C C LAND HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 1224

ANNUAL REPORT 2024

MIX
Paper | Supporting responsible forestry
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Contents

Corporate Information

DIRECTORS

Executive directors
Mr. Cheung Chung Kiu *(Chairman)*
Dr. Lam How Mun Peter
(Deputy Chairman & Managing Director)
Mr. Wong Chi Keung *(Deputy Chairman)*
Mr. Leung Wai Fai
Ms. Cheung Elaine Yu Ling

Independent non-executive directors
Mr. Lam Kin Fung Jeffrey
Mr. Leung Yu Ming Steven
Mr. Luk Yu King James

AUDIT COMMITTEE

Mr. Lam Kin Fung Jeffrey *(Chairman)*
Mr. Leung Yu Ming Steven
Mr. Luk Yu King James

NOMINATION COMMITTEE

Mr. Cheung Chung Kiu *(Chairman)*
Dr. Lam How Mun Peter
Mr. Lam Kin Fung Jeffrey
Mr. Leung Yu Ming Steven
Mr. Luk Yu King James

REMUNERATION COMMITTEE

Mr. Leung Yu Ming Steven *(Chairman)*
Mr. Cheung Chung Kiu
Dr. Lam How Mun Peter
Mr. Lam Kin Fung Jeffrey
Mr. Luk Yu King James

AUTHORISED REPRESENTATIVES

Dr. Lam How Mun Peter
Mr. Leung Wai Fai

COMPANY SECRETARY

Ms. Cheung Fung Yee

WEBSITE

www.ccland.com.hk

SECURITIES CODES

Shares
1224.HK

USD300 million 5.20% guaranteed notes due 2025
40850.HK

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

25th Floor
China Resources Building
26 Harbour Road
Wanchai, Hong Kong

INDEPENDENT AUDITORS

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISORS

Bermuda
Conyers Dill & Pearman

Hong Kong
Woo, Kwan, Lee & Lo
Ronald Tong & Co

SHARE REGISTRARS AND TRANSFER OFFICES

Principal share registrar and transfer office
Appleby Global Corporate Services (Bermuda) Limited
Canon's Court, 22 Victoria Street
PO Box HM 1179, Hamilton HM EX
Bermuda

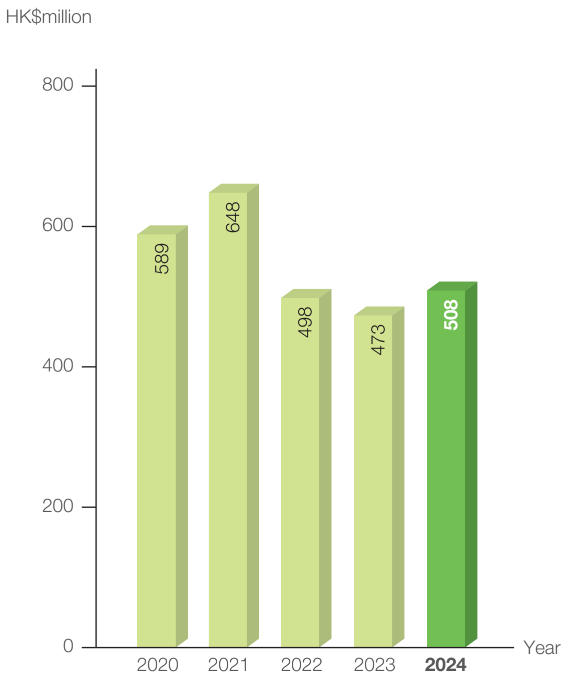
Hong Kong branch share registrar and transfer office
Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited
Chong Hing Bank Limited
Hang Seng Bank Limited
The Bank of East Asia, Limited
Industrial and Commercial Bank of China (Asia) Limited
China CITIC Bank International Limited

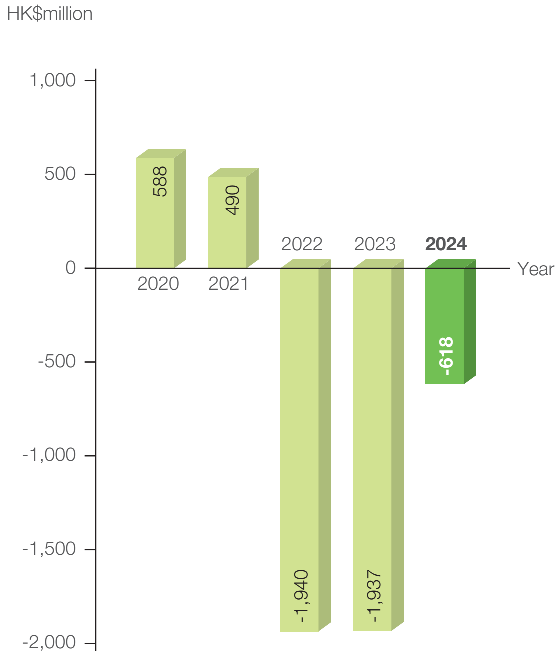
REVENUE

Year ended 31 December



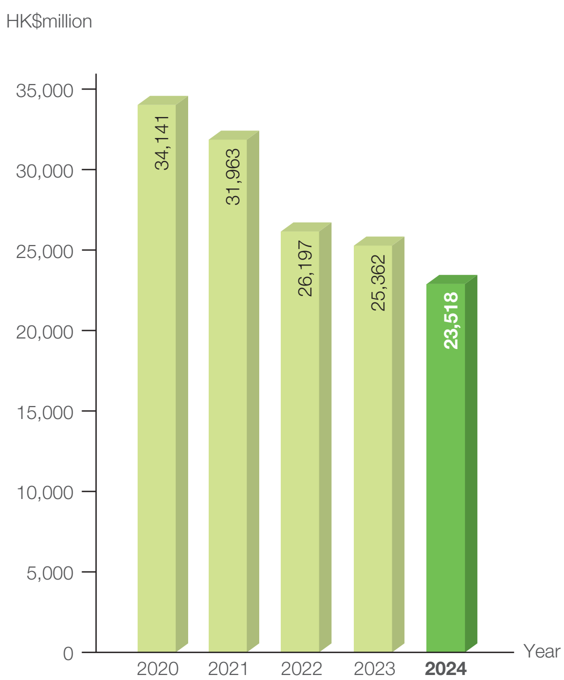
PROFIT/LOSS ATTRIBUTABLE TO SHAREHOLDERS

Year ended 31 December



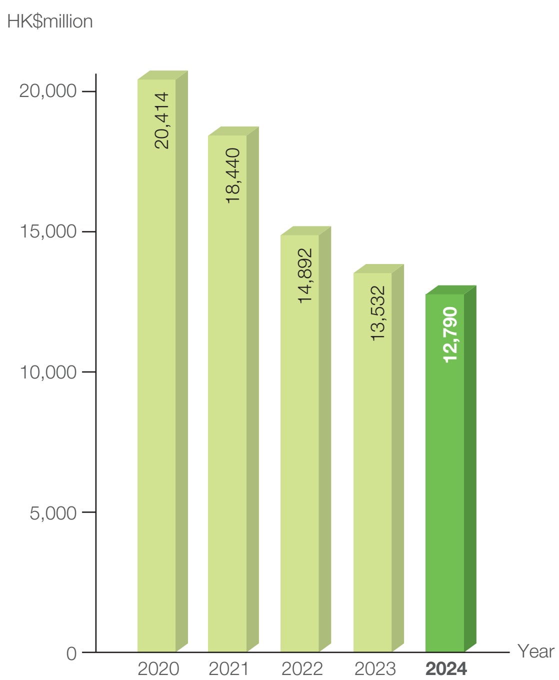
TOTAL ASSETS

As at 31 December



SHAREHOLDERS' EQUITY

As at 31 December



Directors' Profile

EXECUTIVE DIRECTORS

Mr. CHEUNG Chung Kiu, aged 60, was first appointed Executive Director of the Company on 22 June 2000 and became Chairman on 22 November 2006. He also serves as a Director of several subsidiaries of the Company. As Chairman, Mr. Cheung oversees the Group's entire business and is responsible for leading the Board and managing its work to ensure that the Board effectively operates and fully discharges its responsibilities. Mr. Cheung has a wide range of experience in investment and business management, including over 30 years of property development and investment experience, mainly in Hong Kong and in the PRC as well as other major cities globally including London and Sydney. In addition, Mr. Cheung is the chairman and executive director of The Cross-Harbour (Holdings) Limited ("CHH"), the shares of which are listed on the Stock Exchange. He is also a director of Windsor Dynasty Limited and Fame Seeker Holdings Limited, which are companies disclosed under the section headed "Discloseable Interests and Short Positions of Shareholders under the SFO" on page 37. Mr. Cheung is the father of Ms. Cheung Elaine Yu Ling, an Executive Director of the Company.

Dr. LAM How Mun Peter, aged 77, was first appointed Executive Director of the Company on 3 June 1998 and became Managing Director and Deputy Chairman on 9 April 1999 and 22 November 2006 respectively. Dr. Lam is one of the founders of the Group established in 1989. He also serves as a Director of several subsidiaries of the Company. As Managing Director, Dr. Lam oversees the Group's business and is responsible for overseeing the Group's day-to-day management, recommending strategies to the Board, and determining and implementing operational decisions. Dr. Lam graduated from the University of Hong Kong with a bachelor's degree in Medicine and Surgery in 1972. He is a fellow of the Royal College of Surgeons of Edinburgh and the American College of Surgeons. In addition to his extensive experience in medical practice, Dr. Lam has over 30 years of extensive experience in corporate management, real estate and investment.

Mr. WONG Chi Keung, aged 69, was appointed Executive Director and Deputy Chairman of the Company on 1 March 2016. He also serves as a Director of several subsidiaries of the Company. Mr. Wong oversees the Group's property development and investment business and is responsible for recommending investment strategies to the Board. He holds a degree of Doctor of Philosophy in Business from Honolulu University and is a professional member of the Royal Institution of Chartered Surveyors, and a member of The Hong Kong Institute of Housing and the Chartered Institute of Housing. He is a fellow member of Hong Kong Institute of Real Estate Administrators and The Hong Kong Institute of Directors and an honorary fellow of Guangxi Academy of Social Sciences. Prior to joining, Mr. Wong has held senior executive positions with various leading property companies and property consultant firms in Hong Kong for over 30 years. In addition, Mr. Wong is currently an executive director of CHH and an independent non-executive director of Water Oasis Group Limited, the shares of both companies are also listed on the Stock Exchange.

Mr. LEUNG Wai Fai, aged 63, was appointed Executive Director of the Company on 3 December 1999. He also serves as a Director of several subsidiaries of the Company. Mr. Leung is mainly responsible for the financial planning of the Group's business as well as overseeing its corporate finance and management. Mr. Leung graduated from the University of Wisconsin-Madison, the USA with a bachelor's degree in Business Administration in 1985, and is a fellow of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the UK. He has over 30 years of extensive experience in planning and advisory as well as accounting and financial reporting. In addition, Mr. Leung is an executive director of CHH, the shares of which are listed on the Stock Exchange.

Ms. CHEUNG Elaine Yu Ling, aged 29, was appointed Executive Director of the Company on 30 December 2024. She joined the Group in September 2019 and, prior to her appointment as Executive Director, served as an Assistant Manager in the Property Investment and Development team, where she primarily assisted with property development and investment business activities. Ms. Cheung holds a Master of Science in Innovation Management and Entrepreneurship and a Bachelor of Arts in History of Art and Architecture from Brown University in the USA. She is the daughter of Mr. Cheung Chung Kiu, the Chairman and controlling shareholder of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAM Kin Fung Jeffrey, GBS, JP, aged 73, was appointed Independent Non-executive Director of the Company on 3 June 1998. Mr. Lam holds a bachelor's degree in mechanical engineering from Tufts University in the USA. He has over 30 years of experience in the toy industry and is currently the Managing Director of Forward Winsome Industries Limited which is engaged in toy manufacturing. Mr. Lam was awarded a Gold Bauhinia Star and Grand Bauhinia Medal by the Government of the HKSAR in 2011 and 2023 respectively. He also holds a number of public and community service positions including Member of the Legislative Council and Non-Official Member of the Executive Council in Hong Kong, and General Committee Member of the Hong Kong General Chamber of Commerce. In addition, Mr. Lam is currently an independent non-executive director of Analogue Holdings Limited, China Overseas Grand Oceans Group Ltd., CSC Holdings Limited, Chow Tai Fook Jewellery Group Limited, CWT International Limited, Golden Resources Development International Limited, i-CABLE Communications Limited, Wing Tai Properties Limited and Wynn Macau, Limited, the shares of all these companies are listed on the Stock Exchange.

Mr. LEUNG Yu Ming Steven, aged 65, was appointed Independent Non-executive Director of the Company on 1 October 2007. Mr. Leung holds a master's degree in Accountancy from Charles Sturt University in Australia and a bachelor's degree in Social Science from the Chinese University of Hong Kong. He is a fellow of the Institute of Chartered Accountants in England and Wales, the Association of Chartered Certified Accountants in the UK, the Hong Kong Institute of Certified Public Accountants and the Taxation Institute of Hong Kong. Mr. Leung is also a certified practicing accountant of CPA Australia and a practising certified public accountant in Hong Kong. He previously worked in Nomura International (Hong Kong) Limited as an assistant vice-president in the International Finance and Corporate Finance Department. He commenced public practice in auditing and taxation in 1990 and is currently the senior partner of a firm of certified public accountants. He has over 30 years of experience in assurance, accounting, taxation, financial management and corporate finance. Mr. Leung is an independent non-executive director of Suga International Holdings Limited, Y. T. Realty Group Limited ("YTR") and CHH, the shares of all these companies are listed on the Stock Exchange.

Mr. LUK Yu King James, aged 70, was appointed Independent Non-executive Director of the Company on 22 May 2023. Mr. Luk graduated from The University of Hong Kong with a bachelor of science degree. He is a fellow of the Association of Chartered Certified Accountants, an associate of the Hong Kong Institute of Certified Public Accountants and an ordinary member of the Hong Kong Securities and Investment Institute. Mr. Luk has over 15 years of experience in corporate finance and in securities and commodities trading business, working with international and local financial institutions. He is an independent non-executive director of YTR, the shares of which are listed on the Stock Exchange.

Chairman's Statement

To our shareholders,

I am pleased to present the annual results of the Group for the year ended 31 December 2024.

For the year ended 31 December 2024, the Group recorded a consolidated revenue of HK$508.3 million (2023: HK$473.0 million) and a net loss for the year of HK$617.9 million (2023: HK$1,937.2 million). The increase in revenue is mainly due to the increase in contribution from the treasury investment business. The substantial reduction in loss for the year was primarily due to the fair value gains of approximately HK$308.8 million on the revaluations of the Group's investment properties in the UK as at 31 December 2024, compared to the fair value losses of HK$2.0 billion recorded last year, and was partially offset by the decrease in contribution from the Group's joint venture investments resulting from the decrease in property sales revenue and the impairment losses on its properties portfolio. The loss attributable to shareholders for the year was HK$617.9 million (2023: HK$1,937.2 million). The basic loss per share for the year was HK15.92 cents (2023: HK49.90 cents).

BUSINESS REVIEW

The Group is an international real estate company and its key property investment and development projects are located in several major metropolitan cities, namely, London, Hong Kong, and key cities in Mainland China.

During the year, the Group's office leasing business in the UK remained strong and generated a total rental income of HK$455.7 million with rent collection staying at the high level of 98%. The occupancy rates for the Group's two core investment properties in the UK, namely The Leadenhall Building and One Kingdom Street, were improved to 100% (2023: 98%) and 89% (2023: 71%) respectively. The Group had successfully completed the new leases in One Kingdom Street for a total area of approximately 47,600 sqf. The rental income growth was due to the Group's proactive management which succeeded to maintain a high occupancy rate and high tenants retention, It also engages with the tenants regularly to strengthen the property's status as a choice office in Central London.

2024 was a year full of uncertainties due to high interest rates, tightening monetary policies and geopolitical tensions around the major economies. Despite of these factors, the Group still achieved a remarkable sales performance of No. 15 Shouson (a 42% owned joint venture luxury residential development project in Hong Kong). The sales of 4 luxury villas were completed during the year yielding a total sales revenue of approximately HK$2.4 billion which was used to pay up in full the project's bank loan before maturity.

In terms of the development projects in the UK, 99 units of The Whiteley have been pre-sold for a total value of GBP651 million as at 31 December 2024. Out of which, 65 units with sales revenue of GBP484 million have been delivered to the buyers. The remaining 34 units are scheduled for delivery to the buyers in the first half of 2025. In addition, the 109-key Six Senses Hotel which forms part of The Whiteley has also been pre-sold for a total price of GBP180 million, with completion of the sale anticipated to take place in the second half of 2025. The construction has encountered a slight delay with practical completion of the whole project now scheduled in the second half of 2025. Following the exciting sales of Thames City Phase I in the last two years, the number of units available for sale was reduced. The sales slowed down a bit in the year, but only a handful of larger units are available. As at 31 December 2024, 495 residential units with a total value of GBP989 million have been contracted for sale since the launch, with buyers of both local and global origins. During the year, 43 units with a value of GBP137 million have been delivered to the buyers. The revenue for the rest of the presold residential units will be recognized accordingly when the units are delivered to the buyers. The development of Phase II of Thames City is in the pipeline and construction is expected to commence in the first half of 2025.

Apart from London, the Group has several property investment and development projects in Hong Kong and some key cities in Mainland China.

Facing the continuing weak economies in Hong Kong and Mainland China, the Hong Kong Government has abolished the demand-side management measures for residential properties since the beginning of 2024 which provided sales momentum to the market but at subdued prices. There is still no sign of recovery in Mainland China property market. Given the unstable and unpredictable environments and the implementation of additional tariffs by the USA, the property markets in Hong Kong and Mainland China are expected to remain subdued in the years to come.

Despite the volatility in the financial markets, the treasury segment recorded a profit of HK$1.4 million. The Group will continuously adopt a prudent investment strategy and assess the performance of its investment portfolio to make timely and appropriate adjustments to fine-tune its investments holding with a view to generating favorable returns for its shareholders.

OUTLOOK

Looking ahead, the Group believes its office leasing business in London will continue to provide stable growth momentum to the Group in view of London's status as a major global city, and the superb quality of the Group's property portfolio. With good market fundamentals and through its proven asset management capability, the Group expects to continue receiving growing contribution from its office leasing business in the coming years. The Group will continually benefit from the development of Thames City Phase II in the near term and book sales revenue of Thames City Phase I and The Whiteley when the keys are delivered to the buyers upon completion.

For the Group's property investment and development projects in Hong Kong and some key cities in Mainland China, the performance for the year under review was impacted by the unstable and uncertain economic environment. The Group believes these cities with their sound infrastructures will have continual economic growth, and investments can generate good returns on a long term basis due to the structural demand for real estates in a growing economy.

The Group foresees in the coming one to two years the global economy will continue to face uncertainties resulting from the geopolitical tensions, unpredictable path of interest rates cut and the new tariffs policy of the USA. In this ever-changing operating environment, the Group will continue adhering to its prudent strategy of achieving asset growth, prudently selecting investment opportunities and realizing the assets sale at the appropriate time.

ACKNOWLEDGEMENTS

I would like to express my sincere appreciation to the Board, management and staff for their diligence, loyalty and dedication. I am grateful to our shareholders, strategic partners and bankers for their continual support and trust which have contributed towards the Group's success and moving forward.

Cheung Chung Kiu
Chairman

Hong Kong, 24 March 2025

Management Discussion and Analysis

RESULTS

The Group achieved a consolidated revenue of HK$508.3 million for the year, representing an increase of approximately 7.5% compared to HK$473.0 million in 2023. The Group's loss for the year was HK$617.9 million (2023: HK$1,937.2 million). The substantial reduction in loss for the year was primarily due to the fair value gains of approximately HK$308.8 million on the revaluation of the Group's investment properties in the UK as at 31 December 2024, compared to the fair value losses of HK$2.0 billion recorded last year, and was partially offset by the decrease in contribution from the Group's joint venture investments resulting from the decrease in property sales revenue and the impairment losses on its properties portfolio. The loss attributable to shareholders for the year was HK$617.9 million (2023: HK$1,937.2 million). The basic loss per share for the year was HK15.92 cents (2023: HK49.90 cents).

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 14 May 2025 to Monday, 19 May 2025, both days inclusive, for determining the eligibility of shareholders for attending and voting at the AGM. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates should be lodged for registration with Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m., Tuesday, 13 May 2025.

BUSINESS REVIEW

The Group continues its property development and investment business in major cosmopolitan cities, covering London, the UK, Hong Kong, and some key cities in Mainland China. The Group believes these cities with their sound infrastructures will see continual economic growth, and prudent investments can generate attractive returns on a long-term basis.

Revenue and Operating Profit

Performance for the year was continuously impacted by the prevailing unstable and unpredictable economic conditions arising from the high interest rates environment and slow recovery of the domestic economy. The economy of Mainland China has still no sign of recovery in the near term despite various relaxation measures implemented by the Central Government.

The rental income from the investment property portfolio amounted to HK$455.7 million representing a decrease of 3.3% compared to that of last year which was mainly due to the signing of new leases in One Kingdom Street had only completed in the second half of 2024.

Total revenue amounted to HK$508.3 million (2023: HK$473.0 million) which represents an increase of 7.5% which mainly came from the increased contribution from the treasury investment business.

The Group's treasury investment business benefitted from the improvement in the performance of the Hong Kong stock market in the second half of the year. The treasury investment segment, comprising of listed equity securities and unlisted investment funds, recorded fair value gains of HK$4.1 million (2023: fair value losses of HK$136.1 million), net realized gains on disposal of listed equity securities and redemption of unlisted investment fund of HK$12.2 million (2023: Nil) during the year.

The Group's share of the results from the operation of joint venture investments (including investments in joint ventures and associates) recorded a loss of HK$413.6 million from a profit of HK$759.9 million in last year. This is primarily due to the decrease of property sales revenue recorded from Thames City Phase I as most of the residential units had been delivered to the buyers in the previous years, and the impairment loss on the Group's properties portfolio.

The value of the Group's investment properties in the UK affected by the high interest rate is now gaining stability. During the year, the investment properties recorded fair value gains of HK$308.8 million (2023: fair value losses of HK$2.0 billion).

As at 31 December 2024, the Group's investment properties in the UK were revalued by Knight Frank Petty Limited ("KF") at GBP1,136 million, representing an increase of 3.2% compared to that at last year end. KF continued to adopt the income capitalization approach with the following key values of inputs:

Values of input	31 December 2024	31 December 2023	Relationship to fair value
Estimated rental values (per square foot per annum)	GBP60 to GBP112.5	GBP60 to GBP112.5	The higher the rental values the higher the fair value
Equivalent yields	5.01% to 5.86%	5.03% to 5.89%	The higher the yields the lower the fair value

The income capitalization approach took into consideration the rental values of the tenancies and the investment yields which are the critical factors in determining the property's value and is widely considered to be the most adopted and appropriate methodology for valuing properties held for long-term rental purpose.

The loss attributable to shareholders was HK$617.9 million (2023: HK$1,937.2 million). The basic loss per share for the year was HK15.92 cents (2023: HK49.90 cents).

Investment Properties

As at 31 December 2024, the Group owns two Grade A commercial properties in Central London, the UK.

London

The two commercial buildings, namely The Leadenhall Building, and One Kingdom Street, with an approximate total leasable area of 875,000 sqf, are located in the prime financial and insurance districts in Central London, UK. These two buildings represent the Group's core rental business and continue to maintain a secure and stable revenue income stream.

During the year, the Group generated a rental income of HK$455.7 million (2023: HK$471.1 million) from its investment properties in the UK. The Group's rent collection has been solid with a 98% of rent collected in the year (2023: 98%).

The Group still has confidence in the long-term prospects of London in view of the city's status as a major global city, with a commercial property market that draws vast interest from both occupiers and investors.

The Leadenhall Building

The Leadenhall Building, a skyscraper having a height of 225 metres (738 feet) tall, is one of the iconic buildings in the Central London district. The building's distinctive wedge-shaped architectural design has created several specific spaces to cater for the different needs of the tenants' businesses. The combination of modern offices and food experiences in the neighborhood enables tenants' businesses to attract and retain talented staff. The property consists of 46 floors which are used mainly for office purposes and will be held by the Group as investment property for long-term capital growth. It comprises approximately 610,000 sqf of office and retail space and is fully let with a weighted average unexpired lease term of approximately 8.7 years with 7.2 years on a term-certain basis. The building's tenant base includes several renowned international insurance companies alongside other financial institutions, technology, and professional service businesses. The current annual contract rent of The Leadenhall Building is around GBP42.1 million (2023: GBP40.6 million). The office space was fully leased as at 31 December 2024. The rental yield is approximately 3.7% (2023: 3.5%) per annum.

