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**KECK SENG INVESTMENTS (HONG KONG) LIMITED**  
**激成投資（香港）有限公司**

*(Incorporated in Hong Kong with limited liability)*

Website: [www.keckseng.com.hk](http://www.keckseng.com.hk)

(Stock Code: 184)

**2022 FINAL RESULTS ANNOUNCEMENT**

The board of directors (the “Board”) of Keck Seng Investments (Hong Kong) Limited (the “Company”) hereby announces the consolidated final results of the Company and its subsidiaries (the “Group”), and associated companies for the year ended 31 December 2022. These results have been reviewed by the Audit and Compliance Committee of the Board and the figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit of loss and other comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement have been agreed by the Group’s auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on this preliminary announcement.

The consolidated profit attributable to equity shareholders of the Company for the year ended 31 December 2022 was HK\$76,302,000 (HK\$0.224 earnings per share), compared to consolidated loss attributable to equity shareholders of the Company of HK\$194,724,000 (HK\$0.572 loss per share) in 2021.

The Board has recommended the payment of a final dividend of HK\$0.05 per share (2021: HK\$0.04) for the year. Subject to equity shareholders’ approval of the payment of the final dividend at the forthcoming Annual General Meeting of the Company (the “2023 AGM”), the proposed final dividend is expected to be paid on or before Thursday, 29 June 2023.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December

	Note	2022 HK\$'000	2021 HK\$'000
<b>Revenue</b>	3	<b>1,429,488</b>	482,878
Cost of sales		<u>(132,740)</u>	<u>(44,032)</u>
		<b>1,296,748</b>	438,846
Other revenue	4(a)	<b>41,331</b>	19,532
Other net gains/(losses)	4(b)	<b>17,052</b>	(3,929)
Direct costs and operating expenses		<b>(611,252)</b>	(200,035)
Marketing and selling expenses		<b>(30,190)</b>	(11,004)
Depreciation		<b>(149,291)</b>	(154,428)
Administrative and other operating expenses		<u>(402,272)</u>	<u>(291,537)</u>
<b>Operating profit/(loss)</b>		<b>162,126</b>	(202,555)
Net increase in fair value of investment properties		<u>3,900</u>	<u>4,400</u>
		<b>166,026</b>	(198,155)
Finance costs	5(a)	<b>(50,274)</b>	(32,293)
Share of net profits/(losses) of associates		<u>14,071</u>	<u>(11,628)</u>
<b>Profit/(loss) before taxation</b>	5	<b>129,823</b>	(242,076)
Income tax	6	<u>(5,624)</u>	<u>57,872</u>
<b>Profit/(loss) for the year</b>		<b>124,199</b>	(184,204)
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>76,302</b>	(194,724)
Non-controlling interests		<u>47,897</u>	<u>10,520</u>
<b>Profit/(loss) for the year</b>		<b>124,199</b>	(184,204)
<b>Earnings/(loss) per share, basic and diluted (cents)</b>	7	<b>22.4</b>	(57.2)

Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 11(a).

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

For the year ended 31 December

	2022 HK\$'000	2021 HK\$'000
<b>Profit/(loss) for the year</b>	<b>124,199</b>	<b>(184,204)</b>
<b>Other comprehensive income for the year</b>		
<i>Item that will not be reclassified to profit or loss:</i>		
Equity investments at fair value through other comprehensive income - net movement in fair value reserve (non-recycling)	(91)	(437)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of: - financial statements of overseas subsidiaries and associates	<u>(37,445)</u>	<u>3,002</u>
<b>Other comprehensive income for the year</b>	<b><u>(37,536)</u></b>	<b><u>2,565</u></b>
<b>Total comprehensive income for the year</b>	<b><u>86,663</u></b>	<b><u>(181,639)</u></b>
<b>Attributable to:</b>		
Equity shareholders of the Company	42,767	(193,833)
Non-controlling interests	<u>43,896</u>	<u>12,194</u>
<b>Total comprehensive income for the year</b>	<b><u>86,663</u></b>	<b><u>(181,639)</u></b>

There is no tax effect relating to the above components of other comprehensive income.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***as at 31 December*

	<i>Note</i>	<b>2022</b> <b>HK\$'000</b>	2021 HK\$'000
<b>Non-current assets</b>			
Investment properties		<b>905,400</b>	901,500
Property, plant and equipment		<b>1,541,519</b>	1,699,985
Land		<b>808,509</b>	820,312
		<b>3,255,428</b>	3,421,797
Interest in associates		<b>85,891</b>	84,645
Derivative financial assets		<b>13,372</b>	2,724
Other non-current financial assets		<b>120,611</b>	116,994
Deferred tax assets		<b>423,611</b>	376,979
		<b>3,898,913</b>	4,003,139
<b>Current assets</b>			
Trading securities		<b>12,154</b>	11,940
Properties held for sale		<b>278,873</b>	278,873
Inventories		<b>4,879</b>	4,080
Trade and other receivables	8	<b>75,674</b>	69,146
Deposits and cash		<b>1,341,269</b>	1,175,977
Taxation recoverable		<b>24,134</b>	35,869
		<b>1,736,983</b>	1,575,885
<b>Current liabilities</b>			
Bank loans	9	<b>1,359,323</b>	366,887
Trade and other payables	10	<b>413,947</b>	339,772
Loan from an associate		<b>464</b>	464
Loans from non-controlling shareholders		<b>41,227</b>	4,313
Taxation payable		<b>24,239</b>	8,841
		<b>1,839,200</b>	720,277
<b>Net current (liabilities)/ assets</b>		<b>(102,217)</b>	855,608
<b>Total assets less current liabilities</b>		<b>3,796,696</b>	4,858,747
<b>Non-current liabilities</b>			
Bank loans	9	<b>76,481</b>	1,121,417
Deferred revenue		<b>3,172</b>	3,560
Loans from non-controlling shareholders		<b>73,283</b>	106,796
Deferred tax liabilities		<b>91,114</b>	90,287
		<b>244,050</b>	1,322,060
<b>NET ASSETS</b>		<b>3,552,646</b>	3,536,687

