



**KECK SENG INVESTMENTS  
(HONG KONG) LIMITED**

*Stock Code : 184*

**INTERIM REPORT 2023 INTERIM REPORT 2023**



## CORPORATE INFORMATION

### DIRECTORS

#### EXECUTIVE DIRECTORS

HO Kim Swee@ HO Kian Guan  
– *Executive Chairman*

HO Cheng Chong@ HO Kian Hock  
– *Deputy Executive Chairman*

TSE See Fan Paul

CHAN Lui Ming Ivan

YU Yuet Chu Evelyn  
(*retired w.e.f. 30 April 2023*)

HO Chung Tao  
(*resigned w.e.f. 31 March 2023*)

HO Chung Hui

HO Chung Kain@ HE Chongjing  
(*Alternate to HO Chung Hui*)

#### NON-EXECUTIVE DIRECTORS

HO Eng Chong@ HO Kian Cheong

HO Chung Kiat Sydney@ HE Chongjie Sydney  
(*Alternate to HO Kian Cheong*)

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

KWOK Chi Shun Arthur

WANG Poey Foon Angela

YU Hon To David

Stephen TAN

### AUDIT AND COMPLIANCE COMMITTEE

YU Hon To David – *Chairman*

KWOK Chi Shun Arthur

WANG Poey Foon Angela

Stephen TAN

### REMUNERATION COMMITTEE

WANG Poey Foon Angela – *Chairlady*

KWOK Chi Shun Arthur

YU Hon To David

Stephen TAN

TSE See Fan Paul

### NOMINATION COMMITTEE

KWOK Chi Shun Arthur – *Chairman*

WANG Poey Foon Angela

YU Hon To David

Stephen TAN

TSE See Fan Paul

### RISK MANAGEMENT COMMITTEE

Stephen TAN – *Chairman*

WANG Poey Foon Angela

YU Hon To David

TSE See Fan Paul

### AUDITORS

KPMG  
(*Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance*)

8th Floor  
Prince's Building  
10 Chater Road  
Central  
Hong Kong

### SHARE REGISTRAR & TRANSFER OFFICE

Tricor Tengis Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### COMPANY SECRETARY

CHENG Ka Kit

### REGISTERED OFFICE

Room 2902 West Tower  
Shun Tak Centre  
168-200 Connaught Road Central  
Hong Kong

### COMPANY'S WEBSITE

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

## INTERIM RESULTS

The board of directors (the “Board”) of Keck Seng Investments (Hong Kong) Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2023.

The consolidated profit attributable to equity shareholders of the Company for the six months ended 30 June 2023 was HK\$45,250,000 (HK\$0.133 earnings per share), compared to HK\$6,947,000 (HK\$0.02 earnings per share) for the first six months of 2022.

The Board has declared an interim dividend of HK\$0.03 (2022: Nil) per share for 2023 (the “2023 Interim Dividend”) payable on Thursday, 26 October 2023, to equity shareholders whose names appear on the register of members of the Company on Monday, 9 October 2023.

## REVIEW OF OPERATIONS

During the first half of 2023, the significant easing of global travel restrictions following the COVID-19 pandemic (the “pandemic”) brought positive momentum to the worldwide economy. However, uncertainties persisted due to the Russo-Ukrainian war, escalating inflation, rising interest rates, and other economic and geopolitical factors which continue to cloud the prospect of global economic growth. Sluggish consumer sentiments and weak global trade further contributed to the challenging environment. Though our hotels business showed improvements across most of the markets we operate in, and our property leasing business reported stable revenue, our financial results have yet to return to pre-pandemic levels.

A summary and analysis of the operations are as follows.

### Property Operations

#### *Macau*

Macau’s economy demonstrated positive signs of recovery during the first half of 2023, as all anti-pandemic measures and travel restrictions in and out of Macau were effectively lifted, facilitating the full re-opening of borders in January 2023 for travellers from China, Hong Kong and Taiwan, followed by in April 2023 for travellers from other countries. The full resumption of people-to-people exchanges between Hong Kong, Macau and China and group tours from mainland China played a significant role in revitalising Macau’s tourism and economic vitality. In the first half of 2023, visitor arrivals surged by 236.1% year-on-year, reaching 11.65 million, representing 57.4% of the figures from the same period in 2019. Macau’s GDP experienced a remarkable 39% year-on-year growth in Q1 2023, marking its first positive growth in five quarters and rebounded to 66.4% of its pre-pandemic level to the first quarter of 2019.

However, leasing activity for the residential sector did not witness a significant rebound and residential rent continued to be soft during the first half of 2023 despite the economic recovery. Consumers remained cautious and cost-conscious due to lingering uncertainty. The Macau SAR Government continue to restrict the issuance of work permits for foreigners, resulting in changes in demand for residential properties and serviced apartments among expatriates in Macau as compared to the pre-pandemic years. Moreover, the global economic slowdown, coupled with China's economic deceleration in the second quarter of 2023, interest rate hikes, and the overhanging potential supply in the public and subsidised housing sector, all play a part in dampening the recovery of Macau's real estate market.

During the first half of 2023, rental revenue of the Group from Macau operations decreased slightly to HK\$40.6 million, as compared to HK\$41.4 million in the first half of 2022. The decrease was mainly driven by lower occupancy rate and negative rental reversion of residential units.

Occupancy of our residential property portfolio decreased to 68% in the first half of 2023 as compared to 74% in the first half of 2022, due to the drop in demand amongst expatriates for lease of residential properties and serviced apartments. High occupancy was maintained in our office buildings during the first half of both 2023 and 2022.

A net decrease in fair value of our investment properties of HK\$7 million was recorded, as compared to the net increase in fair value of HK\$3.9 million in the first half of 2022. Our investment properties are held on a long-term basis to earn recurring rental income.

There were no sales of properties during the first half of 2023 due to the post-pandemic impact and the current state of the Macau property market slowdown.

The second half of 2023 holds promise for the Macau economy, driven by a revival in tourism and local spending, and the Group foresees a moderate improvement in leasing renewals, indicating a relatively stable environment for property rentals. However, uncertainties persist due to factors such as surging inflation and interest rates, which may temper the growth potential of the real estate market. The speed of the economic recovery in China will also play a pivotal role in determining the economic recovery of Macau in the second half of 2023. Despite these challenges, the Group remains cautiously positive, anticipating successful leasing renewals and a favourable long-term outlook.

The Group has closely monitored developments in the property market and the state of the economy. The property market in Macau is expected to benefit from significant developments including the increasing utilisation of the Hong Kong-Zhuhai-Macau Bridge, the Qingmao and Hengqin immigration ports, the expansion of the Macau Airport, the extension of Macau Light Rapid Transit to Hengqin Island, and other favourable developments resulting from the continuing integration of the Greater Bay Area. The Group is committed to continuing to pursue a sales strategy which optimises its sale of properties in its ordinary course of business.

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

**Hotel Operations**

	<b>Occupancy</b> <b>2023</b>	2022	<b>Average Room Rate</b> <b>2023</b>	2022
<b>The People's Republic of China</b>				
Holiday Inn Wuhan Riverside	<b>54%</b>	50%	<b>RMB410</b>	RMB285
<b>Vietnam</b>				
Sheraton Saigon Hotel and Towers	<b>74%</b>	41%	<b>USD173</b>	USD125
Caravelle Hotel	<b>69%</b>	38%	<b>USD155</b>	USD104
<b>Japan</b>				
Best Western Hotel Fino Osaka Shinsaibashi	<b>73%</b>	24%	<b>JPY8,935</b>	JPY5,591
<b>The United States</b>				
W San Francisco	<b>64%</b>	68%	<b>USD359</b>	USD303
Sofitel New York	<b>69%</b>	50%	<b>USD361</b>	USD340
<b>Canada</b>				
The Sheraton Ottawa Hotel	<b>68%</b>	42%	<b>CAD216</b>	CAD188
Delta Hotels by Marriott Toronto Airport & Conference Centre	<b>72%</b>	53%	<b>CAD180</b>	CAD137

The Group's hotels division experienced notable improvements across most of the markets during the first half of 2023, with higher occupancy and average room rates, and enhanced contribution to overall hotel operations. This was mainly driven by a surge in visitor arrivals following the relaxation of travel restrictions. However, the growth in China and the US markets was modest as a result of the subdued recovery of business travelling and overall economic slowdown. Despite the signs of recovery within the hotel industry, overall occupancy rates are still below pre-pandemic levels considered as normal. Moreover, the hotel industry continues to face challenges such as economic slowdown, manpower shortages, and inflation, which exert pressure on costs and profit margins. Nonetheless, hotel performance in the first half of 2023 indicates an emerging recovery from the pandemic and management is maintaining a cautiously optimistic outlook for the industry's recovery trajectory, considering positive trends and potential future upswing in economic and commercial activities.

