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HARBOUR CENTRE DEVELOPMENT LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 51

2023 Final Results Announcement

GROUP RESULTS

Group loss attributable to equity shareholders amounted to HK\$107 million (2022: HK\$197 million). Excluding revaluation surplus on investment properties (“IP”), underlying net loss was HK\$201 million (2022: HK\$133 million).

Underlying net loss per share was HK\$0.28 (2022: HK\$0.19). Attributable loss to equity shareholders per share was HK\$0.15 (2022: HK\$0.28).

DIVIDENDS

No dividend will be paid in respect of the year ended 31 December 2023 (2022: Nil).

BUSINESS REVIEW

Hong Kong

Hotels

The post-COVID tourism recovery in Hong Kong lacked momentum under unfavourable currency exchange rates, feeble economic performances around the world and slow ramp-up of flight capacity.

Hotels revenue from The Murray, Hong Kong, a Niccolo Hotel (“The Murray”) and Marco Polo Hongkong Hotel (“MP Hong Kong”) increased by 69% from 2022 with a turnaround in operating profit after border restrictions were lifted. Restaurants, bars and events sector also experienced good growth, especially in corporate events and weddings. However, both faced increasing erosion due to the convenience of Shenzhen as a provider of consumer choice.

Investment Properties

As consumers remained cautious in discretionary spending, Hong Kong retail sales growth slowed to 12% in the second half of the year. The Group's retail properties in a prime tourist location have benefitted from some recovery in tourist spending, resulting in an increase in revenue of 12% and operating profit of 13%.

Mainland China

Hotels

Niccolo Suzhou, situated atop the city's tallest building, Suzhou International Finance Square ("SZIFS"), stands out and commands an unparalleled view. However, market recovery in Suzhou has been more subdued than other cities post-COVID. Revenue growth of 48% and narrowing of operating loss were reported, primarily driven by higher occupancy and expanded events and catering services.

Development Properties ("DP")

DP segment reported a small operating profit on an increase in revenue from a low base but monetization of the large unsold stock was sluggish. Attributable impairment provisions totalling HK\$697 million were recorded to address the weak commercial property market.

Attributable contracted sales was RMB203 million. As at the end of December 2023, total remaining DP assets amounted to about RMB1.6 billion (equivalent to HK\$1.8 billion) or about 10% of Group assets.

OUTLOOK

Looking ahead to 2024, geopolitical and economic uncertainties cloud the outlook for the hospitality and retail sectors both in Hong Kong and the Mainland, despite anticipated further recovery in passenger traffic. The market for the Group to exit its remaining DP stock is also not expected to substantially improve during the year.

FINANCIAL REVIEW

(I) Review of 2023 Results

Group underlying net loss amounted to HK\$201 million (2022: HK\$133 million). DP loss widened to HK\$508 million (2022: HK\$194 million) after an attributable impairment provision of HK\$697 million while Hotels segment turned to a marginal profit of HK\$3 million (2022: loss of HK\$247 million).

Including attributable net IP revaluation surplus of HK\$94 million (2022: deficit of HK\$133 million), the Group reported a net loss of HK\$107 million (2022: HK\$197 million) attributable to equity shareholders.

Revenue and Operating Profit

Group revenue increased by 39% to HK\$1,579 million (2022: HK\$1,139 million) and operating profit increased to HK\$408 million (2022: HK\$29 million) mainly driven by the recovery of Hotels performance.

Hotels revenue increased by 65% to HK\$952 million (2022: HK\$577 million) and operating profit improved to HK\$26 million (2022: loss of HK\$240 million). Hong Kong hotels revenue increased by 69% to HK\$826 million (2022: HK\$490 million) and operating profit amounted to HK\$45 million (2022: loss of HK\$193 million) with increase in occupancy and room rate. Mainland revenue increased by 45% and operating loss narrowed to HK\$19 million (2022: HK\$47 million).