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)***as at 31 December*

	<i>Note</i>	<b>2022</b> <b>HK\$'000</b>	2021 HK\$'000
<b>Capital and reserves</b>			
Share capital	12	<b>498,305</b>	498,305
Reserves		<b>2,438,494</b>	2,409,335
<b>Total equity attributable to equity shareholders of the Company</b>		<b>2,936,799</b>	2,907,640
Non-controlling interests		<b>615,847</b>	629,047
<b>TOTAL EQUITY</b>		<b>3,552,646</b>	3,536,687

Notes:

## 1. Basis of preparation

The financial information relating to the years ended 31 December 2022 and 2021 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap.622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap.622) and will deliver the financial statements for the year ended 31 December 2022 in due course.

The Company's auditor has reported on the financial statements of the Group for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap.622).

The Company's statutory financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance (Cap.622). The Company's statutory financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value:

- trading securities and other non-current financial assets;
- derivative financial instruments; and
- investment properties, including interests in leasehold land and buildings held as investment property where the Group is the registered owner of the property interest.

## 2. Changes in accounting policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 16, *Property, plant and equipment: Proceeds before intended use*
- Amendments to HKAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts - cost of fulfilling a contract*

None of these amendments have had a material impact on the Group's financial results and the financial position. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 3. Revenue and segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geographical locations. The Group has identified the following three reportable segments in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment.

- (i) Hotel segment is primarily engaged in the businesses of hotel room accommodation, provision of food and beverage at hotel restaurant outlets and operation of slot machines at one of the Group's hotels.
- (ii) Property segment is primarily engaged in the businesses of leasing of the Group's investment properties, which mainly consist of retail, commercial and office properties in Macau and of development, sales and marketing of the Group's trading properties in Macau.
- (iii) Investment and corporate segment is primarily engaged in the businesses of management of the Group's corporate assets and liabilities, non-trading and trading securities, financial instruments and other treasury operations.

#### (a) Revenue

Revenue represents the consideration expected to be received in respect of the transfer of goods and services in accordance with HKFRS 15, *Revenue from contracts with customers*, except for rental income derived from properties and hotels' shops which is recognised under the scope of HKFRS 16, *Leases*. Disaggregation of revenue from contracts with customers by nature is as follows:

	2022 HK\$'000	2021 HK\$'000
Hotel and club operations	1,337,997	387,612
Rental income	84,699	87,929
Management fee income	6,792	7,337
	<u>1,429,488</u>	<u>482,878</u>

#### (b) Segment results, assets and liabilities

Information regarding the Group's reportable segments is provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

Segment assets principally comprise all tangible assets, other non-current assets and current assets directly attributable to each segment with the exception of interest in associates.

Segment liabilities include all trade and other payable attributable to the individual segments and other borrowings managed directly by the segments with the exception of bank borrowings.

## Analysis of segment results of the Group

	<i>Revenue</i>	<i>Depreciation</i>	<i>Finance costs</i>	<i>Share of profit/(loss) of associates</i>	<i>Income tax (expense)/credit</i>	<i>Contribution to profit/(loss)</i>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>2022</b>						
Hotel	<b>1,331,028</b>	<b>(144,804)</b>	<b>(48,423)</b>	<b>14,073</b>	<b>13,106</b>	<b>78,953</b>
- Vietnam	593,506	(47,592)	(3,238)	8,050	(29,625)	122,833
- United States	627,513	(75,042)	(41,465)	-	45,252	(40,270)
- The People's Republic of China	33,063	(11,516)	(3,413)	-	-	(18,374)
- Canada	66,403	(9,550)	(307)	6,023	(2,516)	16,059
- Japan	10,543	(1,104)	-	-	(5)	(1,295)
Property						
- Macau	96,346	(4,393)	(39)	-	(8,227)	61,550
Investment and corporate	2,114	(94)	(1,812)	(2)	(10,503)	(16,304)
<b>Total</b>	<b>1,429,488</b>	<b>(149,291)</b>	<b>(50,274)</b>	<b>14,071</b>	<b>(5,624)</b>	<b>124,199</b>

	<i>Revenue</i>	<i>Depreciation</i>	<i>Finance costs</i>	<i>Share of loss of associates</i>	<i>Income tax credit/(expense)</i>	<i>Contribution to (loss)/profit</i>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>2021</b>						
Hotel	380,351	(150,228)	(30,378)	(11,627)	75,948	(204,859)
- Vietnam	186,163	(52,431)	(4,833)	(6,889)	(1,073)	(2,118)
- United States	131,145	(70,201)	(21,774)	-	70,760	(163,324)
- The People's Republic of China	43,671	(12,038)	(3,287)	-	-	(7,892)
- Canada	16,604	(11,203)	(484)	(4,738)	6,267	(22,077)
- Japan	2,768	(4,355)	-	-	(6)	(9,448)
Property						
- Macau	100,620	(4,106)	(34)	-	(8,624)	58,946
Investment and corporate	1,907	(94)	(1,881)	(1)	(9,452)	(38,291)
<b>Total</b>	<b>482,878</b>	<b>(154,428)</b>	<b>(32,293)</b>	<b>(11,628)</b>	<b>57,872</b>	<b>(184,204)</b>

