Exchange realignment	113	1	114
At 31 December 2021 and 1 January 2022	8,578	110	8,688
Charge for the year	–	39	39
Exchange realignment	(784)	(12)	(796)
At 31 December 2022	7,794	137	7,931
Net carrying values			
At 31 December 2022	–	109	109
At 31 December 2021	–	159	159

17. Subsidiaries

Details of the principal subsidiaries of the Company at the end of the reporting period are as follows:

Name of subsidiaries	Place of incorporation/ operation/kind of legal entity	Particulars of issued share capital/ paid up capital	Effective ownership interest held by the Company		Principal activities
			Directly	Indirectly	
Shenzhen Dongsheng Huamei Cultural Travel Company Limited (深圳東勝華美文化旅游有限公司) (Note (i))	the PRC/Limited liability company	Note (iii)	–	100% (2021: 100%)	Property management
Four Seas	Hong Kong/Limited liability company	3,000,000 shares	–	– (2021: 65%) (Note 32)	Sale of air tickets and provision of other travel related services
Hebei Tu Men Travel Development Limited ("Tu Men Travel") (河北土門旅游開發有限公司) (Note (ii))	the PRC/Limited liability company	Note (iv)	–	55% (2021: 55%)	Tourism business
Dongsheng (Beijing) International Travel Company Limited (東勝(北京)國際旅行社有限公司) (Note (i))	the PRC/Limited liability company	Note (v)	–	100% (2021: 100%)	Tourism business
Beijing Jinlv Shidai Tourism Co. Limited ("Jinlv Shidai") (北京金旅時代旅行社有限公司) (Note (ii))	the PRC/Limited liability company	Note (vi)	–	51% (2021: 51%)	Tourism business
Hebei Yidao Town Real Estate Development Limited (河北驛道小鎮房地產開發有限公司) (Note (ii))	the PRC/Limited liability company	Note (vii)	–	75% (2021: 75%)	Tourism business and property development
Hebei Dongsheng Property Management Services Company Limited (河北東勝物業服務有限公司) (Formerly known as Shijiazhuang Dongsheng Property Management Services Company Limited (石家莊市東勝物業服務有限公司) ("Dongsheng PMS")) (Note (i))	the PRC/Limited liability company	Note (viii)	–	100% (2021: 100%)	Property management and leasing related service

17. Subsidiaries *(continued)*

Name of subsidiaries	Place of incorporation/ operation/kind of legal entity	Particulars of issued share capital/ paid up capital	Effective ownership interest held by the Company		Principal activities
			Directly	Indirectly	
Shijiazhuang Jiayan Business Management Company Limited (石家莊嘉言商業管理有限公司) (Note (i))	the PRC/Limited liability company	Note (ix)	–	100% (2021: 100%)	Leasing related service
Shijiazhuang Jiaxun Business Management Company Limited (石家莊嘉勛商業管理有限公司) (Note (i))	the PRC/Limited liability company	Note (x)	–	100% (2021: 100%)	Leasing related service
Orient Victory Smart Environment Services (Beijing) Company Limited ("OVSE")東勝智慧環境服務(北京)有限公司(Formerly known as Beijing Haichuang Ecological Environment Engineering Company Limited (北京海創生態環境工程有限公司)) (Note (i))	the PRC/Limited liability company	Note (xi)	–	100% (2021: 51%) (Note 31)	Environmental hygiene service

The above summary includes those subsidiaries which, in the opinion of the directors, principally affect the results or form a substantial portion of the net assets of the Group. The classes of shares held are ordinary shares unless otherwise stated. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length. None of the subsidiaries had any debt securities in issue at any time during the years ended 31 December 2022 and 2021.

17. Subsidiaries *(continued)*

Notes:

(i) The English translation of the name is for reference only. The official name of the entity is in Chinese. The entity is a limited liability company and wholly domestic owned enterprise registered as under PRC law.

(ii) The English translation of the name is for reference only. The official name of the entity is in Chinese. The entity is a limited liability company and local joint venture registered as under PRC law.

(iii) The registered capital of this entity is RMB450,000,000. As of 31 December 2022 and 2021, the whole registered capital has not been paid up and is required to be paid up before 2045.

(iv) The registered capital of this entity is RMB66,486,000. As of 31 December 2022 and 2021, the whole registered capital has not been fully paid up and is required to be paid up before 2046.

(v) The registered capital of this entity is RMB10,000,000. As of 31 December 2022 and 2021, the whole registered capital has not been paid up and is required to be paid up before 2024.

(vi) The registered capital of this entity is RMB5,000,000. As of 31 December 2022 and 2021, the whole registered capital has not been paid up and is required to be paid up before 2033.

(vii) The registered capital of this entity is RMB120,000,000. As of 31 December 2022 and 2021, the whole registered capital has not been paid up and is required to be paid up before 2048.

(viii) The registered capital of this entity is RMB60,000,000. As of 31 December 2022 and 2021, the whole registered capital has not been fully paid up and is required to be paid up before 2037.

(ix) The registered capital of this entity is RMB1,000,000. As of 31 December 2022 and 2021, the whole registered capital has not been paid up and is required to be paid up before 2036.

(x) The registered capital of this entity is RMB1,000,000. As of 31 December 2022 and 2021, the whole registered capital has not been paid up and is required to be paid up before 2051.

(xi) The registered capital of this entity is RMB20,000,000. As of 31 December 2022 and 2021, the whole registered capital has not been fully paid up and is required to be paid up before 2051.

17. Subsidiaries *(continued)*

Financial information of subsidiaries with individually material NCI

The following table shows the information relating to the non-wholly owned subsidiary that has material non-controlling interests ("NCI"). The summarised financial information represents amounts before inter-company eliminations.

