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**長城環亞控股有限公司\***

**GREAT WALL PAN ASIA HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 583)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

### **ANNUAL RESULTS**

The board of directors (the “**Board**” or “**Directors**”) of Great Wall Pan Asia Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2022, together with the comparative figures for the year ended 31 December 2021, as follows:

### **CONSOLIDATED BALANCE SHEET**

		<b>31 December 2022</b>	31 December 2021
	<i>Notes</i>	<b>HK\$'000</b>	<i>HK\$'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	4	<b>3,251,900</b>	3,282,500
Investments in associates	5	<b>4,960,708</b>	4,561,304
Property, plant and equipment	3	<b>517,423</b>	524,425
Right-of-use assets	6	–	–
Deferred tax asset		<b>104</b>	104
		<b>8,730,135</b>	<b>8,368,333</b>

\* For identification purpose only

## CONSOLIDATED BALANCE SHEET (continued)

		31 December 2022	31 December 2021
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Current assets</b>			
Accounts receivable	8	5,982	2,705
Prepayments, deposits and other receivables	9	23,033	21,753
Current tax recoverable		964	3,157
Amounts due from associates	5	–	209
Amount due from an intermediate holding company	7	171	1,300
Cash and bank balances		209,661	329,571
		<u>239,811</u>	<u>358,695</u>
<b>Total assets</b>		<u><b>8,969,946</b></u>	<u><b>8,727,028</b></u>
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Deferred income tax liabilities		18,199	13,436
		<u>18,199</u>	<u>13,436</u>
<b>Current liabilities</b>			
Other payables and accrued liabilities	12	53,710	560,499
Loans from an intermediate holding company	11	5,179,825	4,750,091
Amount due to an intermediate holding company		1,062	190
Lease liabilities	13	–	1,820
Current tax liabilities		211	101
		<u>5,234,808</u>	<u>5,312,701</u>
<b>Total liabilities</b>		<u><b>5,253,007</b></u>	<u><b>5,326,137</b></u>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	14	156,775	156,775
Reserves		3,560,164	3,244,116
		<u>3,716,939</u>	<u>3,400,891</u>
<b>Total equity</b>		<u><b>3,716,939</b></u>	<u><b>3,400,891</b></u>
<b>Total equity and liabilities</b>		<u><b>8,969,946</b></u>	<u><b>8,727,028</b></u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December	
		2022	2021
		<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Revenue</b>	2	<b>120,945</b>	120,448
Other income and gains or losses		476	781
Rental and utilities		(13,466)	(14,280)
Depreciation	3 and 6	(7,005)	(10,039)
Impairment of right-of-use assets	6	–	(4,070)
Other operating expenses		(42,771)	(48,939)
Fair value (loss)/gain on investment properties	4	(35,031)	97,074
<b>Operating profit</b>		<b>23,148</b>	140,975
Net finance cost	15	(163,922)	(146,382)
Share of profits of associates	5	465,626	773,512
<b>Profit before income tax</b>		<b>324,852</b>	768,105
Income tax expense	16	(7,270)	(8,427)
<b>Profit for the year</b>		<b><u>317,582</u></b>	<b><u>759,678</u></b>
<b>Other comprehensive income</b>			
Item that may be/has been reclassified subsequently to profit or loss:			
Currency translation difference on consolidation			
		<u>(1,534)</u>	<u>519</u>
<b>Other comprehensive income for the year, net of tax</b>		<b><u>(1,534)</u></b>	<b><u>519</u></b>
<b>Total comprehensive income for the year</b>		<b><u>316,048</u></b>	<b><u>760,197</u></b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**(continued)**

		<b>Year ended 31 December</b>	
		<b>2022</b>	2021
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Profit attributable to:</b>			
Equity holders of the Company		<u>317,582</u>	<u>759,678</u>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company		<u><u>316,048</u></u>	<u><u>760,197</u></u>
<b>Earnings per share attributable to the equity holders of the Company:</b>			
	<i>17</i>		
Basic		<u><u>HK20.26cents</u></u>	<u><u>HK48.46cents</u></u>
Diluted		<u><u>HK20.26cents</u></u>	<u><u>HK48.46cents</u></u>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Attributable to equity holders of the Company						Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Reserves			
				Merger reserve HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	
Balance at 1 January 2022	156,775	50,382	310,841	(9,011)	335,222	2,556,682	3,400,891
<b>Comprehensive income</b>							
Profit for the year	-	-	-	-	-	317,582	317,582
Other comprehensive income	-	-	-	-	(1,534)	-	(1,534)
<b>Total comprehensive income</b>	-	-	-	-	(1,534)	317,582	316,048
<b>Balance at 31 December 2022</b>	<b>156,775</b>	<b>50,382</b>	<b>310,841</b>	<b>(9,011)</b>	<b>333,688</b>	<b>2,874,264</b>	<b>3,716,939</b>
Balance at 1 January 2021	156,775	50,382	310,841	(9,011)	334,703	1,797,004	2,640,694
<b>Comprehensive income</b>							
Profit for the year	-	-	-	-	-	759,678	759,678
Other comprehensive income	-	-	-	-	519	-	519
<b>Total comprehensive income</b>	-	-	-	-	519	759,678	760,197
<b>Balance at 31 December 2021</b>	<b>156,775</b>	<b>50,382</b>	<b>310,841</b>	<b>(9,011)</b>	<b>335,222</b>	<b>2,556,682</b>	<b>3,400,891</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

### (a) Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”). They have been prepared under the historical cost convention, as modified by the revaluation of investment properties, as further explained below.

The accounting policies and methods of computation used in the preparation of these consolidated financial statements are consistent with those used in the consolidated financial statements of the Group for the year ended 31 December 2021 except for the adoption of amendment to HKFRSs effective for the financial year ending 31 December 2022.

### (i) *New and amended standards adopted by the Group*

The Group has applied the following standards and amendments for the first time for their annual reporting year commencing 1 January 2022:

- Reference to the Conceptual Framework – Amendments to HKFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to HKAS 16
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to HKAS 37
- Annual Improvements to HKFRSs 2018-2020

The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

## 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

### (a) Basis of preparation (continued)

#### (ii) *New standards and interpretations not yet adopted by the Group*

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – amendments to HKFRS 10 and HKAS 28<sup>3</sup>
- Lease Liability in a Sale and Leaseback – Amendments to HKFRS 16<sup>2</sup>
- Insurance Contracts – HKFRS 17<sup>1</sup>
- Insurance Contracts – Amendments to HKFRS 17<sup>1,5</sup>
- Initial Application of HKFRS 17 and HKFRS 9 – Amendment to HKFRS 17<sup>6</sup>
- Classification of Liabilities as Current or Non-current (the “2020 Amendments”) – Amendments to HKAS 1<sup>2,4</sup>
- Non-current Liabilities with Covenants (the “2022 Amendments”) – Amendments to HKAS 1<sup>2</sup>
- Disclosure of Accounting Policies – Amendments to HKAS 1 and HKFRS Practice Statement 2<sup>1</sup>
- Definition of Accounting Estimates – Amendments to HKAS 8<sup>1</sup>
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to HKAS 12<sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>3</sup> No mandatory effective date yet determined but available for adoption

<sup>4</sup> As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024. In addition, as a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause was revised to align the corresponding wording with no change in conclusion

- <sup>5</sup> As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023
- <sup>6</sup> An entity that chooses to apply the transition option relating to the classification overlay setout in this amendment shall apply it on initial application of HKFRS 17

## 2. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Chief Executive Officer (“CEO”) of the Group, who reviews the Group’s internal reporting in order to assess performance and allocate resources. The Company’s management has determined the operating segments based on these reports.