## Analysis of total assets of the Group

	<i>Segment assets</i> HK\$'000	<i>Interest in associates</i> HK\$'000	<i>Total assets</i> HK\$'000	<i>Capital expenditure</i> HK\$'000
<b>As at 31 December 2022</b>				
Hotel				
- Vietnam	314,797	54,575	369,372	8,073
- United States	2,430,823	-	2,430,823	6,149
- The People's Republic of China	148,724	-	148,724	2,910
- Canada	128,052	27,145	155,197	3,167
- Japan	76,948	-	76,948	-
Property				
- Macau	1,941,833	-	1,941,833	1,331
Investment and corporate	508,828	4,171	512,999	23
Total	<b>5,550,005</b>	<b>85,891</b>	<b>5,635,896</b>	<b>21,653</b>

	<i>Segment assets</i> HK\$'000	<i>Interest in associates</i> HK\$'000	<i>Total assets</i> HK\$'000	<i>Capital expenditure</i> HK\$'000
<b>As at 31 December 2021</b>				
Hotel				
- Vietnam	330,119	57,991	388,110	491
- United States	2,413,954	-	2,413,954	11,284
- The People's Republic of China	170,671	-	170,671	4,456
- Canada	119,350	22,482	141,832	2,934
- Japan	86,823	-	86,823	-
Property				
- Macau	1,899,667	-	1,899,667	1,834
Investment and corporate	473,795	4,172	477,967	-
Total	<b>5,494,379</b>	<b>84,645</b>	<b>5,579,024</b>	<b>20,999</b>

Investment and corporate segment assets and liabilities mainly represent financial instruments, cash and bank deposits and borrowings which are managed centrally by the Group treasury function.

## Analysis of total liabilities of the Group

	<i>Segment liabilities</i> HK\$'000	<i>Bank borrowings</i> HK\$'000	<i>Total liabilities</i> HK\$'000
<b>As at 31 December 2022</b>			
Hotel			
- Vietnam	155,770	-	155,770
- United States	151,372	1,435,804	1,587,176
- The People's Republic of China	91,340	-	91,340
- Canada	13,849	-	13,849
- Japan	1,315	-	1,315
Property			
- Macau	175,412	-	175,412
Investment and corporate	58,388	-	58,388
	<b>647,446</b>	<b>1,435,804</b>	<b>2,083,250</b>

	<i>Segment liabilities</i> HK\$'000	<i>Bank borrowings</i> HK\$'000	<i>Total liabilities</i> HK\$'000
<b>As at 31 December 2021</b>			
Hotel			
- Vietnam	109,057	54,927	163,984
- United States	108,369	1,433,377	1,541,746
- The People's Republic of China	90,395	-	90,395
- Canada	8,483	-	8,483
- Japan	692	-	692
Property			
- Macau	181,048	-	181,048
Investment and corporate	55,989	-	55,989
	<b>554,033</b>	<b>1,488,304</b>	<b>2,042,337</b>

#### 4. Other revenue and other net gains/(losses)

	2022 HK\$'000	2021 HK\$'000
<i>(a) Other revenue</i>		
Interest income	23,649	8,059
Dividend income from listed securities	457	595
Government grants	7,309	4,968
Others	9,916	5,910
	<u>41,331</u>	<u>19,532</u>
<i>(b) Other net gains/(losses)</i>		
Net exchange losses	(7,475)	(2,017)
Net realised and unrealised gains on derivative financial instruments	10,671	5,912
Net unrealised gains/(losses) on other non-current financial assets	9,281	(6,248)
Net unrealised gains/(losses) on trading securities	214	(1,685)
Gain on disposal of property, plant and equipment	4,361	109
	<u>17,052</u>	<u>(3,929)</u>

#### 5. Profit/(loss) before taxation

*Profit/(loss) before taxation is arrived at after charging/(crediting):*

	2022 HK\$'000	2021 HK\$'000
<i>(a) Finance costs</i>		
Bank loan interests	45,010	27,092
Discounting effect on loans from non-controlling shareholders	5,225	5,168
Other interest expenses	39	33
	<u>50,274</u>	<u>32,293</u>
<i>(b) Staff costs (Note)</i>		
Salaries, wages and other benefits	518,664	247,713
Contributions to defined contribution retirement plans	7,127	4,106
	<u>525,791</u>	<u>251,819</u>

Note: During the year ended 31 December 2022, staff costs of HK\$178,587,000 (2021: HK\$122,447,000) are included in "Administrative and other operating expenses".

	2022 HK\$'000	2021 HK\$'000
(c) <i>Other items</i>		
Cost of inventories	132,740	44,032
Auditors' remuneration		
- Audit services	4,942	4,655
- Other services	1,614	1,522
Government rent and rates (Note)	58,452	53,608
Rentals income from investment properties less direct outgoings of HK\$844,000 (2021: HK\$1,357,000)	(33,131)	(33,874)
Rentals income from properties held for sale and other rental income less direct outgoings of HK\$1,357,000 (2021: HK\$1,707,000)	(49,367)	(52,090)

Note: Government rent and rates are included in "Administrative and other operating expenses".