Tu Men Travel

	2022	2021
Proportion of NCI's ownership interests	45%	45%
	HK$'000	HK$'000
Non-current assets	117,507	129,556
Current assets	2,274	13,454
Current liabilities	(54,752)	(67,442)
Non-current liabilities	(3,346)	(3,346)
Net assets	61,683	72,222
Carrying amount of NCI	27,757	32,500
	HK$'000	HK$'000
Revenue	9,650	27,058
Expenses	(12,993)	(30,805)
Loss for the year	(3,343)	(3,747)
Other comprehensive loss for the year	(4,737)	1,610
Total comprehensive loss for the year	(8,080)	(2,137)
Loss attributable to NCI		
Loss for the year	(1,504)	(1,686)
Other comprehensive loss for the year	(1,895)	644
Total comprehensive loss for the year	(3,399)	(1,042)
Dividends paid to NCI	2,539	–
Net cash inflow (outflow) from		
– operating activities	(256)	(12,292)
– investing activities	(763)	(1,547)
– financing activities	1,660	12,028

18. Investments in an associate

	2022 HK$'000	2021 HK$'000
Share of net assets	27,779	32,916
Share of results	(2,578)	41
Amounts due from an associate (note)	141,901	153,943

Details of the associate at the end of the reporting period are as follows:

Name of the associate	Place of incorporation/ operation/ kind of legal entity	Particular of paid up capital	Proportion of ownership interest held by the Company		Principal activities
			Directly	Indirectly	
Zhangjiakou Dakun Zhifang Real Estate Development Co., Limited* (張家口大坤直方房地產開發有限公司) ("Dakun Zhifang")	the PRC/Limited liability company	RMB5,000,000	–	40% (2021: 40%)	Real estate development and sales and other related service, inactive during the year

Fair value of investment

The above associate is a private company and there is no quoted market price available for the investment.

Financial information of the associate

Summarised financial information of the above associate of the Group is set out below, which represents amounts shown in the associate's financial statements prepared in accordance with HKFRSs and adjusted by the Group for equity accounting purposes including any differences in accounting policies and fair value adjustments.

The above associate is accounted for using the equity method in the consolidated financial statements.

Note: As at 31 December 2022, amounts due from an associate of HK$141,901,000 (2021: HK$153,943,000) are interest-free and repayable on demand.

18. Investments in an associate *(continued)*

Financial information of the associate *(continued)*

	2022	2021
Group's ownership interests	40%	40%
	HK$'000	HK$'000
At 31 December		
Gross amount		
Non-current assets (note)	130,983	150,690
Current assets (note)	96,252	103,833
Current liabilities	(150,086)	(161,759)
Non-current liabilities	(7,702)	(10,474)
Net assets	69,447	82,290
Group's share of equity and carrying amount of interests	27,779	32,916

	2022	From 3 September 2021 to 31 December 2021
Group's ownership interests	40%	40%
	HK$'000	HK$'000
Year/Period ended 31 December		
Revenue	–	–
(Loss) Profit for the year	(6,446)	102
Other comprehensive loss for the year	(6,398)	–
Total comprehensive (loss) income for the year	(12,844)	102
Group's share of results:		
(Loss) Profit for the year	(2,578)	41
Other comprehensive loss for the year	(2,559)	–
Total comprehensive (loss) income for the year	(5,137)	41

Note: Pursuant to two pledge agreements dated 6 September 2021 (as supplemented on 15 July 2022) entered into between Dakun Zhifang and China Huarong Assets Management Co., Ltd. Hebei Branch ("Hebei Huarong"), the land held by Dakun Zhifang (the "Pledge") located in Hebei Province in Mainland China, which was recognised as investment properties and inventories with net carrying amounts of HK$130,983,000 and HK$95,750,000 (2021: HK$150,685,000 and HK$103,006,000) respectively as at 31 December 2022, together with other assets owned by Mr. Shi, were pledged to Hebei Huarong to secure the repayments of certain borrowings obtained by entities controlled by Mr. Shi in an aggregate principal amount of RMB464,100,000 (equivalent to approximately HK$552,694,000) as at 31 December 2022. On 30 September 2022 and 1 January 2023, two extension loan agreements have been signed and the loans at principal amounts of RMB247,500,000 (equivalent to approximately HK$278,748,000) and RMB216,600,000 (equivalent to approximately HK$243,946,000) have been extended to 10 September 2024 and 30 October 2024 respectively. Pursuant to the pledge agreements dated 6 September 2021 (as supplemented on 15 July 2022), the pledged period is subject to the terms of extension loan agreements.

18. Investments in an associate *(continued)*

Financial information of the associate *(continued)*

Note: *(Continued)*

The obligations of Dakun Zhifang under the Pledge and the repayment of the amounts due from an associate were guaranteed by the sales proceeds of certain properties with estimated market value of RMB361,581,000 (equivalent to approximately HK$407,261,000) which are held by an entity controlled by Mr. Shi, and shall be remitted into an escrow bank account (the "Arrangement"). As such, the directors of the Company consider that the risk associated with the Pledge and the credit risk arising from the amounts due from an associate are significantly mitigated by the Arrangement with reference to the estimated market value of the relevant properties held by the guarantor and that no loss allowance is necessary.

Contingent liabilities of the associate

At the end of the reporting period, there are no contingent liabilities incurred by the Group in relation to its investments in an associate.

19. Inventories

	2022 HK$'000	2021 HK$'000
Raw materials	233	629
Land held for future development for sale	15,302	15,756
	15,535	16,385

The amount of land held for future development expected to be recovered after more than one year is HK$15,302,000 (2021: HK$15,756,000). All of the other inventories are expected to be recovered within one year.

20. Trade receivables

	2022 HK$'000	2021 HK$'000
Trade receivables		
From third parties	23,698	6,780
From related companies in which Mr. Shi, a director, has beneficial interest	53,942	32,265
	77,640	39,045
Loss allowance	(11,984)	(8,438)
	65,656	30,607

For third party customers under property management segment, the Group charges property management fees on an annual or a semi-annual basis and the payment is generally due upon the issuance of demand notes. For other business segments, the Group grants a credit period of 1 to 90 days to its customers.

20. Trade receivables *(continued)*

The ageing analysis of trade receivables (net of loss allowance) by invoice date is summarised as follows:

	2022 HK$'000	2021 HK$'000
Within 90 days	30,195	20,550
91 to 180 days	19,317	6,541
181 to 365 days	11,481	3,516
Over 365 days	4,663	–
	65,656	30,607

Information about the Group's exposure to credit risks and loss allowance for trade and rental receivables is included in note 35 to the consolidated financial statements.

Loss allowance on trade receivables of HK$3,527,000 (2021: HK$1,059,000) was recognised in profit or loss during the year.