The Leadenhall Building

Basement Refurbishment Projects, The Leadenhall Building

One Kingdom Street

The property is well connected to public transportation with nearby underground metro stations, providing easy access to Oxford Street or Heathrow Airport. One Kingdom Street is situated in Paddington Central, an area comprised of dining, office and residential blocks, hotel, retail and entertainment amenities. The building was recently refurbished with luxury-feel office spaces, together with its featured elegant, glazed exteriors and a superbly functional entrance hall. Above the hall, 265,000 sqf of superior office space is spread over nine floors. There is a huge amount of natural light in every office to create a productive and enjoyable working environment.

Occupier Events and Engagement, One Kingdom Street

Refurbishment works, One Kingdom Street

One Kingdom Street offers approximately 265,000 sqf of Grade A office accommodation and some parking spaces, with a current annual contract rent of approximately GBP16.0 million (2023: GBP12.4 million), equivalent to an annual yield of 5.5% (2023: 4.3%). The building is 89% leased to reputable major tenants and the refurbishment of the vacant spaces was completed during the year. The Group had successfully signed on new leases in One Kingdom Street for a total area of approximately 47,600 sqf. Apart from office accommodation, after completion of the metro Elizabeth Line's related construction works, Transport for London has returned to One Kingdom Street 15,360 sqf of vacant space underneath the office tower. The Group is currently exploring various leasing options for this vacant space which may entail creating an urban logistics hub in collaboration with adjacent landlords in Paddington Central.

The Group manages the property leases proactively in order to maintain a high occupancy rate and high tenants retention, while reducing the tenant concentration risks. It also engages with the tenants regularly to strengthen the property's position as a choice office in Central London.

Joint Ventures

As at 31 December 2024, the Group has seven property projects operating through joint ventures, two projects with over 0.8 million sqf of attributable development space in Central London, three projects with approximately 0.5 million sqf of attributable gross floor area in Hong Kong and two projects with approximately 6.8 million sqf of attributable gross floor area in the Mainland China.

The Group's total investments in joint venture projects decreased to HK$9.3 billion as at 31 December 2024, down from HK$10.2 billion as at 31 December 2023. There was no acquisition or disposal of joint ventures during the year. The decrease was mainly due to the cash distribution from joint ventures and the share of losses of the joint ventures resulting from the decrease in property sales revenue and the impairment losses on its properties portfolio during the year.

The Group's property development pipeline is a significant component of the value of its joint venture business, and the Group expects this pipeline to contribute significantly to earnings and provide attractive returns on its investments in the near to medium term. As at 31 December 2024, the Group held interests in centrally located development sites with a total attributable development potential of approximately 8.1 million sqf, primarily in the UK, Hong Kong, and Mainland China.

London

The Group's presence in London's development business through its ownership interests in Thames City and The Whiteley continues to drive value for its shareholders. As at 31 December 2024, an accumulated total of 495 residential units for over GBP989 million in value have been presold in Phase I of Thames City, and a total of 99 residential properties for an aggregate sales price of roughly GBP651 million have been presold for The Whiteley.

Thames City

Thames City London

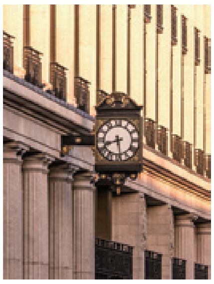
Just along the south bank of the section of River Thames in Central London, the 10-acre former New Covent Garden Market site is now being redeveloped as Thames City, a mixed-use development featuring 12 residential and commercial buildings, ranging in height from 4 to 53 storeys, and a park which forms part of a vibrant regeneration district that will run from the Vauxhall Bridge to the Battersea Power Station. When fully completed, Thames City comprises approximately 1,500 luxury residential units with a total saleable area of approximately 1.7 million sqf, including three primary towers which rise to 36-53 storeys above basement, providing exceptional panoramic views over the whole of London. Other facilities include a grand clubhouse with a 30-metre-long swimming pool, a state-of-the-art gymnasium, movie theatre, karaoke lounge, landscaped gardens, restaurants, retail outlets and commercial spaces.

During the year, a total of 67,000 sqf or 43 units were sold and recognized in the profit and loss account of the project company, contributing GBP137 million in sales revenue. Thames City's marketing continues in progress and has met with much success. The project has received positive response from both domestic and international buyers.

The development of Phase II and III of Thames City with respective saleable areas of 531,000 sqf and 590,000 sqf is in the pipeline and the construction of Phase II is expected to commence in the first half of 2025.

The Group has 50% interests in the Thames City project.

The Whiteley



The Whiteley London

In 2019, the Group committed to invest GBP182 million in a joint venture to restore the legendary Whiteley Shopping Centre which forms an important part of the wider regeneration of Queensway which is now being transformed into a more pedestrian friendly zone for London. Located in Queensway, W2, The Whiteley redevelopment project is a mixed-use scheme which secured planning permission in 2016. When finished, the project with about 603,000 sqf will deliver 139 luxurious residential apartments, a 5-star spa hotel with 109 rooms operated by Six Senses, retail and restaurant spaces, offering an exceptional living and investment opportunity in prime Central London. The Whiteley will be restored to its legendary position at the heart of Bayswater after completion. The Group has fully paid its committed investment of GBP182 million for the development.

The practical completion of The Whiteley is in the second half of 2025. During the year, sectional completion of certain parts of the residential blocks was completed and delivered to the buyers. As at 31 December 2024, 65 residential units with a sales amount of GBP484 million have been delivered to the buyers. The development will deliver approximately 326,000 sqf of residential area, and 277,000 sqf of retail, hotel, commercial and parking spaces. Pre-sales started in November 2021. As at 31 December 2024, it has presold 99 residential units for GBP651 million and the remaining 34 presold units are scheduled for delivery to the buyers in the first half of 2025. In addition, the 109-key Six Senses Hotel which forms part of The Whiteley has also been pre-sold for GBP180 million. Completion of the sale is anticipated to take place in the second half of 2025.

The Group has approximately 47% interests but 50% voting power in this project.

Hong Kong

Harbourside HQ

Located next to the Kai Tak Development District, Harbourside HQ is a 28-storey Grade A office with a total marketable gross floor area of approximately 795,000 sqf, including retail spaces on the ground and first floor, and 285 parking spaces. Overlooking Kai Tak and the Kwun Tong Promenade, the property is situated close to the Ngau Tau Kok MTR station, connecting it to different districts of Hong Kong. With its unique location and iconic 136.5 metres height, Harbourside HQ commands a panoramic harbour view stretching from the Lei Yue Mun Straits to the Victoria Harbour. The nearby retail and commercial structures offer amenities in shopping, dining, and entertainment. With the new anchor tenant, Hospital Authority, moving into the building in the second half of 2023, the occupancy rate was maintained at 75% as at 31 December 2024. The cost of acquisition was HK$7.5 billion in which the Group has a 25% interest.

No. 15 Shouson

No. 15 Shouson is located at No. 15 Shouson Hill Road West. It comprises a total of 15 luxury villas with a total gross floor area of approximately 88,000 sqf. All the villas have internal lifts, gardens, usable rooftops and parking spaces. Among them, 13 villas also have private swimming pools. During the year, the sales of 4 luxury villas were completed yielding a total sales revenue of approximately HK$2.4 billion. The completed monies were mainly used for the full redemption of the bank loan before maturity. There are 8 villas available for sale and will provide positive contribution to the Group in the coming years.

The Group has 42% interests in No. 15 Shouson with an original investment of about HK$1.2 billion.

Kowloon Bay International Trade & Exhibition Centre ("KITEC")

The Group has an effective 15% interest in a joint venture development project related to KITEC with an attributable investment of about HK$906 million. The business operations of KITEC ceased at 30 June 2024 to await for the approval of the redevelopment plan which includes commercial and residential components.

Mainland China

Development Projects

Jiangsu Yancheng Project (江蘇鹽城項目)
The Group has a 29.4% interest in a joint venture of a development project in Jiangsu with a planned total investment of RMB496 million. The project has a site area of about 687,000 sqf. When fully developed, it comprises 1.56 million sqf of residential and commercial saleable area. The project is located at the intersection of Yanzhen Road (鹽枕路) and Houde Road (厚德路) in close proximity to the city government office building, the airport, and railway station. Construction work commenced in June 2021.

The project is being developed in two phases, comprising thirteen residential and commercial buildings. Phase I with approximately 712,000 sqf was completed and started delivery last year.

Guangdong Jiangmen Project (廣東江門市項目)
The Group has a 34% interest in a joint venture of a development project in Jiangmen city, Guangdong Province, with a total investment cost of RMB703 million. The project, with a site area of about 15.5 million sqf, is positioned for commercial and residential development, providing a total gross floor area of about 19.2 million sqf. The project is located on the west bank of the Guangdong-Hong Kong-Macau Greater Bay Area, at the core of the Taishan (台山) coastal resort area.

Site survey of the project has been completed. Infrastructure works related to access roads and utility facilities are required for the residential site before the commencement of construction works.

Treasury Investment Business

The dividends from investments amounted to HK$37.3 million (2023: HK$1.8 million). The fair value gains from its investment portfolio amounted to HK$4.1 million (2023: fair value losses of HK$136.1 million). A net gain on disposal of listed equity securities and redemption of unlisted investment fund of HK$12.2 million (2023: Nil) was also realised. This was largely in line with the improvement in the performance of the Hong Kong Stock Market in the second half of the year.

CORPORATE STRATEGY AND OUTLOOK

Facing the continuing weak economies in Hong Kong and Mainland China, the Hong Kong Government has abolished the demand-side management measures for residential properties since the beginning of 2024 which provided sales momentum to the market albeit at subdued prices. There are still no sign of recovery in the Mainland China property market and the Group expects the property markets in Hong Kong and Mainland China will remain subdued in the years to come. Although the long-awaited interest rates cut initiated in the second half of the year, the level of interest rates cut in the near term remains unpredictable in particular the proposed implementation of the new tariffs policy by the USA in 2025 which may re-boost inflation and affect the relationship between the USA and other major economies and ultimately dampen the global economy growth.

The Group will continue to adopt a wait and see approach in tackling the unstable and unpredictable economic conditions which were driven by the geopolitical tension and the longer than expected high interest rates environment. The Group will adopt a conservative attitude but keep a watchful eye on the market and cherry pick for acquisition high-quality assets and businesses should they appear.

Following the staged completion of the two joint-venture development projects in Central London, revenues will be continually booked as delivery takes place, providing attractive returns to the Group. Concurrently the two investment properties in Central London will continue to provide a steady and recurring rental income for the Group.

Looking ahead, the Management anticipates the unstable business environments will persist in the foreseeable future. The Group will focus on ensuring the stability and sustainability of its existing property portfolio and adjust its strategies in response to the ever-changing market as well as maintain a healthy balance sheet.

FINANCIAL REVIEW

Treasury Investments

The Group regularly reviews and manages its capital structure to ensure that its financial position remains sound, so that it can continue to provide returns to shareholders while keeping financial leverage at a healthy level. The objectives of the Group's investment policy are to minimize risks while retaining liquidity, maintain a healthy balance sheet, and achieve a competitive rate of return.

The Group invested surplus cash in a diversified portfolio of listed equity securities and unlisted investment funds. As at 31 December 2024, the portfolio of investments comprised of listed equity securities and unlisted investment funds with an aggregate carrying value of HK$805.8 million (2023: HK$1,063.4 million) which is listed in the table below:

	31 December 2024 HK$' million	31 December 2023 HK$' million
Financial assets at fair value through profit or loss		
Listed equity securities	**45.8**	71.2
Unlisted investment funds	**760.0**	992.2
Total	**805.8**	1,063.4

In terms of performance, the Group recognized from its portfolio of investments during the year an unrealized fair value gain of HK$4.1 million (2023: fair value losses of HK$136.1 million) in the consolidated statement of profit or loss. The Group disposed of a portion of the listed equity securities and redeemed part of the unlisted investment fund, realizing a cash proceed of HK$273.9 million (2023: Nil) resulted in a net realized gain of HK$12.2 million (2023: Nil) and the dividend income from the above investments was HK$37.3 million (2023: HK$1.8 million). In terms of future prospects of the Group's investments, the performance of the listed equity securities and unlisted investment funds held is to a large extent subject to the performance of the relevant financial markets which are liable to change rapidly and unpredictably.

The Group will continuously adopt a prudent investment strategy and assess the performance of its investment portfolio to make timely and appropriate adjustments to fine-tune its investments holding with a view to generating favorable returns for its shareholders.

Liquidity and Financial Resources

As at 31 December 2024, the Group had cash on hand of HK$1.9 billion. About 30% of the Group's bank deposits and cash were denominated in HKD, 24% in USD, 45% in GBP and 1% in other currencies.

The Group has executed a conservative strategy of securing long-term financing on individual properties. As at 31 December 2024, the Group had two investment properties valued at approximately HK$11.1 billion which are charged with mortgages totalling HK$6.2 billion.

Where appropriate, the Group uses interest rate swaps to lock-in lending rates on certain mortgages and bank borrowings, which provide certainty to the rate of interest on borrowings involving transactions of a longer term nature.

The Group's net borrowings slightly decreased to HK$8.4 billion at 31 December 2024, compared with HK$8.6 billion at 31 December 2023. The Group's net gearing ratio, which is calculated as net borrowings as a percentage of the owners' equity, increased slightly to 65.9% at 31 December 2024 from 63.7% at 31 December 2023. The Group's adjusted net gearing ratio would be reduced to 59.6% (2023: 55.8%) if the portfolio of investments was taken into account.

As at 31 December 2024, the total debt was HK$10.3 billion (2023: HK$11.4 billion) with the maturity profile spreading over a period of four years with HK$3.0 billion repayable within one year and the remaining HK$7.3 billion repayable after one year. About 60% of the Group's total debt was denominated in GBP, 22% in USD, 17% in HKD, and 1% in RMB. The debt to total assets ratio was 44% (2023: 45%) and is calculated as debt as a percentage to total assets. As at 31 December 2024, except for the notes payable of HK$2.3 billion (2023: HK$2.3 billion) and other loan of HK$57.5 million (2023: HK$59.6 million) bearing interest at fixed rates, all bank borrowings bear interest at floating interest rates. The weighted average cost of debt was 5.9% (2023: 5.8%) per annum during the year.

Net current liabilities were HK$482 million mainly due to the classification of US$300 million guaranteed notes payable from non-current liability to current liability due to its maturity date falling in 2025 and the refinancing of this liability is supported by the credit facility provided by the controlling shareholder.

As at 31 December 2024, the owners' equity was HK$12.8 billion (2023: HK$13.5 billion) and the net assets value per share was HK$3.29 (2023: HK$3.49).

Contingent Liabilities/Financial Guarantees

At 31 December 2024, the Group had the following contingent liabilities/financial guarantees:

1. Guarantees given to banks (2023: banks and an independent third party) in connection with facilities granted to associates up to HK$1,328 million (2023: HK$1,538 million).

2. Guarantees given to certain financial institutions in connection with the cost overrun guarantee in respect of the project development costs of a joint venture up to HK$608 million (2023: HK$822 million).

Pledge of Assets

As at 31 December 2024, investment properties, bank deposits, and property and equipment in the respective amounts of HK$11.1 billion, HK$326.5 million and HK$55.5 million, and the equity interests of certain subsidiaries have been pledged as security for banking facilities granted to the Group and a joint venture of the Group.

Exchange Risks and Hedging

The Group manages its treasury activities within established risk management objectives and policies. The main objectives are to manage exchange, interest rate and liquidity risks and to provide a degree of certainty in respect of costs.

The Group adopts strategic hedging policies to optimize risk-adjusted returns from operations, including the following initiatives:

1. Use of interest rate swaps to hedge the interest rate risk on borrowings.

2. Use of same currency borrowings as a natural hedge to match the currency of assets and cashflows.

3. Use of currency forward contracts to hedge currency risk as appropriate.

EMPLOYEES

As at 31 December 2024, the Group employed a total of 105 employees in Hong Kong, Mainland China and the UK for its principal business. Remuneration cost for the year (excluding directors' emoluments) amounted to approximately HK$127 million.

The Group's policy on remuneration is to ensure that pay levels of its employees are competitive to the market and employees are rewarded according to their merits, qualifications, performance and competence. Other benefits offered to employees include contributions of mandatory provident fund, medical insurance, and training subsidies.

Employees are also eligible to be granted share options under the Company's share option scheme at the discretion of the Board. For the year ended 31 December 2024, no equity-settled share option expense was charged to the consolidated statement of profit or loss.

The Group adopts a proactive approach in investor relations and strives to provide investors with updates and accurate information on the Group's latest development. The Group has an open-minded attitude and believes effective communication is two-ways and therefore also encourages investors to send feedback to the Group. To enable easy access to information on the Company's latest major development, measures have been taken to ensure all necessary information and appropriate updates are made available to investors in a timely manner through the Company's website, www.ccland.com.hk. The Group adopts multiple channels of communication and engagement with investors. These channels allow the Group to receive feedback from its shareholders and investment community. A dedicated investor relations email account has been set up for taking enquiries and receiving information requests from investors.

INVESTOR RELATIONS ACTIVITIES

To facilitate on-going and timely dialogues with the investment community, the Group held analysts briefing after each annual results announcement. The management of the Group also participated in investment forums organized by leading international investment banks.

The Group has maintained a long-term and close relationship with the investment community, keeping an updated distribution list of investors to provide them with corporate news and announcements through e-mails. The Group believes continuous communication between investors is extremely important.

Apart from the equity investors, since the issuance of its guaranteed notes in 2019, the Group also communicates and updates its latest development with bond investors regularly.

ACHIEVEMENTS AND AWARDS

Year 2024 is a remarkable year for The Leadenhall Building, solidifying its reputation as an award-winning, community-driven workspace. The building received the following multiple accolades:

1. The "Event of the Year Award" for Summer of Sport, organized by NOEA (National Outdoor Events Association).

2. The PFM ("Premises and Facilities Management") Awards- Partners in Corporate.

3. The Recognising Excellence Award for Place Shaping/Customer Experience.

4. The Urban Logistics Award in partnership with Curb Cargo.

2023 Annual Results Announcement

2024 Awards – The Leadenhall Building

1. GOVERNANCE STRUCTURE

This ESG report has been prepared for the reporting year ended 31 December 2024 in accordance with the reporting requirements of the Environmental, Social and Governance Reporting Guide[1] (the "ESG Guide") set out in the version of Appendix C2 to the Listing Rules effective prior to 1 January 2025.

The Board has overall responsibility for the Group's ESG including:

- evaluating and determining the Group's ESG-related risks and opportunities;
- ensuring that appropriate and effective ESG risk management and internal control systems are in place;
- setting the Group's ESG management approach, strategy, priorities and objectives;
- reviewing the Group's performance periodically against ESG-related goals and targets; and
- approving disclosures in the Group's ESG report.

It is our primary objective regarding ESG to promote sustainable development that meets our business goals without compromising the needs of the environment, society and economy. This aligns with our recognition that ESG issues are as important as other types of enterprise risks, which could have a material impact on the Group's ability to generate returns. Consequently, the priority of the Board's oversight of ESG issues is to incorporate this objective into the Group's daily operations and to devise measures and monitoring systems to enhance our sustainability performance as part of our business development strategy. In achieving our objective, our ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the Group's businesses) aim to ensure consistency and an acceptable balance between our corporate actions and the interests of the environment, society and sustainable development. In evaluating progress against ESG-related goals and targets, the Board has considered various factors relevant to our business operations, industry, and geographic exposure, including measurement systems, external performance ratings, benchmarking, and stakeholder feedback. The main challenge for the Group regarding ESG is to strike the right balance between economic and environmental sustainability.

2. REPORTING PRINCIPLES

The following reporting principles as set out in the ESG Guide have been applied in the preparation of this ESG report:

- **Materiality:** The materiality of which aspects in the ESG Guide that is sufficiently important to our business and should be disclosed in this ESG report is determined by the Board through internal assessment conducted by senior managers and key employees based on our own circumstances. Relevant factors that have been taken into account when conducting internal materiality assessment include our ESG objective, policies and strategies, impact on our business, relevant laws and regulations that are significant to our business, as well as relevant guidance and resources that are available.

- **Quantitative:** Targets by way of numerical figures or directional statements as required and appropriate will be set for those relevant key performance indicators ("KPIs") in accordance with the ESG Guide.

- **Consistency:** Save as disclosed, there is no change from previous years in the methodologies or calculation methods used in preparing this ESG report.

3. REPORTING BOUNDARY

Unless otherwise stated, the mandatory disclosures in this ESG report cover our principal operations in Hong Kong, conducted from our offices located in leased premises within a commercial building in Wanchai for the reporting year ended 31 December 2024.

For disclosures on our corporate governance as required under the Listing Rules, please refer to the section headed "Corporate Governance Report" on pages 26 to 33.

4. A. ENVIRONMENTAL

4.1 Aspect A1: Emissions

This aspect is determined not material as it is irrelevant to the reporting boundary of this ESG report, and thus no emissions target has been set. Nevertheless, we are committed to reducing emissions where applicable and will continue to report on this aspect to the extent relevant in order to demonstrate our performance for reference.

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1 Effective 1 January 2025, the ESG Guide has been amended and is now titled the "Environmental, Social and Governance Reporting Code" applicable to reporting years commencing on or after the effective date.

4.1.1 Greenhouse Gas Emissions

Our offices do not produce any direct air and greenhouse gas ("GHG") emissions. During the reporting year, our total indirect GHG emissions were approximately 269.10 tonnes (2023: 131.49 tonnes) of carbon dioxide equivalent, primarily arising from our consumption of electricity, use of paper, and business travel outside Hong Kong. The increase in our indirect GHG emissions was primarily attributable to a rise in business travel and the updated methodology for calculating CO2 emissions from air travel provided by International Civil Aviation Organization during the reporting year. Indirect GHG emissions from our consumption of electricity and use of paper were slightly lower than in the previous reporting year. Details of our GHG emissions are as follows:

Sources of GHG emission	**GHG emission (in tonne CO2-e)**	**GHG emission by scope (in tonne CO2-e)**
Direct emissions (Scope 1)	–	–
Indirect emissions (Scope 2)		57.35
– Electricity	57.35	
Other indirect emissions (Scope 3)		211.75
– Paper consumption	2.53	
– Business travel outside Hong Kong	209.22	

* *GHG emission is calculated according to the Reporting Guidance on Environmental KPIs published by the Stock Exchange.*

As a green initiative, we support the "Indoor Temperature Energy Saving Charter" to improve the energy efficiency of our operations. Our employees are encouraged to reduce the frequency of business trips by utilizing alternative facilities such as telephone and video conferencing instead of attending face-to-face meetings whenever practicable. The Group participated in the annual public campaign of "Hong Kong Green Building Week 2024", co-organised by the Construction Industry Council and the Hong Kong Green Building Council. The campaign, themed "Move Forward with Green Building. Next Station: Carbon Neutrality" took place from 21 September 2024 to 29 September 2024. Our employees also joined the "Biz-Green Dress Day" held on 5 September 2024, an activity aimed at engaging the business community in adopting a greener lifestyle in the workplace.

4.1.2 Waste

Our offices do not generate any hazardous waste, and thus no emissions target has been set. Our primary source of non-hazardous waste consists of general office waste, including domestic and paper waste. Our domestic waste is disposed of by the relevant property management entities of the building where our offices are located, as part of their property management services. As a green initiative, we have set up designated collection points in the offices to collect recyclable paper waste, whether generated internally or otherwise, for recycling. During the reporting year, a total of 1.16 tonnes (2023: 1.13 tonnes) of recyclable paper waste was collected. In addition to recyclable paper waste, plastic bottles and other office recyclable consumables, such as used toner cartridge, will also be collected for proper recycling or disposal.

There are no specific environmental laws and regulations relating to GHG emissions, discharges into water and land, or the generation of hazardous and non-hazardous waste that have a significant impact on our operations in Hong Kong. We are not aware of any non-compliance with other laws or regulations generally applicable to waste disposal resulting from the operation of our offices during the reporting year.

4.2 Aspect A2: Use of Resources

This aspect is also determined not material as it is irrelevant to the reporting boundary of this ESG report, and thus no targets for energy use or water efficiency have been set. Nevertheless, we strive to use our resources efficiently, particularly energy and paper, which are the two major categories of resources consumed in our offices, by adhering to the principles of reducing, reusing and recycling. We will continue to report on this aspect as applicable in order to demonstrate our performance for reference.

During the reporting year, we consumed paper equivalent to a total of 204.70 reams (2023: 226.10 reams) of A4-sized paper. Our paper consumption has decreased as a result of our resources efficiency initiatives, which encourage employees to use electronic copies instead of printed materials and to opt for double-sided printing or copying wherever possible. In addition to these initiatives, we have adopted a policy of using environmentally friendly materials where applicable. Beginning from 2016, our interim and annual reports have been printed on Forest Stewardship Council certified papers. We have also implemented various green initiatives to raise staff awareness about conservation. These measures promote energy savings, waste reduction, and a low-carbon lifestyle in the workplace, including prominently displayed signs in noticeable locations to remind staff to use energy and water more efficiently and to minimize resource consumption.