IP revenue increased by 12% to HK\$242 million (2022: HK\$217 million) and operating profit by 13% to HK\$213 million (2022: HK\$189 million).

DP revenue increased by 23% to HK\$238 million (2022: HK\$193 million) and turned in an operating profit of HK\$28 million (2022: loss of HK\$61 million).

Investments operating profit, primarily from dividend income, amounted to HK\$140 million (2022: HK\$142 million).

IP Revaluation Change

The Group's IP were stated at fair value based on independent valuation as at 31 December 2023, resulting in a revaluation surplus of HK\$94 million for the year (2022: deficit of HK\$133 million) which was credited to the consolidated income statement.

Other Net Charge

Other net charge of HK\$493 million stemmed mainly from impairment provision for DP projects held by subsidiaries.

Finance Costs

Net finance costs amounted to HK\$38 million (2022: HK\$43 million).

Share of Results (after tax) of an Associate

Attributable loss of an associate amounted to HK\$168 million (2022: HK\$68 million) after DP impairment provision of HK\$303 million.

Income Tax

Taxation charge for the year was HK\$5 million (2022: HK\$12 million).

Loss Attributable to Equity Shareholders

Group loss attributable to equity shareholders for the year was HK\$107 million (2022: HK\$197 million). Loss per share was HK\$0.15 (2022: HK\$0.28) based on 708.8 million ordinary shares in issue.

Underlying net loss (a performance indicator of the Group's major business segments and arrived at after excluding the attributable net IP revaluation surplus) attributable to equity shareholders is analysed as below:

	2023	2022
	HK\$ Million	HK\$ Million
Underlying net loss	(201)	(133)
Attributable net IP revaluation surplus/(deficit)	94	(133)
Attributable net liquidated damage from termination of disposal of a hotel property	-	69
Loss attributable to equity shareholders	(107)	(197)

(II) Review of Financial Position, Liquidity, Resources and Commitments

Shareholders' and Total Equity

As at 31 December 2023, shareholders' equity decreased by 5% to HK\$14,329 million (2022: HK\$15,128 million), equivalent to HK\$20.22 per share (2022: HK\$21.34 per share). The decrease was mainly attributable to Group loss and the deficit arising from investment revaluation. Including non-controlling interests, the Group's total equity amounted to HK\$14,438 million (2022: HK\$15,334 million).

Hotel properties are stated at cost less accumulated depreciation and impairment provision in accordance with prevailing Hong Kong Financial Reporting Standards ("HKFRSs"). Restating hotel properties based on independent valuation as at 31 December 2023 would give rise to a revaluation surplus of HK\$3,913 million and increase the Group's shareholders' equity as at 31 December 2023 to HK\$18,242 million, equivalent to HK\$25.74 per share.

Assets and Liabilities

Total assets were reported at HK\$16,896 million (2022: HK\$18,849 million). Total business assets, excluding bank deposits and cash and deferred tax assets, amounted to HK\$16,290 million (2022: HK\$17,989 million).

Geographically, business assets in Hong Kong amounted to HK\$12,783 million (2022: HK\$13,241 million), representing 78% of total business assets (2022: 74%). Mainland business assets decreased to HK\$2,720 million (2022: HK\$3,708 million), representing 17% of total business assets (2022: 21%).

Hotels

Hotel properties, at cost less depreciation, amounted to HK\$6,681 million (2022: HK\$6,572 million), which comprised The Murray, MP Hong Kong, Niccolo Suzhou and Marco Polo Changzhou ("MP Changzhou").

Investment Properties

IP amounted to HK\$5,099 million (2022: HK\$5,005 million), which comprised MP Hong Kong's commercial podium and Star House units.

Development Properties for Sale/Interests in an Associate and Joint Ventures

Total DP amounted to HK\$1,118 million for SZIFS (2022: HK\$1,793 million mainly comprised SZIFS) and those undertaken through an associate and joint ventures amounting to HK\$601 million (2022: HK\$835 million).