During the first half of 2023, total revenue for the hotel operations increased to HK\$783.1 million, an increase of 45.6% as compared to HK\$537.9 million in the first half of 2022. Profit for the hotel operations for the six months ended 30 June 2023 was HK\$50.28 million as compared to HK\$1.97 million for the first six months of 2022.

### ***The People's Republic of China***

The Chinese government's relaxation of dynamic zero-COVID policies and easing of restrictions at the end of 2022 marked a significant turning point following a series of intermittent lockdowns and border closures over a three-year period. Consequently, China's economy gradually stabilised and rebounded in 2023, with a healthy year-on-year GDP growth rate of 5.5% in the first half of the 2023. However, the second quarter of 2023 witnessed a slowdown in growth, as evidenced by a mere 0.8% GDP growth, thereby generating concerns regarding potential obstacles and the prospect of a broader macroeconomic deceleration in China.

Against the backdrop of China's improving economy, the hotel industry in the country experienced a gradual recovery. Nonetheless, this recovery was primarily driven by the rebound in domestic travel following the pandemic. Despite the resumption of travel from overseas, the number of international leisure or business travelers to China remained limited in the first half of 2023. This limitation can be attributed to geopolitical concerns and the partial restoration of normal flight capacity in China. Additionally, the Group's hotel operations in China encountered pressures stemming from the macro-economic growth slowdown in the country. These factors are expected to persist, adding to the complexities and uncertainties surrounding the Group's hotel operational environment in China throughout the second half of 2023.

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

Room revenue of the hotel increased to RMB12.2 million as compared to RMB7.9 million in the first half of 2022, an increase of 55%. The food and beverage revenue of the hotel has also increased to RMB5.6 million in the first half of 2023 from RMB2.5 million in the first half of 2022, an increase of 124%.

During the first half of 2023, average occupancy rate was 54.0%, as compared to 50.1% during the first half of 2022. Average room rate has increased to RMB410 per room night during the first half of 2023, as compared to RMB285 per room night during the first half of 2022.

### ***Vietnam***

Vietnam has demonstrated strong economic resilience and exhibited signs of continuing recovery in the first half of 2023, particularly in the tourism sector. Vietnam's GDP grew by 3.72% in the first half of the year compared to the same period in 2022, also marking the seventh consecutive quarter of growth. It is worth noting that the services sector experienced the highest growth at 6.33%, fueled by domestic consumption stimulation and tourism promotion policies. Moreover, international arrivals to Vietnam surged by 826% year-on-year in the first half of 2023.

Despite Vietnam having shown signs of continuing recovery in the first half of 2023, the country will continue to face numerous difficulties and challenges in the second half of 2023, including the prospect of global economic slowdown, change in political landscape, as well as upward pressure on global inflation. Furthermore, despite a gradual recovery in the tourism sector following the pandemic, Vietnam is grappling with a severe shortage of trained personnel, particularly in hotel and restaurant sectors.

During the first half of 2023, both Sheraton Saigon Hotel and Towers and Caravelle Hotel experienced a robust recovery in terms of revenue, occupancy, and average rates compared to the first half of 2022. However, the recovery of international travelers has been slower due to limited flight capacity.

During the first six months of 2023, the Group's revenue from Vietnam increased to HK\$363.1 million, as compared to HK\$238.4 million in the first half of 2022, an increase of 52%.

For the third year in a row, both Sheraton Saigon Hotel and Towers and Caravelle Hotel were awarded the Travelers' Choice Winner by TripAdvisor in 2023. Caravelle Hotel was also awarded Top 10 Best City Hotels in Vietnam by Travel+Leisure Awards Asia Pacific.

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

For the first half of 2023, occupancy rate has increased to 73.6%, as compared to 41.2% for the first half of 2022. Average room rate was at US\$173.1 per room night during the first half of 2023, as compared to US\$124.5 per room night during the first six months of 2022.

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

For the first half of 2023, occupancy rate has increased to 68.5%, as compared to 37.8% for the first half of 2022. Average room rate was at US\$154.9 per room night during the first half of 2023, as compared to US\$103.8 per room night during the first six months of 2022.

***Japan***

In the first quarter of 2023, Japan's economy continued on a gradual recovery path, as evidenced by a 1.3% expansion in GDP compared to the previous year. This growth was primarily driven by rebounds in personal consumption and capital investment. Japan's hospitality sector also sustained its recovery momentum, aided by the full reopening of borders to foreign tourists in October 2022 and the lifting of local travel advisories. The return of international demand provided a boost to hotel occupancies and revenues in the first half of 2023, although inbound tourism has yet to reach pre-pandemic levels, which is primarily attributable to the delayed resumption of visitors from China, historically a major source market. However, risks persist for Japan's recovery from elevated global inflation and slowing growth in key export markets. Domestically, acute labor shortages and rising costs also present challenges for labor-reliant sectors like hospitality. However, the foundations is now in place for Japan's gradual economic revival, supported by the normalisation of economic activity, increasing consumer spending fuelled by rising wages, and accommodative fiscal and monetary policies.

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

For the first half of 2023, occupancy rate for the hotel has increased to 73.2%, as compared to 24.4% for the first half of 2022. Average room rate was at JPY8,935 per room night during the first half of 2023, as compared to JPY5,591 per room night for the first half of 2022.

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

In 2023, the US economy exhibited consistent growth, with the GDP increasing by 2% and 2.4% in the first and second quarters respectively. However, the unemployment rate saw a slight rise from 3.5% in December 2022 to 3.6% in June 2023.

The momentum of the strong recovery that we experienced in US hospitality markets in 2022 has lessened. The New York hospitality market still saw a rebound in the first half of 2023, while the San Francisco has lagged behind other major US cities and has struggled to attain its pre-pandemic tourism levels from 2019. Several factors account for San Francisco's sluggish recovery, including reduced convention attendance, decline in tech jobs, migration of some tech companies to other states and cities, increased flexibility in work-from-home arrangements, limitations on inbound Asian visitors, particularly from China, and rising crime and homelessness in the city, which have adversely impacted its image and reputation. Moreover, both international and domestic business travel within US has experienced a decline, posing more significant implications for tech-centric cities like San Francisco.

The overall business environment in the US remains challenging, with potential economic slowdown, persistent inflation, and geopolitical conflicts. Although the performance of the US hotel industry is expected to improve gradually in the second half of 2023 following the lifting of travel restrictions from China in March 2023, the recovery path remains uncertain due to ongoing challenges.

Sofitel New York's service excellence continued to be well recognised. The property has once again been named a Recommended Hotel by Forbes Travel Guide in 2023 and it was also recognised with the prestigious Planners' Choice Excellence Award by Cvent in 2023 for its exceptional services and capabilities, which left a lasting impression on event planners.

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

For the first half of 2023, occupancy rate was 63.6%, as compared to 67.5% for the first half of 2022. Average room rate was at US\$359.4 per room night during the first half of 2023, as compared to US\$303.2 per room night during the first half of 2022.

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

For the first half of 2023, Sofitel New York's occupancy rate was 69.4%, as compared to 49.7% for the first half of 2022. Average room rate was at US\$361.4 per room night during the first half of 2023, as compared to US\$340.3 per room night during the first half of 2022.

### ***Canada***

Canada has demonstrated a strong performance in its economy, marked by a robust post-pandemic recovery. Canada has showcased its resilience, with an unemployment rate of 5.4% in June 2023, which is below pre-pandemic levels, and recording the highest GDP growth of 3.1% among G7 countries in the first quarter of the year. However, the economy faces challenges as inflation remains elevated both domestically and globally, resulting in rising interest rates and the potential for an economic slowdown. Looking ahead, despite a further slowdown in GDP and labour markets is expected in the second half of 2023, Canada continues to navigate global price pressures while striving to maintain its positive trajectory.

The Canadian hotel industry continues to strengthen and recover after the pandemic. Delta Hotels by Marriott Toronto Airport & Conference Centre experienced a strong recovery in terms of revenue, occupancy and average rates, compared to the first half of 2022. Sheraton Ottawa Hotel is also seeing a reasonable recovery towards the end of the reporting period. However, hospitality sector in Canada is expected to still face the adverse impact of staff shortages, inflation and rising commodity prices in the second half of the year.

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

For the first half of 2023, occupancy rate has increased to 67.7%, as compared to 41.5% for the first half of 2022. Average room rate was at C\$216.0 per room night during the first half of 2023, as compared to C\$188.3 per room night during the first six months of 2022.

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

For the first half of 2023, occupancy rate has increased to 71.6%, as compared to 52.7% for the first half of 2022. Average room rate was at C\$179.5 per room night during the first half of 2023, as compared to C\$137.4 per room night during the first six months of 2022.

**Other net gains**

Other net gains were at an amount of HK\$12.2 million, as compared to HK\$10.9 million in the first half of 2022. It was mainly attributable to net unrealised gains on other non-current financial assets which amounted to HK\$10.3 million for the first half of 2023, as compared to HK\$8.8 million for the first half of 2022.