During the reporting year, total annual electricity consumption in our offices was approximately 4.3 kWh per sqf (2023: 4.3 kWh per sqf) or 39.3 kWh per working hour (2023: 39.8 kWh per working hour), representing a total annual consumption of approximately 86,900 kWh (2023: 87,828 kWh). Total annual electricity consumption per employee was approximately 1,473 kWh (2023: 1,440 kWh). We also promote the adoption of energy-efficient electrical appliances in our offices wherever applicable.

We mainly use water for drinking and general cleaning purposes in our offices. Total annual tap water consumption during the reporting year was approximately 723 cubic metres (2023: 722 cubic metres), representing a total annual consumption of approximately 12.3 cubic metres per employee (2023: 11.8 cubic metres). Overall tap water consumption during the reporting year remained similar to the previous reporting year. To promote sustainability, we provide our employees with refillable bottled distilled water for drinking. During the reporting year, our offices consumed approximately 0.59 cubic metre (2023: 0.61 cubic metre) of distilled water, and all emptied bottles were collected by the supplier for reuse. Additionally, we have installed a water filtration and purification system to provide our employees with filtered potable water, reducing our reliance on bottled distilled water as part of our green initiatives. Consequently, tap water has become the primary source for our water consumption. During the reporting year, we did not encounter any issues sourcing water suitable for our day-to-day office use.

Our offices do not produce any finished products, and thus we do not use any packaging materials.

4.3 Aspect A3: The Environment and Natural Resources

This aspect is also determined not material as it irrelevant to the reporting boundary of this ESG report. Nevertheless, we are committed to minimizing the impact of our operations on the environment and natural resources and will continue to report on this aspect as applicable to demonstrate our performance for reference.

We recognize the inevitable impact of property development and operations on the climate and local environment. Therefore, we choose environmentally friendly architectural designs and operational measures wherever practicable to enhance the environmental performance of our property development and investment.

4.4 Aspect A4: The Climate Change

Climate change-related impacts present both physical and financial risks to a wide range of sectors in which we operate. Our aim is to identify and assess these climate change risks and opportunities to enhance our understanding of their impacts on our operations, enabling us to adapt accordingly. We also aim to reduce carbon emissions by promoting the use of energy-efficient and low-carbon products and materials wherever practicable, as a measure to mitigate the potential impact of climate change. Our corporate risk management process will incorporate climate change risks to increase our resilience to climate change wherever feasible.

As a real estate developer, investor, and owner, we face acute physical risks associated with significant climate-related issues that may evolve in the future and impact our operations. These risks include catastrophic events such as the abnormal frequency and intensity of typhoons, earthquakes, and rising sea and land temperatures. The costs of insuring, maintaining, and repairing damaged properties could become substantial. Additionally, there are chronic physical risks linked to progressive climate-related issues, such as sustained higher temperatures that may lead to sea level rise or chronic heat waves, potentially adversely affecting property market development and property values. Our financial performance could also be impacted by changes in water availability, sourcing and quality; food security; and extreme temperature fluctuations affecting our premises, operations, supply chain, transport needs, and employee safety. Regulatory compliance, financing, taxes and other expenses related to investment and ownership could increase as a result of new policies, legal requirements, technological advancements, and market changes specifically aimed at addressing mitigation and adaptation needs for transitioning to a lower-carbon economy. Depending on their nature, speed, and focus, such transition risks may pose varying levels of financial and reputational risk to our operations in the long term.

5. B. SOCIAL

5.1 Employment and Labour Practices

5.1.1 Aspect B1: Employment

We believe that our employees are vital to our continual business success, and are committed to their continuous development. We are committed to attracting, retaining and deploying the most suitable talent to support our growth.

We are also committed to adhering to relevant employment laws and regulations that have a significant impact on our operations, including those related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. These laws include the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong), the Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong), the Family Status Discrimination Ordinance (Chapter 527 of the Laws of Hong Kong), and the Race Discrimination Ordinance (Chapter 602 of the Laws of Hong Kong). During the reporting year, we are not aware of any non-compliance with any relevant laws and regulations.

As of 31 December 2024, the Group had a total of 68 employees (2023: 72 employees) employed by or working in our offices in Hong Kong.

Total workforce by gender, employment type, age group and geographical region during the reporting year

	Number of employees
Gender	
Female	28
Male	40
Employment type	
Full-time	68
Part-time	0
Age group	
30 or below	3
31 to 50	28
51 or above	37
Geographical region	
Hong Kong	68

Employee turnover rate by gender, age group and geographical region during the reporting year

	Turnover rate (%)
Gender	
Female	21.43
Male	0
Age group	
30 or below	0
31 to 50	21.43
51 or above	0
Geographical region	
Hong Kong	8.82

We have adopted remuneration policies setting out principles and guidance for the remuneration of our Directors and employees, along with a policy setting out the approach to achieve board diversity. Further details on the remuneration policy for our Directors and the board diversity policy are set out in the section headed "Corporate Governance Report" on pages 26 to 33, and information regarding the remuneration policy for our employees is set out in the section headed "Directors' Report" on pages 34 to 39.

Our employees' compensation includes a range of fringe benefits, including medical insurance coverage, paid annual leave, maternity leave, and paternity leave. During festive occasions, we provide gifts to our employees to share in the joy of the season with their families.

We promote work-life balance by organizing various recreational activities, including a Christmas party, to strengthen bonds among our employees and enhance their sense of belonging.

5.1.2 Aspect B2: Health and Safety

We strive to provide a safe working environment in our offices, free from any occupational hazards, in compliance with relevant laws and regulations relating to occupational safety and health. The most significant piece of legislation affecting our operations is the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), which provides for the safety and health protection for employees in the workplace. During the reporting year, we are not aware of any non-compliance with the Occupational Safety and Health Ordinance.

There was no work-related fatality within the Group over the past three years, including the reporting year.

There was a loss of 41 working days resulting from work-related injury during the reporting year.

We have taken steps to ensure a safe working environment in our offices, including regular cleaning of the air-conditioning system and disinfection treatments for carpets. Fire safety is of paramount importance to us. Our employees are informed about escape routes in case of fire through participation in regular fire drills organized by the building management.

5.1.3 Aspect B3: Development and Training

We encourage our employees to enhance their knowledge and skills for discharging their duties through external and internal training opportunities that align with our business needs, all at the Company's expense.

We provide our Directors with regular updates on changes and developments in the Group's business, as well as the latest updates on laws, rules and regulations related to directors' duties and responsibilities. This helps them make informed decisions and discharge their duties and responsibilities as the Directors. We provided our Directors with reading and e-learning materials on topics relevant to their duties and encouraged their participation in webinars for continuous professional development during the reporting year. We also offer subsidies to employees who attend training courses to support their further development of job-related knowledge and skills. For a summary of the training received by our Directors, please refer to the section headed "Corporate Governance Report" on pages 26 to 33.

The following table shows the percentage of employees in the Group located in our offices in Hong Kong who received training during the reporting year, categorized by gender and employee category:

Gender and employee category	Percentage of employee trained (%)
Male	52.94
Female	47.06
General employees	11.77
Management level	58.82
Executive Directors	29.41

During the reporting year, the average training hours completed per employee by gender and employee category are as follows:

Gender and employee category	Average training hours completed per employee
Male	4.68
Female	3.93
General employees	0.41
Management level	7.39
Executive Directors	15.15

5.1.4 Aspect B4: Labour Standards

We prohibit and are against the employment of child and forced labour.

The Group's employment practices are in line with local employment laws, including the Employment Ordinance of Hong Kong and other related labour laws and regulations. To ensure the Group is legally compliant with local laws and regulations, we have implemented effective controls in the recruitment process, such as verifying the applicant's identity, including but not limited to their age and eligibility for employment.

The risk of child and forced labour issues within our operations is minimal. However, any instances of child or forced labour once identified must be reported for assessment, response (safety and protection), and prevention. It is important to act quickly and responsibly. The affected child or adult will be removed from all work immediately and placed in a safe environment. Contact information for the child(ren) and their parents or guardians (or relatives, in the case of adult(s)) will be obtained, and the situation will be safely reported to the appropriate government agency for protective action. A risk improvement plan will be developed to eliminate the possibility of such practices occurring in the future.

During the reporting year, we are not aware of any non-compliance with relevant laws and regulations that have a significant impact on our operations relating to preventing child and forced labour.

5.2 Operating Practices

5.2.1 Aspect B5: Supply Chain Management

Our offices do not produce any finished products. This aspect is therefore considered not material as it is irrelevant or immaterial to the reporting boundary of this ESG report, and thus it is not reported on.

5.2.2 Aspect B6: Product Responsibility

This aspect is also considered not material as it is irrelevant or immaterial to the reporting boundary of this ESG report, and thus it is not reported on.

5.2.3 Aspect B7: Anti-corruption

We are committed to conducting our business in compliance with all applicable laws and regulations related to bribery, extortion, fraud, and money laundering.

We have since 2012 put in place a code of conduct (the "Code") applicable to the Directors and employees of the Group, both inside and outside Hong Kong. The Code sets out the expected standards of behaviour, provides guidelines for handling different situations in business dealings with the Group, and includes measures regarding bribery. The Code is subject to regular review by the Board to ensure its adequacy and effectiveness.

The Company has adopted an anti-bribery and corruption policy (the "ABC Policy") to ensure compliance with applicable anti-bribery and corruption laws. The Group maintains a zero-tolerance stance toward bribery and corruption in the conduct of its business and is committed to operating its business with integrity and in an honest and ethical manner. The ABC Policy applies to all individuals working for or on behalf of the Group, whether full-time or part-time, and sets out the steps they should take to prevent bribery and corruption in our business while complying with relevant legislation. Together with the Group's Whistleblowing Policy (as defined below) and the Code, the ABC Policy is part of our anti-bribery and corruption risk management framework. The Board is responsible for monitoring adherence to the ABC Policy regularly. The Company's Head of Group Legal and Compliance will report regularly to the Board on the Group's compliance with the ABC Policy.

The Company has adopted a whistleblowing policy (the "Whistleblowing Policy") to encourage employees and those who deal with the Group to voice concerns, in confidence and anonymity, about possible improprieties related to the Group. The Whistleblowing Policy applies to employees at all levels and divisions, as well as other stakeholders who may be victims of staff misconduct or malpractice, including business counterparts. The audit committee of the board of Directors (the "Audit Committee") has overall responsibility for the implementation and oversight of the Whistleblowing Policy, including the review and investigation of reports and the consideration and approval of any changes to the Whistleblowing Policy. Employees and stakeholders can raise concerns either in person or in writing with the immediate manager/supervisor. If a whistleblower feels uncomfortable doing so, they should report directly to the Finance Director. For other stakeholders or if the report is extremely serious or in any way involves the Finance Director, the whistleblower should report directly to the Chairman of the Audit Committee in writing. We will make every effort to keep the identity of the whistleblower confidential. The Audit Committee will evaluate every report received to determine if a full investigation is necessary. If warranted, an internal investigator (with suitable seniority and no previous involvement in the matter) will be appointed to conduct the investigation. If the report or internal inquiry discloses a possible criminal offence, the internal investigator will refer the matter to the Audit Committee. The Audit Committee, in consultation with the Company's legal advisers, will decide whether to refer the matter to the appropriate law enforcement agency for further action.

There were no legal cases regarding corrupt practices brought against the Group or its employees during the reporting year.

During the reporting year, the Group provided our Directors and staff with reading and e-learning materials on topics relevant to anti-bribery and anti-corruption, including updates on changes to and developments in relevant laws and guidelines.

During the reporting year, we are not aware of any non-compliance with relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering, including the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong) and the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong).

5.3 Community

5.3.1 Aspect B8: Community Investment

We are committed to engaging with the communities in which we operate to understand their needs and ensure that our activities consider the interests of our communities. Social welfare, culture and environmental concern are our focus areas of contribution.

We make donations to various charitable organizations. During the reporting year, our total charitable contributions amounted to HK$188,000. We also encourage our staff to make personal donations to charities and participate in various charity events, such as Dress Casual Day 2024 of The Community Chest of Hong Kong, WWF's Earth Hour 2024, China Resources Building – Annual Recycling Programme 2024, and CRB Red Packets Recycling Campaign 2024.

Additional Reporting – London Office
Our London office continues to support the local communities by organizing and participating in various charitable and event-based activities during the year.

The Leadenhall Building
2024 has been a defining year, marked by award recognition, increased engagement, and a growing role within the wider City community. The Leadenhall Building continues to set the standard for workplace experience.

The Leadenhall Building has seen over 210 days of activity or activation on-site for occupiers. Most of these events are complimentary, designed to enrich the occupier experience and serve as an extension of their working life.

Antidote Wellness Partnership
The partnership with Antidote has gone from strength to strength. Due to overwhelming demand, the capacity of wellness sessions has been increased, and bespoke personal training sessions and tailored occupier programs have been introduced. These enhancements further deepen the sense of community and engagement within the building.

Personal Training & Tailored Occupier Programs, The Leadenhall Building

Enhanced Engagement & Digital Expansion
Engagement has reached new heights both internally and externally, driven by the launch of an updated version of the occupier building app. Working in collaboration with the Eastern City (EC) Business Improvement District (BID) and the New London Architect (NLA), The Leadenhall Building has become a cornerstone of the EC community, demonstrating its exceptional customer service through exhibitions and curated external events.

Summer of Sport & Food Market

The Summer of Sport campaign ran for 12 weeks, showcasing over 900 hours of live sports on one of the City's largest external screens. This campaign significantly enhanced the vibrancy of the building's public space, ultimately winning an award for "Best Outdoor Event". Additionally, the building's food market saw over a 30% increase in transactions from Q3, rivalling nearby competition. Due to its success, the market will expand to a four-day offer in 2025, to now include Mondays.

Summer of Sport & Food Market Growth, The Leadenhall Building

Summer of Sport & Food Market Growth, The Leadenhall Building

Charitable Contributions & Fundraising Initiatives

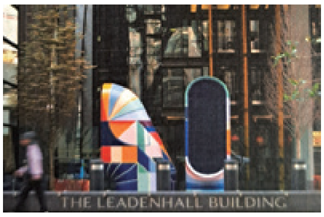
In 2024, The Leadenhall Building facilitated over five charity events, including two abseils, a distance walk, the Tour De City cycle challenge, and a tower run titled Climb the Capital. Collectively, these efforts raised over £300,000 for charity, reinforcing the building's commitment to social impact.

The Tour De City cycle challenge, The Leadenhall Building

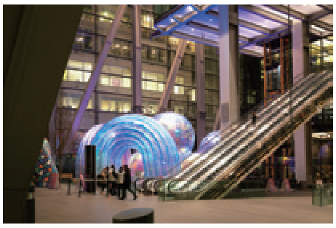
Activity held in The Leadenhall Building

London Mural Festival

As part of the London Mural Festival, the "Trumpets" (air intakes) at the front of the building were repainted by three emerging artists. This public art initiative generated extensive media coverage, with reach extending to tens of thousands via press and social media channels. Our partnership with Sculpture In The City saw the installation of Deluge by Hilary Jack as a part of the programs 13th annual iteration.



London Mural Festival, The Leadenhall Building



Elysian Arcs, The Leadenhall Building

Elysian Arcs & EC Partnership

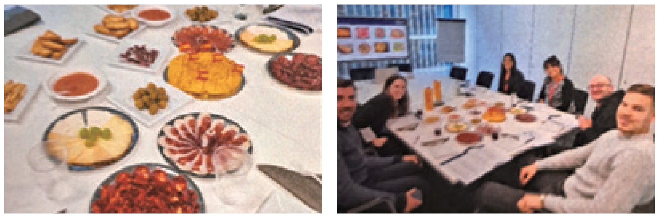
In collaboration with EC BID, The Leadenhall Building hosted Elysian Arcs, a large-scale immersive installation that attracted over 40,000 visitors across three weeks. This activation further cemented the building's role as a cultural and experiential landmark within the City.

One Kingdom Street

In 2024, One Kingdom Street became a hub of vibrant activity, offering occupiers a diverse array of engaging experiences and digital initiatives. These programs were designed to nurture a strong sense of community and enhance occupier satisfaction through meaningful interactions.

Spanish School at One Kingdom Street

The summer of 2024 saw the launch of on-site Spanish lessons, catering to a wide range of participants. This initiative attracted both dedicated language enthusiasts looking to hone their skills and casual learners preparing for their upcoming holidays. The classes provided a unique opportunity for occupiers to connect while expanding their linguistic horizons.



Spanish lesson, One Kingdom Street

Festive Wreathmaking Workshop

As winter approached, occupiers were invited to participate in a Christmas wreath-making session. Under expert guidance, participants learned to design and create their own festive wreaths, perfect for adorning doors or walls at home. This creative activity not only fostered a sense of community among occupiers but also offered mindful respite from the hectic holiday season.

Christmas wreath-making workshop at One Kingdom Street

Overall, these activations and experiences contributed significantly to community-building and occupier engagement throughout the year at One Kingdom Street. By providing diverse and meaningful opportunities for interaction, One Kingdom Street successfully created a more connected and satisfying environment for its occupiers.

One Kingdom Street Bespoke Design:

Activities held in One Kingdom Street

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance. The Board considers that sound corporate management and governance practices are not only essential for the Company's healthy growth in all business environments, but also critical to the long-term success and sustainability of its operations. The Company is also dedicated to conducting its affairs in accordance with high ethical standards, maximizing Shareholders' interest in the long term while ensuring that all stakeholders, including employees, customers, suppliers, communities and investors, can benefit.

During the year, the Company applied the principles of good corporate governance to its corporate governance structure and practices, and complied with the code provisions in the CG Code.

BOARD OF DIRECTORS

Chaired by Mr. Cheung Chung Kiu, the Board currently consists of five executive directors and three independent non-executive directors. The names and biographical details of the members of the Board, including any relationship between them, are provided under the heading of "Directors' Profile" on pages 4 to 5. The Board determines and keeps under review the objectives of the Group. It makes decisions on overall strategies and actions necessary for achieving these objectives, monitors and controls financial and operating performance, formulates appropriate policies, and identifies and ensures best practices of corporate governance. The current structure and composition of the Board have provided it with an appropriate mix of skills, knowledge, experience and diversity. The Board reviews its structure and composition from time to time to ensure that appropriate expertise and independence are maintained.

Below are the details of directors' attendance at meetings in 2024:

	Attendance/Number of meetings held				
Name of Directors	**Regular Board Meeting**	**Audit Committee Meeting**	**Remuneration Committee Meeting**	**Nomination Committee Meeting**	**Annual General Meeting**
Executive Directors					
Cheung Chung Kiu *(Chairman)*	4/4	–	2/2	2/2	1/1
Lam How Mun Peter *(Deputy Chairman & Managing Director)*	4/4	–	2/2	2/2	1/1
Wong Chi Keung *(Deputy Chairman)*	4/4	–	–	–	1/1
Leung Wai Fai	4/4	–	–	–	1/1
Cheung Elaine Yu Ling *(Appointed with effect from 30 December 2024)*	0/0	–	–	–	0/0
Independent Non-executive Directors					
Lam Kin Fung Jeffrey	4/4	3/3	2/2	2/2	1/1
Leung Yu Ming Steven	4/4	3/3	2/2	2/2	1/1
Luk Yu King James	4/4	3/3	2/2	2/2	1/1

During 2024, the independent non-executive directors met once with the Chairman without the presence of the executive directors to consider and discuss various matters related to the management and corporate governance of the Company.

The Chairman takes the primary responsibility for ensuring that good corporate governance practices and procedures are established. He sets the agenda for the Board and leads the formulation of objectives, strategies, and actions at the directorate level. The Chairman ensures that members of the Board receive accurate, timely, and clear information, and that relevant matters are given appropriate consideration, facilitating sound decision-making. With the assistance of the Company Secretary, the Chairman ensures that the Board exercises its powers properly, conducts its meetings, and implements procedures in compliance with all rules and requirements, while maintaining full and accurate records. Procedures are also put in place to ensure each director has access to supporting documents and relevant information for each scheduled meeting. All directors also have access to the services of the Company Secretary and her team, and may seek independent professional advice upon request, at the Company's expense.

The day-to-day management of the Group is delegated by the Board to the Managing Director, who is supported by various committees of the Board and the Company's management in recommending strategies to the Board and determining and implementing operational decisions. The Managing Director assumes full accountability for the day-to-day management of the Group. All committees of the Board have specific terms of reference that clearly define their respective powers and responsibilities. All committees are required by their terms of reference to report to the Board regarding their decisions or recommendations. By participating in the Company's board meetings and committee meetings, attending general meetings, and participating in continuous professional development, all directors are able to make contribution required from them to the Board and to the development of the Company.

The Company provides directors with regular updates on changes and developments in the Group's business, and on the latest developments in the laws, rules and regulations related to their duties and responsibilities. This ensures that all directors can make informed decisions and effectively fulfill their duties and responsibilities as directors of the Company.

The Company has received confirmation from each director that they have dedicated sufficient time and attention to the affairs of the Company during the year. All directors have also disclosed to the Company the changes, if any, in the number and nature of offices they hold in public companies or organizations and other significant commitments, including the identities of those public companies or organizations and an indication of the time involved.

Ms. Cheung Elaine Yu Ling was appointed as an executive director on 30 December 2024. She obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 19 December 2024 and has confirmed that she understood her obligations as a director of a listed company.

During 2024, all directors participated in continuous professional development to enhance and refresh their knowledge and skills as listed company directors. They have provided the Company with records of their training undertaken during the year. A summary of their training records is as follows:

Name of directors	Training Received
Cheung Chung Kiu	E-learning/webinars regarding corporate governance and ethics and code of conduct; and reading materials regarding updates on rules and regulations relating to listed companies, corporate governance, operation and management of listed companies, finance and relevant industry
Lam How Mun Peter	Reading materials regarding updates on rules and regulations relating to listed companies, corporate governance, ethics and code of conduct, operation and management of listed companies and finance
Wong Chi Keung	Attending seminars regarding corporate governance; e-learning/webinars regarding corporate governance and relevant industry; and reading materials regarding updates on rules and regulations relating to listed companies, ethics and code of conduct, operation and management of listed companies and finance
Leung Wai Fai	E-learning/webinars regarding operation and management of listed companies, finance and relevant industry
Cheung Elaine Yu Ling	E-learning/webinars regarding updates on rules and regulations relating to listed companies, corporate governance and ethics and code of conduct
Lam Kin Fung Jeffrey	Attending seminars regarding updates on rules and regulations relating to listed companies, corporate governance, ethics and code of conduct, operation and management of listed companies, finance and relevant industry; e-learning/webinars regarding corporate governance, ethics and code of conduct and relevant industry; and reading materials regarding updates on rules and regulations relating to listed companies, corporate governance, ethics and code of conduct, operation and management of listed companies, finance and relevant industry
Leung Yu Ming Steven	Attending seminars regarding updates on rules and regulations relating to listed companies, corporate governance, operation and management of listed companies, finance and relevant industry; and e-learning/webinars regarding updates on rules and regulations relating to listed companies, corporate governance, ethics and code of conduct, operation and management of listed companies, finance and relevant industry
Luk Yu King James	E-learning/webinars regarding updates on rules and regulations relating to listed companies, corporate governance, operation and management of listed companies and finance

CHAIRMAN AND MANAGING DIRECTOR

The roles of Chairman and Managing Director are separate. Mr. Cheung Chung Kiu serves as the Chairman, while Dr. Lam How Mun Peter serves as the Managing Director. The main responsibility of the Chairman is to lead the Board and manage its work to ensure that it operates effectively and fully discharges its responsibilities. Supported by the members of the committees of the Board, the Managing Director is responsible for the day-to-day management of the Group, recommending strategies to the Board, and determining and implementing operational decisions.

NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive directors an annual confirmation of independence. The Company has not received any notification from the independent non-executive directors that is required in case of any changes in their personal particulars that may affect their independence during the year. The Board has assessed the independence of the independent non-executive directors based on their annual confirmations and considers all of them to remain independent, having regard to the criteria under Rule 3.13 of the Listing Rules. All independent non-executive directors are appointed for a specific term of not more than three years from the date of appointment or re-election and are subject to retirement by rotation at least once every three years.

BOARD COMMITTEES

The Board has established the Executive Committee, which comprises all executive directors on the Board. Under its terms of reference, the Executive Committee is responsible for overseeing the management and daily operations of the Group, and any other matters delegated by the Board. In addition to the Executive Committee, the Board has formed the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board does not have a Corporate Governance Committee and its functions are carried out by the Board as a whole.