## 6. Income tax

	2022 HK\$'000	2021 HK\$'000
<i>Current tax - Overseas</i>		
Provision for the year	51,406	17,956
Tax credit	-	(5,093)
Under-provision in respect of prior years	127	467
	<u>51,533</u>	<u>13,330</u>
<i>Deferred tax</i>		
Origination and reversal of other temporary differences	(45,909)	(71,202)
	<u>5,624</u>	<u>(57,872)</u>

Notes:

- (i) No provision has been made for Hong Kong Profits Tax as the Company and all other entities comprising the Group that are incorporated in Hong Kong sustained a loss for taxation purposes or had unutilised tax loss to set-off against taxable income during years ended 31 December 2021 and 2022.
- (ii) Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

## 7. Earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to equity shareholders of the Company of HK\$76,302,000 (2021: loss attributable to equity shareholders of the Company of HK\$194,724,000) and on the 340,200,000 ordinary shares in issue during the years ended 31 December 2022 and 2021.

There are no potential dilutive ordinary shares during the years ended 31 December 2022 and 2021.

## 8. Trade and other receivables

Included in trade and other receivables are trade receivables (net of loss allowance) with the following ageing analysis (by invoice date) as of the end of the reporting period:

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Within one month	<b>37,960</b>	12,427
One to three months	<b>3,692</b>	2,752
More than three months	<b>3,235</b>	703
	<b>44,887</b>	15,882

85% of trade receivables at 31 December 2022 (2021: 78%) were neither past due nor more than one month past due.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and may take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The general credit terms allowed range from 0 to 30 days. Trade customers with balances that are more than three months overdue are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases. The management assessed that the allowance for expected credit losses is insignificant during the years ended 31 December 2022 and 2021.

## 9. Bank loans

(a) At 31 December 2022, the bank loans were repayable as follows:

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Within 1 year or on demand	<b>1,359,323</b>	366,887
After 1 year but within 2 years	-	1,045,066
After 2 years but within 5 years	<b>76,481</b>	76,351
	<b>76,481</b>	1,121,417
	<b>1,435,804</b>	1,488,304

At 31 December 2022, the bank loans were secured and unsecured as follows:

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Bank loans		
- Secured	<b>1,359,323</b>	1,357,026
- Unsecured	<b>76,481</b>	131,278
	<b>1,435,804</b>	1,488,304

At 31 December 2022, except for the loans received by two of the Group's subsidiaries amounting to HK\$76,481,000 (2021: HK\$76,351,000) which bear fixed interest rates, all other bank loans bear interest at floating interest rates which approximate to market rates of interest.

- (b) At 31 December 2022, the banking facilities available to the Company and certain subsidiaries of the Group were secured by:
- (i) Properties held for sale with a carrying value of HK\$64,366,000 (2021: HK\$64,366,000), and
  - (ii) Hotel properties, including land, of the Group with aggregate carrying value of HK\$1,830,666,000 (2021: HK\$1,893,998,000).

Such banking facilities amounted to HK\$1,444,323,000 (2021: HK\$1,442,026,000) and were utilised to the extent of HK\$1,359,323,000 as at 31 December 2022 (2021: HK\$1,357,026,000).

- (c) Except for the loans received by two of the Group's subsidiaries amounting to HK\$76,481,000 (2021: HK\$76,351,000), all of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's financial ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, depositing or prepaying the shortfall balance will be required. The Group regularly monitors its compliance with these covenants.

As at 31 December 2022, certain covenant ratios of two bank loans (referred as "Loan 1" and "Loan 2", respectively) entered into by two of the Group's subsidiaries deviated from the requirements as stated in the relevant loan agreements. For both Loan 1 and Loan 2, the Group has obtained waivers from the banks to waive the testing of the covenant prior to the end of the reporting period and the waivers to exempt those covenants testing covered a period until the loan maturity in October 2023.

As at 31 December 2021, certain covenant ratios of two bank loans (referred as "Loan 1" and "Loan 2", respectively) entered into by two of the Group's subsidiaries deviated from the requirements as stated in the relevant loan agreements. For both Loan 1 and Loan 2, the Group had obtained waivers from the banks to waive the testing of the covenant prior to the end of the reporting period and the waivers to exempt those covenants testing covered a period of twelve months from 31 December 2021.

## 10. Trade and other payables

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Within one month	<b>64,866</b>	59,478
One to three months	<b>36,757</b>	1,120
More than three months	<b>3,998</b>	26,033
	<b>105,621</b>	86,631

## 11. Dividends

- (a) Dividends payable to equity shareholders of the Company attributable to the year

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Final dividend proposed after the end of the reporting period of HK\$0.05 (2021: HK\$0.04) per ordinary share	<b>17,010</b>	13,608

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

- (b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$0.04 (2021: Nil) per ordinary share	<b>13,608</b>	-

## 12. Share capital

	<b>2022</b>		2021	
	<b>No. of shares '000</b>	<b>Amount HK\$'000</b>	No. of shares '000	Amount HK\$'000
<b>Ordinary shares, issued and fully paid:</b>				
At 1 January and 31 December	<b>340,200</b>	<b>498,305</b>	340,200	498,305

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

## 13. Capital commitments outstanding not provided for in the financial statements

- (a) At 31 December 2022, capital commitments outstanding not provided for in the financial statements were as follows:

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Contracted for	<b>29,056</b>	2,660
Authorised but not contracted for	<b>28,185</b>	20,081
	<b>57,241</b>	22,741

## **REVIEW OF OPERATIONS**

Since early 2020, the COVID-19 pandemic (the “pandemic”) has led to a series of precautionary and control measures implemented by governments worldwide. Even though these restrictions were lifted and borders were gradually reopened in most countries in late 2021 and 2022, the operating environment for our business was still challenging throughout 2022, particularly in our hotel business. In addition, the difficult situation was exacerbated by the Russian-Ukraine war, growing geopolitical tensions and soaring inflationary pressure, resulting in a complex and unstable overall operating environment for three consecutive years. Despite these difficulties, with the gradual relaxation of travel and social-distancing restrictions, our company remained resilient and achieved significant improvements in our hotel business. Having said that, the pace of recovery is expected to remain slow and uneven in the near future.