**FINANCIAL REVIEW**

The Group's revenue was HK\$831.5 million for the first six months of 2023, an increase of 41.6% as compared to the corresponding period in 2022. The increase was primarily due to ongoing recovery of the Group's hotel business.

The Group's operating profit was HK\$124.6 million for the period ended 30 June 2023, as compared to the HK\$32.7 million for the corresponding period in 2022.

Profit attributable to equity shareholders was HK\$45.3 million for the period ended 30 June 2023 as compared to the HK\$6.9 million in the first half of 2022. The increase in profit of the Group for the first half year of 2023 was mainly attributable to increase in hotel business.

**LIQUIDITY AND FINANCIAL RESOURCES**

The overall financial position of the Group remains healthy. We have a strong balance sheet and sufficient liquidity in place, with cash, bank balances and short-term bank deposits totaling HK\$1,358.0 million as at 30 June 2023 (as at 31 December 2022: HK\$1,341.3 million). The Group also has undrawn facility from the bank loans facility agreement amounting to HK\$85.0 million as at 30 June 2023 (as at 31 December 2022: HK\$85.0 million). The Group's gearing ratio (defined as the ratio of total outstanding bank loans to total assets) was 25.5% as at 30 June 2023, compared to 25.5% as at 31 December 2022.

## PLEDGE OF ASSETS

As at 30 June 2023, hotel properties including land with an aggregate value of HK\$1,812.3 million (31 December 2022: HK\$1,830.7 million) were pledged to bank to secure bank loans borrowed by the Group.

## CONTINGENT LIABILITIES

As at 30 June 2023, there were outstanding counter indemnities relating to guarantees issued by the bankers of a subsidiary in favor of the Macau SAR Government in respect of properties held for sale amounted to HK\$8,252,000 (31 December 2022: HK\$8,252,000).

As at 30 June 2023, the Directors do not consider it probable that a claim will be made against the Group under any of the guarantees.

## PROSPECTS

The global economy saw recovery of varying degrees in the first half of 2023. The notable exception was China which turned in a relatively strong performance in the first quarter, but began to slide into areas of uncertainty with declining external trade, weak capital investment, lacklustre property sales, and high unemployment figures amongst youth. Given the size and reach of the Chinese economy and its impact on global economic activity, the direction of the Chinese economy in the coming months will have a direct bearing on economic performance worldwide.

The continuing prospect of high interest rates is also casting a long shadow on global economic and investment activities. In addition, ongoing geopolitical tensions, trade conflicts, investment restrictions, and heightened macroeconomic volatility will continue to overshadow the prospects for growth.

Macau's economy is expected to sustain its gradual post-pandemic recovery throughout the second half of 2023. However, the outlook for the real estate market remains uncertain due to potential adverse effects from global economic slowdown, China's economic deceleration, and worldwide interest rate hikes, could also dampen the recovery of Macau's real estate sector. However, the real estate market in Macau should remain stable due to limited new supply, especially in the luxury sector. Furthermore, the growing integration with the Greater Bay Area presents significant long-term growth prospects for both the local economy and the real estate market. During the second half of 2023, our focus will remain on enhancing occupancy rates and maximising tenant retention through the implementation of competitive leasing strategies.

The hospitality sector is expected to continue its recovery in the second half of 2023. However, it is important to remain vigilant as the pace of normalisation varies across regions. The Asian markets, with the exception of China, are expected to continue their recovery, while the rebound in our US and Canada markets may be slower due to potential economic slowdown, persistent inflationary pressure, and high interest rates. Given these degrees of uncertainties and with numerous hurdles and setbacks to overcome, the outlook for the hospitality sector remains uncertain, and a prolonged and arduous path to recovery is anticipated in the second half of 2023.

As we approach the second half of 2023, the Group remains committed to adopting conservative and responsible measures to maintain a strong and sustainable financial structure. The Group's liquidity position has remained high, with HK\$1.36 billion in cash, bank balances, and short-term deposits as at 30 June 2023. The Board is confident that the Group possesses sufficient resources to meet its working capital needs and ensure operational integrity.

The Group will maintain a cautious approach and prioritize the evaluation of potential investments that generate sustainable long-term value for shareholders. Additionally, we will adopt a disciplined and pragmatic approach when considering acquisitions, specifically targeting industries, countries, or regions where the Group possesses expertise and comparative advantages.

## **PERSONNEL AND RETIREMENT SCHEMES**

As at 30 June 2023, the Group had approximately 1,713 employees. A policy of localising as many of the positions as possible is in place throughout the Group, subject to suitable and sufficient local executives and staff with relevant qualifications and experiences being available. Salary and remuneration are competitive and are based on varying conditions in the different countries in which the Company and its subsidiaries operate. The Group has defined contribution schemes in Hong Kong, Macau, the People's Republic of China, Vietnam, the United States, Canada and Japan.

## **CORPORATE GOVERNANCE**

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

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

The Company has complied with the principles and code provisions (the "Code Provisions") as set out in the CG Code during the period from 1 January to 30 June 2023, save and except for the deviations as explained below.

- (1) Code Provision C.2.1, as the roles of chairman and chief executive officer of the Company are not separated.
- (2) Code Provision F.2.2, as the chairman of the Nomination Committee didn't attend the annual general meeting held on 31 May 2023 (the "2023 AGM").

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

Pursuant to Code Provision F.2.2, the chairman of the board should invite the chairmen of the board's committees to attend the annual general meeting. Mr. KWOK Chi Shun Arthur, the Independent Non-executive Director and the chairman of the Nomination Committee of the Company, was unable to attend the 2023 AGM due to other work commitment. All other members of the Nomination Committee attended and were available to answer questions at the 2023 AGM.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

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

## **AUDIT AND COMPLIANCE COMMITTEE**

The Audit and Compliance Committee presently comprises four Independent Non-executive Directors. The Audit and Compliance Committee meets with the Group's senior management and internal auditors regularly to review the effectiveness of the internal control system and the interim and annual reports, including the Group's unaudited consolidated financial statements for the six months ended 30 June 2023. In compliance with the Listing Rules, an Independent Non-executive Director currently chairs the Audit and Compliance Committee.

## **REMUNERATION COMMITTEE**

The Remuneration Committee comprises five members, four of whom are Independent Non-executive Directors. The Committee reviews matters relating to the remuneration for senior management and Directors of the Company. In compliance with the Listing Rules, an Independent Non-executive Director currently chairs the Remuneration Committee.

## **NOMINATION COMMITTEE**

The Nomination Committee comprises five members, four of whom are Independent Non-executive Directors. The Committee gives recommendations to the Board as to the recruitment of Directors. An Independent Non-executive Director currently chairs the Nomination Committee.

## **RISK MANAGEMENT COMMITTEE**

The Risk Management Committee comprises four members, three of whom are Independent Non-executive Directors. The Committee is responsible for assisting the Board to oversee the effectiveness of the Group's risk management system and framework, to review and develop risk management policy, manual and guideline, and to advise the Board on the appropriateness and effectiveness of risk controls/mitigation tools and risk management functions. An Independent Non-executive Director currently chairs the Risk Management Committee.

## CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders' entitlement to the 2023 Interim Dividend, the Company's register of members will be closed as set out below:

- Ex-dividend date Wednesday, 4 October 2023
- Latest time to lodge transfer documents for registration with the Company's share registrar and transfer office At 4:30 p.m. (*Hong Kong time*) on Thursday, 5 October 2023
- Closure of Register of Members Friday, 6 October 2023 to Monday, 9 October 2023, *both days inclusive*
- Record date Monday, 9 October 2023

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

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities during the six months ended 30 June 2023.

## CHANGES IN DIRECTORS' BIOGRAPHICAL DETAILS

Changes in Directors' biographical details up to the date of this interim report, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, are set out below:

<b>Name of Director</b>	<b>Details of changes</b>
Mr. HO Chung Tao	Mr. Ho has resigned as the Executive Director of the Company with effect from 31 March 2023. Simultaneously to his resignation, Mr. Ho has ceased to be a member of the Nomination Committee and the Risk Management Committee of the Board and the alternate authorized representative of the Company.
Ms. YU Yuet Chu Evelyn	Ms. Yu retired as the Executive Director of the Company with effect from 30 April 2023.
Mr. CHAN Liu Ming Ivan	Mr. Chan retired as the Executive Director of Keck Seng (Malaysia) Berhad with effect from 26 May 2023.