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive directors, Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Mr. Luk Yu King James. It is chaired by Mr. Lam Kin Fung Jeffrey. The major roles and functions of the Audit Committee are set out in its terms of reference, which include duties specified in the CG Code and are posted on the Company's website in the section of "Corporate Governance" under the column of "Corporate Disclosure" and on the Stock Exchange's website.

The Audit Committee has reviewed together with management and independent auditors the accounting policies and practices adopted by the Group. They have discussed auditing, internal control, and financial reporting matters, including a review of the Group's consolidated results for the year ended 31 December 2024. In reviewing the Company's interim and annual reports, the Audit Committee has focused not only on the impact of changes in accounting policies and practices, but also on compliance with applicable accounting standards, the Listing Rules, and relevant legal requirements. The Audit Committee has also reviewed the financial statements prior to their submission to the Board.

The Audit Committee has reviewed, with management, various matters including the risk management and internal control systems that encompass all material controls, such as financial, operational, and compliance controls, as well as risk management functions. The Audit Committee has also examined the arrangements for employees and other stakeholders to raise concerns confidentially about actual or suspected misconduct or malpractice by any staff and/or external parties in any matter related to the Group. The Audit Committee has reviewed the engagement of independent auditors and the effectiveness of the audit process.

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises two executive directors, Mr. Cheung Chung Kiu and Dr. Lam How Mun Peter, along with three independent non-executive directors, Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Mr. Luk Yu King James. It is chaired by Mr. Leung Yu Ming Steven. The major roles and functions of the Remuneration Committee are set out in its terms of reference, which include duties specified in the CG Code and are posted on the Company's website in the section of "Corporate Governance" under the column of "Corporate Disclosure" and on the Stock Exchange's website.

The Remuneration Policy for executive directors of the Company is determined with reference to the Group's operating results, the duties and level of responsibility of the executive directors, and prevailing market conditions, which are reviewed annually in order to ensure remuneration and compensation packages remain competitive to attract, retain and motivate high-quality executives to serve the Group. The fees for non-executive directors are determined with reference to their individual duties and level of responsibility with the Company and are also reviewed on an annual basis. Details of the directors' remuneration for 2024 are set out in note 9 to the financial statements on pages 76 to 77.

During 2024, the Remuneration Committee assessed the performance of the executive directors, reviewed and discussed, among other matters, the remuneration packages (including the annual performance bonus policy) for all executive directors, the remuneration of all non-executive directors, the existing share option scheme, the retirement benefit scheme, and the long-term incentive arrangement. It also reviewed the Remuneration Policy and its implementation. With delegated responsibility, the Remuneration Committee determined the remuneration packages for the executive directors of the Company.

NOMINATION COMMITTEE

The Nomination Committee currently comprises two executive directors, Mr. Cheung Chung Kiu and Dr. Lam How Mun Peter, along with three independent non-executive directors, Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Mr. Luk Yu King James. It is chaired by Mr. Cheung Chung Kiu. The major roles and functions of the Nomination Committee are set out in its terms of reference, which include duties specified in the CG Code and are posted on the Company's website in the section of "Corporate Governance" under the column of "Corporate Disclosure" and on the Stock Exchange's website.

The Nomination Committee is responsible for the nomination of directors pursuant to the Nomination Policy adopted by the Company. The Nomination Committee may identify potential candidates from any source it considers appropriate, including without limitation its own contacts, referrals, and recommendations from other directors, members of management, the Company's advisors, and intermediary agencies retained at the Company's expense. To be eligible for consideration, a potential candidate must submit such information as may be required by the Nomination Committee for consideration. The Nomination Committee or its representatives, together with any directors the Nomination Committee considers appropriate, may interview the potential candidate identified. The Nomination Committee shall take into account all of the following criteria in evaluating an individual for nomination or appointment as director:

i. whether the individual is qualified to serve as a director and, where applicable, will qualify as an independent non-executive director under applicable laws and regulations including the Listing Rules;
ii. whether the individual is willing and able to serve as a director and to commit sufficient time and attention to the affairs of the Company;
iii. whether and how the individual can contribute to the Board, taking into account such factors including without limitation the individual's business and professional experience and qualifications, skills, education, knowledge, character and integrity;
iv. potential conflict of interests;
v. the requirement for Board diversity in accordance with the Company's policy on Board diversity; and
vi. such other factors as the Nomination Committee may from time to time consider appropriate and in the best interests of the Company and its shareholders as a whole.

The Nomination Committee shall select or make recommendations to the Board on the selection of the most appropriate candidates for election or appointment, including the proposed terms and conditions of their appointment.

During 2024, the Nomination Committee reviewed and discussed, among other matters, (i) the structure, size and composition including the skills, knowledge, experience and diversity of the Board; (ii) the independence of the independent non-executive directors of the Board; (iii) the nomination of a new director; (iv) the re-appointment of directors and succession planning for directors; (v) recommendation for the re-election of directors; and (vi) the Nomination Policy and the Board Diversity Policy and their implementation.

CORPORATE GOVERNANCE FUNCTION

The Board does not have a Corporate Governance Committee. The functions that would be carried out by such a committee are performed by the Board as a whole and are as follows:

1. to develop and review the Company's policies and practices on corporate governance;
2. to review and monitor the training and continuous professional development of directors and senior management;
3. to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;
4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
5. to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Corporate Governance Policy is formulated with an emphasis on the Board's quality, effective internal control, stringent disclosure practices, and transparency and accountability to all shareholders of the Company. The Board strives to apply to its corporate governance structure and practices the principles of good corporate governance, and comply with the code provisions, under the CG Code. The Board regularly reviews its Corporate Governance Policy in order to maintain high standards of business ethics and corporate governance, ensuring full compliance of our operations with applicable laws and regulations.

During 2024, members of the Board reviewed and discussed, among other things, the Company's policies and practices on corporate governance at regular board meetings. They also reviewed and monitored the training and continuous professional development of directors, and the Company's policies and practices on compliance with legal and regulatory requirements as well as its disclosure in the Corporate Governance Report. The Board reviewed the code of conduct applicable to employees and directors, which sets out the standards of behaviour that the Company expects from them and the guidelines on how they should handle different situations in business dealings with the Group.

BOARD INDEPENDENCE

The Board recognizes that board independence is critical to good corporate governance and considers that the Company's governance framework includes adequate mechanisms to ensure that independent views and inputs are accessible to the Board. Key features of these mechanisms that facilitate effective communications and bring alternate views to the decision-making process include the following:

1. The roles of Chairman and Managing Director are separate.
2. The Nomination Committee is responsible for the nomination of directors. When evaluating an individual for nomination or appointment as director, the Nomination Committee takes into account all criteria pursuant to the Company's Nomination Policy as set out above.
3. All independent non-executive directors are appointed for a specific term of not more than three years from the date of appointment or re-election, and are subject to retirement by rotation at least once every three years. Further appointment of any independent non-executive director who has served more than nine years shall be subject to a separate resolution to be approved by shareholders.
4. The Board comprises three independent non-executive directors, who are independent of and unrelated to each other and any of the executive directors. The majority (if not all) of the members of all governance related committees of the Board are independent non-executive directors. Independence of independent non-executive directors is assessed prior to their appointment and annually by the Nomination Committee. Every independent non-executive director sitting on the Nomination Committee has to abstain from assessing his own independence. Each independent non-executive director is also required to inform the Company as soon as practicable if there is any change in his personal particulars that may affect his independence.
5. The Nomination Committee also reviews annually the time commitment and contribution of all directors including independent non-executive directors for performance of their responsibilities.
6. All directors have access to the services of the Company Secretary and her team, and may take independent professional advice upon request, at the Company's expense for proper discharge of their responsibilities.
7. Evaluation of the above mechanisms forms part of the Board's ongoing evaluation of its performance to ensure their effectiveness.

COMPANY SECRETARY

The Company Secretary has undertaken not less than 15 hours of relevant professional training during 2024.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by directors. Specific enquiries have been made on all directors, who have confirmed that they have complied with the required standard set out in the Model Code throughout the year.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the Group's risk management and internal control systems and for reviewing their effectiveness. The Board recognizes that the Group's risk management and internal control systems play a key role in the identification, evaluation and management of risks faced by the Group, the assurance of continued compliance with applicable laws and regulations by the Group, and the provision of reasonable assurance on the Group against material misstatements, errors, losses or fraud. The Board acknowledges that the Group is exposed to risks associated with achieving its business objectives and strives to maintain such risks at an acceptable level through the design, implementation and monitoring of effective risk management and internal control systems.

The risk management and internal control systems are established within the Company and its subsidiaries to facilitate effective operations, safeguard assets against unauthorized use, maintain proper accounting records, ensure the reliability of financial reporting and information, and comply with applicable laws and regulations. The establishment of risk management and internal control systems involves identifying key functions carried out by the Group, assessing individual activities undertaken within those functions, evaluating risks associated with each activity in achieving the Group's business objectives, determining the potential impact and acceptable level of those risks, developing and monitoring the effectiveness of procedures to manage and minimize identified risks, having regard to the particular circumstances of the Group, including business operations, operating environment, compliance with applicable laws and regulations, and financial reporting requirements. As part of the risk management and internal control systems, functional reporting and financial reporting procedures appropriate to the business of the Company's subsidiaries are established for application within the Group. These procedures are designed to enable timely and reliable functional and financial reporting by subsidiaries of the Company, and to facilitate the proper handling and dissemination of inside information. A formal annual review of these procedures is conducted by the Board. In addition, the Board also receives updates from the Internal Audit department on matters that specifically affect the Company.

The Company has maintained an internal audit function as a part of the permanent establishment of the Group and is internally resourced and staffed by qualified accounting personnel with suitable experience. The internal audit function carries out analyses and independent appraisals of the adequacy and effectiveness of the Group's risk management and internal control systems. These procedures are designed to manage risks rather than eliminate them and, by their nature, can offer reasonable, but not absolute, assurance against material misstatement or loss. The Board is responsible for ensuring that recommendations made by the internal audit function are properly implemented.

The Audit Committee has kept under review the Group's risk management and internal control systems, as well as the effectiveness of the internal audit function. Based on its review, the Audit Committee advises the Board on the effectiveness of the Group's risk management and internal control systems, including the adequacy of resources, staff qualifications and experience, training programmes and the budget for the Company's accounting and financial reporting functions.

The Board has also conducted an annual review of the effectiveness of the Group's risk management and internal control systems, and considered the work of the internal audit function and the advice from the Audit Committee in this regard. During the year under review, the Board considers that the Group has complied with the provisions on risk management and internal controls as stipulated in the CG Code. The Board is satisfied that the Group's risk management and internal control systems, including financial, operational and compliance controls, as appropriate to the Group have been put in place, are effective and adequate, and that no significant areas for improvement have been revealed.

AUDITORS' REMUNERATION AND AUDITORS RELATED MATTERS

During 2024, the remuneration paid or payable to the Company's independent auditors, Messrs. Ernst & Young, amounted to a total of HK$6,938,000 of which HK$6,100,000 was for audit services and HK$838,000 for non-audit services including agreed-upon procedures for the interim financial report, the preliminary annual results announcement, review and reporting on the financial information, and tax services.

DIVERSITY

The Company has adopted a Board Diversity Policy that outlines its approach to achieving a diverse Board. Taking into account factors including the size of the Board, the composition of executive and non-executive directors, and the Company's principal activities and needs, the election of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service. All appointments will be based on meritocracy, with candidates evaluated against objective criteria while recognizing the benefits of diversity on the Board. As part of its strategy, the Board has set a target of having at least one female director on the Board. On 30 December 2024, one female director was appointed to the Board, which now comprises a total of eight members. The Board will review its target from time to time to enhance gender diversity. To foster a pipeline of potential successors, the Board conducts regular reviews of its composition and identifies potential successors, with a strong emphasis on gender diversity in its succession planning process. The Nomination Committee will implement several initiatives, including engaging with executive search firms that prioritize diverse candidate slates where applicable and offering training programs aimed at identifying and developing female leaders within the Group.

As of 31 December 2024, the gender ratio of the Group's workforce (including senior management) was approximately 59% male and 41% female, reflecting the Company's commitment to gender diversity at all levels. This current gender diversity of the workforce is deemed appropriate, taking into account the Group's business model and operational needs. While the Board is dedicated to improving gender diversity, no specific plans or measurable objectives have been set for achieving gender diversity across the workforce. The Board recognizes certain challenges, including the nature of the Group's industry, which may lead to a traditionally male-dominated workforce. Additionally, there may be limitations in the availability of qualified female candidates for certain senior management roles, and existing workplace culture may affect the recruitment and retention of female talent. The Board will continue to assess these challenges and adapt its strategies to promote a more inclusive environment that supports gender diversity at all levels within the Group.

Further details on the gender ratio within the Group's workforce are provided in the section headed "Environmental, Social and Governance Report" on pages 16 to 25.

SHAREHOLDERS' RIGHTS

The following is a brief summary of certain rights of shareholders, which are subject to applicable laws and regulations, including without limitation, the Companies Act, the Listing Rules, and the Bye-laws.

1. Convening special general meeting

Members of the Company may, by written requisition, require the directors to convene an SGM for the transaction of any business specified in such requisition. A valid requisition may be made by a member or members of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company which at that date carries voting rights at general meetings of the Company. The requisition must state the purpose(s) of the requisitioned SGM and must be signed by the requisitionist(s). The requisition may consist of several documents in like form, each signed by one or more requisitionists, which must be deposited at the Company's registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. To ensure that it is received by the Company at the earliest opportunity, a copy of the signed requisition may also be deposited at the Company's principal place of business in Hong Kong at 25th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong, for the attention of the Board or the Company Secretary.

If the directors fail to proceed to convene an SGM within 21 days from the date of deposit of the requisition, the requisitionist(s) (or any of them representing more than one-half of their total voting rights) may himself/themselves convene an SGM, which must be held within 3 months of the date of deposit of the requisition. The SGM must be convened by the requisitionist(s) in the same manner as nearly as possible as that in which SGM is to be convened by the directors. The requisitionist(s) is/are entitled to be repaid any reasonable expenses he/they incur(s) as a result of the failure of directors to duly convene an SGM. These expenses will be payable by the Company, and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration to such defaulting directors in respect of their services.

2. Putting forward proposals at shareholders' meetings

Members of the Company may by a written requisition and at their expense (unless the Company otherwise resolves) require the Company to:

(a) give to members of the Company entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at the next annual general meeting of the Company; and/or
(b) circulate to members of the Company entitled to receive notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that general meeting.

A valid requisition may be made by either:

(a) any number of members of the Company representing not less than one-twentieth of the total voting rights of all the members having at the date of the requisition the right to vote at the meeting to which the requisition relates; or
(b) not less than 100 members of the Company.

The requisition signed by the requisitionists (or two or more copies which between them bear the signatures of all the requisitionists) must be deposited at the Company's registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. To ensure that it is received by the Company at the earliest opportunity, a copy of the signed requisition may also be deposited at the Company's principal place of business in Hong Kong at 25th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong, for the attention of the Board or the Company Secretary and,

(a) in the case of a requisition requiring notice of a resolution to be moved at an annual general meeting, not less than six weeks before the annual general meeting; and
(b) in the case of any other requisition, not less than one week before the general meeting.

The requisitionists must deposit or tender with the requisition a sum which is reasonably sufficient to meet the Company's expenses in giving effect to the requisition.

3. Proposing a person for election as director

Shareholders may propose a person for election as director, the procedures for which are available on the Company's website in the section of "Corporate Governance" under the column of "Corporate Disclosure".

4. Sending enquiries to the Board

Shareholders may send any enquiries to the Board by mail, email or telephone to the Company's Head of Investor Relations, whose contact details are as follows:

Address: 25th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong
Email: ccland@ccland.com.hk
Telephone: +852 2820 7315

We are committed to protecting individual's privacy and personal data. By providing any personal data to us through mail, email or telephone, the data provider is deemed to consent to our use of their personal data. The personal data collected will be used to respond to enquiries received. All personal data will not be used for any other purposes without the data provider's consent, unless such use is permitted or required by law.

INVESTOR RELATIONS

The Company's constitutional documents are available on the Company's website in the section of "Corporate Governance" under the column of "Corporate Disclosure" and on the Stock Exchange's website. During the year, there were no significant changes to these documents.

The Company has adopted a Shareholders Communication Policy. The use and effectiveness of such policy are monitored and reviewed regularly by the Board. The Company recognises the importance of shareholders' privacy and will not disclose shareholders' personal data without their consent, unless required by law to do so. To ensure equal access to information regarding the Company's latest major developments, measures have been taken to ensure all necessary information and appropriate updates are made available to investors in a timely manner through the Company's website. In addition to financial reports, all announcements and circulars of the Company including results announcements, notices of general meetings and associated explanatory documents released by the Company to the Stock Exchange are posted on the Company's website under the column of "Corporate Disclosure". Other information, such as presentation materials and press releases to be issued to shareholders and potential investors of the Company, will also be made available on the Company's website. Shareholders should direct questions about their shareholdings to the Company's share registrars in Hong Kong. For enquiry about the information of the Company, shareholders may contact our Head of Investor Relations, whose contact details are set out under the heading of "Sending enquiries to the Board" above. Shareholders are encouraged to participate in the Company's general meetings, where members of the Board will be available to answer their questions. During the year, the Board has reviewed and is satisfied with the implementation and effectiveness of the Shareholders Communication Policy.

The Company has adopted a Disclosure of Inside Information Policy. It sets out a framework for the release and control of inside information to ensure that the Company is able to meet its legal and regulatory obligations and requirements as a listed corporation. The Board is generally responsible for ensuring that the Group complies with its disclosure obligations regarding inside information and has established a disclosure group comprising certain directors and management to assist it in determining whether any particular information is inside information and overseeing and coordinating disclosure of inside information of the Group. Inside information should be disclosed by way of an announcement in accordance with the requirements of the SFO and the Listing Rules. Before relevant information is fully disclosed to the public, the disclosure group will work with the Board to ensure that such information is kept strictly confidential.

The Company has adopted a Dividend Policy that sets out the principle for determining the declaration or recommendation of dividends to Shareholders in such amount and manner, and at such time as may be determined or recommended by the Board from time to time but subject always to consideration of the following factors:

(a) the requirements of the Company's constitutional documents;
(b) the requirements of the Companies Act 1981 of Bermuda and any other applicable laws and regulations to which the Company is subject from time to time;
(c) any banking or other funding covenants by which the Group is bound from time to time;
(d) the operating requirements of the Group; and
(e) the interests of Shareholders.

The Board may take into consideration one or more of the following factors in determining the operating requirements of the Group referred to above:

(a) actual and expected financial results of the Group;
(b) liquidity, cashflow and gearing position of the Group;
(c) capital and other reserve requirements of the Group;
(d) position of retained earnings and other distributable reserves of the Group;
(e) general business conditions and strategies of the Group;
(f) general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
(g) any other factors the Board may deem relevant and/or appropriate.

DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Board acknowledges that it is responsible for the preparation of financial statements of the Group and for ensuring that financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Board also ensures the timely publication of financial statements of the Group. The directors confirm that, to the best of their knowledge, information, and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditors of the Company, Messrs. Ernst & Young, about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 40 to 42.

Directors' Report

The Directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries focus on property development and investment, as well as treasury investments, details of which are set out in note 1 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2024 and the Group's financial position at that date are set out in the financial statements on pages 43 to 113.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 114. The summary does not form part of the audited financial statements.

BUSINESS REVIEW

A fair review of the business of the Group during the year and a description of possible risks and uncertainties facing the Group are set out in Chairman's Statement on pages 6 to 7 and Management Discussion and Analysis on pages 8 to 14 respectively. An indication of the likely future development in the Group's business is set out in the Chairman's Statement on pages 6 to 7 and Management Discussion and Analysis on pages 8 to 14 respectively. An analysis of the Group's performance during the year using financial key performance indicators is set out in the Financial Highlights on page 3 and the Five-Year Financial Summary on page 114.

We recognize that our success hinges on the strength of our relationships with employees, customers, suppliers, and other stakeholders. By fostering positive interactions and open communication, we aim to enhance our operational performance and drive sustainable growth. Discussions on the Group's environmental policies and performance, the Group's compliance with the relevant laws and regulations that have a significant impact on the Group, and an account of the Group's key relationships with its employees, customers and suppliers and others that have a significant impact on the Group and on which the Group's success depends are set out in Management Discussion and Analysis on pages 8 to 14, Environmental, Social and Governance Report on pages 16 to 25, Corporate Governance Report on pages 26 to 33 and "Major Customers and Suppliers" of this Directors' Report on page 35. Nurturing strong relationships with our key stakeholders is fundamental to our long-term success. By actively engaging with employees, customers, suppliers, and other vital parties, we reinforce our commitment to excellence and sustainability in all aspects of our business.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 28 to the financial statements.

PRE-EMPTIVE RIGHTS

There is no pre-emptive rights provision in the Companies Act or in the Bye-laws.

PERMITTED INDEMNITY

The Bye-laws provides that Directors and other officers shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts. Such provision was in force during the year. In addition, the Company has maintained appropriate directors' and officers' liability insurance in respect of relevant legal actions against the Directors and officers.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 38 to the financial statements and in the consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company's reserves available for distribution to shareholders, calculated in accordance with the Companies Act, amounted to HK$358,729,000. In addition, the Company's share premium account in the amount of HK$11,977,078,000 may be distributed in the form of fully paid bonus shares.

CHARITABLE CONTRIBUTIONS

During the year, the Group had made charitable contributions amounting to HK$188,000.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, revenue from the Group's five largest customers accounted for 53% of the Group's revenue and revenue from the largest customer included therein amounted to 18%. There was no purchase from suppliers by the Group during the year.

During the year, none of the Directors, their close associates or shareholders, who to the knowledge of the Directors own more than 5% of the Company's issued share capital, had any interest in any of the Group's five largest customers.

DIRECTORS

The Directors during the year and for the period from 1 January 2025 to the date of this report were as follows:

Executive directors:

Mr. Cheung Chung Kiu *(Chairman)*
Dr. Lam How Mun Peter *(Deputy Chairman and Managing Director)*
Mr. Wong Chi Keung *(Deputy Chairman)*
Mr. Leung Wai Fai
Ms. Cheung Elaine Yu Ling *(Appointed with effect from 30 December 2024)*

Independent non-executive directors:

Mr. Lam Kin Fung Jeffrey
Mr. Leung Yu Ming Steven
Mr. Luk Yu King James

Dr. Lam How Mun Peter and Mr. Leung Wai Fai being Executive Directors, and Mr. Leung Yu Ming Steven being Independent Non-executive Director, shall retire by rotation in accordance with Bye-law 87 of the Bye-laws. Ms. Cheung Elaine Yu Ling, being Executive Director appointed in accordance with Bye-law 86(2) of the Bye-laws, shall hold office until the forthcoming AGM. All four Directors aforementioned, being eligible, have offered themselves for re-election at the AGM. All other Directors will continue to hold office.

The Company has received from each of the independent non-executive directors, Messrs. Lam Kin Fung Jeffrey, Leung Yu Ming Steven and Luk Yu King James, an annual confirmation of their independence. The Board has reviewed their independence based on such confirmation and considers all of them remaining independent.

DIRECTORS' BIOGRAPHIES

Updated biographical details of the Directors existing as at the date of this report are set out on pages 4 to 5.

DIRECTORS' SERVICE CONTRACTS

No Director offering for re-election at the AGM 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).

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

In December 2024, Mr. Cheung Chung Kiu, the chairman and the controlling shareholder of the Company, has provided to the Group a committed revolving loan facility of HK$3,000,000,000 (the "Loan Facility") with interest chargeable on the balances outstanding by the interest rate equal to 0.175% per annum below the prevailing Hong Kong Dollar prime rate as quoted from time to time by bank. The Loan Facility was unutilised as at 31 December 2024.

Save as disclosed above, no transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with the Director is or was materially interested in, either directly or indirectly, was subsisting during the year or at the end of the year.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

REMUNERATION DETAILS

Details of the Directors' remuneration and the five highest-paid individuals in the Group are set out in notes 9 and 10 to the financial statements respectively.