The Group has two reportable segments, namely property investment and financial services segments, for the years ended 31 December 2022 and 2021.

Property investment segment holds various retail, commercial and industrial properties and car parking spaces in Hong Kong. It derives revenue through leasing out its properties.

Financial services segment mainly holds licences to carry out Type 1 (dealing in securities) (restricted by certain conditions), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”). It also derived interest revenue from loan investment.

The chief operating decision-maker assesses the performance of the operating segments based on profit or loss after tax. The Group considers that the measurement principles for profit or loss after tax are consistent with those used in measuring the corresponding amounts in the Group’s financial statements. Hence, profit or loss after tax is used for reporting segment profit or loss. Although no segment assets or liabilities is regularly provided to or reviewed by the chief operating decision-maker, monthly updates presenting the Group’s consolidated balance sheet by subsidiaries are provided for the purpose of assessment.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies except that interest in the profit or loss of associates is accounted for on the basis of dividend received or receivable in segment profit or loss while such interest is accounted for under the equity method in the Group’s consolidated financial statements.



## 2. REVENUE AND SEGMENT INFORMATION (continued)

Revenue recognised during the year comprises:

	<b>2022</b>	2021
	<b><i>HK\$'000</i></b>	HK\$'000
Rental	<b>110,822</b>	109,000
Service fees and charges	<b>9,823</b>	10,148
Advisory services	<b>300</b>	1,300
	<b><u>120,945</u></b>	<u>120,448</u>

Leases with tenants provide for monthly base rent and recovery of certain outgoings. Additional rents based on business turnover amounted to HK\$476,000 (2021: HK\$102,000) and have been included in the rental income.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different marketing strategies. Transactions (if any) between reportable segments are accounted for on arm's length basis.

Revenue of the Group for the years ended 31 December 2022 and 2021 consists of revenue from property investment and financial services segments. The revenue for the years ended 31 December 2022 and 2021 were HK\$120,945,000 and HK\$120,448,000 respectively.

## 2. REVENUE AND SEGMENT INFORMATION (continued)

Substantially all the activities of the Group are based in Hong Kong and below is segment information by reportable segments:

### (a) Reportable segment profit or loss

#### For the year ended 31 December 2022

	Property investment <i>HK\$'000</i>	Financial services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	<u>120,645</u>	<u>300</u>	<u>120,945</u>
Loss for reportable segments	<u>(3,331)</u>	<u>(3,977)</u>	<u>(7,308)</u>
Net finance (cost)/income	(24,406)	79	(24,327)
Depreciation	(6,305)	(25)	(6,330)
Income tax (expense)/credit	<u>(7,390)</u>	<u>120</u>	<u>(7,270)</u>

#### For the year ended 31 December 2021

	Property investment <i>HK\$'000</i>	Financial services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	<u>119,148</u>	<u>1,300</u>	<u>120,448</u>
Profit/(loss) for reportable segments	<u>131,205</u>	<u>(5,167)</u>	<u>126,038</u>
Net finance cost	(15,124)	(2)	(15,126)
Depreciation	(9,286)	(48)	(9,334)
Impairment of right-of-use assets	(4,070)	–	(4,070)
Income tax expense	<u>(8,427)</u>	<u>–</u>	<u>(8,427)</u>

## 2. REVENUE AND SEGMENT INFORMATION (continued)

### (b) Reconciliation of reportable segment profit or loss to profit for the year

	For the year ended 31 December	
	2022	2021
	HK\$'000	HK\$'000
(Loss)/profit for reportable segments	<u>(7,308)</u>	<u>126,038</u>
Reconciling items:		
Share of profits of associates under equity method of accounting	465,626	773,512
Finance cost for financing the Group's investment in an associate ( <i>Note</i> )	(141,137)	(131,240)
Other corporate and treasury activities	<u>401</u>	<u>(8,632)</u>
Profit for the year	<u><u>317,582</u></u>	<u><u>759,678</u></u>

*Note:* The finance cost of HK\$141,137,000 (2021: HK\$131,240,000) is not allocated to the above reportable segments as this finance cost was incurred for financing the Group's investment in an associate. Please refer to Notes 5 and 11 for details.

### (c) Geographical information

The Group's operations are located in Hong Kong and the People's Republic of China ("PRC"). The PRC, for the purpose of this announcement excludes Hong Kong Special Administrative Region of the PRC.

The revenue for the years ended 31 December 2022 and 2021 are all derived from Hong Kong, amounted to HK\$120,945,000 and HK\$120,448,000 respectively. As at 31 December 2022, the total non-current assets other than deferred tax asset located in Hong Kong and the PRC amounted to HK\$8,730,022,000 (31 December 2021: HK\$8,368,218,000) and HK\$9,000 (31 December 2021: HK\$11,000), respectively.

### (d) Information about major customers

For the year ended 31 December 2022, there are two customers from property investment segment contributed more than 10% of the Group's revenue (for the year ended 31 December 2021: one).

### 3. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Office furniture <i>HK\$'000</i>	Leasehold improvement <i>HK\$'000</i>	Buildings <i>HK\$'000</i>	Vehicle <i>HK\$'000</i>	Total <i>HK\$'000</i>
Net book value at 1 January 2022	1	544	315	3,177	520,136	252	524,425
Additions	-	4	-	-	-	-	4
Depreciation	(1)	(102)	(53)	(408)	(6,298)	(143)	(7,005)
Exchange realignment	-	(1)	-	-	-	-	(1)
<b>Net book value at 31 December 2022</b>	<b>-</b>	<b>445</b>	<b>262</b>	<b>2,769</b>	<b>513,838</b>	<b>109</b>	<b>517,423</b>
At 31 December 2022							
Cost	18	1,330	637	5,303	629,750	717	637,755
Accumulated depreciation and impairment losses	(18)	(885)	(375)	(2,534)	(115,912)	(608)	(120,332)
<b>Net book value at 31 December 2022</b>	<b>-</b>	<b>445</b>	<b>262</b>	<b>2,769</b>	<b>513,838</b>	<b>109</b>	<b>517,423</b>
	Computer equipment <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Office furniture <i>HK\$'000</i>	Leasehold improvement <i>HK\$'000</i>	Buildings <i>HK\$'000</i>	Vehicle <i>HK\$'000</i>	Total <i>HK\$'000</i>
Net book value at 1 January 2021	2	825	548	3,562	526,433	395	531,765
Additions	-	75	3	56	-	-	134
Written-off	-	(208)	(154)	(33)	-	-	(395)
Depreciation	(1)	(148)	(82)	(408)	(6,297)	(143)	(7,079)
<b>Net book value at 31 December 2021</b>	<b>1</b>	<b>544</b>	<b>315</b>	<b>3,177</b>	<b>520,136</b>	<b>252</b>	<b>524,425</b>
At 31 December 2021							
Cost	18	1,330	637	5,303	629,750	717	637,755
Accumulated depreciation and impairment losses	(17)	(786)	(322)	(2,126)	(109,614)	(465)	(113,330)
<b>Net book value at 31 December 2021</b>	<b>1</b>	<b>544</b>	<b>315</b>	<b>3,177</b>	<b>520,136</b>	<b>252</b>	<b>524,425</b>