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

The Directors of the Company who held office as at 30 June 2023 had the following interests in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (the "Associated Corporations") at that date as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

### Number of ordinary shares (unless otherwise specified)

*Long Positions:*

Name of Company	Name of Directors	Personal Interests <sup>(1)</sup>	Corporate/ Other Interests	Total	% Interest
Keck Seng Investments (Hong Kong) Limited	HO Kian Guan	496,480	198,084,320 <sup>(2)</sup>	198,580,800	58.37
	HO Kian Hock	20,480	198,084,320 <sup>(2)</sup>	198,104,800	58.23
	HO Kian Cheong	55,160,480	–	55,160,480	16.21
	TSE See Fan Paul	288,720	–	288,720	0.08
	Stephen TAN	–	900,000 <sup>(3)</sup>	900,000	0.26
Lam Ho Investments Pte Ltd	HO Kian Guan	–	32,410,774 <sup>(4)</sup>	32,410,774	99.70
	HO Kian Hock	–	32,410,774 <sup>(4)</sup>	32,410,774	99.70
	HO Kian Cheong	96,525	–	96,525	0.30
Shun Seng International Limited	HO Kian Guan	–	83,052 <sup>(5)</sup>	83,052	83.05
	HO Kian Hock	–	83,052 <sup>(5)</sup>	83,052	83.05
	HO Kian Cheong	1,948	–	1,948	1.95
Hubei Qing Chuan Hotel Company Limited – paid in registered capital in US\$	HO Kian Guan	–	13,163,880 <sup>(6)</sup>	13,163,880	80.76
	HO Kian Hock	–	13,163,880 <sup>(6)</sup>	13,163,880	80.76
	HO Kian Cheong	1,017,120	–	1,017,120	6.24
	KWOK Chi Shun Arthur	–	489,000 <sup>(7)</sup>	489,000	3.00
Golden Crown Development Limited – common shares	HO Kian Guan	–	56,675,000 <sup>(8)</sup>	56,675,000	80.96
	HO Kian Hock	–	56,675,000 <sup>(8)</sup>	56,675,000	80.96
	HO Kian Cheong	1,755,000	–	1,755,000	2.51
	TSE See Fan Paul	50,000	–	50,000	0.07
Ocean Gardens Management Company Limited	HO Kian Guan	–	1,000,000 <sup>(9)</sup>	1,000,000	100.00
	HO Kian Hock	–	1,000,000 <sup>(9)</sup>	1,000,000	100.00
Shun Cheong International Limited	HO Kian Guan	–	4,305 <sup>(10)</sup>	4,305	43.05
	HO Kian Hock	–	4,305 <sup>(10)</sup>	4,305	43.05
	HO Kian Cheong	195	–	195	1.95
	KWOK Chi Shun Arthur	–	5,500 <sup>(11)</sup>	5,500	55.00
KSF Enterprises Sdn Bhd – ordinary shares	HO Kian Guan	–	31,705,000 <sup>(12)</sup>	31,705,000	100.00
	HO Kian Hock	–	31,705,000 <sup>(12)</sup>	31,705,000	100.00
KSF Enterprises Sdn Bhd – redeemable convertible preference shares	HO Kian Guan	–	24,000,000 <sup>(13)</sup>	24,000,000	100.00
	HO Kian Hock	–	24,000,000 <sup>(13)</sup>	24,000,000	100.00
Chateau Ottawa Hotel Inc. – common shares	HO Kian Guan	–	9,000,000 <sup>(14)</sup>	9,000,000	100.00
	HO Kian Hock	–	9,000,000 <sup>(14)</sup>	9,000,000	100.00
Chateau Ottawa Hotel Inc. – preferred shares	HO Kian Guan	–	2,700,000 <sup>(15)</sup>	2,700,000	100.00
	HO Kian Hock	–	2,700,000 <sup>(15)</sup>	2,700,000	100.00

**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES** *(continued)*

Notes:

- (1) This represents interests held by the relevant Directors as beneficial owners.
- (2) This represents 101,437,360 shares held by Kansas Holdings Limited and 96,646,960 shares held by Goodland Limited. Both companies are subsidiaries of KS Ocean Inc., the controlling shareholder of the Company, in which each of HO Kian Guan and HO Kian Hock had 1/3 interest in its ordinary share and preference share, respectively.
- (3) This represents 180,000 shares held by Stephen Tan as one of the joint executors/administrators of the estate of Chan Yau Hing, Robin and 720,000 shares held by United Asia Enterprises Inc which is controlled corporation of Stephen Tan.
- (4) This represents 29,776,951 shares (91.60%) indirectly held by the Company and 2,633,823 shares (8.10%) held by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (5) This represents 75,010 shares (75.01%) indirectly held by the Company and 8,042 shares (8.04%) held by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (6) This represents US\$8,965,000 (55.00%) indirectly contributed by the Company and US\$4,198,880 (25.76%) contributed by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (7) This represents interests held by AKAA Project Management International Limited which was wholly owned by KWOK Chi Shun Arthur.
- (8) This represents 49,430,000 shares (70.61%) indirectly held by the Company and 7,245,000 shares (10.35%) held by Goodland Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (9) This represents 1 quota of Ptc999,000 (99.90%) indirectly held by the Company and 1 quota of Ptc1,000 (0.10%) held by Goodland Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (10) This represents 3,501 shares (35.01%) indirectly held by the Company and 804 shares (8.04%) held by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (11) This represents interests held by Ample Star Enterprise Limited in which KWOK Chi Shun Arthur had a controlling interest.
- (12) This represents 7,926,250 ordinary shares (25.00%) directly held by the Company, 7,926,249 ordinary shares (25.00%) held by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly and 15,852,501 ordinary shares (50.00%) held by Keck Seng (Malaysia) Berhad in which each of HO Kian Guan and HO Kian Hock was a substantial shareholder and a director.
- (13) This represents 6,000,000 redeemable convertible preference shares (25.00%) directly held by the Company, 6,000,000 redeemable convertible preference shares (25.00%) held by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly and 12,000,000 redeemable convertible preference shares (50.00%) held by Keck Seng (Malaysia) Berhad in which each of HO Kian Guan and HO Kian Hock was a substantial shareholder and a director.
- (14) This represents 7,650,000 common shares (85.00%) indirectly held by the Company; 1,350,000 common shares (15.00%) held by KSC Enterprises Ltd. in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (15) This represents 2,295,000 preferred shares (85.00%) indirectly held by the Company; 405,000 preferred shares (15.00%) held by KSC Enterprises Ltd. in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.

**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES** *(continued)*

Save as mentioned above, as at 30 June 2023, none of the Directors of the Company or any of their associates had interests or short positions in the shares, underlying shares or debentures of the Company or any of its Associated Corporations, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

**SUBSTANTIAL INTERESTS AND SHORT POSITIONS IN SHARES**

As at 30 June 2023, the interests and short positions of those persons (other than the Directors) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

*Long Positions:*

<b>Name</b>	<b>Capacity in which shares were held</b>	<b>Number of ordinary shares held</b>	<b>% of total issued share capital of the Company</b>
KS Ocean Inc. (Note 1, 2)	Interests of controlled corporations	198,084,320	58.23
Pad Inc. (Note 1)	Interests of controlled corporations	96,646,960	28.41
Lapford Limited (Note 1)	Interests of controlled corporations	96,646,960	28.41
Kansas Holdings Limited (Note 1)	Interests of controlled corporations	96,646,960	28.41
Kansas Holdings Limited (Note 2)	Beneficial owner	101,437,360	29.82
Goodland Limited (Note 1)	Beneficial owner	96,646,960	28.41

## Notes:

- (1) KS Ocean Inc., Pad Inc., Lapford Limited and Kansas Holdings Limited had deemed interests in the same 96,646,960 shares beneficially held by Goodland Limited.
- (2) KS Ocean Inc. had deemed interests in the same 101,437,360 shares beneficially held by Kansas Holdings Limited.

Save as mentioned above, as at 30 June 2023, the Company had not been notified of any interests and short positions in the shares and underlying shares of the Company which had been recorded in the register required to be kept under section 336 of the SFO.

**HO Kian Guan**  
*Executive Chairman*

Hong Kong, 23 August 2023

# REVIEW REPORT TO THE BOARD OF DIRECTORS OF KECK SENG INVESTMENTS (HONG KONG) LIMITED

*(Incorporated in Hong Kong with limited liability)*

## INTRODUCTION

We have reviewed the interim financial report set out on pages 17 to 42 which comprises the consolidated statement of financial position of Keck Seng Investments (Hong Kong) Limited (the "Company") as of 30 June 2023 and the related consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2023 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

### KPMG

*Certified Public Accountants*

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

23 August 2023

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS***for the six months ended 30 June 2023 - unaudited*

	Note	Six months ended 30 June	
		2023 HK\$'000	2022 HK\$'000
<b>Revenue</b>	3	<b>831,541</b>	587,109
Cost of sales		<b>(80,121)</b>	(55,087)
Other revenue	4(a)	<b>751,420</b>	532,022
Other net gains	4(b)	<b>35,737</b>	11,906
Direct costs and operating expenses		<b>12,160</b>	10,887
Marketing and selling expenses		<b>(352,304)</b>	(245,440)
Depreciation		<b>(29,930)</b>	(11,561)
Administrative and other operating expenses		<b>(74,124)</b>	(79,761)
		<b>(218,384)</b>	(185,378)
<b>Operating profit</b>		<b>124,575</b>	32,675
(Decrease)/increase in fair value of investment properties	8	<b>(7,000)</b>	3,900
Finance costs	5(a)	<b>117,575</b>	36,575
Share of profits of associates		<b>(45,080)</b>	(15,800)
		<b>18,475</b>	5,843
<b>Profit before taxation</b>	5	<b>90,970</b>	26,618
Income tax	6	<b>(1,826)</b>	(525)
<b>Profit for the period</b>		<b>89,144</b>	26,093
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>45,250</b>	6,947
Non-controlling interests		<b>43,894</b>	19,146
<b>Profit for the period</b>		<b>89,144</b>	26,093
<b>Earnings per share, basic and diluted (cents)</b>	7	<b>13.3</b>	2.0

Details of dividends payable to equity shareholders of the Company are set out in note 15(a).