REMUNERATION POLICY

The remuneration policy for employees of the Group is formulated based on the merit, qualifications, performance and competence of individual employee which are reviewed regularly in order to provide competitive compensation packages at market rates sufficient to reward satisfactory performance and attract, retain and motivate employees. The Company has adopted share option scheme as a long-term incentive to eligible employees and directors to recognize and reward their contribution to the Group, details of which are set out in note 30 to the financial statements. Remuneration policy for Directors is set out in Corporate Governance Report on pages 26 to 33.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS

As at 31 December 2024, details of the interests and short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(a) Interests in shares of the Company (long positions)

Name of directors	Capacity in which interests are held	Number of shares held	Approximate percentage[4]
Cheung Chung Kiu	Interest of controlled corporation	2,871,231,906 [1]	73.96
Lam How Mun Peter	Beneficial owner	486,753	0.01

(b) Interests in shares and debentures of the Company's associated corporation (long positions)

(i) Shares

Name of director	Name of associated corporation	Capacity in which interests are held	Number of shares held	Approximate percentage [4]
Cheung Chung Kiu	The Cross-Harbour (Holdings) Limited (stock code: 32)	Interest of controlled corporation	272,912,585 [2]	73.23
Cheung Chung Kiu	Instant Glory International Limited	Interest of controlled corporation	1 [3]	50

(ii) Debentures

Name of director	Name of associated corporation	Capacity in which interests are held	Amount of debentures held	Amount of debentures in same class in issue
Cheung Chung Kiu	Perfect Point Ventures Limited	Beneficial owner	US$149,560,000	US$300,000,000
Lam How Mun Peter	Perfect Point Ventures Limited	Beneficial owner	US$2,400,000	US$300,000,000

Notes:

1. Such Shares were held directly by Fame Seeker Holdings Limited, which was wholly-owned by Windsor Dynasty Limited ("Windsor Dynasty"), which was in turn wholly-owned by Mr. Cheung Chung Kiu ("Mr. Cheung").
2. Such Shares were held directly by Rose Dynamics Limited, which was wholly-owned by Windsor Dynasty.
3. Such Share was held directly by Victory Trend Holdings Limited, which was wholly-owned by Mr. Cheung.
4. Approximate percentage refers to the aggregate interests of a director in the shares of such company expressed as a percentage (rounded to two decimal places) of the issued share capital of such company as at 31 December 2024.

Save as disclosed above, as at 31 December 2024, the Company had not been notified of any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section headed "Share Options" below and in the share option scheme disclosures set out in note 30 to the financial statements, at no time during the year was the Company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or any of their associates, had any rights to subscribe for shares of the Company, or had exercised any such rights during the year.

SHARE OPTIONS

On 21 May 2015, the Company adopted a share option scheme ("2015 Scheme"), details of which were disclosed in the Company's circular dated 16 April 2015 and are set out in note 30 to the financial statements. No share options have been granted under the 2015 Scheme since its adoption and up to 31 December 2024.

EQUITY-LINKED AGREEMENTS

Save for the share option schemes described above, the Group has not entered into any equity-linked agreements during the year.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

As at 31 December 2024, details of the interests and short positions of every person, other than directors or the chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholder	Capacity in which interests are held	Number of shares held	Approximate percentage [2]
Windsor Dynasty	Interest of controlled corporation	2,871,231,906 [1]	73.96

Notes:

1. Please refer to Note 1 to the paragraph "Interests in shares of the Company (long positions)" of the section headed "Directors' and Chief Executive's Interests and Short Positions" above.
2. Approximate percentage refers to the aggregate interest which the shareholder held or had short positions in the shares of the Company expressed as a percentage (rounded to two decimal places) of the issued share capital of the Company as at 31 December 2024.
3. All of the interests disclosed above represent long positions.

Save as disclosed above, as at 31 December 2024, the Company had not been notified of any interests or short positions of any other person, other than directors or the chief executive of the Company, in the shares or underlying shares of the Company required to be recorded in the register kept by the Company under Section 336 of the SFO.

DIRECTORS' INTEREST IN COMPETING BUSINESS

As far as the Directors are aware, none of the Directors had any interests in business which competed or was likely to compete, either directly or indirectly, with the businesses of the Group save as disclosed below.

As at 31 December 2024, Mr. Cheung in his personal capacity had interests in certain private companies directly or indirectly owned by him and engaged in property investment, development and management services businesses. As such, Mr. Cheung is regarded as being interested in a business which may compete with the business of the Group.

All of the Directors are aware of the fiduciary duties owed by them to the Company and that they must, in the performance of their duties as directors, avoid actual and potential conflicts of interest and duty, and not to profit themselves to the detriment of the Company. Further, there are provisions in the Bye-laws prohibiting a Director from voting, or being counted in the quorum, on any resolution of the Board approving any contract or arrangement or any other proposal in which the Director or any of his/her close associate(s) is materially interested in except for certain permitted matters. As disclosed in the section headed "Corporate Governance Report", the Board also recognizes that board independence is critical to good corporate governance and considers that the Company's governance framework has adequate mechanisms to ensure that independent views and inputs are available to the Board. The Directors are therefore of the view that the Company is capable of carrying on the Group's business independently of, and at arm's length from, such business in which Mr. Cheung is regarded as being interested and which may compete with the business of the Group.

RELATED PARTY TRANSACTIONS

During the year, the Group entered into certain transactions with parties regarded as "related parties" under the applicable accounting principles. Details of these transactions are set out in note 34 to financial statements.

DISCLOSURE UNDER RULE 13.21 OF THE LISTING RULES

On 3 October 2022, the Company was granted a 42-month term loan facility for an aggregate amount of HK$1,350,000,000 as may be increased pursuant to an accordion option to an aggregate amount not exceeding HK$3,000,000,000 under a facility agreement, pursuant to which, it is (among other matters) an event of default if Mr. Cheung, save for certain exceptions, (i) directly or indirectly, is not or ceases to be the shareholder holding the largest shareholding of the Company; (ii) does not or ceases to hold beneficially (directly or indirectly) of 35% or more of the issued share capital of the Company (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or (iii) does not or ceases to have control of the Company. On and at any time after the occurrence of an event of default which is continuing, (i) each available commitment of each lender under the Facility Agreement may immediately be cancelled and the Facility shall immediately cease to be available for further utilization, or any part of any commitment of the lenders under the Facility Agreement may immediately be cancelled and the relevant commitment of the lenders under the Facility Agreement shall immediately be reduced, and/or (ii) all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Facility Agreement and other ancillary finance documents may become immediately due and payable, and/or (iii) all or part of the Loans may immediately become payable on demand.

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

The Group had provided financial assistance to, and guarantee for, affiliated companies in the aggregate amount of HK$7,145,516,000 which represented approximately 30.4% of the Group's total assets as at 31 December 2024.

In accordance with the requirement under Rule 13.22 of the Listing Rules, the pro forma combined balance sheet of those affiliated companies as at 31 December 2024 is presented below:

	Combined balance sheet HK$'000
Non-current assets	4,511,180
Current assets	27,620,699
Current liabilities	(10,767,605)
Non-current liabilities	(3,206,064)
Net assets	18,158,210
Share capital	8
Reserves	18,158,202
Total Equity	18,158,210

As at 31 December 2024, the consolidated attributable interests of the Group in these affiliated companies amounted to HK$9,347,643,000.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float throughout the year and up to the date of this report as required under the Listing Rules.

INDEPENDENT AUDITORS

Messrs. Ernst & Young will retire and a resolution for their re-appointment as independent auditors of the Company will be proposed at the AGM. There has been no change of the auditor of the Company in the preceding three years.

On behalf of the Board

Cheung Chung Kiu
Chairman

Hong Kong, 24 March 2025

To the shareholders of C C Land Holdings Limited
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of C C Land Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 43 to 113, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of 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 material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated 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 ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong 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 of the current period. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Valuations of investment properties	
As at 31 December 2024, the Group's investment properties amounted to HK$11,061,312,000 and were measured at fair value. The fair values of the investment properties were determined based on the valuations performed by a professional external valuer. Significant estimation is required to determine the fair values of investment properties, which reflect the market conditions at the end of the reporting period. Management engaged an external valuer to perform valuations on these investment properties at the end of the reporting period and in the absence of current prices in an active market for similar properties, the external valuer considered information from a variety of sources such as the estimated rental values of the relevant properties and made assumptions about the equivalent yields. The accounting estimates and disclosures of the valuations of investment properties are included in notes 3 and 15 to the consolidated financial statements, respectively.	Our audit procedures to assess the valuations of investment properties included the following: • obtaining and reviewing the valuation reports prepared by the external valuer engaged by the Group; • assessing the external valuer's qualifications, experience and expertise and considering its objectivity and independence; • involving our internal valuation specialists to assist us in assessing the valuation methodologies applied and the key parameters and estimates including the estimated rental values and equivalent yields adopted in the valuations; • comparing property-related data used as inputs for the valuations with underlying lease agreements and related documentation; and • assessing the adequacy of the disclosures of the valuations of the investment properties in the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than 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 THE DIRECTORS 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 Hong Kong 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company 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. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, 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.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

- 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

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 or 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. CHUNG, Ho Ling.

Ernst & Young
Certified Public Accountants
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

24 March 2025

Consolidated Statement of Profit or Loss

Year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
REVENUE	5	**508,317**	472,980
Cost of services provided		**(37,255)**	(32,814)
Gross profit		**471,062**	440,166
Other income and gains, net	5	**383,103**	75,108
Administrative expenses		**(345,073)**	(345,348)
Impairment losses on financial assets	8	**–**	(66,205)
Other expenses	6	**(70,705)**	(2,138,999)
Finance costs	7	**(620,343)**	(640,772)
Share of profits and losses of:			
Joint ventures		**(118,646)**	813,335
Associates		**(294,978)**	(53,452)
LOSS BEFORE TAX	8	**(595,580)**	(1,916,167)
Income tax expense	11	**(22,344)**	(21,073)
LOSS FOR THE YEAR ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		**(617,924)**	(1,937,240)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	13		
Basic and diluted		**HK(15.92) cents**	HK(49.90) cents

Consolidated Statement of Comprehensive Income

Year ended 31 December 2024

	2024 HK$'000	2023 HK$'000
LOSS FOR THE YEAR	**(617,924)**	(1,937,240)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedge:		
Effective portion of changes in fair value of hedging instruments arising during the year	**41,529**	(74,308)
Exchange differences on translation of foreign operations	**(165,774)**	725,072
Share of other comprehensive income of a joint venture	**–**	13,458
Share of other comprehensive loss of an associate	**–**	(8,937)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**(124,245)**	655,285
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**(124,245)**	655,285
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	**(742,169)**	(1,281,955)

Consolidated Statement of Financial Position

31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
NON-CURRENT ASSETS			
Property and equipment	14	**82,080**	121,075
Investment properties	15	**11,061,312**	10,963,627
Golf club membership		**10,540**	10,540
Investments in joint ventures	17	**7,324,563**	8,166,713
Investments in associates	18	**2,023,021**	2,037,138
Prepayments, deposits and other receivables	21	**3,461**	4,625
Derivative financial instruments	24	**80,608**	64,274
Total non-current assets		**20,585,585**	21,367,992
CURRENT ASSETS			
Trade receivables	20	**8,744**	10,735
Prepayments, deposits and other receivables	21	**158,563**	184,336
Financial assets at fair value through profit or loss	19	**805,815**	1,063,367
Derivative financial instruments	24	**24,889**	–
Prepaid income tax		**9,813**	2,285
Pledged deposits	22	**326,472**	75,737
Restricted bank balances	22	**62,773**	70,748
Cash and cash equivalents	22	**1,535,223**	2,586,638
Total current assets		**2,932,292**	3,993,846
CURRENT LIABILITIES			
Other payables and accruals	23	**355,258**	418,257
Derivative financial instruments	24	**11,250**	–
Interest-bearing bank and other borrowings	25	**716,080**	2,128,428
Notes payable	26	**2,321,829**	–
Tax payable		**10,185**	29,210
Total current liabilities		**3,414,602**	2,575,895
NET CURRENT ASSETS/(LIABILITIES)		**(482,310)**	1,417,951
TOTAL ASSETS LESS CURRENT LIABILITIES		**20,103,275**	22,785,943
NON-CURRENT LIABILITIES			
Other payables	23	**4,296**	16,171
Derivative financial instruments	24	**–**	13,147
Interest-bearing bank and other borrowings	25	**7,309,226**	6,907,288
Notes payable	26	**–**	2,317,415
Total non-current liabilities		**7,313,522**	9,254,021
Net assets		**12,789,753**	13,531,922
EQUITY			
Issued capital	28	**388,233**	388,233
Reserves	29	**12,401,520**	13,143,689
Total equity		**12,789,753**	13,531,922

Cheung Chung Kiu
Director

Lam How Mun Peter
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2024

	Attributable to ordinary equity holders of the Company					
	Issued capital HK$'000	Share premium account HK$'000	Exchange fluctuation reserve** HK$'000	Cash flow hedge reserve HK$'000	Retained profits HK$'000	Total equity HK$'000
At 1 January 2023	388,233	11,977,078	(1,125,755)	122,324	3,529,644	14,891,524
Loss for the year	–	–	–	–	(1,937,240)	(1,937,240)
Other comprehensive income/(loss) for the year:						
Cash flow hedge:						
Changes in fair value of hedging instruments arising during the year	–	–	–	(74,308)	–	(74,308)
Share of other comprehensive income of a joint venture	–	–	13,458	–	–	13,458
Share of other comprehensive loss of an associate	–	–	–	(8,937)	–	(8,937)
Exchange differences:						
Translation of foreign operations	–	–	725,072	–	–	725,072
Total comprehensive income/(loss) for the year	–	–	738,530	(83,245)	(1,937,240)	(1,281,955)
Final 2022 dividend approved	–	–	–	–	(77,647)	(77,647)
At 31 December 2023	388,233	11,977,078	(387,225)	39,079	1,514,757	13,531,922

	Attributable to ordinary equity holders of the Company					
	Issued capital HK$'000	**Share premium account HK$'000**	**Exchange fluctuation reserve** HK$'000**	**Cash flow hedge reserve HK$'000**	**Retained profits HK$'000**	**Total equity HK$'000**
At 1 January 2024	**388,233**	**11,977,078***	**(387,225)***	**39,079***	**1,514,757***	**13,531,922**
Loss for the year	**–**	**–**	**–**	**–**	**(617,924)**	**(617,924)**
Other comprehensive income/(loss) for the year:						
Cash flow hedge:						
Changes in fair value of hedging instruments arising during the year	**–**	**–**	**–**	**41,529**	**–**	**41,529**
Exchange differences:						
Translation of foreign operations	**–**	**–**	**(165,774)**	**–**	**–**	**(165,774)**
Total comprehensive income/(loss) for the year	**–**	**–**	**(165,774)**	**41,529**	**(617,924)**	**(742,169)**
At 31 December 2024	**388,233**	**11,977,078***	**(552,999)***	**80,608***	**896,833***	**12,789,753**

* These reserve accounts comprise the consolidated reserves of HK$12,401,520,000 (2023: HK$13,143,689,000) in the consolidated statement of financial position.

** The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as the effective portion of any foreign exchange differences arising from hedges of the net investment in these foreign operations.

	Notes	**2024 HK$'000**	2023 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(595,580)**	(1,916,167)
Adjustments for:			
Depreciation of owned assets	8	**13,453**	35,783
Depreciation of right-of-use assets	8	**14,078**	14,053
Impairment losses on financial assets	8	**–**	66,205
Finance costs	7	**620,343**	640,772
Share of profits and losses of joint ventures		**118,646**	(813,335)
Share of profits and losses of associates		**294,978**	53,452
Dividend income from listed equity investments	5	**(1,948)**	(1,842)
Dividend income from an unlisted fund investment	5	**(35,385)**	–
Bank interest income	5	**(67,373)**	(59,538)
Fair value losses/(gains) on derivative financial instruments, net – transactions not qualifying as hedges	5, 6	**(2,624)**	4,778
Fair value losses/(gains) on investment properties	5, 6, 15	**(308,790)**	1,998,151
Loss on disposal of an unlisted fund investment at fair value through profit or loss	6	**3,071**	–
Fair value losses/(gains) on financial assets at fair value through profit or loss, net	5, 6	**(4,111)**	136,053
Impairment loss on items of property and equipment	6, 14	**11,553**	–
Loss on disposal of items of property and equipment	6	**9**	17
Lease incentives	15	**(18,848)**	(12,132)
		41,472	146,250
Decrease/(increase) in trade receivables		**1,790**	(1,045)
Decrease in prepayments, deposits and other receivables		**17,081**	8,087
Decrease in listed equity investments at fair value through profit or loss		**38,592**	–
Decrease in restricted bank balances		**6,521**	77,102
Increase/(decrease) in other payables and accruals		**36,079**	(89,371)
Cash generated from operations		**141,535**	141,023
Dividends received		**37,333**	1,842
Tax paid, net		**(47,965)**	(81,267)
Interest paid		**(586,767)**	(594,512)
Net cash flows used in operating activities		**(455,864)**	(532,914)

Consolidated Statement of Cash Flows

Year ended 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
Net cash flows used in operating activities		**(455,864)**	(532,914)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments in joint ventures		**(218,480)**	(103,995)
Return of capital from joint ventures		**841,753**	1,783,337
Repayment of an amount due to a joint venture		**(30,940)**	(47,790)
Repayment of amounts due from associates		**2,799**	1,626
Investments in associates		**(281,600)**	(357,505)
Return of capital from associates		**742**	4,263
Additions to investment properties		**(40,357)**	(61,332)
Purchases of items of property and equipment	14	**(121)**	(265)
Interest received from bank deposits		**67,786**	57,004
Proceeds from disposal of items of property and equipment		**1**	–
Proceeds from disposal of an unlisted fund investment at fair value through profit or loss		**220,000**	–
Proceeds from the termination of derivative financial instrument		**1,033**	1,239
Placement of pledged time deposits		**(300,000)**	(50,799)
Withdrawal of pledged time deposits		**50,000**	–
Net cash flows from investing activities		**312,616**	1,225,783
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal portion of lease payments		**(12,352)**	(11,954)
Dividends paid		**–**	(77,647)
New bank borrowings		**893,739**	1,035,230
Repayment of bank and other borrowings		**(1,787,118)**	(840,734)
Net cash flows from/(used in) financing activities		**(905,731)**	104,895
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(1,048,979)**	797,764
Cash and cash equivalents at beginning of year		**2,586,638**	1,745,403
Effect of foreign exchange rate changes, net		**(2,436)**	43,471
CASH AND CASH EQUIVALENTS AT END OF YEAR		**1,535,223**	2,586,638
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**438,480**	373,432
Non-pledged time deposits with original maturity of less than three months when acquired		**1,096,743**	2,213,206
Cash and cash equivalents as stated in the consolidated statement of cash flows		**1,535,223**	2,586,638

1. CORPORATE AND GROUP INFORMATION

C C Land Holdings Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended). The address of the principal place of business of the Company is 25th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were involved in the following principal activities:

(i) property development and investment; and

(ii) treasury investment.

In the opinion of the directors of the Company, the immediate holding company of the Company is Fame Seeker Holdings Limited, which is incorporated in the British Virgin Islands ("BVI"), and the ultimate holding company of the Company is Windsor Dynasty Limited, which is incorporated in the BVI.

Information about subsidiaries

Particulars of the Company's principal subsidiaries as at 31 December 2024 are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company	Principal activities
C C Land Finance Limited	Hong Kong	Ordinary HK$2	100	Money lending
C C Land Management Limited	Hong Kong	Ordinary HK$1	100	Corporate management
C C Land Portfolio Inc.#	BVI	Ordinary US$1	100	Treasury investment
Classical Noble Limited#	BVI	Ordinary US$1	100	Investment holding
Fortune Point Holdings Limited####	BVI/United Kingdom	Ordinary US$1	100	Property investment
Fortune Sail International Limited####	BVI/United Kingdom	Ordinary US$1	100	Property investment
Green Charm Investments Limited#/####	BVI	Ordinary US$1	100	Investment holding
Join Wise Enterprises Limited	Hong Kong	Ordinary HK$1	100	Treasury management
Marvel Leader Investments Limited ("Marvel Leader")#	BVI	Ordinary US$50,000	100	Investment holding
Massive Vast Group Limited#	BVI	Ordinary US$1	100	Investment holding
Mega Star International Investment Limited	Hong Kong	Ordinary HK$1	100	Investment holding
Mighty Gain Enterprises Limited ("Mighty Gain")#	BVI	Ordinary US$1	100	Investment holding

1. CORPORATE AND GROUP INFORMATION *(continued)*

Information about subsidiaries *(continued)*

Particulars of the Company's principal subsidiaries as at 31 December 2024 are as follows: *(continued)*

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company	Principal activities
Modern Hero Global Limited#	BVI	Ordinary US$1	100	Investment holding
Perfect Point Ventures Limited#	BVI	Ordinary US$1	100	Treasury management
Rapid Joy Limited#	BVI	Ordinary US$1	100	Investment holding
Season Fit Limited#	BVI	Ordinary US$1	100	Investment holding
Universal Mission Limited#	BVI	Ordinary US$1	100	Investment holding
Wealth Castle Holdings Limited#	BVI	Ordinary US$1	100	Investment holding
Win Mount Development Limited	Hong Kong	Ordinary HK$1	100	Investment holding
Worthwell Investments Limited	BVI/Hong Kong	Ordinary US$50,000	100	Treasury investment
Sichuan Zhong Yu Real Estate Company Limited*/## (四川中渝置地有限公司)	The People's Republic of China ("PRC")/Mainland China	Registered US$15,000,000	100	Property development and investment
Tibet Huixing Yuejing Corporate Management Services Limited*/### (西藏滙星悅景企業管理服務有限公司)	PRC/Mainland China	Registered RMB20,000,000	100	Investment holding and management

\# These companies have no specific principal places of operations.

\## This company is registered as a wholly-foreign-owned enterprise under PRC law.

\### This company is registered as a limited liability company under PRC law.

\#### At 31 December 2024, the equity interests of these companies were pledged to certain banks to secure bank borrowings of HK$6,193,501,000 (2023: HK$6,699,808,000) granted to the Group (note 25(d)).

* The English names of these companies are not official. They are direct translations from the Chinese names and are for identification purposes only.

Except for Marvel Leader and Mighty Gain, the equity interests of all principal subsidiaries are indirectly held by the Company.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

2. ACCOUNTING POLICIES

2.1 BASIS OF PRESENTATION

As at 31 December 2024, the Group's current liabilities exceeded its current assets by HK$482,310,000. The net current liability position was caused by classification of the notes payable of HK$2,321,829,000 (the "2021 Notes" as defined in note 26) as current liability due to the maturity date in September 2025. In addition, the Group recorded a loss for the year of HK$617,924,000 and a net cash used in operating activities of HK$455,864,000 for the year ended 31 December 2024.

In view of such circumstances, the directors of the Company have given careful considerations to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to fulfill its financial obligations and continue as a going concern.

In December 2024, Mr. Cheung Chung Kiu ("Mr. Cheung"), the chairman and the controlling shareholder of the Company, has provided to the Group a committed revolving loan facility of HK$3,000,000,000 (the "Loan Facility"). The Loan Facility can be used for refinancing the 2021 Notes, which is held by Mr. Cheung as to USD164,560,000 (equivalent to HK$1,275,340,000) at the date of approval of these financial statements. The Loan Facility was unutilised as at 31 December 2024.

In the opinion of the directors of the Company, the liquidity of the Group is well managed with the sources of finance available. After taking into account the cash flow projection prepared by the management and the unutilised Loan Facility available, the directors of the Company consider that the Group will have adequate funds available to enable it to meet its liabilities, commitments and funding requirements as and when they fall due within one year from the end of the reporting period. Accordingly, the consolidated financial statements for the year ended 31 December 2024 have been prepared on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts and to provide for further liabilities which might arise. The consolidated financial statements do not include any adjustments that would result from the failure of the Group to continue in business as a going concern.

2.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, investment properties and derivative financial instruments which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. 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.

2. ACCOUNTING POLICIES *(continued)*

2.2 BASIS OF PREPARATION *(continued)*

Basis of consolidation *(continued)*

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised HKFRSs are described below:

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

2. ACCOUNTING POLICIES *(continued)*

2.4 ISSUED BUT NOT YET EFFECTIVE HKFRSs

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKAS 21	*Lack of Exchangeability*[1]
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRSs. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRSs. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19. Some of the Company's subsidiaries are considering the application of HKFRS 19 in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2. ACCOUNTING POLICIES *(continued)*

2.4 ISSUED BUT NOT YET EFFECTIVE HKFRSs *(continued)*

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- *HKFRS 7 Financial Instruments:* Disclosures: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- *HKFRS 9 Financial Instruments:* The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- *HKFRS 10 Consolidated Financial Statements:* The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- *HKAS 7 Statement of Cash Flows:* The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.5 MATERIAL ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it 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 over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

2. ACCOUNTING POLICIES *(continued)*

2.5 MATERIAL ACCOUNTING POLICIES *(continued)*

Investments in associates and joint ventures *(continued)*

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2. ACCOUNTING POLICIES *(continued)*

2.5 MATERIAL ACCOUNTING POLICIES *(continued)*

Business combinations and goodwill *(continued)*

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its investment properties, financial assets at fair value through profit or loss and derivative financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	–	based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than deferred tax assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2. ACCOUNTING POLICIES *(continued)*

2.5 MATERIAL ACCOUNTING POLICIES *(continued)*

Impairment of non-financial assets *(continued)*

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and 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 or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group 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;
- (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 parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2. ACCOUNTING POLICIES *(continued)*

2.5 MATERIAL ACCOUNTING POLICIES *(continued)*

Property and equipment and depreciation

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property 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.