21. Prepayments, deposits and other receivables

	Notes	2022 HK$'000	2021 HK$'000
Non-current portion			
Deposits paid for acquisition of investment properties	(i)	25,614	–
Current portion			
Other receivables			
From third parties			
– The PRC local government	(ii)	31,572	73,426
– Others		20,603	4,798
From related parties	(iii)	518	787
		52,693	79,011
Loans to third parties	(iv)	–	61,156
Prepayments	(v)	1,431	15,759
Deposits		7,730	4,762
		61,854	160,688

21. Prepayments, deposits and other receivables *(continued)*

Notes:

(i) Pursuant to the sale and purchase agreements (pre-sale) dated 20 January 2022 (as supplemented on 20 January 2022) entered into between Hebei Qifuqianyue Real Estate Development Co., Ltd. ("Qifuqianyue", which is owned as to 51% by Orient Victory Property Development Group Co., Ltd. (which is wholly owned by Mr. Shi)) and Dongsheng PMS, Dongsheng PMS acquired 47 commercial units located in Shijiazhuang City, Hebei Province for a total cash consideration of RMB22,876,000 (equivalent to approximately HK$26,467,000). The consideration has been fully settled in January 2022. Pursuant to the construction plan provided by Qifuqianyue, the construction of commercial units will be completed and delivered to Dongsheng PMS in 2024.

(ii) Pursuant to an agreement dated 28 October 2021 entered into between the Group and Luquan Branch of Shijiazhuang Natural Resources and Planning Bureau, a piece of land of the Group located in Hebei Province with an aggregate area of approximately 21,647 square meters, which was recognised as inventories in the consolidated financial statements as at 31 December 2020 at the carrying amount of RMB85,897,000 (equivalent to approximately HK$102,344,000), for which its legal right of use was transferred back to Luquan Branch of Shijiazhuang Natural Resources and Planning Bureau for a total compensation of RMB85,033,000 (equivalent to approximately HK$102,162,000). During the year, RMB32,000,000 (2021: RMB25,000,000) was received. The directors of the Company are of the view that the amount are expected to be fully recoverable within one year.

(iii) The amounts are unsecured, interest-free and no repayment terms. The maximum amounts outstanding during the year are HK$787,000 (2021: HK$787,000).

(iv) On 28 December 2021, the Group entered into loan agreements with two third parties and provided each of them a loan amounting to RMB25,000,000 (equivalent to approximately HK$30,578,000) for the purpose of their payments of deposits for general business operation. The loans periods were within 3 months and interest-bearing at 4.5% per annum. The loans were fully repaid by the third parties on 4 January 2022.

(v) During the year ended 31 December 2021, the Group prepaid RMB10,000,000 (equivalent to approximately HK$12,231,000) in aggregate to certain third parties for construction and advertisement related services to be rendered to the Group. Due to the delay of those projects, the relevant services contracts were terminated and the prepayments were refunded to the Group in March 2022.

22. Restricted bank deposits and cash and cash equivalents

	2022 HK$'000	2021 HK$'000
Cash at banks and on hand	182,317	202,987
Time deposits with maturity of less than 3 months	23,540	52,232
	205,857	255,219
Restricted deposit for holding travel licences	315	1,423

Included in cash and cash equivalents are bank balances deposited in Mainland China and denominated in RMB of HK$176,714,000 (2021: HK$186,155,000). RMB is not freely convertible into other currencies, and the remittance of funds out of the PRC is subject to the exchange restriction imposed by the PRC government.

23. Trade and other payables and contract liabilities

	Notes	2022 HK$'000	2021 HK$'000 (Re-presented)
Trade payables			
– To third parties		45,366	20,922
– To related parties		179	10,256
	(a)	45,545	31,178
Contract liabilities	(b)	25,297	29,688
Other payables			
Consideration payables for acquisition of Tu Men Travel		6,912	31,968
Consideration payables for acquisition and construction of property, plant and equipment		4,813	10,702
Deposits		12,530	17,630
Receipt in advance in respect of rental income		1,943	4,145
Accrued charges and other payables		31,700	31,455
Due to a non-controlling shareholder of a subsidiary	(c)	2,296	830
		60,194	96,730
		131,036	157,596

Notes:

(a) The ageing analysis of trade payables by invoice date is summarised as follows:

	2022 HK$'000	2021 HK$'000
Within 90 days	19,072	18,962
91 to 180 days	7,927	3,052
181 to 365 days	10,235	9,164
Over 365 days	8,311	–
	45,545	31,178

Included in trade payables as at 31 December 2021 are payables of HK$10,256,000 due to a non-controlling shareholder of a subsidiary which are repayable within 40 days from the date of billing.

All trade payables are expected to be settled within one year or are repayable on demand.

23. Trade and other payables and contract liabilities *(continued)*

Notes: *(continued)*

(b) Contract liabilities

The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities from contracts with customers within HKFRS 15 during the year are as follows:

	2022 HK$'000	2021 HK$'000 (Re-presented)
At the beginning of the reporting period	29,688	9,555
Acquisition of subsidiaries	–	15,661
Disposal of a subsidiary	(418)	–
Recognised as revenue	(20,067)	(18,052)
Refunds	(78)	–
Receipt in advances	18,823	22,148
Exchange realignment	(2,651)	376
At the end of the reporting period	25,297	29,688

Unsatisfied or partially unsatisfied performance obligations

All (2021: all) of the performance obligations that are unsatisfied or partially unsatisfied at 31 December 2022 are part of contracts that have an original expected duration of one year or less. Given that the Group applies the practical expedient in paragraph 121(a) of HKFRS 15, the transaction price allocated to these performance obligations is not disclosed.

(c) Pursuant to an agreement dated 1 April 2021 entered into between Jinlv Shidai and its non-controlling shareholder, the non-controlling shareholder provided short-term loans to Jinlv Shidai with repayment date on 31 December 2022. The loans are unsecured, interest-bearing at 6% per annum. Subsequent to the year end, the loans have been extended to 2023.

24. Lease liabilities

	2022 HK$'000	2021 HK$'000
Current portion	7,704	9,024
Non-current portion	47,134	62,450
	54,838	71,474

As the end of the reporting period, lease liabilities are carried at weighted average incremental borrowing rate ranging from 2.64% to 4.75% (2021: at 4.75%) per annum and repayable in 2 to 19 years (2021: 7 to 20 years).

25. Equity settled share-based transactions

On 25 January 2019 and 6 June 2019, the immediate holding company of the Group, Orient Victory Real Estate Group Holdings Limited ("OVRE"), and certain employees of the Group and other third-party individuals as placees (the "Placees") entered into sale and purchase agreements, under which OVRE agreed to sell and the Placees agreed to purchase 156,460,000 shares and 15,690,000 shares of the Company (collectively the "Placing Shares") at HK$0.145 per share and HK$0.129 per share respectively. Pursuant to the agreements, 7 employees of the Group have purchased 4,840,000 Placing Shares.