The notes on pages 23 to 42 form part of this interim financial report.

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

for the six months ended 30 June 2023 - unaudited

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Profit for the period</b>	<b>89,144</b>	26,093
<b>Other comprehensive income for the period</b>		
<i>Item that will not be reclassified to profit or loss:</i>		
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)	<b>(253)</b>	(101)
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of: – financial statements of overseas subsidiaries and associates	<b>1,174</b>	(17,871)
<b>Other comprehensive income for the period</b>	<b>921</b>	(17,972)
<b>Total comprehensive income for the period</b>	<b>90,065</b>	8,121
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>42,821</b>	(10,232)
Non-controlling interests	<b>47,244</b>	18,353
<b>Total comprehensive income for the period</b>	<b>90,065</b>	8,121

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

The notes on pages 23 to 42 form part of this interim financial report.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***at 30 June 2023 - unaudited*

	Note	At 30 June 2023 HK\$'000	At 31 December 2022 HK\$'000
<b>Non-current assets</b>			
Investment properties	8	<b>898,400</b>	905,400
Property, plant and equipment		<b>1,497,019</b>	1,541,519
Land		<b>804,752</b>	808,509
		<b>3,200,171</b>	3,255,428
Interest in associates		<b>103,413</b>	85,891
Derivative financial assets		<b>12,506</b>	13,372
Other non-current financial assets	9	<b>133,728</b>	120,611
Deferred tax assets		<b>452,008</b>	423,611
		<b>3,901,826</b>	3,898,913
<b>Current assets</b>			
Trading securities		<b>11,009</b>	12,154
Properties held for sale		<b>278,873</b>	278,873
Inventories		<b>4,526</b>	4,879
Trade and other receivables	10	<b>86,752</b>	75,674
Deposits and cash	11	<b>1,358,047</b>	1,341,269
Taxation recoverable		<b>1,119</b>	24,134
		<b>1,740,326</b>	1,736,983
<b>Current liabilities</b>			
Bank loans	12	<b>1,363,568</b>	1,359,323
Trade and other payables	13	<b>399,127</b>	413,947
Loan from an associate		<b>464</b>	464
Loans from non-controlling shareholders	14	<b>4,174</b>	41,227
Taxation payable		<b>25,418</b>	24,239
		<b>1,792,751</b>	1,839,200

	Note	At 30 June 2023 HK\$'000	At 31 December 2022 HK\$'000
<b>Net current liabilities</b>		<b>(52,425)</b>	(102,217)
<b>Total assets less current liabilities</b>		<b>3,849,401</b>	3,796,696
<b>Non-current liabilities</b>			
Bank loans	12	<b>76,719</b>	76,481
Deferred revenue		<b>3,172</b>	3,172
Loans from non-controlling shareholders	14	<b>105,728</b>	73,283
Deferred tax liabilities		<b>90,274</b>	91,114
		<b>275,893</b>	244,050
<b>NET ASSETS</b>		<b>3,573,508</b>	3,552,646
<b>CAPITAL AND RESERVES</b>	15		
Share capital		<b>498,305</b>	498,305
Reserves		<b>2,464,305</b>	2,438,494
<b>Total equity attributable to equity shareholders of the Company</b>		<b>2,962,610</b>	2,936,799
Non-controlling interests		<b>610,898</b>	615,847
<b>TOTAL EQUITY</b>		<b>3,573,508</b>	3,552,646

The notes on pages 23 to 42 form part of this interim financial report.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2023 – unaudited

	Attributable to equity shareholders of the Company							Total HK\$'000
	Share capital HK\$'000	Legal reserve HK\$'000	Exchange reserve HK\$'000	Fair value reserve (non- recycling) HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non- controlling interests HK\$'000	
<b>Balance at 1 January 2023</b>	<b>498,305</b>	<b>19,511</b>	<b>(21,453)</b>	<b>2,980</b>	<b>2,437,456</b>	<b>2,936,799</b>	<b>615,847</b>	<b>3,552,646</b>
Profit for the period	-	-	-	-	45,250	45,250	43,894	89,144
Other comprehensive income	-	-	(2,176)	(253)	-	(2,429)	3,350	921
Total comprehensive income for the period	-	-	(2,176)	(253)	45,250	42,821	47,244	90,065
Capital contribution from non-controlling shareholders	-	-	-	-	-	-	5,892	5,892
Dividends approved in respect of the previous year (note 15(a)(iii))	-	-	-	-	(17,010)	(17,010)	-	(17,010)
Dividends paid by the subsidiaries to non-controlling shareholders	-	-	-	-	-	-	(58,085)	(58,085)
<b>Balance at 30 June 2023</b>	<b>498,305</b>	<b>19,511</b>	<b>(23,629)</b>	<b>2,727</b>	<b>2,465,696</b>	<b>2,962,610</b>	<b>610,898</b>	<b>3,573,508</b>
<b>Balance at 1 January 2022</b>	<b>498,305</b>	<b>19,511</b>	<b>11,991</b>	<b>3,071</b>	<b>2,374,762</b>	<b>2,907,640</b>	<b>629,047</b>	<b>3,536,687</b>
Profit for the period	-	-	-	-	6,947	6,947	19,146	26,093
Other comprehensive income	-	-	(17,078)	(101)	-	(17,179)	(793)	(17,972)
Total comprehensive income for the period	-	-	(17,078)	(101)	6,947	(10,232)	18,353	8,121
Dividends approved in respect of the previous year (note 15(a)(iii))	-	-	-	-	(13,608)	(13,608)	-	(13,608)
Dividends paid by the subsidiaries to non-controlling shareholders	-	-	-	-	-	-	(14,401)	(14,401)
<b>Balance at 30 June 2022</b>	<b>498,305</b>	<b>19,511</b>	<b>(5,087)</b>	<b>2,970</b>	<b>2,368,101</b>	<b>2,883,800</b>	<b>632,999</b>	<b>3,516,799</b>

The notes on pages 23 to 42 form part of this interim financial report.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT***for the six months ended 30 June 2023 - unaudited*

	Note	Six months ended 30 June 2023 HK\$'000	2022 HK\$'000
<b>Operating activities</b>			
Cash generated from operations		<b>123,284</b>	147,039
Overseas tax (paid)/refunded		<b>(5,722)</b>	5,290
<b>Net cash generated from operating activities</b>		<b>117,562</b>	152,329
<b>Investing activities</b>			
Decrease in bank deposits with original maturity more than three months		<b>86,173</b>	3,330
Interest received		<b>28,896</b>	4,756
Dividends received from listed securities		<b>447</b>	298
Payment for the purchase of non-current financial assets		<b>(553)</b>	–
Payment for the purchase of property, plant and equipment		<b>(24,399)</b>	(8,560)
Proceeds for the disposal of property, plant and equipment		<b>93</b>	–
<b>Net cash generated from/(used in) investing activities</b>		<b>90,657</b>	(176)
<b>Financing activities</b>			
Proceeds from new bank loans		–	8,717
Repayment of bank loans		–	(55,002)
Interest paid		<b>(34,116)</b>	(13,196)
Dividends paid to equity shareholders of the company		<b>(17,010)</b>	(13,608)
Dividends paid to non-controlling shareholders		<b>(58,085)</b>	(14,401)
<b>Net cash used in financing activities</b>		<b>(109,211)</b>	(87,490)
<b>Increase in cash and cash equivalents</b>		<b>99,008</b>	64,663
<b>Cash and cash equivalents at 1 January</b>		<b>1,247,915</b>	1,152,738
<b>Effect of foreign exchange rate changes</b>		<b>3,943</b>	3,627
<b>Cash and cash equivalents at 30 June</b>	11	<b>1,350,866</b>	1,221,028

The notes on pages 23 to 42 form part of this interim financial report.

## Notes to the unaudited interim financial report

### 1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 23 August 2023.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the Board of Directors is included on page 16. In addition, this interim financial report has been reviewed by the Company’s Audit and Compliance Committee.