The Group’s revenue for 2022 was HK\$1,429.5 million, an increase of 196% as compared to HK\$482.9 million in 2021. Operating profit for the Group amounted to HK\$162.1 million, as compared with the operating loss of HK\$202.6 million in 2021.

A summary and analysis of the operations are as follows.

### **Property Leasing and Management Operations**

#### **Macau**

The Macau economy continued to face challenges in 2022 due to the ongoing pandemic and related control measures. Following a significant community outbreak of pandemic in July 2022, heightened border controls and temporary closure of non-essential businesses under China’s zero-COVID policy has led to a further contraction of the Macau economy. According to Macau Government statistics, Macau’s GDP shrank by 26.8% in 2022 and the overall unemployment rate of Macau has further increased from 3.1% in the fourth quarter of 2021 to 3.5% in the fourth quarter of 2022. The number of visitors to Macau has also dropped by 26% in 2022 compared with 2021, at less than 15% of the pre-pandemic level in 2019.

Despite the challenging business environment and ongoing impact of the pandemic, the Macau property sector was not severely affected. Our Macau property leasing and management business was modestly impacted but has remained largely stable. Income from leasing of Macau properties of the Group decreased slightly to HK\$82.0 million in 2022 as compared to HK\$85.8 million in 2021. The decrease was mainly driven by lower occupancy rate, impact of lower residential rental rates upon reversion of tenancies, and concessionary rental rates given to some retail tenants for the third quarter in 2022. Occupancy of our residential units decreased to 72% in 2022 as compared to 79% in 2021, as serviced apartments were prone to the impact of citywide lockdown, travel restrictions and drop in expatriate demand for lease of residential properties. Our office buildings has been fully occupied in 2022 as compared to an average occupancy rate of 93% in 2021.

A net increase in fair value of our investment properties of HK\$3.9 million (2021: HK\$4.4 million) was recorded. Our investment properties are held as long-term investments to earn recurring rental income.

There were no sales of properties in 2022. Given the after-effect of the pandemic and current state of property market in Macau, there was slowdown in the property market in Macau during the year.

With the recent full reopening of borders between Mainland China, Hong Kong and Macau in January 2023, economic activities between these three markets are expected to resume and thrive, and will lead to an appreciable economic recovery and rise in visitor arrivals to Macau. However, the Macau property market is likely to remain quiet due to increasing interest rate expectations, rising inflation and uncertainty in the level and pace of ultimate business and travel recovery.

The Group has maintained an optimal sales strategy to sell the properties and continued to closely monitor property market conditions. The Group is in a view of growth opportunities that may emerge from Macau's economic recovery through several promising growth drivers such as the Hong Kong-Zhuhai-Macau Bridge, the new Hengqin immigration facility, the expanded Macau Airport passenger terminal, and greater integration with the Guangdong-Hong Kong-Macau Greater Bay Area.

Most of the assets in Macau are held by Golden Crown Development Ltd, in which the Group had 70.61% equity interest.

## Hotel Operations

	Occupancy		Average Room Rate (local currency)	
	2022	2021	2022	2021
<b>The People's Republic of China</b>				
Holiday Inn Wuhan Riverside	51%	46%	CNY 305	CNY 397
<b>Vietnam</b>				
Sheraton Saigon Hotel and Towers	55%	19%	USD 148	USD 90
Caravelle Hotel	52%	12%	USD 122	USD 80
<b>Japan</b>				
Best Western Hotel Fino Osaka Shinsaibashi	41%	10%	JPY 6,326	JPY 5,899
<b>The United States</b>				
W San Francisco	69%	43%	USD 305	USD 197
Sofitel New York ^	61%	4%	USD 387	USD 338
<b>Canada</b>				
The Sheraton Ottawa Hotel	57%	20%	CAD 199	CAD 141
Delta Hotels by Marriott Toronto Airport & Conference Centre	62%	29%	CAD 158	CAD 108

^ Sofitel New York suspended its operation since end of Mar 2020 and reopened in Nov 2021.

Having endured the worst impacts of several pandemic waves over the previous two years, the hospitality sector continued to be influenced by lingering impacts from the pandemic in 2022. However, there are positive signals as a majority of countries lifted their travel restrictions on the back of vaccinations. However, the pace of recovery has been uneven across regions. In particular, certain Asian countries including China have seen negative impact due to tightened travel restrictions and periodic city lockdowns throughout the year. US and Canada, on the other hand, have seen significant improvements.

Although there was a moderate recovery in the Group's hotel performance during the year, the profitability and stability of the hotels' future business remains uncertain as hospitality businesses have been facing a wave of new challenges such as labor shortages and rising costs.