Expenditure incurred after items of property and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Owned assets

Buildings	2% or over the unexpired terms of the leases if less than 50 years
Leasehold improvements	20% or over the unexpired terms of the leases if less than 5 years
Furniture, fixtures and equipment	10% to 20%
Motor vehicles	20% to 25%
Vessel and yacht	20%

Right-of-use assets

Leasehold land	2% or over the unexpired terms of the leases if less than 50 years
Office properties	Over the lease terms

Where parts of an item of property and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

Golf club membership

Golf club membership acquired is measured on initial recognition at cost and its useful life is assessed to be indefinite.

Golf club membership is tested for impairment annually and not amortised. It is considered as having an indefinite useful life as there is no time limit for which the Group can use the membership, and therefore it will not be amortised until its useful life is determined to be finite upon reassessment annually. Accordingly, its useful life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2. ACCOUNTING POLICIES *(continued)*

2.5 MATERIAL ACCOUNTING POLICIES *(continued)*

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. 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.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) *Right-of-use assets*
Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis as detailed in the *Property and equipment and depreciation* policy above.

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) *Lease liabilities*
Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in other payables and accruals.

(c) *Short-term leases and leases of low-value assets*
The Group applies the short-term lease recognition exemption to its short-term leases of office properties and staff quarters (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

2. ACCOUNTING POLICIES *(continued)*

2.5 MATERIAL ACCOUNTING POLICIES *(continued)*

Leases *(continued)*

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)
Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

2. ACCOUNTING POLICIES *(continued)*

2.5 MATERIAL ACCOUNTING POLICIES *(continued)*

Investments and other financial assets *(continued)*

Subsequent measurement *(continued)*

Financial assets at fair value through other comprehensive income (debt instruments)
For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as revenue in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as revenue in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. ACCOUNTING POLICIES *(continued)*

2.5 MATERIAL ACCOUNTING POLICIES *(continued)*

Derecognition of financial assets *(continued)*

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates, if and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2. ACCOUNTING POLICIES *(continued)*

2.5 MATERIAL ACCOUNTING POLICIES *(continued)*

Impairment of financial assets *(continued)*

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group 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.

For trade receivables that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or as payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include financial liabilities included in other payables and accruals, financial guarantee contracts, notes payable, derivative financial instruments and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (other payables, borrowings and notes payable)
After initial recognition, other payables, interest-bearing borrowings and notes payable are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

2. ACCOUNTING POLICIES *(continued)*

2.5 MATERIAL ACCOUNTING POLICIES *(continued)*

Financial liabilities *(continued)*

Subsequent measurement *(continued)*

Financial guarantee contracts
Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or

- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment; or

- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

2. ACCOUNTING POLICIES *(continued)*

2.5 MATERIAL ACCOUNTING POLICIES *(continued)*

Derivative financial instruments and hedge accounting *(continued)*

Initial recognition and subsequent measurement *(continued)*

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument.
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges which meet all the qualifying criteria for hedge accounting are accounted for as follows:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the statement of profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the statement of profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the statement of profit or loss as a reclassification adjustment. After the discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income is accounted for depending on the nature of the underlying transaction as described above.

Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a similar way to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

2. ACCOUNTING POLICIES *(continued)*

2.5 MATERIAL ACCOUNTING POLICIES *(continued)*

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

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 for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

2. ACCOUNTING POLICIES *(continued)*

2.5 MATERIAL ACCOUNTING POLICIES *(continued)*

Income tax *(continued)*

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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 in profit or loss on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset.

2. ACCOUNTING POLICIES *(continued)*

2.5 MATERIAL ACCOUNTING POLICIES *(continued)*

Revenue recognition *(continued)*

Revenue from other sources

(i) Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred;

(ii) Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably; and

(iii) Income from the sale of listed securities is recognised on the trade date.

Share-based payments

The Company operates a share option scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or services conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of loss per share.

2. ACCOUNTING POLICIES *(continued)*

2.5 MATERIAL ACCOUNTING POLICIES *(continued)*

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in central pension schemes operated by the local municipal governments. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension schemes. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension schemes.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or 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. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Bye-laws grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

2. ACCOUNTING POLICIES *(continued)*

2.5 MATERIAL ACCOUNTING POLICIES *(continued)*

Foreign currencies *(continued)*

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcome that could require a material adjustment to the carrying amount of the assets or liabilities in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Estimation of fair values of investment properties

The fair values of the Group's investment properties are determined by an independent valuer on an open market, existing use basis. In making the judgement of the determination of the fair values, consideration has been given to parameters that are mainly based on market conditions existing at the end of the reporting period, such as the estimated rental value of the relevant properties and appropriate capitalisation rates. Relevant estimates are regularly compared to actual market data. More details are given in note 15 to the financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

Property development and investment segment – Development and investment of properties

Treasury investment segment – Investments in securities and notes receivable, and provision of financial services

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's loss before tax except that finance costs as well as head office and corporate expenses are excluded from such measurement.

Information regarding the reportable segments is presented below.

Reportable segment information

Year ended 31 December 2024

	Property development and investment HK$'000	Treasury investment HK$'000	Total HK$'000
Segment revenue (note 5)			
Revenue from external customers	455,722	52,595	508,317
Segment results	104,901	1,352	106,253
Corporate and unallocated expenses			(81,490)
Finance costs			(620,343)
Loss before tax			(595,580)
Other segment information:			
Share of losses of:			
Joint ventures	(118,646)	–	(118,646)
Associates	(294,978)	–	(294,978)
Capital expenditure in respect of items of property and equipment	(121)	–	(121)
Depreciation	(27,531)	–	(27,531)
Fair value gains on derivative financial instruments, net – transactions not qualifying as hedges	2,624	–	2,624
Fair value gains on investment properties	308,790	–	308,790
Fair value gains on financial assets at fair value through profit or loss, net	–	4,111	4,111
Impairment loss on items of property and equipment	(11,553)	–	(11,553)
Investments in joint ventures	7,324,563	–	7,324,563
Investments in associates	2,023,021	–	2,023,021

4. OPERATING SEGMENT INFORMATION *(continued)*

Reportable segment information *(continued)*

Year ended 31 December 2023

	Property development and investment HK$'000	Treasury investment HK$'000	Total HK$'000
Segment revenue (note 5)			
Revenue from external customers	471,138	1,842	472,980
Segment results	(1,014,580)	(182,642)	(1,197,222)
Corporate and unallocated expenses			(78,173)
Finance costs			(640,772)
Loss before tax			(1,916,167)
Other segment information:			
Share of profits/(losses) of:			
Joint ventures	813,335	–	813,335
Associates	(53,452)	–	(53,452)
Capital expenditure in respect of items of property and equipment	(265)	–	(265)
Depreciation	(49,836)	–	(49,836)
Fair value losses on derivative financial instruments, net – transactions not qualifying as hedges	(4,778)	–	(4,778)
Fair value losses on investment properties	(1,998,151)	–	(1,998,151)
Fair value losses on financial assets at fair value through profit or loss, net	–	(136,053)	(136,053)
Impairment losses on financial assets	(66,205)	–	(66,205)
Investments in joint ventures	8,166,713	–	8,166,713
Investments in associates	2,037,138	–	2,037,138

4. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

(a) Revenue from external customers

	2024 HK$'000	2023 HK$'000
United Kingdom	**455,722**	471,138
Hong Kong	**52,595**	1,842
Total revenue	**508,317**	472,980

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2024 HK$'000	2023 HK$'000
United Kingdom	**16,895,455**	17,466,284
Mainland China	**207**	339
Hong Kong	**3,605,854**	3,832,470
Total non-current assets	**20,501,516**	21,299,093

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

Information about major customers

Revenue of HK$91,311,000 and HK$54,895,000 (2023: HK$93,927,000, HK$72,776,000, HK$49,458,000 and HK$48,221,000) was derived from two (2023: four) tenants which accounted for 10% or more of the Group's revenue and was derived from the property development and investment segment.

5. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of the Group's revenue, other income and gains, net, is as follows:

	2024 HK$'000	2023 HK$'000
Revenue		
Gross rental income from investment property operating leases:		
Variable lease payments that do not depend on an index or a rate	**6,089**	6,698
Other lease payments, including fixed payments	**449,633**	464,440
	455,722	471,138
Gain on disposal of listed equity investments at fair value through profit or loss	**15,262**	–
Dividend income from listed equity investments	**1,948**	1,842
Dividend income from an unlisted fund investment	**35,385**	–
Total revenue	**508,317**	472,980
Other income and gains, net		
Bank interest income	**67,373**	59,538
Fair value gains on investment properties (note 15)	**308,790**	–
Fair value gains on financial assets at fair value through profit or loss, net	**4,111**	–
Fair value gains on derivative financial instruments, net – transactions not qualifying as hedges	**2,624**	–
Exchange gains, net	**–**	15,501
Others	**205**	69
Total other income and gains, net	**383,103**	75,108

6. OTHER EXPENSES

An analysis of other expenses is as follows:

	2024 HK$'000	2023 HK$'000
Impairment loss on items of property and equipment	**11,553**	–
Loss on disposal of an unlisted fund investment at fair value through profit or loss	**3,071**	–
Loss on disposal of items of property and equipment	**9**	17
Fair value losses on investment properties (note 15)	**–**	1,998,151
Fair value losses on financial assets at fair value through profit or loss, net	**–**	136,053
Fair value losses on derivative financial instruments, net – transactions not qualifying as hedges	**–**	4,778
Exchange losses, net	**56,072**	–
Total	**70,705**	2,138,999

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 HK$'000	2023 HK$'000
Interest on bank and other borrowings	**494,196**	514,642
Interest on notes payable	**125,500**	125,114
Interest on lease liabilities	**647**	1,016
Total	**620,343**	640,772

8. LOSS BEFORE TAX

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

	Notes	2024 HK$'000	2023 HK$'000
Depreciation of owned assets	14	**13,453**	35,783
Depreciation of right-of-use assets	14	**14,078**	14,053
Total		**27,531**	49,836
Lease payments not included in the measurement of lease liabilities	16(c)	**2,678**	4,169
Auditor's remuneration		**6,100**	6,100
Employee benefit expense (including directors' remuneration (note 9)):			
Wages and salaries		**191,076**	194,304
Pension scheme contributions*		**7,183**	6,979
Total		**198,259**	201,283
Foreign exchange differences, net	5, 6	**56,072**	(15,501)
Impairment losses on prepayments, deposits and other receivables	21	**–**	66,205
Gross rental income		**(455,722)**	(471,138)
Direct operating expenses arising from rental-earning investment properties		**37,255**	32,814
Net rental income		**(418,467)**	(438,324)

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

9. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2024 HK$'000	2023 HK$'000
Fees	**2,100**	2,135
Other emoluments:		
Salaries, allowances and benefits in kind	**40,210**	40,399
Discretionary bonuses	**27,216**	27,216
Pension scheme contributions	**1,239**	1,261
Subtotal	**68,665**	68,876
Total fees and other emoluments	**70,765**	71,011

During the year, the Group provided a leasehold property in Hong Kong as staff quarters for one of the executive directors of the Company. The estimated monetary value of such accommodation, included in the amount disclosed above, using the rateable value as an approximation, was HK$962,000 (2023: HK$962,000).

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2023: Nil).

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year are as follows:

	2024 HK$'000	2023 HK$'000
Mr. Lam Kin Fung Jeffrey	**845**	835
Mr. Leung Yu Ming Steven	**710**	700
Dr. Wong Lung Tak Patrick*	**–**	272
Mr. Luk Yu King James**	**545**	328
Total	**2,100**	2,135

* Retired as an independent non-executive director on 22 May 2023.

** Appointed as an independent non-executive director on 22 May 2023.

There were no other emoluments payable to the independent non-executive directors during the year (2023: Nil).

9. DIRECTORS' REMUNERATION *(continued)*

(b) Executive directors

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Discretionary bonuses HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
2024					
Executive directors:					
Mr. Cheung	**–**	**12,779**	**9,720**	**18**	**22,517**
Dr. Lam How Mun Peter	**–**	**11,960**	**7,200**	**507**	**19,667**
Mr. Leung Wai Fai	**–**	**6,263**	**3,096**	**289**	**9,648**
Mr. Wong Chi Keung	**–**	**9,204**	**7,200**	**425**	**16,829**
Ms. Cheung Elaine Yu Ling*	**–**	**4**	**–**	**–**	**4**
Total	**–**	**40,210**	**27,216**	**1,239**	**68,665**
2023					
Executive directors:					
Mr. Cheung	–	12,532	9,720	18	22,270
Dr. Lam How Mun Peter	–	11,739	7,200	497	19,436
Mr. Leung Chun Cheong**	–	911	–	44	955
Mr. Leung Wai Fai	–	6,195	3,096	286	9,577
Mr. Wong Chi Keung	–	9,022	7,200	416	16,638
Total	–	40,399	27,216	1,261	68,876

* Appointed as an executive director on 30 December 2024.

** Resigned as an executive director on 18 April 2023.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four (2023: four) directors, details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining one (2023: one) non-director, highest paid employee are as follows:

	2024 HK$'000	2023 HK$'000
Salaries, allowances, and benefits in kind	**3,900**	3,640
Discretionary bonuses	**6,300**	6,300
Pension scheme contributions	**180**	168
Total	**10,380**	10,108

The number of non-director, highest paid employee whose remuneration fell within the following bands is as follows:

	No. of individuals	
	2024	2023
HK$10,000,001 to HK$10,500,000	**1**	1

11. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2023: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%). Corporation tax in the United Kingdom ("UK") has been provided at a rate of 25% (2023: an effective rate of 23.5%) according to the requirements set forth in the relevant UK tax laws and regulations.

Tax on profits assessable in Mainland China has been calculated at the applicable PRC corporate income tax rate of 25% (2023: 25%) during the year, except for one subsidiary of the Group, which is operating in Tibet and is entitled to a preferential income tax rate of 15% (2023: 15%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2024 **HK$'000**	2023 HK$'000
Current charge for the year		
UK	**49,677**	51,206
Overprovision in prior years	**(27,333)**	(30,133)
Total tax charge for the year	**22,344**	21,073

A reconciliation of the tax expense applicable to loss before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rates is as follows:

	2024 **HK$'000**	2023 HK$'000
Loss before tax	**(595,580)**	(1,916,167)
Tax at the statutory tax rates of different jurisdictions	**(112,550)**	(410,420)
Lower tax rate enacted by local authority	**871**	7,253
Adjustments in respect of current tax of previous periods	**(27,333)**	(30,133)
Profits and losses attributable to associates	**47,633**	8,820
Profits and losses attributable to joint ventures	**17,501**	(187,282)
Income not subject to tax	**(98,985)**	(13,856)
Expenses not deductible for tax	**194,957**	646,469
Tax losses not recognised	**250**	222
Tax charge at the Group's effective rate	**22,344**	21,073

For the year ended 31 December 2024, the weighted average applicable tax rate was 18.9% (2023: 21.4%). The change in the weighted average applicable tax rate was caused by changes in the profitability of the Group in the respective jurisdictions.

The share of tax attributable to associates amounting to HK$4,896,000 (2023: HK$5,565,000) is included in "Share of profits and losses of associates" in the consolidated statement of profit or loss. The share of tax attributable to joint ventures amounting to HK$83,584,000 (2023: HK$105,333,000) is included in "Share of profits and losses of joint ventures" in the consolidated statement of profit or loss.

12. DIVIDENDS

The board of directors (the "Board") does not recommend the payment of a final dividend in respect of the year ended 31 December 2024 (2023: Nil).

No interim dividend was declared in respect of the years ended 31 December 2024 and 2023.

13. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share is based on the loss for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the year.

No adjustment has been made to the basic loss per share presented for the years ended 31 December 2024 and 2023 as the Group had no potentially dilutive ordinary shares in issue during the years.

The calculation of basic and diluted loss per share is based on:

	2024 **HK$'000**	2023 HK$'000
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	**(617,924)**	(1,937,240)

	Number of shares **2024**	 2023
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	**3,882,334,668**	3,882,334,668

14. PROPERTY AND EQUIPMENT

	Owned assets							
	Buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Vessel and yacht HK$'000	Total HK$'000	Right-of-use assets HK$'000 (note 16(a))	Total HK$'000
31 December 2024								
At 1 January 2024								
Cost	**4,838**	**38,012**	**16,399**	**10,232**	**145,446**	**214,927**	**128,323**	**343,250**
Accumulated depreciation	**(847)**	**(30,440)**	**(8,907)**	**(8,013)**	**(138,173)**	**(186,380)**	**(35,795)**	**(222,175)**
Net carrying amount	**3,991**	**7,572**	**7,492**	**2,219**	**7,273**	**28,547**	**92,528**	**121,075**
At 1 January 2024, net of accumulated depreciation	**3,991**	**7,572**	**7,492**	**2,219**	**7,273**	**28,547**	**92,528**	**121,075**
Additions	**–**	**38**	**83**	**–**	**–**	**121**	**–**	**121**
Disposals	**–**	**–**	**(10)**	**–**	**–**	**(10)**	**–**	**(10)**
Depreciation provided during the year	**(121)**	**(3,756)**	**(1,463)**	**(840)**	**(7,273)**	**(13,453)**	**(14,078)**	**(27,531)**
Impairment	**(310)**	**(279)**	**–**	**–**	**–**	**(589)**	**(10,964)**	**(11,553)**
Exchange realignment	**–**	**(1)**	**(6)**	**(6)**	**–**	**(13)**	**(9)**	**(22)**
At 31 December 2024, net of accumulated depreciation and impairment	**3,560**	**3,574**	**6,096**	**1,373**	**–**	**14,603**	**67,477**	**82,080**
At 31 December 2024:								
Cost	**4,838**	**38,036**	**16,228**	**10,137**	**145,446**	**214,685**	**128,186**	**342,871**
Accumulated depreciation and impairment	**(1,278)**	**(34,462)**	**(10,132)**	**(8,764)**	**(145,446)**	**(200,082)**	**(60,709)**	**(260,791)**
Net carrying amount	**3,560**	**3,574**	**6,096**	**1,373**	**–**	**14,603**	**67,477**	**82,080**
31 December 2023								
At 1 January 2023								
Cost	4,838	37,975	16,448	10,278	145,446	214,985	127,982	342,967
Accumulated depreciation	(726)	(26,341)	(7,628)	(7,125)	(109,084)	(150,904)	(21,542)	(172,446)
Net carrying amount	4,112	11,634	8,820	3,153	36,362	64,081	106,440	170,521
At 1 January 2023, net of accumulated depreciation	4,112	11,634	8,820	3,153	36,362	64,081	106,440	170,521
Additions	–	–	265	–	–	265	–	265
Disposals	–	–	(17)	–	–	(17)	–	(17)
Depreciation provided during the year	(121)	(4,070)	(1,572)	(931)	(29,089)	(35,783)	(14,053)	(49,836)
Exchange realignment	–	8	(4)	(3)	–	1	141	142
At 31 December 2023, net of accumulated depreciation	3,991	7,572	7,492	2,219	7,273	28,547	92,528	121,075
At 31 December 2023:								
Cost	4,838	38,012	16,399	10,232	145,446	214,927	128,323	343,250
Accumulated depreciation	(847)	(30,440)	(8,907)	(8,013)	(138,173)	(186,380)	(35,795)	(222,175)
Net carrying amount	3,991	7,572	7,492	2,219	7,273	28,547	92,528	121,075

14. PROPERTY AND EQUIPMENT *(continued)*

At 31 December 2024, one of the Group's buildings with a carrying amount of HK$3,560,000 (2023: HK$3,991,000) and its leasehold land, which is included in right-of-use assets, with a carrying amount of HK$51,986,000 (2023: HK$64,918,000) were pledged to secure general banking facilities granted to the Group, of which the banking facilities were not utilised as at 31 December 2024 and 2023.

During the year ended 31 December 2024, impairment losses of HK$310,000, HK$279,000 and HK$10,964,000 (2023: Nil) were recognised in respect of the owned buildings, leasehold improvements and leasehold land included in right-of-use assets, respectively, held by the Group due to the decrease in the recoverable amount of the properties for the year ended 31 December 2024. As at 31 December 2024, the aggregate recoverable amount of these assets was HK$59,000,000 which was determined based on the fair value less costs of disposal under direct comparison approach based on a valuation performed by Knight Frank Petty Limited ("Knight Frank"), a firm of independent professionally qualified valuers, which took into account current prices of properties of similar locations and conditions and other unobservable inputs, and accordingly the fair value measurement was categorised within Level 3 of the fair value hierarchy.

15. INVESTMENT PROPERTIES

	2024 **HK$'000**	2023 HK$'000
Carrying amount at 1 January	**10,963,627**	12,149,321
Additions	**21,572**	79,731
Lease incentives	**18,848**	12,132
Gain/(loss) from fair value adjustments (notes 5, 6)	**308,790**	(1,998,151)
Exchange realignment	**(251,525)**	720,594
Carrying amount at 31 December	**11,061,312**	10,963,627

The Group's investment properties consist of two commercial properties in the UK. The directors of the Company have determined that the investment properties consist of one class of asset, i.e., commercial, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 31 December 2024 based on valuations performed by Knight Frank at HK$11,061,312,000 (2023: HK$10,963,627,000). Each year, management of the Group decides to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's senior personnel from the finance department review the valuations performed by the external valuer for financial reporting purposes and report directly to senior management. Discussions of valuation processes, assumptions and results are held between the Group's finance personnel and the external valuer twice a year when the valuations are performed for interim and annual financial reporting.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 16 to the financial statements.

At 31 December 2024, the Group's investment properties with an aggregate carrying value of HK$11,061,312,000 (2023: HK$10,963,627,000) were pledged to secure general banking facilities granted to the Group (note 25(a)).

Further particulars of the Group's investment properties are included on page 115.

15. INVESTMENT PROPERTIES *(continued)*

Fair value hierarchy

The recurring fair value measurement for all the commercial properties of the Group uses significant unobservable inputs (Level 3) and details of their movements are disclosed below.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2023: Nil).

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Commercial properties HK$'000
Carrying amount at 1 January 2023	12,149,321
Additions	79,731
Lease incentives	12,132
Loss from fair value adjustments (note 6)	(1,998,151)
Exchange realignment	720,594
Carrying amount at 31 December 2023 and 1 January 2024	**10,963,627**
Additions	**21,572**
Lease incentives	**18,848**
Gain from fair value adjustments (note 5)	**308,790**
Exchange realignment	**(251,525)**
Carrying amount at 31 December 2024	**11,061,312**

Below is a summary of the valuation technique used and the key inputs to the valuation of investment properties:

	Valuation technique	**Significant unobservable inputs**	**Range 2024**	Range 2023
Commercial properties	Income capitalisation approach	Estimated rental values (per square foot per annum)	**GBP60 to GBP112.5**	GBP60 to GBP112.5
		Equivalent yields	**5.01% to 5.86%**	5.03% to 5.89%

The fair value of the investment properties which are classified as Level 3 of the fair value hierarchy is determined by using the income capitalisation approach based on capitalisation of net income with due allowance of outgoings and reversionary income potential. Measurement of the fair value is positively correlated to the estimated rental values and inversely correlated to the equivalent yields.

16. LEASES

The Group as a lessee

The Group has lease contracts for leasehold land and office properties used in its operations. Lump sum payments were made upfront to acquire the leasehold land in Hong Kong with lease periods of 40 years, and no ongoing payments will be made under the terms of these land leases. Leases of office properties generally have lease terms between 2 and 4 years.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land HK$'000	**Office properties HK$'000**	**Total HK$'000**
As at 1 January 2023	66,886	39,554	106,440
Depreciation charge	(1,968)	(12,085)	(14,053)
Exchange realignment	–	141	141
As at 31 December 2023 and 1 January 2024	**64,918**	**27,610**	**92,528**
Depreciation charge	**(1,968)**	**(12,110)**	**(14,078)**
Impairment	**(10,964)**	**–**	**(10,964)**
Exchange realignment	**–**	**(9)**	**(9)**
As at 31 December 2024	**51,986**	**15,491**	**67,477**

(b) Lease liabilities

The carrying amount of lease liabilities (included under other payables and accruals) and the movements during the year are as follows:

	2024 HK$'000	2023 HK$'000
Carrying amount at 1 January	**28,521**	40,312
Accretion of interest recognised during the year (note 7)	**647**	1,016
Payments	**(12,999)**	(12,970)
Exchange realignment	**(11)**	163
Carrying amount at 31 December	**16,158**	28,521
Analysed into:		
Repayable:		
Within one year	**11,862**	12,350
In the second year	**4,296**	11,875
In the third to fifth year, inclusive	**–**	4,296
	16,158	28,521
Less: Non-current portion	**(4,296)**	(16,171)
Current portion	**11,862**	12,350

The maturity analysis of lease liabilities is disclosed in note 37 to the financial statements.