The financial information relating to the financial year ended 31 December 2022 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

## 2 Changes in accounting policies

The HKICPA has issued the following new and amendments to HKFRSs that are first effective for the current accounting period of the Group:

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*

None of the above changes in accounting policies has had a material effect on the Group's financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 3 Revenue and segment reporting

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

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

### 3 Revenue and segment reporting *(continued)*

#### (a) Revenue

Revenue represents income from hotel and club operations, rental income and the provision of management services. The amount of each significant category of revenue recognised in revenue during the period is as follows:

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Hotel and club operations	<b>786,141</b>	541,265
Rental income	<b>41,884</b>	42,429
Management fee income	<b>3,516</b>	3,415
	<b>831,541</b>	587,109

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

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

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

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

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

## 3 Revenue and segment reporting (continued)

## (c) Analysis of segment results of the Group

	Revenue HK\$'000	Depreciation HK\$'000	Finance costs HK\$'000	Share of profits of associates HK\$'000	Income tax (expense)/ credit HK\$'000	Contribution to profit/ (loss) HK\$'000
<b>For the six months ended</b>						
<b>30 June 2023</b>						
Hotel	783,138	(71,846)	(44,132)	18,475	6,595	50,280
– Vietnam	363,131	(24,075)	(99)	11,078	(20,529)	92,616
– United States	345,091	(35,296)	(42,086)	–	27,093	(48,512)
– The People's Republic of China	23,073	(5,603)	(1,750)	–	–	(4,804)
– Canada	39,203	(5,431)	(197)	7,397	34	7,710
– Japan	12,640	(1,441)	–	–	(3)	3,270
Property						
– Macau	47,172	(2,233)	(20)	–	(2,954)	33,856
Investment and corporate	1,231	(45)	(928)	–	(5,467)	5,008
<b>Total</b>	<b>831,541</b>	<b>(74,124)</b>	<b>(45,080)</b>	<b>18,475</b>	<b>(1,826)</b>	<b>89,144</b>
<b>For the six months ended</b>						
<b>30 June 2022</b>						
Hotel	537,917	(77,552)	(14,887)	5,843	8,360	1,968
– Vietnam	238,362	(24,421)	(1,039)	3,828	(9,967)	40,536
– United States	260,181	(39,055)	(12,012)	–	18,403	(24,609)
– The People's Republic of China	14,573	(5,956)	(1,708)	–	–	(10,688)
– Canada	21,814	(5,792)	(128)	2,015	(73)	871
– Japan	2,987	(2,328)	–	–	(3)	(4,142)
Property						
– Macau	48,202	(2,161)	(16)	–	(3,808)	33,624
Investment and corporate	990	(48)	(897)	–	(5,077)	(9,499)
<b>Total</b>	<b>587,109</b>	<b>(79,761)</b>	<b>(15,800)</b>	<b>5,843</b>	<b>(525)</b>	<b>26,093</b>

## 3 Revenue and segment reporting (continued)

## (d) Analysis of total assets of the Group

	Segment assets HK\$'000	Interest in associates HK\$'000	Total assets HK\$'000	Capital expenditure HK\$'000
<b>At 30 June 2023</b>				
Hotel				
– Vietnam	305,923	65,653	371,576	7,445
– United States	2,405,894	–	2,405,894	10,092
– The People's Republic of China	141,831	–	141,831	1,581
– Canada	133,099	33,599	166,698	4,996
– Japan	73,814	–	73,814	13
Property				
– Macau	1,942,279	–	1,942,279	250
Investment and corporate	535,899	4,161	540,060	22
<b>Total</b>	<b>5,538,739</b>	<b>103,413</b>	<b>5,642,152</b>	<b>24,399</b>
<b>At 31 December 2022</b>				
Hotel				
– Vietnam	314,797	54,575	369,372	8,073
– United States	2,430,823	–	2,430,823	6,149
– The People's Republic of China	148,724	–	148,724	2,910
– Canada	128,052	27,145	155,197	3,167
– Japan	76,948	–	76,948	–
Property				
– Macau	1,941,833	–	1,941,833	1,331
Investment and corporate	508,828	4,171	512,999	23
<b>Total</b>	<b>5,550,005</b>	<b>85,891</b>	<b>5,635,896</b>	<b>21,653</b>

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

## 3 Revenue and segment reporting (continued)

## (e) Analysis of total liabilities of the Group

	Segment liabilities HK\$'000	Bank borrowings HK\$'000	Total liabilities HK\$'000
<b>At 30 June 2023</b>			
Hotel			
– Vietnam	142,848	–	142,848
– United States	145,343	1,440,287	1,585,630
– The People's Republic of China	91,218	–	91,218
– Canada	15,597	–	15,597
– Japan	1,944	–	1,944
Property			
– Macau	175,811	–	175,811
Investment and corporate	55,596	–	55,596
<b>Total</b>	<b>628,357</b>	<b>1,440,287</b>	<b>2,068,644</b>
<b>At 31 December 2022</b>			
Hotel			
– Vietnam	155,770	–	155,770
– United States	151,372	1,435,804	1,587,176
– The People's Republic of China	91,340	–	91,340
– Canada	13,849	–	13,849
– Japan	1,315	–	1,315
Property			
– Macau	175,412	–	175,412
Investment and corporate	58,388	–	58,388
<b>Total</b>	<b>647,446</b>	<b>1,435,804</b>	<b>2,083,250</b>

## 4 Other revenue and other net gains

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
<b>(a) Other revenue</b>		
Interest income	<b>28,896</b>	4,756
Dividend income from listed securities	<b>447</b>	298
Others	<b>6,394</b>	6,852
	<b>35,737</b>	11,906
<b>(b) Other net gains</b>		
Net exchange gains/(losses)	<b>4,611</b>	(5,359)
Net unrealised (losses)/gains on derivative financial instruments	<b>(908)</b>	7,877
Net unrealised gains on other non-current financial assets (note 16)	<b>10,349</b>	8,759
Net unrealised losses on trading securities	<b>(1,145)</b>	(390)
Loss on disposal of property, plant and equipment	<b>(1,250)</b>	–
Others	<b>503</b>	–
	<b>12,160</b>	10,887

**5 Profit before taxation**

Profit before taxation is arrived at after charging:

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
<b>(a) Finance costs</b>		
Bank loan interests	<b>42,086</b>	13,179
Discounting effect on loans from non-controlling shareholders	<b>2,677</b>	2,604
Others	<b>317</b>	17
	<b>45,080</b>	15,800
<b>(b) Staff costs</b>		
Salaries, wages and other benefits	<b>302,157</b>	213,636
Contributions to defined contribution retirement plans	<b>5,563</b>	3,638
	<b>307,720</b>	217,274
<b>(c) Other items</b>		
Cost of inventories	<b>29,401</b>	18,174
Rental income from properties less direct outgoings of HK\$1,332,000 (2022: HK\$1,344,000)	<b>(40,552)</b>	(41,085)

## 6 Income tax

Taxation in the consolidated statement of profit or loss represents:

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
<b>Current tax – Overseas</b>		
Provision for the period	<b>29,713</b>	18,326
Under-provision in respect of prior years	<b>99</b>	30
	<b>29,812</b>	18,356
<b>Deferred taxation</b>		
Origination and reversal of other temporary differences	<b>(27,986)</b>	(17,831)
	<b>1,826</b>	525

Notes:

- (a) No provision has been made for Hong Kong Profits Tax as the Company and all other entities comprising the Group that are incorporated in Hong Kong sustained a loss for taxation purposes or had unutilised tax loss to set-off against taxable income for the six months ended 30 June 2023 and 30 June 2022.
- (b) Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.
- (c) The applicable income tax rate for the subsidiary established in Vietnam before any incentives is 20% (2022: 20%) for the six months ended 30 June 2023.

**6 Income tax (continued)**

- (d) The applicable PRC Enterprise Income Tax of the subsidiary established in the PRC is calculated at 25% (2022: 25%) of the estimated taxable profits for the period. No provision has been made for PRC Enterprise Income Tax as the subsidiary sustained a loss for taxation purposes for the six months ended 30 June 2023 and 30 June 2022.
- (e) Pursuant to the income tax rules and regulations of the United States, the applicable Federal and State Income Tax in respect of the subsidiaries operating in the United States are calculated at a rate of 21% (2022: 21%) and 9.98% (2022: 9.98%) respectively determined by income ranges for the six months ended 30 June 2023. United States sourced interest income received by foreign entities are subject to withholding tax of 30% (2022: 30%) on all gross income received.
- (f) Under the Japanese domestic law, the subsidiary established in Japan under the Tokumei-Kumiai arrangement is subject to Japanese withholding tax at the rate of 21.36% (2022: 21.36%) on all gross profit distributions from the subsidiary.
- (g) Provision for Macau, Complementary Tax is calculated at 12% (2022: 12%) of the estimated assessable profits for the six months ended 30 June 2023. Macau Property Tax is calculated at 8% (2022: 8%) of the assessable rental income in Macau.
- (h) Pursuant to the income tax rules and regulations of Canada, the applicable federal and provincial statutory tax rate is 26.5% (2022: 26.5%).