On 12 July 2019, OVRE adopted a share award scheme (the "Scheme") to grant awarded restricted shares of the Company (the "Awarded Shares") to selected persons. The Scheme shall be valid and effective for 10 years.

On 22 July 2019, the board of directors of OVRE approved to grant 8,970,000 Awarded Shares of the Company at nil consideration to 15 employees of the Group under the Scheme.

The Group deemed the selling of the Placing Shares and the grant of the Awarded Shares to the Group's employees as a combined share-based payment arrangement. Both the Placing Shares and the Awarded Shares are subject to the terms and conditions as tabulated below and the dates of the selling of the Placing Shares and the grant of the Awarded Shares are collectively referred to as the "Grant Date":

The Grant Date	The Company's share price as of the Grant Date	Number of the Placing Shares and the Awarded Shares	Vesting conditions
25 January 2019	HK$0.180	912,000	42 months from the Grant Date
25 January 2019	HK$0.180	1,824,000	54 months from the Grant Date
25 January 2019	HK$0.180	1,824,000	66 months from the Grant Date
6 June 2019	HK$0.160	56,000	37 months from the Grant Date
6 June 2019	HK$0.160	112,000	49 months from the Grant Date
6 June 2019	HK$0.160	112,000	61 months from the Grant Date
22 July 2019	HK$0.150	1,794,000	36 months from the Grant Date
22 July 2019	HK$0.150	3,588,000	48 months from the Grant Date
22 July 2019	HK$0.150	3,588,000	60 months from the Grant Date
		13,810,000	

	The Company's share price as of the Grant Date	Number of Placing Shares and Awarded Shares outstanding	Vesting conditions
At 31 December 2022	**HK$0.160**	**900,000**	**From 49 to 61 months from the Grant Date**
	HK$0.150	**2,000,000**	**From 48 to 60 months from the Grant Date**
		2,900,000	
At 31 December 2021	HK$0.160	1,380,000	From 49 to 61 months from the Grant Date
	HK$0.150	5,330,000	From 48 to 60 months from the Grant Date
		6,710,000	

25. Equity settled share-based transactions *(continued)*

During the year ended 31 December 2022, share-based payment expense of HK$219,000 (2021: HK$159,000) was recognised in administrative expenses of the Company. During the year ended 31 December 2022, there were 3,810,000 (2021: 410,000) Placing Shares and Awarded Shares forfeited for resignation of certain employees. At 31 December 2022, there are 2,900,000 (2021: 6,710,000) Placing Shares and Awarded Shares outstanding.

26. Deferred taxation

The following are the deferred tax (assets) liabilities recognised and the movements thereon during the years ended 31 December 2022 and 2021.

	Tax losses HK$'000	Fair value adjustment on non – current assets upon the acquisition of subsidiaries HK$'000	Revaluation of investment property HK$'000	Total HK$'000
At 1 January 2021	(2,373)	4,675	8,356	10,658
(Credited) charged to profit or loss of continuing operations (note 8)	(424)	(330)	1,929	1,175
Charged to discontinued operations	256	–	–	256
Increase through acquisition of subsidiaries	–	–	8,610	8,610
Decrease through deemed disposal of a subsidiary	–	–	(10,195)	(10,195)
Exchange realignment	(64)	56	105	97
At 31 December 2021 and 1 January 2022	(2,605)	4,401	8,805	10,601
(Credited) charged to profit or loss of continuing operations (note 8)	117	–	(1,791)	(1,674)
Exchange realignment	521	(108)	1,306	1,719
At 31 December 2022	(1,967)	4,293	8,320	10,646

Unrecognised deferred tax assets

	2022 HK$'000	2021 HK$'000
Tax losses arising in Hong Kong	23,303	23,303
Tax losses arising in the PRC	99,772	115,016
	123,075	138,319

26. Deferred taxation *(continued)*

Unrecognised deferred tax assets *(continued)*

At the end of the reporting period, the Group had the following tax losses arising in the PRC that can be offset against future taxable profits of the respective subsidiaries for a maximum of 5 years from the year in which the tax losses were incurred:

	2022 HK$'000	2021 HK$'000
Year of expiry		
2022	–	1,840
2023	3,535	4,238
2024	1,810	1,983
2025	86,083	101,353
2026	5,362	5,602
2027	2,982	–
	99,772	115,016

The accumulated profits of the PRC subsidiaries would be subject to additional taxation if they are distributed. The estimated withholding tax effects on the distribution of accumulated profits of these PRC entities were approximately HK$5,836,000 (2021: approximately HK$2,102,000). In the opinion of the directors, these accumulated profits, at the present time, are required for financing the continuing operations of the entities and no distribution would be made in the foreseeable future. Accordingly, no provisions for additional deferred taxation have been made.

27. Share capital

	2022		2021	
	Number of shares '000	HK$'000	Number of shares '000	HK$'000
Authorised:				
At the beginning and the end of the reporting period, ordinary shares of HK$0.005 each	20,000,000	100,000	20,000,000	100,000
Issued and fully paid:				
At the beginning and the end of the reporting period, ordinary shares of HK$0.005 each	12,922,075	64,610	12,922,075	64,610

28. Perpetual convertible securities

On 30 March 2016, the Company issued perpetual convertible securities in an aggregate principal amount of HK$170,000,000 (the "2016 March PCS"). The net proceeds of HK$155,668,000 were recorded as equity. The Group pledged the entire equity interest in Hua Yu New Life Services (Shenzhen) Company Limited, an indirect wholly-owned subsidiary of the Company, and the entire issued share capital of Donghui Hong Kong Holdings Limited, an indirect wholly-owned subsidiary of the Company, to secure the issue of the 2016 March PCS.

On 24 October 2016, the Company issued perpetual convertible securities in an aggregate principal amount of HK$264,867,000 (the "2016 October PCS", together with the 2016 March PCS, the "PCS"). The amount of HK$240,888,000 were recorded as equity.

The PCS have no fixed maturity dates. The Company may at its option redeem in whole or in part of the PCS. The PCS are convertible at the option of the holders into ordinary shares in the Company on a one-to-one ratio at the conversion price of HK$0.5436 and HK$0.128 per ordinary share of the Company for the 2016 March PCS and the 2016 October PCS, respectively.

Distributions at a rate of 6% per annum shall be payable on the PCS semi-annually and 2016 March PCS and 2016 October PCS and may be deferred and cancelled respectively at the sole discretion of the Company unless compulsory distribution payment events (including a discretionary dividend to ordinary shareholders of the Company or repaying any securities of lower rank or early redemption of securities prior to its stated maturity) has occurred.