Equity Investments

Equity investments were marked to market at HK\$2,522 million (2022: HK\$3,192 million), including mainly blue-chip equity investment held for long term capital growth and dividend return. The value of the whole portfolio represented 15% (2022: 17%) of the Group's total assets and each investment within which was individually not material to the Group's total assets. Marking these investments to market produced a net deficit of HK\$670 million (2022: HK\$90 million) as reflected in the Other Comprehensive Income Statement.

The Group's investment portfolio analysed by industry sector and by geographical location as below:

	2023 <u>HK\$ Million</u>	2022 HK\$ Million
Analysed by industry sector:		
- Properties	2,118	2,677
- Others	404	515
Total	<u>2,522</u>	<u>3,192</u>
Analysed by geographical location:		
- Hong Kong	1,735	2,151
- Overseas	787	1,041
Total	<u>2,522</u>	<u>3,192</u>

Pre-sale Deposits and Proceeds

Pre-sale deposits and proceeds decreased to HK\$78 million (2022: HK\$222 million) upon recognition of revenue.

Net Debt and Gearing

At 31 December 2023, the Group had net debt of HK\$145 million (2022: HK\$464 million), consisting of HK\$381 million in cash (mainly held in Mainland China) and HK\$526 million in bank borrowings (mainly drawn in Mainland China). Gearing at 1% of total equity (2022: 3%).

Finance and Availability of Facilities and Funds

As at 31 December 2023, the Group's available loan facilities amounted to HK\$1,574 million, of which HK\$526 million were utilised. Certain banking facilities were secured by hotel and DP in the Mainland of RMB1,287 million (equivalent to HK\$1,420 million) (2022: RMB1,318 million (equivalent to HK\$1,476 million)).

The Group's debts were principally denominated in Hong Kong dollars ("HK\$") and Renminbi ("RMB") at floating rates.

The use of derivative financial instruments is strictly controlled. Instruments entered into by the Group are mainly used for managing and hedging interest rate and currency exposures.

The Group continued to maintain a reasonable level of surplus cash denominated principally in HK\$ and RMB to facilitate business and investment activities. As at 31 December 2023, the Group also held a portfolio of liquid listed equity investments with an aggregate market value of HK\$2,522 million (2022: HK\$3,192 million), which is available for use if necessary.

Net Cash Flows for Operating and Investing Activities

For the year under review, the Group recorded a net cash inflow in operating activities of HK\$278 million (2022: outflow of HK\$147 million) mainly attributable to DP sales proceeds and decrease in construction payments. For investing activities, the Group generated a net cash inflow of HK\$44 million (2022: HK\$175 million) mainly for decrease in advance for the DP project held by an associate.

Commitments to Capital and Development Expenditure

As at 31 December 2023, major capital and development expenditure planned for the coming years totalled HK\$0.6 billion which was mainly related to DP.

The above expenditures will be funded by internal financial resources, including cash currently on hand, as well as bank loans. Other available resources include equity investments that can be liquidated when in need.

(III) Dividend Policy

Apart from compliance with the applicable legal requirements, the Company adopts a policy which targets to provide shareholders with reasonably stable and consistent dividends if possible and appropriate. Dividend payout from year to year will be subject to upward or downward adjustments as decided by the Board after taking into account of the Group's immediate as well as expected financial performance, cash flow, financial position, capital commitments and future requirements as well as the general business and economic environments.

The Board will review this policy from time to time with reference to its future prospect, capital requirements and other changing circumstances both internally and externally.

(IV) Human Resources

The Group had approximately 1,200 employees as at 31 December 2023. Employees are remunerated according to their job responsibilities and the market pay trend with a discretionary annual performance bonus as variable pay for rewarding individual performance and contributions to the Group's achievement and results.