**7 Earnings per share**

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$45,250,000 (2022: HK\$6,947,000) and on the 340,200,000 ordinary shares in issue during the six months ended 30 June 2023 and 30 June 2022.

There is no potential dilutive ordinary share during the six months ended 30 June 2023 and 30 June 2022.

## 8 Investment properties

The Group's investment properties were valued by Jones Lang LaSalle Limited, an independent firm of professional surveyors with the appropriate qualifications and experience in the location and category of property being valued, using the income capitalisation approach and with reference to sales evidence as available in the market.

The Group recorded a decrease in fair value of investment properties of HK\$7,000,000 (2022: increase of HK\$3,900,000) in profit or loss for the six months ended 30 June 2023.

## 9 Other non-current financial assets

	Note	At 30 June 2023 HK\$'000	At 31 December 2022 HK\$'000
<b>Equity securities designated at FVOCI (non-recycling)</b>			
– Listed outside Hong Kong		<b>3,318</b>	3,571
<b>Financial assets measured at FVPL</b>			
– Unlisted securities	(i)	<b>130,410</b>	117,040
		<b>133,728</b>	120,611

Note:

- (i) At 30 June 2023, the Group owned 8.10% (31 December 2022: 8.10%) interest of A2I Holdings S.A.R.L.. A2I Holdings S.A.R.L. is a private limited liability company incorporated in Luxembourg which owns 6.75% (31 December 2022: 6.75%) equity shares of AccorInvest Group S.A..

**10 Trade and other receivables**

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

	<b>At 30 June 2023 HK\$'000</b>	At 31 December 2022 HK\$'000
Within one month	<b>32,792</b>	37,960
One to three months	<b>4,954</b>	3,692
More than three months	<b>6,368</b>	3,235
	<b>44,114</b>	44,887

Trade receivables mainly comprise rental receivables from lease of properties and hotel operations. The Group's credit risk is primarily attributable to trade and other receivables. The Group has a defined credit policy. The general credit terms allowed range from 0 - 30 days. Trade customers with balances that are more than three months overdue are requested to settle all outstanding balances before any further credit is granted.

**11 Deposits and cash**

	<b>At 30 June 2023 HK\$'000</b>	At 31 December 2022 HK\$'000
Deposits with banks and other financial institutions	<b>1,136,675</b>	1,123,978
Cash at bank and on hand	<b>221,372</b>	217,291
Deposits and cash in the consolidated statement of financial position	<b>1,358,047</b>	1,341,269
Less: Deposits with original maturity greater than three months	<b>(7,181)</b>	(93,354)
Cash and cash equivalents in the condensed consolidated cash flow statement	<b>1,350,866</b>	1,247,915

## 12 Bank loans

(a) At 30 June 2023 and 31 December 2022, the bank loans were repayable as follows:

	<b>At 30 June 2023 HK\$'000</b>	At 31 December 2022 HK\$'000
Within 1 year or on demand	<b>1,363,568</b>	1,359,323
After 2 years but within 5 years	<b>76,719</b>	76,481
	<b>76,719</b>	76,481
	<b>1,440,287</b>	1,435,804

At 30 June 2023 and 31 December 2022, the bank loans were secured and unsecured as follows:

	<b>At 30 June 2023 HK\$'000</b>	At 31 December 2022 HK\$'000
Bank loans		
– Secured (note 12(b))	<b>1,363,568</b>	1,359,323
– Unsecured	<b>76,719</b>	76,481
	<b>1,440,287</b>	1,435,804

At 30 June 2023 and 31 December 2022, except for the loans received by two of the Group's subsidiaries amounting to HK\$76,719,000 (31 December 2022: HK\$76,481,000) which bear fixed interest rates, all other bank loans bear interest at floating interest rates which approximate to market rates of interest.

**12 Bank loans** *(continued)*

- (b)** At 30 June 2023, the banking facilities available to the Company and certain subsidiaries of the Group were secured by:
- (i) Properties held for sale with a carrying value of HK\$64,366,000 (31 December 2022: HK\$64,366,000), and
  - (ii) Hotel properties, including land, of the Group with aggregate carrying value of HK\$1,812,289,000 (31 December 2022: HK\$1,830,666,000).

Such banking facilities amounted to HK\$1,448,568,000 (31 December 2022: HK\$1,444,323,000) and were utilised to the extent of HK\$1,363,568,000 as at 30 June 2023 (31 December 2022: HK\$1,359,323,000).

- (c)** Except for the loans received by two of the Group's subsidiaries amounting to HK\$76,719,000 (31 December 2022: HK\$76,481,000), all of the Group's other banking facilities are subject to the fulfilment of covenants relating to certain of the Group's financial ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the draw down facilities would become payable on demand.

As at 30 June 2023 and 31 December 2022, certain covenant ratios of two bank loans (referred to as "Loan 1" and "Loan 2", respectively) entered into by two of the Group's subsidiaries deviated from the requirements as stated in the relevant loan agreements. For both Loan 1 and Loan 2, the Group has obtained waivers from the banks to waive the testing of the covenant prior to the end of the reporting period and the waivers to exempt those covenants testing covered a period until the loan maturity in October 2023.

**13 Trade and other payables**

	<b>At 30 June 2023 HK\$'000</b>	At 31 December 2022 HK\$'000
Trade payables	<b>104,401</b>	105,621
Payables and accruals	<b>103,970</b>	137,412
Deposits and receipts in advance	<b>190,756</b>	170,914
	<b>399,127</b>	413,947

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

	<b>At 30 June 2023 HK\$'000</b>	At 31 December 2022 HK\$'000
Within one month	<b>60,101</b>	64,866
One to three months	<b>36,536</b>	36,757
More than three months	<b>7,764</b>	3,998
	<b>104,401</b>	105,621

**14 Loans from non-controlling shareholders**

At 30 June 2023, loans from non-controlling shareholders were unsecured, interest-bearing on prime lending rate and repayable on demand except for amounts of HK\$32,298,000 (31 December 2022: HK\$37,160,000) and HK\$73,430,000 (31 December 2022: HK\$73,283,000) which were unsecured, interest-free and repayable on 30 April 2026 and 30 April 2025 (31 December 2022: repayable on 30 April 2023 and 30 April 2025), respectively and the amount of HK\$105,728,000 (31 December 2022: HK\$73,283,000) were classified as non-current liabilities.

**15 Capital, reserves and dividends****(a) Dividends**

- (i) *Dividends payable to equity shareholders of the Company attributable to the interim period*

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Interim dividend declared after the interim period, of HK\$0.03 (six months ended 30 June 2022: Nil) per ordinary share	<b>10,206</b>	–

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

- (ii) *Dividends payable to equity shareholders attributable to the previous financial year, approved and payable/paid during the interim period*

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of HK\$0.05 (six months ended 30 June 2022: HK\$0.04) per ordinary share	<b>17,010</b>	13,608

**(b) Share capital**

	<b>At 30 June 2023</b>		At 31 December 2022	
	<b>No. of shares '000</b>	<b>Amount HK\$'000</b>	No. of shares '000	Amount HK\$'000
<b>Ordinary shares, issued and fully paid:</b>				
At 1 January and at 30 June/31 December	<b>340,200</b>	<b>498,305</b>	340,200	498,305

**(c) Reserves***Fair value reserve (non-recycling)*

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under HKFRS 9 that are held at the end of the reporting period.

## 16 Fair value measurement of financial instruments

### (a) Financial assets and liabilities measured at fair value

- (i) The Group's listed equity securities and trading securities are measured using market quoted price and therefore fall within the Level 1 fair value hierarchy as defined in HKFRS 13. The derivative financial assets carried at fair value are categorised as falling under Level 2, or transfers into or out of Level 3 (2022: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

During the six months ended 30 June 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2022: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

- (ii) Valuation techniques and inputs used in Level 2 fair value measurements

The Group's derivative financial instruments of interest rate swap is the estimated amount that the Group would receive or pay to terminate the swap at the end of the reporting period, taking into account current interest rates and the current creditworthiness of the swap counterparties. These derivative financial instruments fall within the Level 2 fair value hierarchy as defined in HKFRS13.

- (iii) Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs	Range
Unlisted securities	Adjusted net asset value	Underlying assets' value	N/A
		Discount for marketability	25% to 30% (2022: 25% to 30%)

The fair value of unlisted securities is determined using adjusted net asset value, which is positively correlated to the underlying assets' values and negatively correlated to the discount for marketability. The following table indicates instantaneous changes in the Group's profit if there is an increase/decrease in these two significant unobservable inputs, assuming all other variables remain constant.