In 2017 and 2018, 1,330,000 units and 1,000,000 units of the 2016 October PCS have been converted into ordinary shares in the Company respectively.

At 31 December 2022 and 2021, there were 2,066,942,901 units of the 2016 October PCS in an aggregate principal amount of HK$264,569,000 outstanding.

On 20 May 2019, 183,958,793 units of the 2016 March PCS have been redeemed by the Company at the total amount of HK$100,000,000. At 31 December 2022 and 2021, there were 128,771,155 units of the 2016 March PCS in an aggregate principal amount of HK$70,000,000 outstanding.

In respect of the accumulated distributions of HK$14,700,000 to the holder of 2016 March PCS which were originally scheduled to be made on 30 September 2019, 30 March 2020, 30 September 2020, 30 March 2021, 30 September 2021, 30 March 2022 and 30 September 2022 at the distribution rate of 6% per annum, such contingent distributions of HK$14,700,000 might be made in future.

On 8 March 2021, the Company announced to cancel the distribution to holders of the 2016 October PCS, which was originally scheduled to be made on 24 April 2021 at the distribution rate of 6% per annum. In respect of the distributions in the second half of 2021 and the first half of 2022, on 25 October 2021 and 25 April 2022, the Company paid out distributions of approximately HK$7,937,000 and approximately HK$7,937,000 to the holders respectively.

On 8 September 2022, in respect of the distributions in the second half of 2022, on 10 October 2022, the Company paid out distributions of HK$7,937,000 to the holders.

29. Reserves

The following provides a description of nature and purpose of each reserve within equity:

Share premium

Share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company. Under the Companies Act of the Cayman Islands, the share premium account of the Company is distributable to the equity shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company would be in a position to pay off its debts as they fall due in the ordinary course of business.

Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

30. Other cash flow information

Details of the changes in the Group's liabilities from financing activities are as follows:

	Due to a non-controlling shareholder of a subsidiary HK$'000	Interest payable HK$'000	Distributions payable HK$'000	Lease liabilities HK$'000	Total HK$'000
2021					
At the beginning of the reporting period	–	–	–	2,175	2,175
Acquisition of subsidiaries	–	–	–	68,528	68,528
Addition	–	–	–	2,253	2,253
Distributions declared (Note 28)	–	–	7,937	–	7,937
Finance costs	–	146	–	1,773	1,919
Exchange realignment	–	–	–	1,910	1,910
Cash inflow (outflow) in financing activities:					
New borrowings raised	830	–	–	–	830
Distributions paid to holders of perpetual convertible securities	–	–	(7,937)	–	(7,937)
Repayment of lease liabilities	–	–	–	(3,392)	(3,392)
Interest paid	–	(146)	–	(1,773)	(1,919)
At the end of the reporting period	830	–	–	71,474	72,304

30. Other cash flow information *(continued)*

	Due to a non-controlling shareholder of a subsidiary HK$'000	Distributions payable HK$'000	Lease liabilities HK$'000	Total HK$'000
2022				
At the beginning of the reporting period	830	–	71,474	72,304
Addition	–	–	1,065	1,065
Distributions declared (Note 28)	–	15,874	–	15,874
Disposal of a subsidiary (Note 32)	–	–	(986)	(986)
Disposal	–	–	(3,641)	(3,641)
Finance costs	179	–	2,751	2,930
Exchange realignment	(107)	–	(5,303)	(5,410)
Cash inflow (outflow) in financing activities:				
New borrowings raised	1,573	–	–	1,573
Distributions paid to holders of perpetual convertible securities	–	(15,874)	–	(15,874)
Repayment of lease liabilities	–	–	(7,771)	(7,771)
Interest paid	(179)	–	(2,751)	(2,930)
At the end of the reporting period	2,296	–	54,838	57,134

31. Acquisition of non-controlling interest in a subsidiary

On 28 June 2022, Beijing Huayu Environment Services Company Limited (北京華譽環境服務有限公司), a wholly owned subsidiary of the Company, entered into the sale and purchase agreement with the non-controlling shareholder of OVSE for acquiring the remaining 49% equity interest in OVSE (the "Acquisition"). The total consideration of the acquisition was settled by cash of RMB4,998,000 (equivalent to HK$5,847,000). The Acquisition was completed on 8 July 2022. Upon completion of the Acquisition, OVSE became a wholly owned subsidiary of the Company.

The following summarises the consideration paid and the amounts of the assets acquired and liabilities assumed of OVSE at the date of acquisition:

	HK$'000
Total cash consideration	5,847
Proportionate of the non-controlling interests held before the Acquisition	3,087

The difference of HK$2,760,000 between the consideration paid and the amount of the non-controlling interests, as a result of the acquisition of 49% equity interest in OVSE, was transferred to other reserve attributable to owners of the Company upon completion of the transaction.

32. Discontinued operations

(a) Disposal of discontinued operation in 2021

Pursuant to a shareholder resolution of OVNZ, a wholly-owned subsidiary of the Company dated 6 September 2021, as all the Group's land and residential properties in New Zealand were disposed of by May 2021 and the Group had no further investment and development plan in New Zealand, it was resolved to commence the liquidation procedures of the OVNZ Group. The liquidation of the OVNZ Group was completed on 5 November 2021.

The consolidated results of the OVNZ Group accounted for by the Group for the period from 1 January 2021 to 5 November 2021 have been presented as a discontinued operation in the Group's consolidated financial statements.

(b) Disposal of discontinued operation in 2022

On 22 August 2022, the Group entered into the share transfer agreement with Four Seas Travel (BVI) Limited, the non-controlling shareholder of Four Seas, to dispose of 65% equity interest in Four Seas at a consideration of HK$1 (the "Disposal"). The Disposal was completed on 30 August 2022. Upon completion of the Disposal, Four Seas is no longer a subsidiary of the Company.