#### 4. INVESTMENT PROPERTIES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
At 1 January	3,282,500	3,183,500
Fair value change:		
– Capitalised expenses	4,431	1,926
– Fair value (loss)/gain	<u>(35,031)</u>	<u>97,074</u>
At 31 December	<u><b>3,251,900</b></u>	<u><b>3,282,500</b></u>

The Group leases out its investment properties under operating leases. Leases typically run for an initial period of one to four years, with some having the option to renew, at which time all terms are renegotiated.

The Group's investment properties were valued by an independent professional valuer, Savills Valuation and Professional Services Limited (31 December 2021: Savills Valuation and Professional Services Limited) to determine their fair values as at 31 December 2022. The Group has adopted such valuation and recognised a fair value loss of HK\$35,031,000 (31 December 2021: fair value gain of HK\$97,074,000) accordingly. The principal assumptions underlying management's estimation of fair values of the investment properties and the basis of valuation are consistent with those applied in the consolidated financial statements for the year ended 31 December 2021. The investment properties have been measured at fair value as at 31 December 2022, by the level 3 (31 December 2021: level 3) in the fair value hierarchy into which the fair value treatment is categorised. There is no transfer between levels of the fair value hierarchy used in measuring the fair value of the investment properties during the year.

## 5. INVESTMENT IN ASSOCIATES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
At 1 January	4,561,304	3,869,478
Share of profits of associates	465,626	773,512
Dividends from associates	(66,222)	(67,095)
Repayment of loan from an associate	—	(14,591)
	<u>4,960,708</u>	<u>4,561,304</u>
At 31 December	<u>4,960,708</u>	<u>4,561,304</u>

As of 31 December 2022 and 2021, the balances included investment in Everwell City Limited (“**Everwell City**”) and Dymocks Franchise Systems (China) Limited (“**Dymocks**”). Everwell City holds commercial properties and shopping centers, plazas and car parks while Dymocks operated as a bookshop.

### (a) Everwell City

#### *Summarised financial information for the principal associate*

Set out below is the summarised financial information for Everwell City as at 31 December 2022, which is accounted for using the equity method. In the opinion of the Directors, Everwell City is material to the Group.

#### *Summarised balance sheet*

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Non-current assets	30,247,236	28,674,141
Current assets	512,588	545,844
Non-current liabilities	(24,137,542)	(24,016,281)
Current liabilities	(383,101)	(315,703)
	<u>30,247,236</u>	<u>28,674,141</u>

#### *Summarised statement of comprehensive income*

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue	1,141,467	1,075,258
Profit and total comprehensive income for the year	<u>1,558,180</u>	<u>2,590,866</u>

5. INVESTMENT IN ASSOCIATES (continued)

(a) Everwell City (continued)

*Summarised financial information for the principal associate (continued)*

*Reconciliation of summarised financial information*

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Net profit attributable to equity holders	1,302,169	2,165,186
Group's shareholdings	35.78%	35.78%
Group's share of net profit attributable to equity holders <i>(Note (i))</i>	<u>465,916</u>	<u>774,704</u>

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Net assets attributable to equity holders of the associate	5,214,059	4,084,880
Group's shareholdings	35.78%	35.78%
Group's share of net assets attributable to equity holders <i>(Note (i))</i>	1,865,645	1,461,570
Shareholders' loan	3,095,063	3,095,063
Carrying amount	<u>4,960,708</u>	<u>4,556,633</u>

*Note:*

- (i) The effective share of profits of the Group from each of the subsidiaries incorporated in Hong Kong of Everwell City remains at approximately 29.9%.

(b) Dymocks

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Amounts due from associates	<u>–</u>	<u>209</u>

The balances represent the amounts due from Dymocks and its immediate holding company. They are unsecured, interest-free, repayable on demand and trading in nature.

## 6. RIGHT-OF-USE ASSETS

The following represents the Group's right-of-use assets and the movement during the year.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Balance as at 1 January	–	16,913
Effect of lease term reassessment ( <i>Note (a)</i> )	–	(9,883)
Impairment ( <i>Note (b)</i> )	–	(4,070)
Depreciation	–	(2,960)
	<hr/>	<hr/>
Balance as at 31 December	<u>–</u>	<u>–</u>

The total cash outflow for leases in the year ended 31 December 2022 was HK\$1,832,000 (2021: HK\$5,496,000).

*Notes:*

- (a) On 31 July 2021, the Group signed a lease agreement to lease one of its properties with a new lessee that was within the control of the Group and considered it having impact on the usage of the underlying asset having right of use under the existing license agreement. This significant change in circumstance has caused the management to reassess whether it is reasonably certain not to exercise the termination option of the existing license agreement. Based on the reassessment, the management decided to exercise the termination option on the option date, 30 April 2022.
- (b) The impairment loss is related to the licence right of the use of 1/F. to 3/F. of the exterior of the Yue King Building which value in use being less than the carrying value as at 31 July 2021. The cost of the right-of-use asset was written down to its recoverable amount of nil, which was determined by the value in use based on profit forecast. As a result, impairment loss of HK\$4,070,000 was recognised in the consolidated statement of comprehensive income for the year ended 31 December 2021.

## 7. AMOUNT DUE FROM AN INTERMEDIATE HOLDING COMPANY

The amount is unsecured, interest-free, repayable on demand and trading in nature. The Company will demand repayment within twelve months from the balance sheet date.



## 8. ACCOUNTS RECEIVABLE

An ageing analysis of accounts receivable as at the end of the reporting year is as follows:

	2022		2021	
	Balance <i>HK\$'000</i>	Percentage %	Balance <i>HK\$'000</i>	Percentage %
Current	2,546	38.9	254	8.4
Less than 30 days past due	2,804	42.9	2,060	68.3
31 to 60 days past due	587	9.0	211	7.0
61 to 90 days past due	10	0.1	4	0.2
Over 90 days past due	595	9.1	486	16.1
	<u>6,542</u>	<u>100.0</u>	<u>3,015</u>	<u>100.0</u>
Allowance for impairment	<u>(560)</u>		<u>(310)</u>	
Total	<u><u>5,982</u></u>		<u><u>2,705</u></u>	

Below is an ageing analysis of accounts receivable (net of allowance for impairment) that are past due as at the reporting date but not impaired:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Less than 30 days past due	2,804	2,051
31 to 60 days past due	587	205
61 to 90 days past due	10	1
Over 90 days past due	35	194
Total accounts receivable past due but not impaired	<u><u>3,436</u></u>	<u><u>2,451</u></u>

Accounts receivable past due represent balances that the Group considered not in default based on past experience.