16. LEASES *(continued)*

The Group as a lessee *(continued)*

(c) The amounts recognised in the statement of profit or loss in relation to leases are as follows:

	2024 **HK$'000**	2023 HK$'000
Interest on lease liabilities	**647**	1,016
Depreciation charge of right-of-use assets	**14,078**	14,053
Expense relating to short-term leases (included in administrative expenses)	**2,678**	4,169
Impairment of right-of-use assets	**10,964**	–
Total amount recognised in the statement of profit or loss	**28,367**	19,238

(d) The total cash outflow for leases is disclosed in note 31(b) to the financial statements.

The Group as a lessor

The Group leases its investment properties (note 15) consisting of two commercial properties in the UK under operating lease arrangements. The terms of the leases generally (i) require tenants to pay rent in advance on a quarterly basis; (ii) provide for rent review; (iii) grant certain lessees a tenant exercisable break clause; and (iv) require certain tenants to pay security deposits. As at 31 December 2024, security deposits received from tenants and held by the Group's property manager on trust for both the Group and the Group's tenants amounted to HK$39,543,000 (2023: HK$49,784,000). Rental income recognised by the Group during the year was HK$455,722,000 (2023: HK$471,138,000), details of which are included in note 5 to the financial statements.

At 31 December 2024, the undiscounted lease payments receivable by the Group in future periods, calculated on the assumption that no tenant exercisable break clause will be exercised, under non-cancellable operating leases with its tenants are as follows:

	2024 **HK$'000**	2023 HK$'000
Within one year	**422,586**	474,944
After one year but within two years	**510,873**	454,447
After two years but within three years	**551,618**	479,875
After three years but within four years	**481,731**	494,418
After four years but within five years	**467,380**	421,062
After five years	**1,845,977**	1,862,216
Total	**4,280,165**	4,186,962

17. INVESTMENTS IN JOINT VENTURES

	2024 **HK$'000**	2023 HK$'000
Share of net assets	**7,324,563**	8,166,713

17. INVESTMENTS IN JOINT VENTURES *(continued)*

Particulars of the Group's material joint ventures are as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of Ownership interest	Percentage of Voting power	Percentage of Profit sharing
Instant Glory International Limited ("Instant Glory")#	Ordinary shares of US$1 each	BVI	50	50	50
Whiteley JV S.à r.l. ("Whiteley JV")	Ordinary shares of GBP1 each	Grand Duchy of Luxembourg	47.16	50	46.08
Castle Horizon Holdings Limited ("Castle Horizon")*	Ordinary shares of US$1 each	BVI	42	33.33	42

All these joint ventures are unlisted and indirectly held by the Company. These joint ventures, together with their subsidiaries, principally engaged in the property development and investment in the UK and Hong Kong and are accounted for using the equity method.

Joint venture between the Group and Mr. Cheung since 2 June 2022

The following tables illustrate the summarised financial information in respect of Instant Glory, Whiteley JV and Castle Horizon reconciled to the carrying amount in the consolidated financial statements:

Instant Glory

	2024 HK$'000	2023 HK$'000
Cash and cash equivalents	**93,924**	1,826,640
Other current assets	**6,621,686**	8,478,248
Current assets	**6,715,610**	10,304,888
Non-current assets	**23,727**	34,347
Current liabilities	**(787,093)**	(2,925,159)
Non-current liabilities	**–**	(1,593)
Net assets	**5,952,244**	7,412,483
Reconciliation to the Group's interests:		
Proportion of the Group's ownership	**50%**	50%
Group's share of net assets	**2,976,122**	3,706,242
Carrying amount of the investment	**2,976,122**	3,706,242
Revenue	**1,362,367**	4,810,412
Interest income	**49,266**	77,906
Tax expenses	**(79,635)**	(204,653)
Profit/(loss) for the year	**(29,343)**	928,852
Total comprehensive income/(loss) for the year	**(29,343)**	928,852

17. INVESTMENTS IN JOINT VENTURES *(continued)*

Whiteley JV

	2024 HK$'000	2023 HK$'000
Cash and cash equivalents	**715,537**	103,210
Other current assets	**5,305,129**	8,359,338
Current assets	**6,020,666**	8,462,548
Non-current assets	**2,681,318**	2,078,049
Current financial liabilities, excluding trade and other payables and provisions	**(4,910,206)**	–
Other current liabilities	**(857,557)**	(1,093,028)
Current liabilities	**(5,767,763)**	(1,093,028)
Non-current financial liabilities, excluding trade and other payables and provisions	**–**	(7,168,580)
Other non-current liabilities	**(252,032)**	(98,508)
Non-current liabilities	**(252,032)**	(7,267,088)
Net assets	**2,682,189**	2,180,481
Reconciliation to the Group's interests:		
Proportion of the Group's ownership	**47.16%**	46.56%
Group's share of net assets	**1,264,920**	1,015,232
Contribution made disproportionate to shareholding	**55,470**	28,704
Accumulated loss not shared by the Group	**660,799**	863,714
Share of accumulated preferential return	**926,643**	887,553
Exchange realignment	**(50,467)**	(1,544)
Carrying amount of the investment	**2,857,365**	2,793,659
Revenue	**4,899,895**	–
Other income	**144,528**	283,910
Depreciation and amortisation	**–**	(7,539)
Income tax credit/(expense)	**(37,658)**	533
Profit/(loss) for the year	**453,870**	(483,888)
Total comprehensive income/(loss) for the year	**453,870**	(483,888)

17. INVESTMENTS IN JOINT VENTURES *(continued)*

Castle Horizon

	2024 HK$'000	2023 HK$'000
Cash and cash equivalents	**271,116**	482,075
Other current assets	**3,338,020**	5,609,982
Current assets	**3,609,136**	6,092,057
Non-current assets	**81,820**	265,301
Current financial liabilities, excluding trade and other payables and provisions	**–**	(162,880)
Other current liabilities	**(293,665)**	(479,648)
Current liabilities	**(293,665)**	(642,528)
Non-current financial liabilities, excluding trade and other payables	**–**	(1,514,500)
Other non-current liabilities	**(128,196)**	(231,730)
Non-current liabilities	**(128,196)**	(1,746,230)
Net assets	**3,269,095**	3,968,600
Reconciliation to the Group's interests:		
Proportion of the Group's ownership	**42%**	42%
Group's share of net assets	**1,373,020**	1,666,812
Carrying amount of the investment	**1,373,020**	1,666,812
Revenue	**2,365,624**	870,240
Interest income	**5,801**	26,101
Interest expense	**(66,313)**	(160,182)
Income tax expense	**(80,091)**	(4,161)
Profit/(loss) for the year	**(355,585)**	108,064
Total comprehensive income/(loss) for the year	**(355,585)**	108,064
Group's share of profit/(loss) for the year	**(149,346)**	60,224

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2024 HK$'000	2023 HK$'000
Share of the joint ventures' profit/(loss) for the year	**6,282**	(17,056)
Share of the joint ventures' other comprehensive income	**–**	13,458
Share of the joint ventures' total comprehensive income/(loss)	**6,282**	(3,598)
Aggregate carrying amount of the Group's investments in joint venture	**118,056**	–

18. INVESTMENTS IN ASSOCIATES

	2024 HK$'000	2023 HK$'000
Share of net assets	**972,396**	1,101,121
Amounts due from associates	**1,050,625**	936,017
Total	**2,023,021**	2,037,138

The amounts due from associates are unsecured, interest-free and repayable on demand. In the opinion of the directors of the Company, the amounts are unlikely to be repaid in the foreseeable future and are considered as part of the Group's net investments in the related associates. There was no recent history of default and past due for the amounts due from the associates. As at 31 December 2024 and 2023, the loss allowance was assessed to be minimal.

Particulars of the Group's material associates are as follows:

Name	Place of incorporation/ registration and business	Particulars of shares held	Percentage of ownership interest attributable to the Group 2024	2023	Principal activities
Clear Dynamic Limited ("Clear Dynamic")	BVI	Ordinary shares of US$1 each	**50%**	50%	Investment holding
Modern Crescent Limited ("Modern Crescent")	BVI	Ordinary shares of US$1 each	**25%**	25%	Investment holding

The Group's shareholdings in these associates comprise equity shares held through subsidiaries of the Company. These associates, together with their subsidiaries, principally engaged in property development and investment holding in Hong Kong and are accounted for using the equity method.

The following table illustrates the summarised financial information in respect of Clear Dynamic and Modern Crescent and reconciled to the carrying amount in the consolidated financial statements:

Clear Dynamic

	2024 HK$'000	2023 HK$'000
Non-current assets	**1,724,313**	1,892,776
Net assets	**1,724,313**	1,892,776
Reconciliation to the Group's interest:		
Proportion of the Group's ownership	**50%**	50%
Group's share of net assets	**862,157**	946,388
Carrying amount of the investment	**862,157**	946,388
Loss for the year	**(397,679)**	(12,395)
Total comprehensive loss for the year	**(397,679)**	(12,395)

18. INVESTMENTS IN ASSOCIATES *(continued)*

Modern Crescent

	2024 HK$'000	2023 HK$'000
Current assets	**7,612,217**	7,837,065
Non-current assets	**–**	44,068
Current liabilities	**(142,999)**	(580,511)
Non-current liabilities	**(2,825,836)**	(2,940,753)
Net assets	**4,643,382**	4,359,869
Reconciliation to the Group's interest:		
Proportion of the Group's ownership	**25%**	25%
Group's share of net assets	**1,160,846**	1,089,967
Carrying amount of the investment	**1,160,846**	1,089,967
Revenue	**162,884**	154,375
Loss for the year	**(384,485)**	(206,095)
Other comprehensive loss for the year	**–**	(35,748)
Total comprehensive loss for the year	**(384,485)**	(241,843)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2024 HK$'000	2023 HK$'000
Share of the associates' profit/(loss) for the year	**(17)**	4,270
Share of the associates' total comprehensive income/(loss)	**(17)**	4,270
Aggregate carrying amount of the Group's investments in associates	**18**	783

The Group has discontinued recognition of its share of losses of certain associates because the Group's share of losses of these associates exceeded the Group's interest in these associates and the Group has no obligation to take up further losses. The amounts of the unrecognised share of losses of these associates, both for the year and cumulatively, are as follows:

	2024 HK$'000	2023 HK$'000
Unrecognised share of loss of the associates for the year	**(49,527)**	(43,703)
Accumulated unrecognised share of losses of the associates	**(144,826)**	(95,299)

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	2024 HK$'000	2023 HK$'000
Listed equity investments	(i)	**45,864**	71,164
Other unlisted investments	(ii)	**759,951**	992,203
Total		**805,815**	1,063,367

(i) The above listed equity investments were designated as financial assets at fair value through profit or loss upon initial recognition.

(ii) The above unlisted investments were fund investments. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

20. TRADE RECEIVABLES

	2024 HK$'000	2023 HK$'000
Trade receivables	**8,744**	10,735

The trade receivables primarily include rental receivables which are normally billed in advance and due on the first day of the billing period. Certain tenants are required to pay security deposits which are held by the property manager on trust for both the Group and the Group's tenants. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management.

An ageing analysis of the trade receivables at the end of the reporting period, based on the invoice date, is as follows:

	2024 HK$'000	2023 HK$'000
1 to 3 months	**7,822**	8,040
3 to 6 months	**922**	2,695
Total	**8,744**	10,735

The Group's tenants normally settle their bills in a timely manner and the Group's trade receivables as at the end of the reporting period are less than six months past due. As such, the Group's exposure to credit risk is insignificant and the directors of the Company were of the opinion that the ECLs for these rental receivables are minimal.

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024	2023
	HK$'000	HK$'000
Prepayments	**6,109**	10,662
Deposits and other receivables	**13,117**	27,619
Due from associates (note)	**1,187,303**	1,232,057
Total prepayments, deposits and other receivables	**1,206,529**	1,270,338
Less: Impairment allowance	**(1,044,505)**	(1,081,377)
	162,024	188,961
Less: Portion classified as non-current assets	**(3,461)**	(4,625)
Portion classified as current assets	**158,563**	184,336

Note: As at 31 December 2024, the amounts due from associates were stated at amortised cost with an aggregate principal amount of RMB1,114,284,000 (equivalent to HK$1,187,303,000) (2023: RMB1,116,860,000 (equivalent to HK$1,232,057,000)) and were entitled to relevant interest receivable from the associates. The amounts due from associates bear interest at rates ranging from 9% to 18.25% per annum (2023: 9% to 18.25% per annum) and were overdue at the reporting date (2023: were overdue at the reporting date).

Deposits and other receivables mainly represent consideration receivables, rental deposits, deposits with vendors and receivables from counterparties which have no history of default. As at 31 December 2024, except for the amounts due from associates with a gross amount of HK$1,187,303,000 (2023: HK$1,232,057,000) were overdue, the financial assets included in the above balances were not overdue (2023: not overdue). Where applicable, an impairment analysis is performed at each reporting date by considering the ECLs, which are estimated by applying the probability-weighted loss default model with reference to the risks of default of the counterparties. As at 31 December 2024, except for the amounts due from associates with a gross amount of HK$1,187,303,000 (2023: HK$1,232,057,000) which were categorised within Stage 3 (2023: Stage 3) for the assessment of ECLs due to the credit impairment of the controlling shareholder of the associates, being their guarantor, all of them were categorised within Stage 1 for the measurement of ECLs. The probability of default applied was 100% (2023: 100%) and the loss given default was estimated to be approximately 88% (2023: 88%).

The movements in the loss allowance for the impairment of financial assets included in prepayments, deposits and other receivables are as follows:

	2024	2023
	HK$'000	HK$'000
At 1 January	**1,081,377**	1,031,761
Impairment losses (note 8)	**–**	66,205
Exchange realignment	**(36,872)**	(16,589)
At 31 December	**1,044,505**	1,081,377

22. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	Notes	2024 HK$'000	2023 HK$'000
Cash and bank balances	(a)	**495,685**	488,413
Time deposits		**1,423,197**	2,238,924
Deposits with brokerage companies		**5,586**	5,786
Subtotal		**1,924,468**	2,733,123
Less: Pledged deposits	(b)	**(326,472)**	(75,737)
Restricted bank balances	(c)	**(62,773)**	(70,748)
Cash and cash equivalents		**1,535,223**	2,586,638

Notes:

(a) As at 31 December 2024, bank balances amounting to HK$77,573,000 (2023: HK$73,317,000) were charged for securing banking facilities of the Group (note 25(a)).

(b) As at 31 December 2024, the bank balances amounting to HK$300,000,000 (2023: HK$50,000,000) and HK$26,472,000 (2023: HK$25,737,000) were pledged to banks for securing a banking facility of the Group (note 25(a)) and a banking facility granted to a joint venture (note 34(b)), respectively.

(c) The restricted bank balances represented bank accounts charged by banks for securing bank loans and will be unrestricted periodically after the payments of certain obligations or fulfilment of certain financial ratios under loan facilities granted by certain banks.

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK$8,652,000 (2023: HK$27,706,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one week and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

23. OTHER PAYABLES AND ACCRUALS

	Notes	2024 HK$'000	2023 HK$'000
Receipts in advance		**44,021**	54,382
Other payables	(a)	**148,837**	166,871
Accruals		**74,576**	75,842
Due to joint ventures	(b)	**75,962**	108,812
Lease liabilities	16(b)	**16,158**	28,521
Total other payables and accruals		**359,554**	434,428
Less: Lease liabilities classified as non-current liabilities	16(b)	**(4,296)**	(16,171)
Portion classified as current liabilities		**355,258**	418,257

Notes:

(a) Other payables are non-interest-bearing and are normally settled within one year.

(b) The amounts due to joint ventures are unsecured, interest-free and repayable on demand.

24. DERIVATIVE FINANCIAL INSTRUMENTS

	2024		2023	
	Assets HK$'000	**Liabilities HK$'000**	Assets HK$'000	Liabilities HK$'000
Interest rate swaps designated as hedging instruments	**80,608**	**–**	39,079	–
Forward currency contracts not designated as hedging instruments	**24,889**	**11,250**	25,195	13,147
	105,497	**11,250**	64,274	13,147
For the purpose of financial statement presentation:				
Non-current assets	**80,608**	**–**	64,274	–
Current assets	**24,889**	**–**	–	–
Current liabilities	**–**	**11,250**	–	–
Non-current liabilities	**–**	**–**	–	13,147

Interest rate swaps designated as hedging instruments

Cash flow hedge – Interest rate risk

At 31 December 2024, the Group had two interest rate swaps (2023: two) in place with a notional amount of GBP436,000,000 (2023: GBP436,000,000) in aggregate whereby the Group pays a fixed rate of interest on 3.30% to 3.31% p.a. (2023: 3.30% to 3.31% p.a.) and receives a variable rate on the GBP notional amount at SONIA. The swap is being used to hedge the interest rate exposure of a SONIA GBP bank loan. The maturity of the swap is more than one year.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the interest rate swaps match with the terms of the SONIA GBP bank loan (i.e., notional amount and expected payment dates). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risks of the interest rate swaps are identical to those of the hedged risk component. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged item attributable to the hedged risk.

The hedge ineffectiveness can arise from:

- Differences in the timing of cash flows of the hedged item and the hedging instrument
- The counterparties' credit risks differently impacting the fair value movements of the hedging items and hedging instruments

24. DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

Interest rate swaps designated as hedging instruments *(continued)*

Cash flow hedge – Interest rate risk *(continued)*

The effects of applying hedge accounting on the Group's financial position and performance are as follows:

	2024	2023
Interest rate swaps:		
Carrying amount (HK$'000)	**80,608**	39,079
Notional amount (GBP'000)	**436,000**	436,000
Maturity date	**2027/2/26-2027/3/1**	2027/2/26-2027/3/1
Strike rate (fixed rate range)	**3.30% to 3.31%**	3.30% to 3.31%

During the year ended 31 December 2024, the effective portion of fair value gains arising from the hedging interest rate swaps amounting to HK$41,529,000 (2023: fair value losses of HK$74,308,000) was recognised in the cash flow hedge reserve and HK$77,757,000 (2023: HK$48,252,000) was reclassified from the cash flow hedge reserve into finance costs in the statement of profit or loss.

Forward Currency Contract not designated as hedging instruments

At 31 December 2024, the Group had various forward currency contracts to mitigate its currency exchange rate exposures for a foreign currency liability. The forward currency contracts are not designated for hedge purposes and are measured at fair value through profit or loss. Fair value gains on the non-hedging forward currency contract amounting to HK$2,624,000 were credited (2023: fair value losses of HK$4,778,000 were charged) to profit or loss during the year.

25. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2024			2023		
	Contractual interest rate	**Maturity**	**HK$'000**	Contractual interest rate	Maturity	HK$'000
Current						
Bank loans						
– secured	**HIBOR+0.5%**	**On demand**	**300,000**	HIBOR+0.5%	On demand	50,000
– unsecured	**N/A**	**N/A**	**–**	SONIA+1.5%	On demand	597,690
– secured	**N/A**	**N/A**	**–**	SONIA+1.5%	2024	1,326,364
Current portion of long-term bank loans						
– secured	**SONIA+1.66%**	**2025**	**37,315**	N/A	N/A	–
– unsecured	**HIBOR+1.85%**	**2025**	**321,228**	HIBOR+1.85%	2024	154,374
Other loan – unsecured	**3.85%**	**2025**	**57,537**	N/A	N/A	–
Total – current			**716,080**			2,128,428
Non-current						
Bank loans						
– secured	**SONIA+1.5% to +1.66%**	**2026 to 2028**	**6,156,186**	SONIA+1.5%	2027	5,373,444
– unsecured	**HIBOR+1.85%**	**2026**	**1,153,040**	HIBOR+1.85%	2025 to 2026	1,474,277
Other loan – unsecured	**N/A**	**N/A**	**–**	3.85%	2025	59,567
Total – non-current			**7,309,226**			6,907,288
Total			**8,025,306**			9,035,716

	2024 HK$'000	2023 HK$'000
Analysed into:		
Bank loans repayable:		
On demand	**300,000**	647,690
Within one year	**358,543**	1,480,738
In the second year	**1,190,420**	321,229
In the third to fifth years, inclusive	**6,118,806**	6,526,492
Subtotal	**7,967,769**	8,976,149
Other loan repayable:		
Within one year	**57,537**	–
In the second year	**–**	59,567
Subtotal	**57,537**	59,567
Total	**8,025,306**	9,035,716

25. INTEREST-BEARING BANK AND OTHER BORROWINGS *(continued)*

Notes:

(a) Certain of the Group's bank borrowings are secured by certain of the Group's assets with aggregate carrying amounts as listed below:

	Notes	**2024 HK$'000**	2023 HK$'000
Investment properties	15	**11,061,312**	10,963,627
Bank balances	22	**377,573**	123,317

(b) As at 31 December 2024, except for the other loan of HK$57,537,000 (2023: HK$59,567,000) which bears interest at fixed rate, all bank borrowings bear interest at floating interest rates.

(c) The carrying amounts of the Group's bank and other borrowings which are denominated in the following currencies are as follows:

	2024 HK$'000	2023 HK$'000
HK$	**1,774,268**	1,678,651
GBP	**6,193,501**	7,297,498
RMB	**57,537**	59,567
Total	**8,025,306**	9,035,716

(d) The Group's bank borrowings of HK$6,193,501,000 (2023: HK$6,699,808,000) are secured by pledges over the equity interests of certain subsidiaries of the Group (note 1).

(e) The agreements governing the bank loans of the Group contain conditions and events of default customary for such financings. Certain bank loans amounting to HK$7,309,226,000 (31 December 2023: HK$6,847,721,000) which were classified as non-current liabilities as at the end of the reporting period also contain financial covenants including gearing ratio, current ratio, interest coverage ratio, loan-to-value ratio, minimum consolidated tangible net worth and debt-to-assets ratio requirements with respective applicable test dates of each year until maturity. The Group has complied (2023: complied) with the covenants under the relevant facility agreements as at 31 December 2024.

26. NOTES PAYABLE

	Principal at original currency	**Contractual interest rate (%) per annum**	**Maturity**	**2024 HK$'000**	2023 HK$'000
2021 Notes	US$300,000,000	5.20	2025	**2,321,829**	2,317,415

In September 2021, the Group issued guaranteed notes with an aggregate principal amount of US$300,000,000 (equivalent to HK$2,325,000,000) at a coupon rate of 5.2% per annum, which are listed on the Stock Exchange (the "2021 Notes"). The net proceeds, after deducting the issuance expenses, amounted to HK$2,307,371,000. The 2021 Notes are guaranteed by the Company and will mature in September 2025.

The Group, at its option, can redeem the 2021 Notes in whole, but not in part, at any time prior to the maturity date at the redemption prices (principal amount) plus accrued interest up to the redemption date, as set forth in the written agreement between the Group and the trustees of the 2021 Notes.

At 31 December 2024, the fair value of the 2021 Notes was HK$2,246,322,000 (2023: HK$1,996,152,000), which is based on a market price from a financial institution.

27. DEFERRED TAX

As at 31 December 2024, the Group has tax losses arising in Hong Kong of HK$311,930,000 (2023: HK$310,415,000), subject to the agreement by the Hong Kong Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets had not been recognised in respect of these losses as it was not considered probable that taxable profits would be available against which the tax losses can be utilised.

At 31 December 2024, the Group has an unrecognised interest restriction amount carried forward totalling HK$1,528,664,000 (2023: HK$1,124,121,000) as a result of the UK Corporate interest restriction legislation. This amount can be carried forward indefinitely and may be deductible in future periods should the Group have available interest capacity. Deferred tax assets had not been recognised in respect of the interest restriction amount carried forward given the uncertainty in utilisation.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

28. SHARE CAPITAL

Shares

	2024	2023
	HK$'000	HK$'000
Authorised:		
20,000,000,000 ordinary shares of HK$0.10 each	**2,000,000**	2,000,000
Issued and fully paid:		
3,882,334,668 ordinary shares of HK$0.10 each	**388,233**	388,233

Share options

Details of the Company's share option scheme are set out in note 30 to the financial statements.

29. RESERVES

The amounts of the Group's reserves and the movements therein for the current and the prior years are presented in the consolidated statement of changes in equity on page 46 of the financial statements.