The results of the discontinued operation for the period from 1 January 2022 to 30 August 2022, which have been included in the consolidated statement of profit or loss and other comprehensive income, are as follows:

	Period from 1 January 2022 to 30 August 2022 HK$'000	Year ended 31 December 2021 HK$'000
Revenue	33,410	13,920
Cost of sales	(27,773)	(11,375)
Gross profit	5,637	2,545
Other income	1,160	892
Administrative expenses	(6,768)	(6,400)
Finance costs	(39)	(69)
Loss before tax	(10)	(3,032)
Taxation	–	–
Loss after tax from discontinued operation	(10)	(3,032)
Gain on the Disposal	6,168	–
Profit (loss) for the year from discontinued operation	6,158	(3,032)

32. Discontinued operations *(continued)*

(b) Disposal of discontinued operation in 2022 *(continued)*

	Period from 1 January 2022 to 30 August 2022 HK$'000	Year ended 31 December 2021 HK$'000
Net cash inflow (outflow) from		
– operating activities	7,749	2,067
– investing activities	1	(410)
– financing activities	(455)	(864)
	7,295	793

The details are as follows:

	HK$'000
Net assets of Four Seas disposed of:	
Property, plant and equipment	416
Right-of-use assets	896
Trade receivables	9,263
Other receivables	308
Cash and cash equivalents	8,676
Trade payables	(20,445)
Contract liabilities	(418)
Other payables	(7,199)
Lease liabilities	(986)
Net liabilities	(9,489)
Net cash outflow on disposal of Four Seas:	
Cash consideration received	–
Cash and cash equivalents disposed of	(8,676)
	(8,676)
Non-controlling interest derecognised	3,321
Gain on the Disposal	6,168

33. Capital commitments

As at 31 December 2022, the Group had capital commitment relating to the investment in an equity security of approximately HK$16,894,000 (2021: HK$18,346,000).

34. Related party transactions

Other than disclosed elsewhere in the consolidated financial statements, the Group had the following material transactions with related parties during the year:

Relationships	Nature of transactions	Note	2022 HK$'000	2021 HK$'000
Key management personnel remuneration	Salaries, bonus, allowances and other short-term benefits		7,651	5,692
	Contributions to defined contribution plans		72	72
			7,723	5,764
Related company controlled by Mr. Shi	Marketing, event planning and consulting services	(i)	20,413	24,543
	Property management services	(i)	9,353	12,105
	Commercial properties and merchants management services	(i)	39,292	3,400
	Other service income		–	567
Non-controlling shareholders of subsidiaries	Purchase of air tickets	(i)	27,773	11,375
	Management service fee	(i)	160	240
	Air tickets and travel related services sold		–	15
	Provision of environmental hygiene services		898	2,171
	Borrowings raised		1,573	830

Note:

(i) These transactions constitute continuing connected transactions under the Listing Rules, further details of which are set out in the "Report of the directors" of this annual report.

35. Financial risk management objectives and policies

Categories of financial instruments

	2022 HK$'000	2021 HK$'000
Financial assets at amortised cost		
Trade receivables	65,656	30,607
Other receivables	52,693	79,011
Amounts due from an associate	141,901	153,943
Cash and cash equivalents	205,857	255,219
	466,107	518,780
Financial liabilities at amortised cost		
Trade payables	45,545	31,178
Other payables (excluding receipt in advance, other tax payables and employment benefits payables)	46,032	89,766
	91,577	120,944

The Group's principal financial instruments comprise trade receivables, trade payables and cash and cash equivalents. The main purpose of these financial instruments is to raise and maintain finance for the Group's operations. The Group has lease liabilities and various other financial instruments such as other receivables, amounts due from an associate, and other payables which arise directly from its business activities.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk.

The directors of the Company generally adopt conservative strategies on its risk management and limit the Group's exposure to these risks to a minimum level. The directors of the Company review and agree policies for managing each risk as summarised below and they manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Credit risk

The carrying amount of financial assets recognised on the consolidated statement of financial position, which is net of impairment losses, represents the Group's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

The Group reviews the recoverable amount of each individual financial assets and rental receivables at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

35. Financial risk management objectives and policies *(continued)*

(a) Credit risk *(continued)*

Trade receivables

The Group has a credit policy in place and exposures to credit risks are monitored on an ongoing basis. In order to minimise credit risk, the management of the Group has established credit limits, credit approvals and other monitoring procedures to ensure appropriate actions are taken to recover overdue debts.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. Credit quality of a customer is assessed based on an extensive credit rating and individual credit limit assessment which is mainly based on the Group's own trading records. For trade receivables from property management segment to third parties, the Group charges property management fees on an annual or a semi-annual basis and the payment is generally due upon the issuance of demand notes. For other business segments, the Group grants a credit period of 1 to 90 days to its customers.

As at the end of the reporting period, the Group had a concentration of credit risk as 34% (2021: 21%) and 68% (2021: 44%) of the total trade receivables were made up by the Group's largest outstanding balance and the five largest outstanding balances respectively.

The Group's customer base consists of a wide range of clients and the trade receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group applies a simplified approach in calculating ECL for trade receivables and recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected loss rate used in the provision matrix is calculated for each category based on actual credit loss experience over the past two years and adjusted for current and forward-looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's estimate on future economic conditions over the expected lives of the receivables. During the year, the Group engaged an independent professional valuer for the ECL assessment of trade receivables by adopting provision matrix model under simplified approach with reference to different industries information (2021: The ECL assessment of trade receivables was performed by the management itself with reference of the ageing and historical repayments of each individual).

The information about the exposure to credit risk and ECL for trade and rental receivables using a provision matrix as at 31 December 2022 and 2021 are summarised below.

35. Financial risk management objectives and policies *(continued)*

(a) Credit risk *(continued)*

Trade receivables (continued)

As at 31 December 2022

Ageing by due date	**Expected loss rate %**	**Gross carrying amount HK$'000**	**Loss allowances HK$'000**	**Credit-impaired**	**Net carrying amount HK$'000**
Not yet past due	**0.50%**	**4,172**	**(21)**	**No**	**4,151**
Past due:					
– within 3 months	**4.72%**	**27,335**	**(1,291)**	**No**	**26,044**
– more than 3 months but less than 6 months	**6.85%**	**20,737**	**(1,420)**	**No**	**19,317**
– more than 6 months but less than 12 months	**18.38%**	**14,067**	**(2,586)**	**No**	**11,481**
– over 1 year	**58.84%**	**11,329**	**(6,666)**	**Yes**	**4,663**
		77,640	**(11,984)**		**65,656**

As at 31 December 2021

Ageing by due date	Expected loss rate %	Gross carrying amount HK$'000	Loss allowances HK$'000	Credit-impaired	Net carrying amount HK$'000
Not yet past due	1.08%	20,774	(224)	No	20,550
Past due:					
– within 3 months	3.01%	6,744	(203)	No	6,541
– more than 3 months but less than 6 months	6.86%	3,759	(258)	No	3,501
– more than 6 months but less than 12 months	99.45%	2,722	(2,707)	No	15
– over 1 year	100.00%	5,046	(5,046)	Yes	–
		39,045	(8,438)		30,607

The Group does not hold any collateral over trade receivables at the end of the reporting period (2021: HK$nil).