## 8. ACCOUNTS RECEIVABLE (continued)

The movements in the allowance for impairment during the year are as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
At 1 January	310	–
Impairment provision made	250	310
Accounts written off as uncollectible	–	–
	<hr/>	<hr/>
At 31 December	<u>560</u>	<u>310</u>

## 9. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

As at 31 December 2022, the balance represents mainly the utility and management fee deposits of HK\$3,572,000 (as at 31 December 2021: HK\$3,669,000) and rent-free receivables of HK\$17,897,000 (as at 31 December 2021: HK\$15,028,000).

## 10. ASSETS AND LIABILITIES HELD FOR SALE

On 19 May 2022, the Board resolved to dispose of the entire equity interest in 深圳長城環亞股權投資基金管理有限公司 (“**Shenzhen Great Wall**”). Shenzhen Great Wall was planned to engage in corporate consultancy services. The equity interest of Shenzhen Great Wall was offered for sale through the public listing process on the Shenzhen United Assets and Equity Exchange and negotiations with an interested party took place subsequently. The assets and liabilities attributable to Shenzhen Great Wall, which were expected to be sold within twelve months, have been classified as a disposal group held for sale. The net proceeds of disposal were expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognised.

On 5 July 2022, Great Wall Pan Asia Asset Management limited (“**GWAM**”), an indirect wholly-owned subsidiary of the Company, and the purchaser, an independent third party, entered into the equity transfer agreement, pursuant to which, GWAM conditionally agreed to sell, and the purchaser conditionally agreed to purchase, the entire equity interest in the Shenzhen Great Wall for a consideration of RMB17,412,000 (equivalent to HK\$20,360,000).

In view of the current stricter environment which had lowered the possibility of obtaining the requisite approval in respect of the disposal, on 26 October 2022, the Shenzhen Great Wall and the purchaser entered into a termination agreement whereby the parties mutually agreed to terminate the Equity Transfer Agreement and to release and discharge each other from its obligations under the Equity Transfer Agreement. The Group ceased to classify the assets and liabilities attributable to Shenzhen Great Wall as disposal group held for sale.

## 11. LOANS FROM AN INTERMEDIATE HOLDING COMPANY

In 2017, China Great Wall AMC (International) Holdings Company Limited (“**Great Wall International**”), an intermediate holding company of the Company, had agreed to provide loan facilities up to HK\$4,130,000,000 for financing the Group’s investment in an associate, Everwell City. As at 31 December 2021, the Group has drawn down HK\$3,848,434,000. The loan from Great Wall International is denominated in HK\$, unsecured, interest bearing at Hong Kong Interbank Offered Rate plus 1.9% per annum and is repayable in November 2022.

During the year ended 31 December 2021, Great Wall International has also agreed to provide a term loan in the principal amount of HK\$901,657,000 for repaying the Group’s outstanding bank borrowing. During the year ended 31 December 2021, the Group has used HK\$901,657,000 to fully settle the bank borrowing. As at 31 December 2021, the loan from Great Wall International is denominated in HK\$, unsecured, interest bearing at Hong Kong Interbank Offered Rate plus 1.4% per annum and is repayable in February 2022.

In February 2022, Great Wall International agreed to provide a new term loan in the principal amount of HK\$901,657,000 for one year with interest rate of Hong Kong Interbank Offered Rate Plus 1.4% per annum and is repayable in February 2023.

In November 2022, Great Wall International has also agreed to modify and restructure certain existing term loans with accumulated accrued interest and provide a term loan in the principal amount of HK\$4,382,000,000 for one year with fixed interest rate of 5% per annum, and is repayable in November 2023.

The Directors of the Company consider the loans are on normal commercial terms. The carrying values of the loans approximate their fair values.

## 12. OTHER PAYABLES AND ACCRUED LIABILITIES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest payable	8,791	517,389
Deposits received from tenants	26,417	26,554
Other payables and accrued expenses	12,961	9,968
Rental received in advance	3,795	4,884
Others	1,746	1,704
	<u>53,710</u>	<u>560,499</u>
Represented by:		
Non-current portion	–	–
Current portion	<u>53,710</u>	<u>560,499</u>
	<u>53,710</u>	<u>560,499</u>

## 13. LEASE LIABILITIES

The following represents the Group's lease liabilities and the movement during the year.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Balance as at 1 January	1,820	17,952
Interest expenses	12	375
Lease payment	(1,832)	(5,496)
Effect of lease term reassessment ( <i>Note</i> )	–	(11,011)
	<u>–</u>	<u>1,820</u>
Balance as at 31 December	<u>–</u>	<u>1,820</u>
Represented by:		
Non-current portion	–	–
Current portion	<u>–</u>	<u>1,820</u>
	<u>–</u>	<u>1,820</u>

*Note:*

On 31 July 2021, the management decided to exercise the termination option on the option date, 30 April 2022. Please refer to Note 6(a) for further details.

#### 14. SHARE CAPITAL

	31 December 2022		31 December 2021	
	Number of shares	Amount <i>HK\$'000</i>	Number of shares	Amount <i>HK\$'000</i>
Authorised:				
Ordinary shares of HK\$0.10 each	<u>5,000,000,000</u>	<u>500,000</u>	<u>5,000,000,000</u>	<u>500,000</u>
Issued and fully paid:				
Ordinary shares of HK\$0.10 each	<u>1,567,745,596</u>	<u>156,775</u>	<u>1,567,745,596</u>	<u>156,775</u>

#### 15. NET FINANCE COST

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Finance cost/(income)		
– Interest expense on the loans from an intermediate holding company ( <i>Note 11</i> )	165,603	142,549
– Interest expenses on bank borrowing	–	2,786
– Loan arrangement fee	–	714
– Interest expenses on lease liabilities	12	375
– Interest income from bank	<u>(1,693)</u>	<u>(42)</u>
	<u>163,922</u>	<u>146,382</u>

## 16. INCOME TAX EXPENSE

Hong Kong profits tax has been provided for at the rate of 16.5% (2021: 16.5%) on the estimated assessable profit for the year. The PRC corporate income tax rate is 25% (2021: 25%). The subsidiaries operating in the PRC are loss making during the years ended 31 December 2022 and 2021 and are not subject to PRC corporate income tax.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current income tax		
– Hong Kong profits tax	2,911	2,453
– Over-provision in prior year	(404)	(487)
Deferred income tax		
– Deferred tax expense	4,763	6,461
	<u>7,270</u>	<u>8,427</u>

## 17. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to shareholders for the year ended 31 December 2022 of HK\$317,582,000 (profit attributable to shareholders for the year ended 31 December 2021: HK\$759,678,000) and the weighted average of 1,567,745,596 shares in issue (2021: 1,567,745,596 shares in issue) during the year.