CONSOLIDATED INCOME STATEMENT
For The Year Ended 31 December 2023

	Note	2023 <u>HK\$ Million</u>	2022 <u>HK\$ Million</u>
Revenue	2	1,579	1,139
Direct costs and operating expenses		(732)	(650)
Selling and marketing expenses		(79)	(74)
Administrative and corporate expenses		(146)	(158)
Operating profit before depreciation, interest and tax		622	257
Depreciation		(214)	(228)
Operating profit	2&3	408	29
Changes in fair value of investment properties		94	(133)
Other net charge	4	(493)	-
		9	(104)
Finance costs	5	(38)	(43)
Share of results after tax of an associate		(168)	(68)
Loss before taxation		(197)	(215)
Income tax	6(a)	(5)	(12)
Loss for the year		(202)	(227)
Loss attributable to:			
Equity shareholders		(107)	(197)
Non-controlling interests		(95)	(30)
		(202)	(227)
Loss per share	7		
Basic		(HK\$0.15)	(HK\$0.28)
Diluted		(HK\$0.15)	(HK\$0.28)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Year Ended 31 December 2023

	2023	2022
	HK\$ Million	HK\$ Million
Loss for the year	(202)	(227)
Other comprehensive income		
Item that will not be reclassified to profit or loss:		
Fair value changes on equity investments	(670)	(90)
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of the operations - subsidiaries	(13)	(140)
Share of reserves of an associate and joint ventures	(11)	(79)
Others	-	(8)
Other comprehensive income for the year	(694)	(317)
Total comprehensive income for the year	(896)	(544)
Total comprehensive income attributable to:		
Equity shareholders	(799)	(489)
Non-controlling interests	(97)	(55)
	(896)	(544)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2023

	Note	2023 HK\$ Million	2022 HK\$ Million
Non-current assets			
Investment properties		5,099	5,005
Hotel properties, plant and equipment		6,764	6,655
Interest in an associate		591	815
Interest in joint ventures		10	20
Equity investments		2,522	3,192
Deferred tax assets		225	226
Other non-current assets		32	32
		<u>15,243</u>	<u>15,945</u>
Current assets			
Properties for sale		1,118	1,793
Inventories		9	8
Trade and other receivables	8	143	141
Prepaid tax		2	6
Bank deposits and cash		381	634
		<u>1,653</u>	<u>2,582</u>
Non-current assets classified as held for sale		-	322
		<u>1,653</u>	<u>2,904</u>
Total assets		<u>16,896</u>	<u>18,849</u>
Non-current liabilities			
Deferred tax liabilities		(273)	(326)
Bank loans		(504)	(581)
		<u>(777)</u>	<u>(907)</u>
Current liabilities			
Trade and other payables	9	(1,375)	(1,668)
Pre-sale deposits and proceeds		(78)	(222)
Taxation payable		(206)	(192)
Bank loans		(22)	(517)
Liabilities directly associated with the non-current assets classified as held for sale		-	(9)
		<u>(1,681)</u>	<u>(2,608)</u>
Total liabilities		<u>(2,458)</u>	<u>(3,515)</u>
NET ASSETS		<u>14,438</u>	<u>15,334</u>
Capital and reserves			
Share capital		3,641	3,641
Reserves		10,688	11,487
Shareholders' equity		<u>14,329</u>	<u>15,128</u>
Non-controlling interests		109	206
TOTAL EQUITY		<u>14,438</u>	<u>15,334</u>

NOTES TO THE FINANCIAL INFORMATION

1. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

This financial information have been prepared in accordance with all applicable 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 Companies Ordinance (Cap. 622 of the laws of Hong Kong) (“Companies Ordinance”). This financial information also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies and methods of computation used in the preparation of the financial information are consistent with those used in the annual financial statements for the year ended 31 December 2022 except for the changes mentioned below.

The HKICPA has issued a number of new and amended HKFRSs which are first effective for the current accounting year of the Group. Of these, the following developments are relevant to the Group’s consolidated financial statements:

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of accounting policies
Amendments to HKAS 8	Definition of accounting estimates
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction
Amendments to HKAS 12	International tax reform – pillar two model rules
HKFRS 17	Insurance contracts

The Group has assessed the impact of the adoption of the above standard and amendments and considered that there was no significant impact on the Group’s results and financial position for the current and prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting year.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism effective from 1 May 2025. The abolition of the offsetting mechanism did not have a material impact on the Group’s result and financial position.