30. SHARE OPTION SCHEME

2015 Scheme

On 21 May 2015, the Company adopted a share option scheme ("2015 Scheme"). Summary of the 2015 Scheme is set out below:

For the purpose of this section, reference to the "Eligible Group" means (i) the Company and each of its substantial shareholders; and (ii) each associate or substantial shareholder or direct or indirect subsidiary, associated company or joint venture of any of the Company or of a substantial shareholder referred to in (i) above; and (iii) each associate or substantial shareholder or direct or indirect subsidiary, associated company or joint venture of any of the foregoing entities referred to in (ii) above; and (iv) each associate or substantial shareholder or direct or indirect subsidiary, associated company or joint venture of any of the foregoing entities referred to in (iii) above; and (v) each associate or substantial shareholder or direct or indirect subsidiary, associated company or joint venture of any of the foregoing entities referred to in (iv) above.

Purposes

To provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the participants and to serve such other purposes as the Board may approve from time to time.

Participants

Any director (or any persons proposed to be appointed as such, whether executive or non-executive), officer or employee (whether full-time or part-time) of each member of the Eligible Group; any business consultant, professional or other advisers (in the areas of legal, technical, financial or corporate managerial) (including any executive, officer or employee of such business consultant, professional and other advisers) to each member of the Eligible Group (or persons proposed to be appointed as such) who has rendered service or will render service to the Group, as absolutely determined by the Board.

Total number of shares available for issue and the percentage of the issued shares that it represents as at the date of this report

258,822,311 shares, representing 6.67% of the issued shares as at 24 March 2025.

Maximum entitlement of each participant

Subject to the terms of the 2015 Scheme, not exceeding 1% of the total number of issued shares in any 12-month period.

Period within which the shares must be taken up under an option

Such period as determined by the Board pursuant to the 2015 Scheme, which shall expire not later than 10 years from the date of grant of the option.

Minimum period for which an option must be held before exercise

Such period as may be determined by the Board pursuant to the terms of the 2015 Scheme.

The amount, if any, payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid

HK$1.00, if demanded by the Company, within 7 days of the date of the demand.

30. SHARE OPTION SCHEME *(continued)*

2015 Scheme *(continued)*

Basis of determining the exercise price

Subject to the terms of the 2015 Scheme, the exercise price shall be a price solely determined by the Board and shall not less than the highest of:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option which must be a business day;

(ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five consecutive business days immediately preceding the date of grant of the option; and

(iii) the nominal value of a Share on the date of grant of the option.

Life of the 2015 Scheme

Subject to the terms of the 2015 Scheme, 10 years commencing on 21 May 2015.

No share options were granted under the 2015 Scheme since its adoption and up to 31 December 2024.

No share option expense was recognised by the Group during the year (2023: Nil).

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Changes in liabilities arising from financing activities

	Notes payable HK$'000	Lease liabilities included in other payables and accruals HK$'000	Interest-bearing bank and other borrowings HK$'000
At 1 January 2023	2,313,014	40,312	8,406,892
Changes from financing cash flows	–	(11,954)	194,496
Amortisation of loan procurement fee	4,401	–	29,093
Interest expense	–	1,016	–
Interest paid classified as operating cash flows	–	(1,016)	–
Foreign exchange movement	–	163	405,235
At 31 December 2023 and 1 January 2024	**2,317,415**	**28,521**	**9,035,716**
Changes from financing cash flows	**–**	**(12,352)**	**(893,379)**
Amortisation of loan procurement fee	**4,414**	**–**	**30,433**
Interest expense	**–**	**647**	**–**
Interest paid classified as operating cash flows	**–**	**(647)**	**–**
Foreign exchange movement	**–**	**(11)**	**(147,464)**
At 31 December 2024	**2,321,829**	**16,158**	**8,025,306**

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

(b) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2024 HK$'000	2023 HK$'000
Within operating activities	**3,325**	5,185
Within financing activities	**12,352**	11,954
Total	**15,677**	17,139

32. COMMITMENTS

The Group had the following capital contractual commitments at the end of the reporting period:

	2024 HK$'000	2023 HK$'000
Renovation work of an investment property	**–**	18,053

In addition, the Group had the following commitments provided to joint ventures and an associate (including the Group's share of commitments made jointly with other joint venturers) at the end of the reporting period:

	2024 HK$'000	2023 HK$'000
Capital contributions payable to a joint venture	**112,951**	112,951
Capital contributions payable to an associate	**3,623**	3,751
Properties under development	**146,298**	262,338
Total	**262,872**	379,040

33. FINANCIAL GUARANTEES

(a) As at 31 December 2024, the Group has given guarantees to banks (2023: banks and an independent third party) in connection with facilities granted to associates up to HK$1,328,376,000 (2023: HK$1,538,050,000), and the related facilities were utilised to the extent of HK$1,328,376,000 (2023: HK$1,516,050,000).

(b) As at 31 December 2024, the Group has given guarantees to certain financial institutions in connection with the cost overrun guarantee in respect of the project development costs of a joint venture up to HK$608,406,000 (2023: HK$821,824,000).

(c) As at 31 December 2023, the Group has given guarantees to a bank in connection with a facility granted to a joint venture up to HK$704,500,000, and the related banking facility was utilised to the extent of HK$704,500,000.

The Group did not recognise any liabilities in respect of such financial guarantees as the directors of the Company consider that the fair values of these financial guarantee contracts at their initial recognition and at the end of the reporting period are insignificant.

34. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

(a) Details of the Group's balances with joint ventures and associates as at the end of the reporting period are set out in notes 23 and 21 to the financial statements.

During the year ended 31 December 2024, the Group has paid rental expenses to a joint venture of HK$168,000 (2023: HK$1,073,000). The transactions were determined on a mutually agreed basis between the Group and the joint venture.

(b) As at 31 December 2024, the Group has given guarantees to (i) banks in connection with banking facilities granted to associates (2023: a joint venture and associates); and (ii) certain financial institutions in connection with the Group's cost overrun guarantee in respect of the project development costs of a joint venture, and the Group has placed a pledged deposit in a bank in connection with a banking facility granted to a joint venture. Details of the financial guarantees given by the Group to its joint ventures and associates are set out in note 33 to the financial statements. Details of the pledged deposits placed in a bank by the Group are set out in note 22 to the financial statements.

(c) Compensation of key management personnel of the Group:

	2024	2023
	HK$'000	HK$'000
Short-term employee benefits paid to key management personnel	**70,765**	71,011

Further details of directors' emoluments are included in note 9 to the financial statements.

(d) Guaranteed notes held by the directors of the Company

As at 31 December 2024, the directors held 2021 Notes of principal of US$151,960,000 (2023: US$137,400,000) with interest expenses of HK$63,440,000 paid to them for the year ended 31 December 2024 (2023: HK$53,467,000). The contractual interest rate of 2021 Notes was 5.2% per annum.

35. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

31 December 2024

Financial assets

	Financial assets at fair value through profit or loss designated as such upon initial recognition HK$'000	Financial assets at amortised cost HK$'000	Total HK$'000
Trade receivables	–	8,744	8,744
Financial assets included in prepayments, deposits and other receivables	–	155,915	155,915
Financial assets at fair value through profit or loss	805,815	–	805,815
Derivative financial instruments	105,497	–	105,497
Pledged deposits	–	326,472	326,472
Restricted bank balances	–	62,773	62,773
Cash and cash equivalents	–	1,535,223	1,535,223
Total	911,312	2,089,127	3,000,439

Financial liabilities

	Financial liabilities at fair value through profit or loss designated as such upon initial recognition HK$'000	Financial liabilities at amortised cost HK$'000	Total HK$'000
Interest-bearing bank and other borrowings	–	8,025,306	8,025,306
Lease liabilities	–	16,158	16,158
Notes payable	–	2,321,829	2,321,829
Derivative financial instruments	11,250	–	11,250
Financial liabilities included in other payables and accruals (excluding lease liabilities)	–	224,799	224,799
Total	11,250	10,588,092	10,599,342

35. FINANCIAL INSTRUMENTS BY CATEGORY *(continued)*

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: *(continued)*

31 December 2023

Financial assets

	Financial assets at fair value through profit or loss designated as such upon initial recognition HK$'000	Financial assets at amortised cost HK$'000	Total HK$'000
Trade receivables	–	10,735	10,735
Financial assets included in prepayments, deposits and other receivables	–	178,299	178,299
Financial assets at fair value through profit or loss	1,063,367	–	1,063,367
Derivative financial instruments	64,274	–	64,274
Pledged deposits	–	75,737	75,737
Restricted bank balances	–	70,748	70,748
Cash and cash equivalents	–	2,586,638	2,586,638
Total	1,127,641	2,922,157	4,049,798

Financial liabilities

	Financial liabilities at fair value through profit or loss designated as such upon initial recognition HK$'000	Financial liabilities at amortised cost HK$'000	Total HK$'000
Interest-bearing bank and other borrowings	–	9,035,716	9,035,716
Lease liabilities	–	28,521	28,521
Notes payable	–	2,317,415	2,317,415
Derivative financial instruments	13,147	–	13,147
Financial liabilities included in other payables and accruals (excluding lease liabilities)	–	275,683	275,683
Total	13,147	11,657,335	11,670,482

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, restricted bank balances, trade receivables, financial assets included in prepayments, deposits and other receivables, the current portion of financial liabilities included in other payables and accruals and the current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the directors of the Company is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The financial controller reports directly to the directors of the Company and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the directors of the Company. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank and other borrowings, notes payable and the non-current portion of financial liabilities included in other payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank and other borrowings, notes payable and financial liabilities included in other payables as at 31 December 2024 was assessed to be insignificant. Management has assessed that the fair values of the non-current portion of interest-bearing bank and other borrowings, notes payable and financial liabilities included in other payables approximate to their carrying amounts.

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted fund investments are derived from the net asset value per share of the investments or latest transaction prices. The directors of the Company believe that the estimated fair values which are recorded in the consolidated statement of financial position with net changes in fair value recognised in the statement of profit or loss, as appropriate, in the year ended 31 December 2024, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with credit ratings ranging from A+ to AA-. Derivative financial instruments, including forward currency contracts and interest rate swaps, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts and interest rate swaps are the same as their fair values.

As at 31 December 2024, the mark-to-market value of the derivative asset and derivative liability position is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Assets measured at fair value:				
As at 31 December 2024				
Financial assets at fair value through profit or loss:				
Listed equity investments	**45,864**	**–**	**–**	**45,864**
Unlisted fund investments	**–**	**759,951**	**–**	**759,951**
Derivative financial instruments	**–**	**105,497**	**–**	**105,497**
Total	**45,864**	**865,448**	**–**	**911,312**
As at 31 December 2023				
Financial assets at fair value through profit or loss:				
Listed equity investments	71,164	–	–	71,164
Unlisted fund investments	–	992,203	–	992,203
Derivative financial instruments	–	64,274	–	64,274
Total	71,164	1,056,477	–	1,127,641

	Fair value measurement using significant observable inputs (Level 2) HK$'000
Liabilities measured at fair value:	
As at 31 December 2024	
Derivative financial instruments	**11,250**
As at 31 December 2023	
Derivative financial instruments	13,147

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2023: Nil).

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments include financial assets at fair value through profit or loss, derivative financial instruments, trade receivables, deposits and other receivables, other payables, interest-bearing bank and other borrowings, notes payable, pledged deposits, restricted bank balances and cash and cash equivalents. Details of the major financial instruments and the Group's relevant accounting policies are disclosed in note 2.5 to the financial statements.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, equity price risk and liquidity risk. The directors of the Company review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's pledged deposits, restricted bank balances, cash and cash equivalents and bank borrowings with floating interest rates. The Group monitors the movement in interest rates on an ongoing basis and evaluates the exposure and the costs of available hedging for its debt obligations.

To manage its interest cost, the Group entered into interest rate swaps in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 December 2024, after taking into the effect of the interest rate swaps, approximately 54% (2023: 49%) of the Group's interest-bearing bank and other borrowings bore interest at fixed rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's loss before tax (through the impact on pledged deposits, restricted bank balances, cash and cash equivalents and bank borrowings with floating rates held by the Group at the end of the reporting period after taking into account the effect of the interest rate swaps) and the Group's equity (through the impact on fair value changes on the interest rate swaps).

	Increase/ (decrease) in basis points	**Decrease/ (increase) in loss before tax HK$'000**	**Increase/ (decrease) in equity* HK$'000**
2024			
HK$	**100**	**(11,852)**	**–**
US$	**100**	**4,635**	**–**
RMB	**100**	**87**	**–**
GBP	**100**	**(10,860)**	**91,687**
HK$	**(100)**	**11,852**	**–**
US$	**(100)**	**(4,635)**	**–**
RMB	**(100)**	**(87)**	**–**
GBP	**(100)**	**10,860**	**(91,687)**

	Increase/ (decrease) in basis points	Decrease/ (increase) in loss before tax HK$'000	Increase/ (decrease) in equity* HK$'000
2023			
HK$	100	(13,878)	–
US$	100	8,127	–
RMB	100	277	–
GBP	100	(13,810)	137,376
HK$	(100)	13,878	–
US$	(100)	(8,127)	–
RMB	(100)	(277)	–
GBP	(100)	13,810	(137,376)

* Excluding retained profits

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Foreign currency risk

The Group is exposed to currency risks primarily through business activities which give rise to receivables, payables and cash and bank balances that are denominated in currencies other than the functional currency of the operations to which the transactions relate.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rates of currencies other than the functional currency of the operations, with all other variables held constant, of the Group's loss before tax (due to changes in the fair values of monetary assets and liabilities).

	Increase/ (decrease) in rates	**Decrease/ (increase) in loss before tax HK$'000**
2024		
If HK$ weakens against RMB	**10%**	**53,157**
If HK$ strengthens against RMB	**(10%)**	**(53,157)**
If HK$ weakens against GBP	**10%**	**81,642**
If HK$ strengthens against GBP	**(10%)**	**(81,642)**

	Increase/ (decrease) in rates	Decrease/ (increase) in loss before tax HK$'000
2023		
If HK$ weakens against RMB	10%	55,262
If HK$ strengthens against RMB	(10%)	(55,262)
If HK$ weakens against GBP	10%	71,102
If HK$ strengthens against GBP	(10%)	(71,102)
If HK$ weakens against AUD	10%	2,865
If HK$ strengthens against AUD	(10%)	(2,865)

Results of the analysis as presented in the above table represent the effects on loss before tax of each of the Group's entities measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those monetary assets and liabilities held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Credit risk

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for non-derivative financial assets.

As at 31 December 2024

	12-month ECLs	**Lifetime ECLs**			
	Stage 1 HK$'000	**Stage 2 HK$'000**	**Stage 3 HK$'000**	**Simplified approach HK$'000**	**Total HK$'000**
Trade receivables	**–**	**–**	**–**	**8,744**	**8,744**
Financial assets included in prepayments, deposits and other receivables					
– Normal*	**13,117**	**–**	**–**	**–**	**13,117**
– Doubtful*	**–**	**–**	**1,187,303**	**–**	**1,187,303**
Pledged deposits	**326,472**	**–**	**–**	**–**	**326,472**
Restricted bank balances	**62,773**	**–**	**–**	**–**	**62,773**
Cash and cash equivalents	**1,535,223**	**–**	**–**	**–**	**1,535,223**
Total	**1,937,585**	**–**	**1,187,303**	**8,744**	**3,133,632**

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	Total HK$'000
Trade receivables	–	–	–	10,735	10,735
Financial assets included in prepayments, deposits and other receivables					
– Normal*	27,619	–	–	–	27,619
– Doubtful*	–	–	1,232,057	–	1,232,057
Pledged deposits	75,737	–	–	–	75,737
Restricted bank balances	70,748	–	–	–	70,748
Cash and cash equivalents	2,586,638	–	–	–	2,586,638
Total	2,760,742	–	1,232,057	10,735	4,003,534

* The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual listed equity investments included in financial assets at fair value through profit or loss (note 19) as at 31 December 2024. The Group's listed investments are listed on the Stock Exchange and are valued at quoted market prices at the end of the reporting period.

The market equity index for the Stock Exchange at the close of business of the nearest trading day in the year to the end of the reporting period, and its respective highest and lowest points during the year are as follows:

	31 December 2024	**High/low 2024**	31 December 2023	High/low 2023
Hong Kong – Hang Seng Index	**20,060**	**23,242/14,794**	17,047	22,701/15,972

The following table demonstrates the sensitivity to every 10% decrease (2023: 10% decrease) in the fair values of the listed equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period.

	Carrying amount of equity investments HK$'000	**Increase in loss before tax HK$'000**
2024		
Equity investments listed in Hong Kong:		
– Financial assets at fair value through profit or loss	**45,864**	**4,586**

	Carrying amount of equity investments HK$'000	Increase in loss before tax HK$'000
2023		
Equity investments listed in Hong Kong:		
– Financial assets at fair value through profit or loss	71,164	7,116

The Group's management manages the above exposure by maintaining a well-diversified investment portfolio.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Liquidity risk

Management of the Group aims to maintain sufficient cash and cash equivalents and available funding through an adequate amount of committed credit facilities to meet its projected cash flows from operations.

The maturity profile of the Group's non-derivative financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay, was as follows:

	2024				
	On demand HK$'000	Within 1 year HK$'000	1 to 2 years HK$'000	3 to 5 years HK$'000	Total HK$'000
Interest-bearing bank and other borrowings	**300,000**	**837,498**	**1,537,166**	**6,259,442**	**8,934,106**
Lease liabilities	**–**	**12,135**	**4,313**	**–**	**16,448**
Notes payable	**–**	**2,445,900**	**–**	**–**	**2,445,900**
Financial liabilities included in other payables and accruals (excluding lease liabilities)	**75,962**	**148,837**	**–**	**–**	**224,799**
Total	**375,962**	**3,444,370**	**1,541,479**	**6,259,442**	**11,621,253**
Financial guarantees issued: Maximum amount guaranteed	**1,936,782**	**–**	**–**	**–**	**1,936,782**

	2023				
	On demand HK$'000	Within 1 year HK$'000	1 to 2 years HK$'000	3 to 5 years HK$'000	Total HK$'000
Interest-bearing bank and other borrowings	647,690	1,941,982	768,828	6,944,300	10,302,800
Lease liabilities	–	12,997	12,148	4,313	29,458
Notes payable	–	120,900	2,445,900	–	2,566,800
Financial liabilities included in other payables and accruals (excluding lease liabilities)	108,812	166,871	–	–	275,683
Total	756,502	2,242,750	3,226,876	6,948,613	13,174,741
Financial guarantees issued: Maximum amount guaranteed	3,064,374	–	–	–	3,064,374

As at 31 December 2024, included in interest-bearing bank borrowings of the Group are revolving loans with an aggregate principal amount of HK$300,000,000 (2023: HK$647,690,000), of which the respective loan agreements contain a repayment on demand clause giving the banks the unconditional right to call in the loans at any time and therefore, for the purpose of the above maturity profile, the total amount is classified as "on demand" and these loans will be repaid within one year in accordance with the maturity dates as set out in the respective loan agreements.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

The Group monitors capital using a net gearing ratio, which is net debts divided by equity attributable to owners of the parent. Net debts include interest-bearing bank and other borrowings and notes payable, less cash and bank balances and time deposits. The net gearing ratios as at the end of the reporting periods were as follows:

	2024 **HK$'000**	2023 HK$'000
Interest-bearing bank and other borrowings (note 25)	**8,025,306**	9,035,716
Notes payable (note 26)	**2,321,829**	2,317,415
Less: Cash and bank balances, time deposits and deposits with brokerage companies (note 22)	**(1,924,468)**	(2,733,123)
Net debts	**8,422,667**	8,620,008
Equity attributable to ordinary equity holders of the parent	**12,789,753**	13,531,922
Net gearing ratio	**65.9%**	63.7%

38. 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:

	2024 HK$'000	2023 HK$'000
NON-CURRENT ASSETS		
Property and equipment	**2**	9
Golf club membership	**10,540**	10,540
Investments in subsidiaries	**1,000,390**	1,000,390
Total non-current assets	**1,010,932**	1,010,939
CURRENT ASSETS		
Prepayments, deposits and other receivables	**1,013**	1,013
Due from subsidiaries	**13,199,604**	13,531,117
Cash and cash equivalents	**33,441**	251
Total current assets	**13,234,058**	13,532,381
CURRENT LIABILITIES		
Other payables and accruals	**46,682**	39,025
Interest-bearing bank borrowings	**321,228**	154,374
Total current liabilities	**367,910**	193,399
NET CURRENT ASSETS	**12,866,148**	13,338,982
TOTAL ASSETS LESS CURRENT LIABILITIES	**13,877,080**	14,349,921
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	**1,153,040**	1,474,277
Net assets	**12,724,040**	12,875,644
EQUITY		
Issued capital	**388,233**	388,233
Reserves (Note)	**12,335,807**	12,487,411
Total equity	**12,724,040**	12,875,644

Cheung Chung Kiu
Director

Lam How Mun Peter
Director

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Note:

A summary of the Company's reserves is as follows:

	Share premium account HK$'000	Retained profits HK$'000	Total HK$'000
At 1 January 2023	11,977,078	725,689	12,702,767
Total comprehensive loss for the year	–	(137,709)	(137,709)
Final 2022 dividend approved	–	(77,647)	(77,647)
At 31 December 2023 and 1 January 2024	**11,977,078**	**510,333**	**12,487,411**
Total comprehensive loss for the year	**–**	**(151,604)**	**(151,604)**
At 31 December 2024	**11,977,078**	**358,729**	**12,335,807**

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board on 24 March 2025.

Five-Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years as extracted from the published audited financial statements is set out below.

RESULTS

	Year ended 31 December				
	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
REVENUE	**508,317**	472,980	498,368	648,051	588,815
PROFIT/(LOSS) BEFORE TAX	**(595,580)**	(1,916,167)	(1,905,729)	(93,053)	622,201
Income tax credit/(expense)	**(22,344)**	(21,073)	(34,612)	583,132	(34,033)
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	**(617,924)**	(1,937,240)	(1,940,341)	490,079	588,168

ASSETS AND LIABILITIES

	At 31 December				
	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Property and equipment	**82,080**	121,075	170,521	177,527	249,204
Investment properties	**11,061,312**	10,963,627	12,149,321	15,239,280	15,327,772
Golf club membership	**10,540**	10,540	10,540	10,540	10,540
Investments in joint ventures	**7,324,563**	8,166,713	8,601,789	7,254,252	4,700,270
Investments in associates	**2,023,021**	2,037,138	1,746,271	1,420,141	517,938
Financial assets at fair value through other comprehensive income	**–**	–	–	–	2,842,090
Financial assets at fair value through profit or loss	**–**	–	–	–	1,850,497
Prepayments, deposits and other receivables	**3,461**	4,625	4,559	814,008	5,567
Derivative financial instruments	**80,608**	64,274	131,452	–	–
Deferred tax assets	**–**	–	–	8,766	986
Non-current assets	**20,585,585**	21,367,992	22,814,453	24,924,514	25,504,864
Current assets	**2,932,292**	3,993,846	3,382,576	7,038,246	8,635,663
Current liabilities	**(3,414,602)**	(2,575,895)	(745,208)	(9,721,532)	(1,771,932)
Net current assets/(liabilities)	**(482,310)**	1,417,951	2,637,368	(2,683,286)	6,863,731
Non-current liabilities	**(7,313,522)**	(9,254,021)	(10,560,297)	(3,800,805)	(11,954,322)
Equity attributable to ordinary equity holders of the parent	**12,789,753**	13,531,922	14,891,524	18,440,423	20,414,273

PROPERTY INTEREST HELD BY THE GROUP FOR INVESTMENT

Property Name	Property Location	Usage	Attributable Area (sqf)	Tenure	The Group's Interest
One Kingdom Street	One Kingdom Street, London W2 6BD, United Kingdom	Office and Car parking spaces	265,000	Freehold Interest	100%
The Leadenhall Building	122 Leadenhall Street, London EC3V 4AB, United Kingdom	Office, Retail and Car parking spaces	610,000	Freehold Interest	100%

Definitions

"AGM"	the annual general meeting of the Company to be held on 19 May 2025
"AUD"	Australian dollars, the lawful currency of Australia
"Australia"	the Commonwealth of Australia
"Board"	the board of Directors
"Bye-laws"	the bye-laws of the Company
"CG Code"	Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Companies Act"	Companies Act 1981 of Bermuda as amended from time to time
"Company"	C C Land Holdings Limited
"Director(s)"	the director(s) of the Company
"ESG"	Environmental, Social and Governance
"£" or "GBP"	British Pound Sterling, the lawful currency of the United Kingdom of Great Britain and Northern Ireland
"Group"	the Company and its subsidiaries
"HIBOR"	Hong Kong Interbank Offered Rate
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HKSAR"	the Hong Kong Special Administrative Region of the PRC
"kWh"	Kilowatt hour
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"PRC"	The People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company
"sqf"	square feet
"SONIA"	Sterling Overnight Index Average
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"UK"	the United Kingdom of Great Britain and Northern Ireland
"US$" or "USD"	United States dollars, the lawful currency of the United States of America
"USA"	the United States of America
"%"	per cent