Diluted earnings per share was the same as basic earnings per share as there were no potential dilutive ordinary shares outstanding for the year ended 31 December 2022 (for the year ended 31 December 2021: Nil).

## 18. DIVIDENDS

The Board has resolved not to declare any interim dividend or to recommend any final dividend for the years ended 31 December 2022 and 2021.

## 19. SUBSEQUENT EVENTS

There is no significant subsequent event after the reporting period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATING RESULTS OF THE GROUP

The Group's consolidated operating results for the years ended 31 December 2022 and 2021 were as follows:

<i>(HK\$ millions, except percentages and per share amounts)</i>	<b>For the year ended 31 December</b>		
	<b>2022</b>	2021	% Change
<b>Revenue</b>	<b>120.9</b>	120.4	0.4%
Rental and utilities	<b>(13.5)</b>	(14.3)	(5.6%)
Other operating expenses	<b>(42.8)</b>	(48.9)	(12.5%)
Operating costs before depreciation and impairment	<b>(56.3)</b>	(63.2)	(10.9%)
Impairment of right-of-use assets	–	(4.1)	**
Depreciation	<b>(7.0)</b>	(10.0)	(30.0%)
<b>Adjusted operating profit<sup>^</sup></b>	<b>57.6</b>	43.1	33.6%
Other income and gains or losses	<b>0.5</b>	0.8	(37.5%)
Fair value (loss)/gain on investment properties	<b>(35.0)</b>	97.1	**
<b>Operating profit</b>	<b>23.1</b>	141.0	(83.6%)
Net finance cost	<b>(163.9)</b>	(146.4)	12.0%
Share of profits of associates	<b>465.7</b>	773.5	(39.8%)
Income tax expense	<b>(7.3)</b>	(8.4)	(13.1%)
<b>Profit for the year</b>	<b>317.6</b>	759.7	(58.2%)
<b>Profit attributable to equity holders</b>	<b>317.6</b>	759.7	(58.2%)
<b>Earnings per share (HK cents)</b>	<b>20.3</b>	48.5	(58.2%)

<sup>^</sup> *Adjusted operating profit is defined as operating profit before other income and fair value (loss)/gain on investment properties.*

\*\* *Represents a change in excess of 100%.*

Profit attributable to equity holders for the year ended 31 December 2022 amounted to approximately HK\$317.6 million, representing a decrease of approximately 58.2% as compared with profit attributable to equity holders of approximately HK\$759.7 million for the year ended 31 December 2021. Earnings per share was HK20.3 cents for the year ended 31 December 2022, based on weighted average of 1,567,745,596 shares in issue (earnings per share for the year ended 31 December 2021: HK48.5 cents based on 1,567,745,596 shares in issue). Profit for the year ended 31 December 2022 is mainly attributable to the share of profits of associates, partially offset by the fair value loss on investment properties.

Excluding the revaluation loss of investment properties for the year ended 31 December 2022 of approximately HK\$35.0 million (revaluation gain of investment properties for the year ended 31 December 2021: approximately HK\$97.1 million), the net profit attributable to equity holders for the year ended 31 December 2022 was approximately HK\$352.6 million (net profit attributable to equity holders for the year ended 31 December 2021: approximately HK\$662.6 million), representing a year-on-year decrease of approximately HK\$310.0 million or 46.8%. The decrease of the Group's profit was mainly due to the decreased share of profits of associates of approximately HK\$465.7 million for the year ended 31 December 2022 (for the year ended 31 December 2021: share of profits of associates of approximately HK\$773.5 million), resulting from the slowdown of the growth in fair value revaluation gains on the investment properties of an associate of the Group.

## **BUSINESS REVIEW**

The Group principally engages in the operation of two segments, namely, the property investment segment and the financial services segment.

The positive results of the Group for the year ended 31 December 2022 are primarily attributable to the contribution by the property investment segment. The Group's investment property portfolio had no significant changes during the year and it has maintained a diversified investment property portfolio in Hong Kong which comprises Kwai Fong Plaza, certain floors of the Bank of America Tower in Central, Yue King Building in Causeway Bay, Ko Fai Industrial Building in Yau Tong and Seaview Estate in North Point. The Group has also participated in the investment in the JV Group (as defined in the paragraph headed "Significant Investment in relation to the Investment in an Associate and Share of Profit of an Associate" on page 30 of this announcement) which holds a diversified portfolio of properties in Hong Kong. Details of the said investment in the JV Group have been set out in the paragraph headed "Significant Investment in relation to the Investment in an Associate and Share of Profit of an Associate" in the section headed "Management Discussion and Analysis".



In 2022, the Group's investment property business continued to make good progress against an uncertain economic background. In these challenging times, the Group focused on maintaining the stability of its existing investment property portfolio, engaging with its tenants and improving its balance sheet. Through its diversified property portfolio, the Group's investment properties contributed a relatively steady income stream of approximately HK\$120.6 million for the year ended 31 December 2022, as compared to HK\$119.1 million for the year ended 31 December 2021. For the year ended 31 December 2022, the Group's revenue increased by 0.4% to HK\$120.9 million (for the year ended 31 December 2021: HK\$120.4 million) due to the increase of revenue from property investment segment, despite the above, a profit attributable to equity holders of HK\$317.6 million was recorded (for the year ended 31 December 2021: profit attributable to equity holders of HK\$759.7 million).

The Group recorded a loss in fair value of the Group's investment properties of HK\$35.0 million for the year ended 31 December 2022 (for the year ended 31 December 2021: fair value gain of HK\$97.1 million) and the decreased share of profits of the Group's associates of HK\$465.7 million for the year ended 31 December 2022 (for the year ended 31 December 2021: share of profits of associates of HK\$773.5 million). At 31 December 2022, capitalisation rates range from 2.75% to 3.90% (at 31 December 2021: range from 2.65% to 3.90%) are used in the income capitalisation approach for the investment properties which are owned by the Group. With other variable(s) held constant, the higher the rates, the lower the fair value. At 31 December 2022, rental rates of HK\$10.0 psf to HK\$89.0 psf and HK\$3,470.0 per car parking space (at 31 December 2021: HK\$10.0 psf to HK\$96.0 psf and HK\$3,379.0 per car parking space) are used for investment properties and car parking space respectively in the income capitalisation approach. With other variable(s) held constant, the lower the rental rates, the lower the fair value. Given the unknown future impact that the hike in interest rate might have on the real estate market, management will keep the valuation under frequent review.

The Group continues to leverage on the successful strategy in diversifying its portfolio of investment properties as outlined in its previous Annual Reports. This strategy has proven to be successful in year 2022 and we are confident that it will continue to succeed in the future so as to generate sustainable return for our shareholders.