Significant unobservable inputs	Increase/(decrease) in significant unobservable inputs %	Six months ended 30 June	
		2023	2022
		Increase/(decrease) in the Group's profit HK\$'000	Increase/(decrease) in the Group's profit HK\$'000
Underlying assets' value	5	6,520	5,681
	(5)	(6,520)	(5,681)
Discount for marketability	1	(1,854)	(1,616)
	(1)	1,854	1,616

**16 Fair value measurement of financial instruments (continued)****(a) Financial assets and liabilities measured at fair value (continued)**

## (iii) Information about Level 3 fair value measurements (continued)

The movements during the period in the balance of Level 3 fair value measurements are as follows:

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
<i>Financial assets measured at FVPL:</i>		
<i>– Unlisted securities:</i>		
At 1 January	<b>117,040</b>	113,332
Capital contribution during the period	<b>553</b>	–
Changes in fair value recognised in profit or loss	<b>10,349</b>	8,759
Unrealised exchange gain/(loss)	<b>2,468</b>	(8,462)
At 30 June	<b>130,410</b>	113,629

**(b) Fair values of financial assets and liabilities carried at other than fair value**

The carrying amounts of the Group's financial assets and liabilities carried at cost or amortised cost were not materially different from their fair values as at 30 June 2023 and 31 December 2022.

**17 Capital commitments outstanding not provided for in the interim financial report**

	<b>At 30 June</b>	At 31 December
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Contracted for	<b>45,618</b>	29,056
Authorised but not contracted for	<b>24,575</b>	28,185
	<b>70,193</b>	57,241

## 18 Material related party transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions, which were on commercial terms, with Mr Ho Kian Cheong (“KC Ho”), Goodland Limited (“Goodland”), Kansas Holdings Limited (“Kansas”) and KSC Enterprises Limited (“KSC”).

KC Ho is a non-executive director and a substantial shareholder of the Company at 30 June 2023. Goodland holds 28% of the equity interest in the Company at 30 June 2023. Kansas holds 30% of the equity interest in the Company at 30 June 2023. KSC is the fellow subsidiary of Kansas and Goodland. Mr Ho Kian Guan and Mr Ho Kian Hock, executive directors of the Company, each had 1/3 indirect interest in Goodland, Kansas and KSC and are also directors of Goodland and Kansas. They are deemed to be interested in the following transactions.

	Note	<b>Six months ended 30 June</b>	
		<b>2023</b>	2022
		<b>HK\$'000</b>	HK\$'000
<b>(a) Transactions with Goodland</b>			
Rental income receivable	(i)	<b>260</b>	254
Management fee payable	(ii)	<b>984</b>	984
<hr/>			
	Note	<b>At 30 June 2023 HK\$'000</b>	At 31 December 2022 HK\$'000
<b>(b) Balances with Goodland</b>			
Amount due to Goodland	(iv)	<b>589</b>	88
<hr/>			
<b>(c) Balances with KC Ho</b>			
Loan from KC Ho	(iii)	<b>11,837</b>	12,077
Amount due to KC Ho	(iii)	<b>604</b>	610
<hr/>			
<b>(d) Balances with Kansas</b>			
Loan from Kansas	(iii)	<b>48,865</b>	49,856
Amount due to Kansas	(iii)	<b>2,654</b>	2,760
<hr/>			
<b>(e) Balances with KSC</b>			
Loan from KSC	(iii)	<b>4,174</b>	4,067
<hr/>			

**18 Material related party transactions (continued)**

Notes:

- (i) A subsidiary of the Company rented certain of its properties to Goodland and received rental income.
- (ii) Certain subsidiaries of the Company paid management fees to Goodland.
- (iii) At 30 June 2023, loans from KC Ho of HK\$9,319,000 (31 December 2022: HK\$9,180,000) and HK\$2,518,000 (31 December 2022: HK\$2,897,000) were unsecured, interest-free and repayable on 30 April 2025 and 30 April 2026 (31 December 2022: repayable on 30 April 2025 and 30 April 2023), respectively. Amount due to KC Ho of HK\$604,000 (31 December 2022: HK\$610,000) was interest-free, unsecured and repayable on demand.

At 30 June 2023, loan from Kansas of HK\$38,471,000 (31 December 2022: HK\$37,898,000) and HK\$10,394,000 (31 December 2022: HK\$11,958,000) were unsecured, interest-free and repayable on 30 April 2025 and 30 April 2026 (31 December 2022: repayable on 30 April 2025 and 30 April 2023), respectively. Amount due to Kansas of HK\$2,654,000 (31 December 2022: HK\$2,760,000) which was interest-free, unsecured and repayable on demand.

At 30 June 2023, loan from KSC of HK\$4,174,000 (31 December 2022: HK\$4,067,000) was unsecured, interest-bearing on prime lending rate and repayable on demand.

Loans from KC Ho, Kansas and KSC are included in loans from non-controlling shareholders (note 14). Amounts due to KC Ho and Kansas are included in trade and other payable.

- (iv) At 30 June 2023, trade and other payables included amounts due to Goodland of HK\$589,000 (31 December 2022: HK\$88,000) comprising:
  - interest-bearing accounts with certain subsidiaries of the Company amounting to HK\$76,000 (31 December 2022: HK\$30,000).
  - non-interest bearing accounts with certain subsidiaries of the Company amounted to HK\$513,000 (31 December 2022: HK\$58,000).

The balances were unsecured and repayable on demand.

The related party transactions above constitute connected transactions as defined in Chapter 14A of the Listing Rules.

**19 Contingent liabilities**

- (i) At 30 June 2023, there were outstanding counter indemnities relating to guarantees issued by the bankers of a subsidiary in favour of the Macau Special Administrative Region Government in respect of properties held for sale amounted to HK\$8,252,000 (31 December 2022: HK\$8,252,000).

At 30 June 2023, the Directors do not consider it probable that a claim will be made against the Group under any of the guarantees. The Group have not recognised any deferred income in respect of any of the above guarantees as their fair value cannot be reliably measured and they were issued many years ago and their transaction price was Nil.

- (ii) The Company has undertaken to provide financial support to one of its subsidiaries in order to enable it to continue to operate as a going concern.
- (iii) The Company has undertaken to provide guarantee to banks in respect of bank loans granted to two of its subsidiaries.

## SCHEDULE OF PRINCIPAL PROPERTIES

at 30 June 2023

Properties	Group's interest	Type	No. of units	Gross floor area (sq. ft.)	Lease term
<b>Properties classified as investment properties</b>					
Luso International Bank Building 1, 3 and 3A Rua Do Dr. Pedro Jose Lobo, Macau	100%	Office	40	30,264	Short lease
Ocean Plaza, I & II Ocean Gardens, Macau	70.61%	Commercial	47	94,525	Short lease
Ocean Tower Ocean Gardens, Macau	70.61%	Office	19	49,703	Short lease
Ocean Tower Ocean Gardens, Macau	70.61%	Car parks	206	N/A	Short lease
<b>Properties classified as hotel properties</b>					
Sheraton Ottawa Hotel Ottawa, Canada	85%	Hotel	236	191,296	Freehold
Delta Hotels by Marriott Toronto Airport & Conference Centre Toronto, Canada	25%	Hotel	433	447,380	Freehold
Caravelle Hotel Ho Chi Minh City, Vietnam	24.99%	Hotel	335	388,458	Medium lease
Holiday Inn Wuhan Riverside Wuhan, PRC	41.26%	Hotel	305	296,288	Medium lease
Sheraton Saigon Hotel & Towers Ho Chi Minh City, Vietnam	64.12%	Hotel	485	742,156	Medium lease
W San Francisco San Francisco, United States	100%	Hotel	411	292,168	Freehold
Sofitel New York New York, United States	100%	Hotel	398	294,000	Freehold
Best Western Hotel Fino Osaka Shinsaibashi Osaka, Japan	100%	Hotel	179	41,720	Freehold

**SCHEDULE OF PRINCIPAL PROPERTIES** *(continued)*

at 30 June 2023

Properties	Group's interest	Type	No. of units	Gross floor area (sq. ft.)	Lease term
<b>Properties classified as properties held for sale</b>					
Ocean Industrial Centre Phase II Rua dos Pescadores, Macau	100%	Industrial	3	22,921	Short lease
Ocean Park 530 East Coast Road Singapore	100%	Residential	5	10,550	Freehold
Rose Court Ocean Gardens, Macau	70.61%	Residential	3	11,121	Short lease
Begonia Court Ocean Gardens, Macau	70.61%	Residential	4	10,548	Short lease
Orchid Court Ocean Gardens, Macau	70.61%	Residential	2	5,274	Short lease
Sakura Court Ocean Gardens, Macau	70.61%	Residential	23	85,261	Short lease
Lily Court Ocean Gardens, Macau	70.61%	Residential	28	51,008	Short lease
Aster Court Ocean Gardens, Macau	70.61%	Residential	40	113,200	Short lease
Bamboo Court Ocean Gardens, Macau	70.61%	Residential	40	113,200	Short lease
Ocean Gardens, Macau	70.61%	Car parks	743	N/A	Short lease
Keck Seng Industrial Building Avenida de Venceslau de Morais, Macau	100%	Car parks	3	N/A	Short lease