The financial information relating to the financial years ended 31 December 2023 and 2022 included in this announcement of annual results does not constitute the Company’s statutory annual consolidated financial statements for those financial years but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2023 in due course. The Company's auditor has reported on those financial statements 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 section 406(2), 407(2) or (3) of the Companies Ordinance.

2. SEGMENT INFORMATION

The Group manages its diversified businesses according to the nature of services and products provided. Management has determined four reportable operating segments for measuring performance and allocating resources. The segments are hotels, investment properties, development properties and investments. No operating segment has been aggregated to form reportable segments.

Hotels segment represents the operations of The Murray, MP Hong Kong, Niccolo Suzhou and MP Changzhou.

Investment properties segment primarily represents the property leasing of the Group's investment properties in Hong Kong.

Development properties segment encompasses activities relating to the acquisition, development and sales of trading properties primarily in Mainland China.

Investments segment represents equity investments in global capital markets. The performance of the portfolio is assessed and monitored by top management regularly.

Management evaluates performance based on operating profit as well as the equity share of results of an associate and joint ventures of each segment.

Segment business assets principally comprise all tangible assets, intangible assets and current assets directly attributable to each segment with the exception of bank deposits and cash as well as deferred tax assets.

Revenue and expenses are allocated with reference to income generated by those segments and expenses incurred by those segments or which arise from the depreciation of assets attributable to those segments.

(a) Analysis of segment revenue and results

	Revenue HK\$ Million	Operating profit/(loss) HK\$ Million	Changes in fair value of investment properties HK\$ Million	Other net charge and impairment loss HK\$ Million	Finance costs HK\$ Million	Associate HK\$ Million	Profit/(loss) before taxation HK\$ Million
2023							
Hotels	952	26	-	-	(7)	-	19
Investment properties	242	213	94	-	(18)	-	289
Development properties	238	28	-	(493)	(13)	(168)	(646)
Investments	140	140	-	-	-	-	140
Segment total	1,572	407	94	(493)	(38)	(168)	(198)
Others	7	1	-	-	-	-	1
Group total	1,579	408	94	(493)	(38)	(168)	(197)
2022							
Hotels	577	(240)	-	-	(13)	-	(253)
Investment properties	217	189	(133)	-	(13)	-	43
Development properties	193	(61)	-	(85)	(17)	(68)	(231)
Investments	142	142	-	-	-	-	142
Segment total	1,129	30	(133)	(85)	(43)	(68)	(299)
Others	10	(1)	-	85	-	-	84
Group total	1,139	29	(133)	-	(43)	(68)	(215)

- (i) Substantially all depreciation was attributable to the hotels segment.
(ii) No inter-segment revenue has been recorded during the current and prior years.

(b) **Analysis of segment business assets**

	2023	2022
	HK\$ Million	HK\$ Million
Hotels	6,876	6,748
Investment properties	5,134	5,054
Development properties	1,758	2,995
Investments	2,522	3,192
Total segment business assets	16,290	17,989
Unallocated corporate assets	606	860
Total assets	16,896	18,849

- (i) Hotels are stated at cost less accumulated depreciation and impairment losses. Should the completed hotel properties be stated based on the valuation as at 31 December 2023 of HK\$10,608 million (2022: HK\$10,490 million), the total segment business assets would be increased to HK\$20,217 million (2022: HK\$21,907 million).
- (ii) Unallocated corporate assets mainly comprise deferred tax assets and bank deposits and cash.