The Group also operates in the financial services segment which comprises provision of asset management and corporate finance services (licensed by the Securities and Futures Commission of Hong Kong (the “SFC”) to carry out Types 1, 4, 6 and 9 regulated activities). Although the Group recorded a year-on-year decrease in the revenue generated from the financial services segment for the year ended 31 December 2022 given the volatile financial market in year 2022, as more particularly discussed in the paragraph headed “Financial Services” below, the Group will continue to explore and seize opportunities to develop its financial services segment.

## Revenue

The consolidated revenue for the years ended 31 December 2022 and 2021 by business segments and for the Group were as follows:

<i>(HK\$ millions, except percentages)</i>	<b>For the year ended 31 December</b>		
	<b>2022</b>	2021	% Change
Property investment	<b>120.6</b>	119.1	1.3%
Financial services	<b>0.3</b>	1.3	(76.9%)
Total revenue	<b>120.9</b>	120.4	0.4%

## FINANCIAL REVIEW BY OPERATING SEGMENTS

The Group’s reportable and operating segments during the year ended 31 December 2022 are as follows:

- (a) property investment segment which comprises the investment in retail shops, office buildings, industrial properties and car parking spaces for rental income; and
- (b) financial services segment which comprises provision of asset management and corporate finance services (licensed by the SFC to carry out Types 1, 4, 6 and 9 regulated activities).

## Property Investment

<i>(HK\$ millions, except percentages)</i>	<b>For the year ended 31 December</b>		
	<b>2022</b>	2021	% Change
<b>Revenue</b>	<b>120.6</b>	119.1	1.3%
<b>Adjusted EBITDA<sup>^</sup></b>	<b>54.8</b>	54.3	0.9%
Depreciation	<b>(6.3)</b>	(9.2)	(31.5%)
Impairment of right-of-use assets	–	(4.1)	**
<b>Adjusted operating profit</b>	<b>48.5</b>	41.0	18.3%
Fair value (loss)/gain on investment properties and other income	<b>(20.0)</b>	113.8	**
Net finance cost	<b>(24.4)</b>	(15.1)	61.6%
Income tax expense	<b>(7.4)</b>	(8.5)	(12.9%)
<b>(Loss)/profit attributable to equity holders<sup>#</sup></b>	<b><u>(3.3)</u></b>	<u>131.2</u>	<u>**</u>

<sup>^</sup> *Adjusted EBITDA is defined as earnings before interest, tax, depreciation, impairment, other income and fair value loss/gain on investment properties.*

<sup>#</sup> *Including fair value loss on investment properties of approximately HK\$35.0 million for the year ended 31 December 2022 and fair value gain on investment properties of approximately HK\$97.1 million for the year ended 31 December 2021.*

\*\* *Represents a change in excess of 100%.*

Revenue of property investment segment for the year ended 31 December 2022 was approximately HK\$120.6 million, compared with approximately HK\$119.1 million for the year ended 31 December 2021. The increase is mainly due to the increase in revenue generated from the rental agreement relating to Yue King Building.

The loss attributable to shareholders from property investment segment was mainly due to the fair value loss on investment properties for the year ended 31 December 2022. An adjusted operating profit of approximately HK\$48.5 million was recorded for the year ended 31 December 2022, compared to an adjusted operating profit of approximately HK\$41.0 million for the year ended 31 December 2021, which was mainly attributable to the recognition of impairment charge of right-of-use assets of HK\$4.1 million for the year ended 31 December 2021.

As at the date of this announcement, the Group's diversified investment property portfolio in Hong Kong comprises Kwai Fong Plaza, certain floors of the Bank of America Tower in Central, Yue King Building in Causeway Bay, Ko Fai Industrial Building in Yau Tong and Seaview Estate in North Point.

Revaluation loss on investment properties for the year ended 31 December 2022 was approximately HK\$35.0 million, compared with the revaluation gain of approximately HK\$97.1 million for the year ended 31 December 2021. The revaluation loss for the year ended 31 December 2022 was mainly caused by the increase in fair value of Kwai Fong Plaza of around HK\$50.3 million and the decrease in fair value of certain floors of Yue King Building, the Bank of America Tower, Ko Fai Industrial Building and Seaview Estate of around HK\$20.7 million, HK\$51.6 million, HK\$8 million and HK\$5 million respectively. The decrease in appraised value of the investment properties of the Group was attributable to the uncertain recovery of the Hong Kong property market despite the COVID-19 pandemic gradually came under control in second half of year 2022.

The Group's investment properties were revalued as at 31 December 2022 by an independent professionally qualified valuer, Savills Valuation and Professional Services Limited (31 December 2021: Savills Valuation and Professional Services Limited), which holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties being valued. For all investment properties, their current use equates to the highest and best use. The revaluation gains or losses are shown as "Fair value gain or loss on investment properties" in the consolidated statement of comprehensive income. Fair values of the retail shops, office buildings, industrial properties and car parking spaces are derived using the income capitalisation approach. There were no changes to the valuation techniques during the year.

## Financial Services

<i>(HK\$ millions, except percentages)</i>	<b>For the year ended 31 December</b>		
	<b>2022</b>	2021	% Change
<b>Revenue</b>	<b>0.3</b>	1.3	(76.9%)
<b>Adjusted EBITDA<sup>^</sup></b>	<b>(4.2)</b>	(5.1)	(17.6%)
Depreciation	–	(0.1)	**
<b>Adjusted operating loss</b>	<b>(4.2)</b>	(5.2)	(19.2%)
Net finance cost	<b>0.1</b>	–	**
Income tax credit	<b>0.1</b>	–	**
<b>Loss attributable to equity holders</b>	<b>(4.0)</b>	<b>(5.2)</b>	<b>(23.1%)</b>

<sup>^</sup> *Adjusted EBITDA is defined as earnings before interest, tax, depreciation and other income.*

\*\* *Represents a change in excess of 100%.*

There was no revenue derived from asset management for the year ended 31 December 2022 (31 December 2021: HK\$1.3 million, representing a year-on-year decrease of 100%). The revenue derived from corporate finance services for the year ended 31 December 2022 was HK\$0.3 million. There was no revenue derived from corporate finance services for the year ended 31 December 2021, representing a year-on-year increase of 100%. The sharp decrease in the financial services income was mainly due to the decrease in the number of projects under asset management in year 2022.