Total revenue for the hotel operations increased to HK\$1,331.0 million in 2022, an increase of 250% as compared to HK\$380.4 million in 2021. Profit for the hotel operations was HK\$79.0 million as compared to the loss of HK\$204.9 million in 2021.

## The People's Republic of China

In 2022, the wave of pandemic infections swirled across China resulting in frequent city-wide lockdowns and compulsory testing measures. From the second quarter of 2022 onwards, this has slowed the broad recovery of the Chinese economy. According to the National Bureau of Statistics of China, China's economy grew by 3% in 2022, missing the official target of around 5.5% due largely to pandemic controls and the real estate slump.

The hospitality sector in China was also significantly impacted by the pandemic in 2022. Multiple waves of infections and resulting lockdowns in major cities disrupted economic activities and travel, hampering the recovery of the Group's hotel business in China.

In December 2022 and early January 2023, the government issued new guidelines that gradually removed mass testing and quarantine requirements, as well as lifting travel restrictions. This marked a major reorientation of China's strict zero-COVID approach. Even though the business environment will continue to be tough and uncertain in the period ahead, the Group nevertheless remains optimistic about the overall Chinese hotel market prospects.

#### ***Holiday Inn Wuhan Riverside (Group's interest: 41.26%)***

Holiday Inn Wuhan Riverside had an extremely challenging year in 2022. The imposition of international and domestic travel restrictions, social distancing measures, heightened quarantine requirements and multiple rounds of city-wide lockdowns and testing have caused disruptions to the hotel during 2022.

Room revenue of the hotel decreased to RMB17.3 million in 2022 as compared to RMB20.2 million in 2021, a decrease of 14%. The food and beverage revenue of the hotel has also decreased to RMB7.4 million in 2022 from RMB11.1 million in 2021, a decrease of 33%.

During 2022, occupancy rate has slightly increased to 51.1%, as compared to 45.6% in 2021. Average room rate was at RMB305 per room night in 2022, as compared to RMB397 per room night in 2021.

#### **Vietnam**

Vietnam's economy had an impressive recovery in 2022, with GDP growth of 8.02%, the fastest annual pace since 1997. The recovery was attributed to a post-pandemic economic rebound, positive impacts from trade agreements, and strong domestic consumption and exports, particularly in the manufacturing sector. Vietnam is now considered one of the fastest-growing economies in Southeast Asia and the world. However, Vietnam may face headwinds ahead, with weakening global demand impacting its exports.

Vietnam's economic structure shifted in a positive direction, and the tourism sector also made a significant recovery. International arrivals humped to 3.7 million, which is 23.3 times higher than in 2021 but equivalent to only 20% of international arrivals in 2019, prior to the pandemic.

The Group's revenue from Vietnam increased to HK\$593.5 million in 2022, as compared to HK\$186.2 million in 2021, an increase of 219%.

For the second year in a row, both Sheraton Saigon Hotel and Towers and Caravelle Hotel were awarded the Travelers' Choice Winner by TripAdvisor in 2022.

#### ***Sheraton Saigon Hotel and Towers (Group's interest: 64.12%)***

Sheraton Saigon Hotel & Towers' occupancy rate has increased to 55.4% as compared to 18.7% in 2021. Average room rate was at US\$148 per room night in 2022, as compared to US\$90 per room night in 2021. The hotel's financial performance in terms of gross operating profit in 2022 was improved by 352% year-on-year.

#### ***Caravelle Hotel (Group's interest: 24.99%)***

Turning into operating profit in 2022 with an increase in occupancy rate of 51.5%, as compared to 12.1% in 2021. Average room rate was at US\$122 per room night in 2022, as compared to US\$80 per room night in 2021.

## **Japan**

In 2022, Japan's economy showed gradual improvement despite the ongoing threat of pandemic. The government implemented measures to stimulate social and economic activities in the country, resulting in a 1.1% expansion of the economy. This marked the second consecutive year of growth, although the pace of growth slowed down from 2.1% in 2021.

The hospitality sector has experienced a recovery in 2022. This recovery was strengthened by the reopening its borders to tour groups in June 2022 and resumption of visa-free inbound tourism in October 2022, resulting in a significant uptick in overseas arrivals, particularly in the fourth quarter of 2022. In 2022, Japan welcomed 3.8 million foreign visitors, which was more than 15 times as many as in 2021. Nevertheless, this figure only accounts for around 10% of the total number of visitors in 2019, just before the pandemic.

However, the industry still faces challenges, and an uneven recovery is expected within the sector. The labor shortages, rising operating costs, and the potential impact of a global economic slowdown may moderate future growth.

### ***Best Western Hotel Fino Osaka Shinsaibashi (Group's interest: 100%)***

Hotel performance has improved gradually in 2022 and occupancy rates have seen notable increments. Occupancy rate has increased to 40.9%, as compared to 9.5% in 2021. Average room rate was at JPY6,326 per room night in 2022, as compared to JPY5,899 per room night in 2021.

## **The United States ("US")**

The US economy has made an impressive recovery after the COVID-19 pandemic and, despite widespread concerns of an impending recession, has returned to its pre-pandemic growth trajectory. The US economy grew by 2.1 percent in 2022, bouncing back from the earlier decline in the first two quarters of the year. By the end of 2022, US unemployment rate also dropped to 3.6%, the lowest rate seen for decades, as compared to 5.3% in December 2021.

Following over two years of travel constraints, the US government significantly eased restrictions in the summer of 2022, including elimination of pre-arrival testing requirement. However, all international visitors must be fully vaccinated.