(c) **Geographical information**

	Revenue		Operating profit/(loss)	
	2023	2022	2023	2022
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
Hong Kong	1,158	800	346	83
Mainland China	371	289	12	(104)
Others	50	50	50	50
Group total	1,579	1,139	408	29

	Specified non-current assets		Total business assets	
	2023	2022	2023	2022
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
Hong Kong	10,908	10,951	12,783	13,241
Mainland China	1,556	1,544	2,720	3,708
Others	-	-	787	1,040
Group total	12,464	12,495	16,290	17,989

Specified non-current assets exclude equity investments, deferred tax assets and other non-current assets.

The geographical location of revenue and operating profit is analysed based on the location at which services are provided and in the case of equity investments, where they are listed. The geographical location of specified non-current assets and total business assets is based on the physical location of operations.

(d) Disaggregation of revenue

	2023	2022
	HK\$ Million	HK\$ Million
Revenue recognised under HKFRS 15		
Hotels	952	577
Management and services income and other rental related income	37	37
Sale of development properties	238	193
	1,227	807
Revenue recognised under other accounting standards		
Rental income under investment properties segment		
- Fixed	202	180
- Variable	3	-
Investments	140	142
Others	7	10
	352	332
Total revenue	1,579	1,139

The Group has applied practical expedient in paragraph 121 of HKFRS 15 to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date to its:

- hotel operation as the Group recognises revenue at the amount to which it has a right to invoice, which corresponds directly with the value to the customer of the Group's performance completed to date.
- property management fees and other rental related income as the Group recognises revenue at the amount to which it has a right to invoice, which corresponds directly with the value to the customer of the Group's performance completed to date.
- sales of completed properties as the performance obligation is part of a contract that had an original expected duration of one year or less.

3. OPERATING PROFIT

Operating profit is arrived at:

	2023	2022
	<u>HK\$ Million</u>	<u>HK\$ Million</u>
After charging:		
Depreciation	214	228
Staff costs (Note i)	395	348
Auditors' remuneration (Note ii)	2	2
Cost of trading properties for recognised sales	165	183
Direct operating expenses of investment properties	20	17
	<hr/>	<hr/>
After crediting:		
Gross rental revenue from investment properties	242	217
Interest income	7	11
Dividend income from equity investments	140	142
Government grants (Note iii)	1	22
	<hr/>	<hr/>

Notes:

- (i) Staff costs included defined contribution pension schemes costs HK\$16 million (2022: HK\$14 million), which included MPF schemes after a forfeited contribution of HK\$1 million (2022: HK\$1 million).
- (ii) Auditors' remuneration included less than HK\$1 million for other services.
- (iii) Government grants mainly included subsidy under the Employment Support Scheme in 2022.

4. OTHER NET CHARGE

Other net charge amounted to HK\$493 million mainly represented impairment provision for Mainland DP held by subsidiaries (2022: HK\$Nil, mainly comprised of impairment provision of HK\$77 million for SZIFS and compensation of HK\$77 million from termination of disposal of a hotel property).

5. FINANCE COSTS

	2023	2022
	<u>HK\$ Million</u>	<u>HK\$ Million</u>
Interest on bank borrowings	34	36
Other finance costs	4	7
Total	<hr/>	<hr/>
	38	43

6. INCOME TAX

(a) Taxation charged to the consolidated income statement represents:

	2023	2022
	HK\$ Million	HK\$ Million
Current income tax		
Hong Kong		
- provision for the year	49	24
Mainland China		
- provision for the year	-	8
- over-provision in respect of prior years	-	(11)
	49	21
Land appreciation tax (“LAT”) (Note (d))	7	8
Deferred tax		
Origination and reversal of temporary differences	(51)	(17)
Total	5	12

- (b) The provision for Hong Kong profits tax is at the rate of 16.5% (2022: 16.5%) of the estimated assessable profits for the year.
- (c) Income tax on profits assessable in Mainland China are corporate income tax calculated at a rate of 25% (2022: 25%) and withholding tax at a rate of up to 10%.
- (d) Under the Provisional Regulations on LAT, all gains arising from transfer of real estate property in Mainland China are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights, borrowings costs and all property development expenditures.
- (e) Tax attributable to an associate for the year ended 31 December 2023 of HK\$118 million (2022: HK\$67 million) is included in the share of results of an associate.