## Significant Investment in relation to the Investment in an Associate and Share of Profit of an Associate

Significant investment in an associate represents the Group's 35.78% equity interests in a joint venture, Everwell City Limited (together with its subsidiaries, collectively the "JV Group"), which owns 16 diversified commercial properties and shopping centres, plazas and car parks across Hong Kong at Cheung Hang Shopping Centre, Kai Yip Commercial Centre, Kam Tai Shopping Centre, Lei Cheng Uk Shopping Centre, On Ting Commercial Complex, Shek Lei Shopping Centre I & II, Tai Wo Hau Commercial Centre, Tsz Ching Shopping Centre, Yau Oi Commercial Centre, Yung Shing Shopping Centre, Kwai Shing East Shopping Centre, Lai Kok Shopping Centre, Lee On Shopping Centre, retail and car park within Shun Tin Estate, Tsing Yi Commercial Complex and Lions Rise Mall. The initial investment was HK\$3,123.4 million in 2018. The fair value of the investment was HK\$4,960.7 million as at 31 December 2022 (31 December 2021: HK\$4,556.7 million) and represented around 55.3% of the total assets of the Group as at 31 December 2022 (31 December 2021: 52.2%). The Group's share of profit of an associate from JV Group was approximately HK\$465.9 million in 2022 (share of profit for the year ended 31 December 2021: HK\$774.7 million). The share of profit of an associate of the Group for the year ended 31 December 2022 is mainly due to the fair value gains on revaluations of the investment properties of the JV Group (which comprised of commercial properties). The growth of fair value gains on revaluations of the investment properties of the JV Group (which comprised of commercial properties) was decelerated due to the adverse market condition caused by the outbreak of the fifth wave of the COVID-19 pandemic in Hong Kong since January 2022. Yet the road to market recovery is unpredictable, but the Group intends to hold the abovementioned equity interests in the JV Group as long-term investment in order to generate sustainable return for our shareholders.

## LIQUIDITY AND CAPITAL RESOURCES

The Group's main source of liquidity is recurring cash flows from the property investment and financial services businesses. The Group's financial position as at 31 December 2022 and 2021 were as follows:

<i>(HK\$ millions, except percentages)</i>	<b>31 December 2022</b>	31 December 2021	% Change
Cash and bank balances	<b>209.7</b>	329.6	(36.4%)
Shareholders' funds	<b>3,716.9</b>	3,400.9	9.3%
Current ratio	<b>0.05</b>	0.07	(28.6%)
Gearing ratio	<b>57.2%</b>	56.5%	1.2%

The Group's cash and bank balances are held predominantly in Hong Kong dollars. The Group has no significant exposure to foreign exchange fluctuations. The Group has maintained a strong cash position and expects its cash and cash equivalents, and cash generated from operations to be adequate to meeting its working capital requirements.

As at 31 December 2022, the Group had total cash and bank balances of approximately HK\$209.7 million, as compared to approximately HK\$329.6 million as at 31 December 2021. The Group's gearing ratio as at 31 December 2022 was 57.2% (as at 31 December 2021: 56.5%), being calculated as total debts (which includes the loans from an intermediate holding company and amount due to an intermediate holding company) less cash and bank balances ("**net debt**"), over the Company's total capital employed. Total capital employed is equivalent to the sum of net debt and shareholders' funds. The increase in gearing ratio is mainly due to the increase in loans from an intermediate holding company. As at 31 December 2022, the Group had outstanding principal of unsecured shareholder loans of HK\$5,179.8 million (as at 31 December 2021: HK\$4,750.1 million). As at 31 December 2022, the Group has no undrawn bank facility (as at 31 December 2021: no undrawn bank facility). The Group actively and regularly reviews and manages its liquidity position and financial resources and makes adjustments in light of changes in economic conditions and business development needs.

For the SFC licensed corporations under the Group, the Group has ensured that each of the licensed corporations maintains a liquidity level adequate to support the level of activities with a sufficient buffer to accommodate increases in liquidity requirements arising from potential increases in the level of business activities. During the years ended 31 December 2021 and 2022, all the licensed subsidiaries have complied with the liquidity requirements under the Securities and Futures (Financial Resources) Rules.

### **Charges on Assets**

As at 31 December 2022 and 31 December 2021, there are no charges over assets of the Group.

## **Operating Activities**

Net cash generated from operating activities for the year ended 31 December 2022 was HK\$62.2 million, compared with net cash generated from operating activities of HK\$51.3 million in 2021. The increase in operating cash flow was mainly due to the increase in prepayments, deposits and other receivables by HK\$1.3 million during the year ended 31 December 2022 while there was an increase in such balance by HK\$10.3 million during the year ended 31 December 2021.

## **Investing Activities**

Net cash generated from investing activities for the year ended 31 December 2022 was HK\$63.5 million, compared with the net cash generated from investing activities of HK\$85.9 million in 2021. The net cash generated from investing activities was mainly due to the dividend income from associates of HK\$66.2 million in 2022.

## **Financing Activities**

Net cash used in financing activities for the year ended 31 December 2022 was HK\$245.4 million, compared with the net cash used in financing activities of HK\$20.3 million in 2021. The cash outflow was mainly due to the repayment of loan from intermediate holding company of HK\$103.8 million and interest paid of HK\$140.7 million in 2022.

## **Employees and Remuneration Policy**

As at 31 December 2022, the Group had a total of 14 employees (as at 31 December 2021: 18). As the Group's businesses will continue to grow, its remuneration philosophy is designed to provide its employees with the opportunity to excel and grow, while aligning with our business strategies and values.

The Group's remuneration and benefit policies, which are structured in accordance with market terms and statutory requirements, aim to recognise employees with outstanding performance, motivate and reward employees in order to achieve its business performance targets, retain and attract key talents and ensure alignment with the interests of our businesses, and thereby enhancing shareholder value. In addition, other staff benefits such as medical insurance, medical check-up scheme, mandatory and voluntary provident fund scheme and rental reimbursement scheme are offered to eligible employees.



The Group's employee recruitment and promotion are primarily based on individuals' merits, relevant experiences, development potentials for the positions offered and performance.

## **OUTLOOK**

The Company expects that the 2022 fiscal year will be another challenging year under the COVID-19 pandemic. Signs of recovery in the global economies have been seen in 2021. With the rapid development and popularisation of COVID-19 vaccination and the effective control of the pandemic, the adverse effects of the COVID-19 pandemic have eased in many developed countries. Economies around the world, including Hong Kong, are showing signs of recovery. Yet the fifth wave of the local epidemic, the deteriorated external environment and tightened financial conditions, the Hong Kong economy weakened notably in 2022 after a visible recovery in 2021.

To cope with such challenges, the Board and management of the Company will fully leverage on the competitive edges of the Group to drive the performance of core businesses at a steady pace and will also actively seize investment opportunities prudently and thoroughly in order to generate favourable returns for our Shareholders while maintaining strong cash position. The Board considers that the overall financial and business positions of the Group remain healthy.

Currently, the Group's investment properties continue to contribute stable stream of revenue. For the year under review, the local economy has stabilized, however, the road to recovery is still unpredictable. Overall, there are positive signs that the economic recovery will maintain its momentum and our management remains confident of the long-term economic prospects of Hong Kong.

Looking ahead, in the complicated and constantly-changing macro-economic environment with fierce competition, the Group will seize the development opportunities arising from the China's Guangdong-Hong Kong-Macao Greater Bay Area strategic plan and further strengthen the synergy effect by leveraging on the substantial resources from China Great Wall Asset Management Co., Ltd. ("GWAMCC"), our controlling shareholder, through the integration of domestic and foreign capital markets, and expanding its domestic business, to ensure the Group can make full use of its role as the sole overseas listed platform of GWAMCC.