35. Financial risk management objectives and policies *(continued)*

(a) Credit risk *(continued)*

Trade receivables (continued)

The Group recognised loss allowance of HK$3,527,000 (2021:HK$1,059,000) on the trade receivables during the year. The movement in the loss allowance for trade receivables during the year is summarised below.

	2022 HK$'000	2021 HK$'000
At the beginning of the reporting period	8,438	7,379
Increase in allowance	3,527	1,059
Disposal of a subsidiary	(4)	–
Exchange realignment	23	–
At the end of the reporting period	11,984	8,438

Amounts due from an associate

Amounts due from an associate are guaranteed by the Arrangement. The maximum exposure to credit risk in respect of the amounts due at the end of the reporting period, without taking into account the Arrangement, and the key terms of amounts due from an associate are disclosed in note 18. The directors of the Company consider that the credit risk arising from the amount due from an associate is significantly mitigated by the Arrangement with reference to the estimated market value of the properties held by the guarantor.

Other receivables

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the financial asset is credit-impaired, the Group has categorised the counterparties by common risk characteristics that are representative of the counterparties' financial abilities to repay by reference to, among others, their management and audited accounts and available press information, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. There was no change in the estimation techniques or significant assumptions made during the year.

After considering the above factors, the management assess that all of the other receivables have not had a significant increase in credit risk and 12-month ECL will be recognised. The management of the Group considers the 12-month ECL of other receivables to be insignificant, so no loss allowance was recognised during the year.

Cash and cash equivalents

The credit risk on cash and cash equivalents and amounts is limited because majority of the counterparties are financial institutions with high credit-ratings assigned by international credit-rating agencies and state-owned banks with good reputation. No loss allowance was recognised for both years.

35. Financial risk management objectives and policies *(continued)*

(b) Liquidity risk

Individual operating units within the Group are responsible for their own cash management. To minimise liquidity risks, management of the Group regularly reviews the current and expected liquidity requirements of operating units to ensure they maintain sufficient reserves of cash to meet operational needs so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities to meet their liquidity requirements in the short and longer terms.

The maturity profile of the financial liabilities and lease liabilities at the end of the reporting period based on contractual undiscounted payments is summarised below.

	On demand or within 1 year HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	More than 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying value HK$'000
At 31 December 2022						
Trade payables	45,545	–	–	–	45,545	45,545
Other payables	46,032	–	–	–	46,032	46,032
Lease liabilities	8,604	9,142	24,825	25,078	67,649	54,838
	100,181	9,142	24,825	25,078	159,226	146,415

	On demand or within 1 year HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	More than 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying value HK$'000
At 31 December 2021						
Trade payables	31,178	–	–	–	31,178	31,178
Other payables	89,766	–	–	–	89,766	89,766
Lease liabilities	11,327	10,902	28,882	40,227	91,338	71,474
	132,271	10,902	28,882	40,227	212,282	192,418

36. Fair value measurements

The following presents the assets and liabilities measured at fair value or required to disclose their fair value in the consolidated financial statements on a recurring basis across the three levels of the fair value hierarchy defined in HKFRS 13, "Fair Value Measurement" with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 (lowest level): unobservable inputs for the asset or liability.

Assets measured at fair value

	2022			
	Total	**Level 1**	**Level 2**	**Level 3**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
Investment properties	**82,437**	**–**	**–**	**82,437**

	2021			
	Total	Level 1	Level 2	Level 3
	HK$'000	HK$'000	HK$'000	HK$'000
Investment properties	100,599	–	–	100,599

During the years ended 31 December 2022 and 2021, there were no transfer between Level 1 and Level 2 fair value measurement, and no transfer into and out of Level 3 fair value measurements.

36. Fair value measurements *(continued)*

Assets measured at fair value *(continued)*

The details of the movements of the fair value measurements categorised as Level 3 of the fair value hierarchy during the years ended 31 December 2022 and 2021 are as follows:

Movements in Level 3 fair value measurements

	Investment properties	
	2022	2021
	HK$'000	HK$'000
At the beginning of the reporting period	100,599	–
Addition	67	
Acquisition of subsidiaries	–	102,969
Disposal	(3,702)	–
Fair value change	(6,840)	(3,785)
Exchange realignment	(7,687)	1,415
At the end of the reporting period	82,437	100,599

Quantitative information of the significant unobservable inputs and description of valuation techniques used in Level 3 fair value measurement

The quantitative information of the significant unobservable input and description of valuation techniques used in Level 3 fair value measurement, including the description of the sensitivity to changes in unobservable inputs for recurring Level 3 fair value measurements, are as follows:

Description	Fair value	Valuation techniques	Unobservable input	Range	Sensitivity of fair value to changes in unobservable inputs
Commercial premises for leasing to tenants – Mainland China	2022: HK$82,437,000 (2021: HK$100,599,000)	Income approach	Capitalisation rates	9.5% (2021: 9.5%)	The higher the capitalisation rate, the lower the market value
			Prevailing market rents	Unit per sq.m. per month: RMB23 to RMB223 (2021: RMB24 to RMB206)	The higher the unit rent, the higher the market value

36. Fair value measurements *(continued)*

Assets measured at fair value *(continued)*

Valuation processes of the Group

The fair values of assets and liabilities that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows and net asset value, are used to determine fair value for other assets and liabilities.

The carrying value less impairment provision of trade, rental and other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

37. Capital management

The objectives of the Group's capital management are to safeguard its ability to continue as a going concern and to provide returns for shareholders. The Group manages its capital structure to maintain a balance between liquidity, investment and borrowings, and makes adjustments, including payment of dividends to shareholders or issues new shares in the light of changes in the economic environment. No changes were made in the Group's objectives, policies or processes in managing capital during the years ended 31 December 2022 and 2021.