7. LOSS PER SHARE

Basic and diluted loss per share is calculated by dividing the loss attributable to equity shareholders for the year of HK\$107 million (2022: HK\$197 million) by 708.8 million ordinary shares (2022: 708.8 million ordinary shares) in issue during the year.

The diluted loss per share is the same as the basic loss per share as there are no potential dilutive ordinary shares in existence during the years ended 31 December 2023 and 2022.

8. TRADE AND OTHER RECEIVABLES

Included in this item are trade receivables (net of loss allowance) with an ageing analysis based on invoice date as at 31 December 2023 as follows:

	2023	2022
	HK\$ Million	HK\$ Million
Trade receivables		
0 – 30 days	30	15
31 – 60 days	2	2
Over 60 days	3	3
	35	20
Prepayments	33	37
Other receivables	7	8
Amounts due from fellow subsidiaries	68	76
Group total	143	141

The Group has established credit policies for each of its core businesses. The general credit terms allowed range from 0 to 60 days, except for sale of properties from which the proceeds are receivable pursuant to the terms of the agreements. All the trade and other receivables are expected to be recoverable within one year.

9. TRADE AND OTHER PAYABLES

Included in this item are trade payables with an ageing analysis based on invoice date as at 31 December 2023 as follows:

	2023	2022
	HK\$ Million	HK\$ Million
Trade payables		
0 – 30 days	28	21
31 – 60 days	6	5
61 – 90 days	2	1
	36	27
Other payables and provisions	385	406
Construction costs payable	930	1,230
Amounts due to fellow subsidiaries	10	5
Amount due to an associate	14	-
Group total	1,375	1,668

10. REVIEW OF RESULTS

The financial results for the year ended 31 December 2023 have been reviewed with no disagreement by the Audit Committee of the Company. The figures in respect of the announcement of the Group's results for the year ended 31 December 2023 have been agreed by the Company's Auditor to the amounts set out in the Group's consolidated financial statements for the year.

CORPORATE GOVERNANCE CODE

During the financial year ended 31 December 2023, all the code provisions set out in the Corporate Governance Code in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited were met by the Company, with one exception as regards Code Provision C.2.1 providing for the roles of chairman and chief executive to be performed by different individuals.

Such deviation is deemed appropriate as it is considered to be more efficient to have one single person to be Chairman of the Company as well as to discharge the executive functions of a chief executive thereby enabling more effective planning and better execution of long-term strategies. The Board of Directors (the “Board”) believes that the balance of power and authority is adequately ensured by the operations and governance of the Board which comprises experienced and high calibre individuals, with more than half of them being Independent Non-executive Directors (“INEDs”).

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities during the financial year under review.

RELEVANT DATES FOR ANNUAL GENERAL MEETING (“AGM”)

Ex-entitlement date	25 April 2024 (Thu)
Latest time to lodge share transfer	4:30 p.m., 26 April 2024 (Fri)
Book closure period	29 April 2024 (Mon) to 3 May 2024 (Fri), both days inclusive
Record date	29 April 2024 (Mon)
AGM date and time	11:15 a.m., 3 May 2024 (Fri)

In order to be eligible for attending and voting at the AGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company’s Share Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Friday, 26 April 2024.

By Order of the Board
Harbour Centre Development Limited
Grace L. C. Ho
Company Secretary

Hong Kong, 5 March 2024

As at the date of this announcement, the Board comprises Mr. Stephen T. H. Ng, Hon. Frankie C. M. Yick and Mr. Peter Z. K. Pao, together with five INEDs, namely Mr. David T. C. Lie-A-Cheong, Mr. Roger K. H. Luk, Mr. Michael T. P. Sze, Mr. Brian S. K. Tang and Mr. Ivan T. L. Ting.