In 2022, the New York hospitality market saw a significant rebound, while the San Francisco market lagged behind other markets and its pre-pandemic levels from 2019. San Francisco's slow recovery can be attributed to reduced convention attendance and limitations on inbound Asian visitation, particularly from China. While the performance of hotels is expected to improve steadily in 2023 after China lifted its travel ban at the end of 2022, the path to recovery remains uncertain due to the possibility of an economic slowdown, continued inflation, and geopolitical conflicts.

W San Francisco was awarded the Travelers' Choice Winner by TripAdvisor in 2022 for the second consecutive year and Sofitel New York was awarded Top 15 Best Hotels NYC by TRAVEL+LEISURE in 2022.

### ***W San Francisco (Group's interest: 100%)***

W San Francisco's occupancy increased to 68.8% in 2022, as compared to 42.7% in 2021. Average room rate was US\$305 per room night in 2022, as compared to US\$197 per room night in 2021.

### ***Sofitel New York (Group's interest: 100%)***

After reopening in November 2021, Sofitel New York's occupancy rate increased to 61.2% in 2022 from 4.0% in 2021. Average room rate was at US\$387 per room night in 2022, as compared to US\$338 per room night in 2021.

## **Canada**

In 2022, Canada's economy continued to recover from the pandemic-induced slowdown, with GDP of 3.5%, which is lower than 4.5% in 2021. The unemployment rate also decreased from 7.4% in 2021 to 5.3% in 2022.

The hospitality industry in Canada also experienced a remarkable recovery in 2022, albeit not fully rebounding from lockdowns and travel restrictions until October 2022 when pandemic border restrictions, such as vaccination and testing/quarantine requirements for all travellers entering Canada by land, air, or sea, were lifted.

However, the Canadian economy is expected to experience slower growth in early 2023, following the end of five consecutive quarters of growth in the fourth quarter of 2022. Additionally, the hospitality industry has faced challenges due to recent inflationary pressures and labour shortages. Despite these challenges, the outlook for the hotel industry remains positive, and more recovery is expected to take place in 2023, following the lifting of pandemic border restrictions.

### ***The Sheraton Ottawa Hotel (Group's interest: 85%)***

Occupancy rate of Sheraton Ottawa Hotel increased to 57.0% in 2022 versus 20.0% in 2021. Average room rate was C\$199 per room night in 2022 versus C\$141 per room night in 2021.

During the year, government relief subsidies amounted to HK\$7.3 million (2021: HK\$4.8 million) was booked for the hotel.

### ***Delta Hotels by Marriott Toronto Airport & Conference Centre (Group's interest: 25%)***

Occupancy rate of Delta Hotels by Marriott Toronto Airport & Conference Centre increased to 61.6% in 2022 versus 28.6% in 2021. Average room rate was C\$158 per room night in 2022 versus C\$108 per room night in 2021.

### **Other net gains/losses**

Net exchange loss for 2022 amounted to HK\$7.5 million, as compared HK\$2.0 million in 2021.

Net realised and unrealised gains on derivative financial instruments amounted to HK\$10.7 million in 2022, as compared to HK\$5.9 million in 2021.

Net unrealised gain on other non-current financial assets amount to HK\$9.3 million recognised in 2022, as compared to net unrealised loss of HK\$6.2 million in 2021. These were mainly related to our investment in A2I Holdings S.A.R.L., which owns 6.75% (2021: 6.75%) equity shares of AccorInvest Group S.A..

Net unrealised gains on trading securities for 2022 amounted to HK\$0.2 million, as compared to net unrealised losses of HK\$1.7 million in 2021.

## **Government grants**

During the year, the Company and its subsidiaries received subsidies of approximately HK\$7.3 million (2021: HK\$4.8 million) from the Temporary Wage Subsidy Scheme and Tourism Recovery Program implemented by the Canadian Government. In 2021, subsidies of HK\$0.2 million was also received from the Business Subsidy Scheme implemented by the Macau SAR Government.

## **FINANCIAL REVIEW**

The Group's revenue was HK\$1,429.5 million for the year ended 31 December 2022, an increase of 196% as compared to the year 2021. The increase was primarily due to the rebound of the Group's hotel business.

The Group's operating profit was HK\$162.1 million for the year ended 31 December 2022 as compared to operating loss of HK\$202.6 million in 2021.

Profit attributable to equity shareholders amounted to HK\$76.3 million as compared to the losses attributable to equity shareholders of HK\$194.7 million in 2021. The increase in profit of the Group in 2022 was mainly attributable to increase in hotel business.

## **PLEDGE OF ASSETS**

As at 31 December 2022, hotel properties including land, and certain properties held for sale with an aggregate value of HK\$1,895.0 million (2021: HK\$1,958.4 million) were pledged to banks to secure bank loans and banking facilities granted to the Group.

## **CONTINGENT LIABILITIES**

As at 31 December 2022, there were outstanding counter indemnities relating to guarantees issued by the bankers of a subsidiary in favour of the Macau SAR Government in respect of properties held for sale amounted to HK\$8.3 million (2021: HK\$8.3 million).

As at 31 December 2022, the directors do not consider it probable that a claim will be made against the Group under any of the guarantees. The Group has not recognised any deferred income in respect of any of the above guarantees as their fair value cannot be reliably measured and they were issued many years ago and their transaction price was Nil.