38. Retirement benefits schemes

The employees of the PRC subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. The PRC subsidiaries are required to contribute 1% to 16% (2021: 1% to 16%) of basic salaries of the employees to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

39. Statement of financial position of the company

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	Notes	2022 HK$'000	2021 HK$'000 (Re-presented) (Note)
Non-current assets			
Property, plant and equipment, including right-of-use assets		778	644
Investments in subsidiaries	17	–	–
		778	644
Current assets			
Prepayments, deposits and other receivables		501	1,408
Amount due from immediate holding company		785	785
Amounts due from subsidiaries		641,032	690,675
Amounts due from a related party		2	–
Cash and cash equivalents		4,103	10,012
		646,423	702,880
Current liabilities			
Other payables		7,228	6,482
Amounts due to subsidiaries		70,924	98,625
Amount due to a related party		–	5
Lease liabilities		575	585
		78,727	105,697
Net current assets		567,696	597,183
Total assets less current liabilities		568,474	597,827
Non-current liabilities			
Lease liabilities		216	74
Net assets		568,258	597,753
Capital and reserves			
Share capital	27	64,610	64,610
Perpetual convertible securities	28	296,274	296,274
Reserves	39(a)	207,374	236,869
Total equity		568,258	597,753

Note: Comparative figures have been reclassified where necessary to conform to the basis of presentation and the classification adopted in the current year.

39. Statement of financial position of the company *(continued)*

(a) Movements of the reserves

	Share capital HK$'000	Share premium HK$'000	Perpetual convertible securities HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 January 2021	64,610	635,378	296,274	(388,471)	607,791
Loss and total comprehensive loss for the year	–	–	–	(2,260)	(2,260)
Transactions with owners:					
Contribution and distributions					
Distributions to holders of perpetual convertible securities	–	–	–	(7,937)	(7,937)
Equity-settled share-based transactions	–	159	–	–	159
	–	159	–	(7,937)	(7,778)
At 31 December 2021 and 1 January 2022	64,610	635,537	296,274	(398,668)	597,753
Loss and total comprehensive loss for the year	–	–	–	(13,840)	(13,840)
Transactions with owners:					
Contribution and distributions					
Distributions to holders of perpetual convertible securities	–	–	–	(15,874)	(15,874)
Equity-settled share-based transactions	–	219	–	–	219
	–	219	–	(15,874)	(15,655)
At 31 December 2022	64,610	635,756	296,274	(428,382)	568,258

PARTICULARS OF PROPERTIES

Location	Approximate gross floor area (square meter)	Existing use	Lease term between the Group and the property owner	Attributable interest of the Group
Leasehold interests included in investment properties as right-of-use assets leased from property owners to earn rentals:				
Level 1 to Level 9 and Basement Level 1, Block 31, Fengshou Duhui, no. 325 of Jianshebeidajie, Changan District, Shijiazhuang City, Hebei Province, the PRC* (中國河北省石家莊市長安區建設北大街325號豐收都會31號樓1至9層及地下一層)	22,224.60	Commercial	20 years ending on 1 March 2030	100%
Units 4 to 5 on Level 1 to Level 3 and a portion of Unit 8 on Level 2 to Level 3, Block 2, Changan Huayuan, no. 80 of Jianshebeidajie, Changan District, Shijiazhuang City, Hebei Province, the PRC* (中國河北省石家莊市長安區建設北大街80號長安花苑2號樓1至3層4至5號單位及2至3層8號部分單位)	1,958.00	Commercial	20 years ending on 6 August 2028	100%
Unit 6 on Level 1 to Level 3 and a portion of Unit 8 on Level 1, Block 2, Changan Huayuan, no. 80 of Jianshebeidajie, Changan District, Shijiazhuang City, Hebei Province, the PRC* (中國河北省石家莊市長安區建設北大街80號長安花苑2號樓1至3層6號單位及1層8號部分單位)	1,967.00	Commercial	20 years ending on 6 August 2028	100%
Unit 107 on Levels 1 to 2 of Block 1, no. 55 of Quannan East Street, Qiaodong District, Xingtai City, Hebei Province, the PRC* (中國河北省邢臺市橋東區泉南東大街55號1號樓1至2層107號單位)	145.48	Commercial	2 years 8 months ending on 30 November 2024	100%
Various retail units on Basement Level 1, Level 1 and Mezzanine Level, Xiangqingyuan, no. 69 of Huaian East Road, Qiaoxi District, Shijiazhuang City, Hebei Province, the PRC* (中國河北省石家莊市橋西區槐安東路69號香晴苑負一層、一層及夾層多個零售單位)	5,063.99	Commercial	20 years ending on 28 February 2041	100%

* denotes an English translation of the Chinese name for identification purpose only.

FIVE YEARS FINANCIAL SUMMARY

31 December 2022
(Expressed in HK$)

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five years, as extracted from the published audited financial statements is set our below:

RESULTS

For the year ended 31 December

	2022 HK$'000	2021 HK$'000 (restated)	2020 HK$'000 (restated)	2019 HK$'000 (restated)	2018 HK$'000 (restated)
Continuing operations:					
Revenue	226,967	128,352	162,429	475,999	248,342
Profit(loss) before taxation	24,980	(18,222)	(61,375)	(7,617)	(57,060)
Income tax	(3,223)	(5,669)	1,984	(5,558)	–
Profit(loss) for the year	21,757	(23,891)	(59,391)	(13,175)	(57,060)
Discontinued operations:					
Profit(loss) for the year	6,158	3,157	14,465	(10,807)	(833)
Profit(loss) for the year	27,915	(20,734)	(44,926)	(23,982)	(57,893)
Attributable to:					
Equity holders of the Company					
Continuing operations	23,661	(14,626)	(38,024)	(23,290)	(55,564)
Discontinued operations	6,158	4,218	14,465	(10,807)	(514)
	29,819	(10,408)	(23,559)	(34,097)	(56,078)
Non-controlling interests					
Continuing operations	(1,904)	(9,265)	(21,367)	10,115	(1,496)
Discontinued operations	–	(1,061)	–	–	(319)
	(1,904)	(10,326)	(21,367)	10,115	(1,815)
Profit(loss) for the year	27,915	(20,734)	(44,926)	(23,982)	(57,893)

ASSETS AND LIABILITIES

As at 31 December

	2022 HK$'000	2021 HK$'000	2020 HK$'000	2019 HK$'000	2018 HK$'000
Total assets	811,820	892,419	850,387	1,190,925	1,002,609
Total liabilities	(205,537)	(246,425)	(147,834)	(484,763)	(218,149)
Net assets	606,283	645,994	702,553	706,162	784,460
Attributable to:					
Equity holders of the Company	589,156	623,374	624,820	606,591	743,600
Non-controlling interests	17,127	22,620	77,733	99,571	40,860
Total equity	606,283	645,994	702,553	706,162	784,460