## **CORPORATE GOVERNANCE**

The Board and the Company's management are committed to upholding the Group's obligations to shareholders. We regard the promotion and protection of shareholders' interests as one of our priorities and keys to success.

The Board believes that good corporate governance standards are essential to safeguard the interests of shareholders and enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Board is of the view that, throughout the year ended 31 December 2022, the Company has complied with the applicable principles and code provisions set out in the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**"), save for the deviations from the code provisions C.6.2 and F.2.2 as explained below. The Company also adheres to certain recommended best practices set out in the Corporate Governance Code insofar as they are relevant and practicable.

A detailed Corporate Governance Report setting out the Group's framework of governance and explanations about how the provisions of the Corporate Governance Code have been applied will be included in the Company's 2022 Annual Report to be published.

### **Code provision C.6.2**

Pursuant to code provision C.6.2 of the Corporate Governance Code, a board meeting should be held to discuss the appointment of the company secretary and the matter should be dealt with by a physical board meeting rather than a written resolution. Due to the on-going COVID-19 pandemic, the appointment of the current company secretary of the Company was dealt with by way of circulation of written resolutions duly signed by all Directors in April 2022, in lieu of holding a physical board meeting. Prior to such appointment, all Directors were individually consulted with no dissenting opinion on the proposed matter. As such, it was considered that a physical board meeting was not necessary for approving the said appointment.

## **Code provision F.2.2**

Code provision F.2.2 of the Corporate Governance Code provides that, among others, the chairman of the board should invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend the annual general meeting. In their absence, he should invite another member of the committee or failing this his/her duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting. Considering the regulations introduced by the government of the Hong Kong Special Administrative Region to fight against COVID-19, the chairlady and members of the Audit Committee of the Company did not attend the Annual General Meeting of the Company held on 16 June 2022 (“**2022 AGM**”). In order to ensure an effective communication with the shareholders of the Company, other Board members (including the Chairman, executive Directors and chairman of the Nomination Committee) attended the 2022 AGM to answer relevant questions from the shareholders present thereat. The external auditor of the Company, BDO Limited, also attended the 2022 AGM.

## **AUDIT COMMITTEE**

The Audit Committee was established in 1998 with its defined written terms of reference (which was revised in August 2018). The Audit Committee currently comprises two independent non-executive Directors, namely Ms. Liu Yan (Chairlady of the Audit Committee) and Dr. Song Ming, and a non-executive Director, Mr. Yu Xianqing. A majority of the Audit Committee members are independent non-executive Directors, with Ms. Liu Yan and Dr. Song Ming possessing the appropriate professional qualifications and accounting and related financial management expertise. Three meetings were held by the Audit Committee during the year ended 31 December 2022.

The audited consolidated annual results of the Group for the year ended 31 December 2022 were reviewed by the Audit Committee, which was of the opinion that the preparation of such annual results complied with the applicable accounting standards and requirements and the Listing Rules, and that adequate disclosures have been made.

## **REMUNERATION COMMITTEE**

The Remuneration Committee was established in 2000 with its defined written terms of reference (which was revised in January 2023). A majority of its members are independent non-executive Directors. The Remuneration Committee currently comprises two independent non-executive Directors, namely Dr. Song Ming (Chairman of the Remuneration Committee) and Dr. Sun Mingchun, and an executive Director, Mr. Huang Wei. One meeting was held by the Remuneration Committee during the year ended 31 December 2022.

## **NOMINATION COMMITTEE**

The Nomination Committee was established in 2005 with its defined written terms of reference (which was revised in March 2017). A majority of its members are independent non-executive Directors. The Nomination Committee currently comprises an executive Director, Mr. Wang Hai (Chairman of the Nomination Committee) and two independent non-executive Directors, namely Dr. Song Ming and Dr. Sun Mingchun. One meeting was held by the Nomination Committee during the year ended 31 December 2022.

## **COMPLIANCE WITH THE MODEL CODE AND THE COMPANY'S GUIDELINES**

The Board has 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 as the Company’s code of conduct for securities transactions by its Directors. Having made specific enquiry with all Directors, all Directors have confirmed their compliance with the required standards set out in the Model Code throughout the year ended 31 December 2022 and up to the date of this announcement.

The Company has adopted written guidelines (the “**Company’s Guidelines**”), which are equally stringent as the Model Code, in respect of securities transactions by relevant employees of the Company who are likely to be in possession of unpublished inside information of the Company pursuant to code provision C.1.3 of the Corporate Governance Code. No incident of non-compliance against the Model Code or the Company’s Guidelines by the Company’s relevant employees has been noted after making reasonable enquiry.

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

During the year ended 31 December 2022, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## **FINAL DIVIDEND**

The Board has resolved not to recommend any payment of final dividend for the year ended 31 December 2022 (for the year ended 31 December 2021: Nil).

## **2023 ANNUAL GENERAL MEETING (THE “2023 AGM”)**

The 2023 AGM of the Company will be held on Friday, 16 June 2023. A circular containing, among other matters, further information relating to the 2023 AGM will be despatched to the shareholders of the Company as soon as practicable.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the eligibility of shareholders to attend and vote at the 2023 AGM to be held on Friday, 16 June 2023, the register of members of the Company will be closed from Friday, 9 June 2023 to Friday, 16 June 2023, both dates inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2023 AGM, all duly completed and signed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 8 June 2023.

## **EVENTS AFTER THE REPORTING PERIOD**

On 1 February 2023, Mr. Xu Yongle (“**Mr. Xu**”), the then executive Director, chief executive officer, member of the Remuneration Committee and the Company's authorised representatives under Rule 3.05 of the Listing Rules and Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (collectively, the “**Authorised Representatives**”), tendered his resignation from the aforesaid positions in order to devote more time to his other business engagements.

On 1 February 2023, Mr. Huang Wei was appointed as the executive Director, chief executive officer, member of the Remuneration Committee and the Authorised Representatives of the Company to succeed Mr. Xu.

## **PUBLICATION OF ANNUAL RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.gwpaholdings.com](http://www.gwpaholdings.com)). The Annual Report of the Company for the year ended 31 December 2022 containing the information required by Appendix 16 to the Listing Rules will be despatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

## **SCOPE OF WORK OF BDO LIMITED**

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2022 as set out in this annual results announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by BDO Limited on this annual results announcement.

By Order of the Board  
**Great Wall Pan Asia Holdings Limited**  
**WANG Hai**  
*Chairman and Executive Director*

Hong Kong, 10 March 2023

*As at the date of this announcement, the Board consists of Mr. Wang Hai and Mr. Huang Wei as executive Directors of the Company, Mr. Yu Xianqing as non-executive Director of the Company, and Dr. Song Ming, Dr. Sun Mingchun and Ms. Liu Yan as independent non-executive Directors of the Company.*

\* *For identification purpose only*