## **PROSPECTS**

The relaxation of pandemic measures, border restrictions and social distancing policies in 2022 has led to a noticeable improvement in economic activities, including the MICE and hospitality industries. With China relaxing its pandemic control measures in late 2022 and removing quarantine requirements for inbound travelers in January 2023, the Group remains optimistic about the hospitality industry's outlook in 2023. However, there will still be many challenges and uncertainties on the road to economic recovery, such as global economic slowdown, rising inflation and interest rates, labor scarcity and geopolitical tensions, including Russian-Ukraine war and the intensified political tension amongst China, United States and Taiwan. All these factors may collectively affect growth and profitability in the short to medium term.

The lifting of pandemic restrictions and the recent resumption of quarantine-free travel between China, Macau and Hong Kong have led to a more optimistic market situation in Macau. It is expected to drive inbound tourist arrivals in Macau and bring back additional leasing and property demand from China over time. In addition, limited new supply in the real estate market, especially in the luxury sector, is expected to be conducive to price stability. We will continue to focus on building up occupancy and maximising retention rates by adopting competitive leasing strategies.

The Group will maintain a high level of liquidity by closely monitoring and preserving its funding position. The Group's financial position remains robust with cash, bank balances and short-term bank deposits totalling HK\$1,341.3 million as at 31 December 2022. The Board believes that the Group has sufficient resources to satisfy its working capital requirements.

The Group will also continue to be cautious and will only focus on reviewing potential investments that creates long-term value for shareholders on a sustainable basis. We will also continue to adopt a disciplined and pragmatic approach towards possible acquisitions, targeting industries and countries or regions where the Group has experience and comparative advantages.

## **PERSONNEL**

As at 31 December 2022, the Group had approximately 1,682 employees. A policy of localising as many of the positions as possible is in place throughout the Group, subject to suitable and sufficient local executives and staff with relevant qualifications and experiences being available. Salary and remuneration are competitive and are based on varying conditions in the different countries in which the Company and its subsidiaries operate.

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

No purchase, sale or redemption of the Company's listed securities was made by the Company or any of its subsidiaries during the year under review.

## **CORPORATE GOVERNANCE**

The board of directors (the “Board”) of the Company has committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders and to enhance corporate value and accountability.

The Company’s corporate governance practices are based on the principles, code provisions as set out in the Corporate Governance Code (the “CG Code”) as contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”).

The Company has applied with the principles set out in the CG Code for the year 2022, contained in Appendix 14 of the Listing Rules.

The Board is of the view that throughout the year 2022, the Company has complied with the code provisions as set out in the CG Code, save and except for deviations as explained below:

- Code Provision C.2.1, as the role of chairman and chief executive officer of the Company is not segregated.

Code provision C.2.1 stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The Company had not appointed a Chief Executive Officer, since day-to-day operations of the Group were undertaken by the management teams in the respective geographical locations under the supervision of the Executive Directors. In respect of the management of the Board, the role was undertaken by Mr. HO Kian Guan, Executive Chairman of the Company. The Board is of the view that this structure has served the Company well in past years and does not impair the balance of responsibility between the Board and the management of the business.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Board adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiries of all Directors who have confirmed compliance with the required standards set out in the Model Code during the period under review.

## **ANNUAL GENERAL MEETING**

The 2023 AGM will be held on Wednesday, 31 May 2023 at 12:00 noon. The notice of the 2023 AGM, which constitutes part of a circular to shareholders of the Company, will be sent to the shareholders of the Company in due course.

All shareholders of the Company are encouraged to attend the 2023 AGM and exercise their right to vote. Shareholders are invited to ask questions related to the business of the meeting, and will be able to meet with directors and the senior management of the Company.

## CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining shareholders' eligibility to attend and vote at the 2023 AGM, and entitlement to the proposed final dividend, the Company's Register of Members will be closed as set out below:

- (i) For determining eligibility to attend and vote at the 2023 AGM
- Latest time to lodge transfer documents for registration with the Company's registrar and transfer office At 4:30 p.m. on Wednesday, 24 May 2023
  - Closure of Register of Members Thursday, 25 May 2023 to Wednesday, 31 May 2023, both days inclusive
  - Record date Wednesday, 31 May 2023
- (ii) For determining entitlement to the final dividend:
- Ex-dividend date Monday, 5 June 2023
  - Latest time to lodge transfer documents for registration with the Company's registrar and transfer office At 4:30 p.m. on Tuesday, 6 June 2023
  - Closure of Register of Members Wednesday, 7 June 2023 to Friday, 9 June 2023, both days inclusive
  - Record date Friday, 9 June 2023

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the 2023 AGM, and to qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's registrar and transfer office, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than the aforementioned latest time.

By Order of the Board  
**Keck Seng Investments (Hong Kong) Limited**  
**HO Kian Guan**  
*Executive Chairman*

Hong Kong, 24 March 2023

*As at the date of this announcement, the Board of the Company comprises Mr. HO Kian Guan, Mr. HO Kian Hock, Mr. TSE See Fan Paul, Mr. CHAN Lui Ming Ivan, Ms. YU Yuet Chu Evelyn, Mr. HO Chung Tao and Mr. HO Chung Hui (whose alternate is Mr. HO Chung Kain) as executive directors, Mr. HO Kian Cheong (whose alternate is Mr. HO Chung Kiat Sydney) as non-executive director, and Mr. KWOK Chi Shun Arthur, Ms. WANG Poey Foon Angela, Mr. YU Hon To David and Mr. Stephen TAN as independent non-executive directors.*