

# 2023-2024 INTERIM REPORT

二零二三至二零二四年 中期報告



STOCK CODE: 1221

Royal Pacific Hotel  
皇家太平洋酒店

Creating Better Lifescapes  
建構更美好生活



SINO HOTELS (HOLDINGS) LIMITED  
信和酒店(集團)有限公司

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## Board of Directors

### Executive Directors

Robert Ng Chee Siong, Chairman  
Daryl Ng Win Kong, SBS, JP, Deputy Chairman  
Thomas Tang Wing Yung, Group Chief Financial Officer

### Non-Executive Directors

Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP  
Gilbert Lui Wing Kwong  
Nikki Ng Mien Hua

### Independent Non-Executive Directors

Steven Ong Kay Eng  
Wong Cho Bau, JP  
Hung Wai Man, JP

## Audit Committee

Steven Ong Kay Eng, Chairman  
Gilbert Lui Wing Kwong  
Hung Wai Man, JP

## Nomination Committee

Robert Ng Chee Siong, Chairman  
Steven Ong Kay Eng  
Hung Wai Man, JP

## Remuneration Committee

Steven Ong Kay Eng, Chairman  
Hung Wai Man, JP  
Daryl Ng Win Kong, SBS, JP

## Authorized Representatives

Robert Ng Chee Siong  
Thomas Tang Wing Yung

## Company Secretary

Fanny Cheng Siu King

## Auditor

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

## Solicitors

Clifford Chance, Hong Kong  
Maples and Calder, Cayman Islands

## Principal Registrar

Tricor Friendly Limited  
17/F, Far East Finance Centre,  
16 Harcourt Road,  
Hong Kong  
Telephone : (852) 2980 1333  
Fax : (852) 2861 1465  
Email : sinohotels1221-ecom@hk.tricorglobal.com

## Principal Bankers

Bank of China (Hong Kong) Limited  
OCBC Bank (Hong Kong) Limited  
UBS AG  
Hang Seng Bank Limited  
The Hongkong and Shanghai Banking Corporation Limited

## Investor relations contact

Telephone : (852) 2132 8480  
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Email : investorrelations@sino.com

## Principal Office

12th Floor, Tsim Sha Tsui Centre,  
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Telephone : (852) 2721 8388  
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Website : www.sino.com  
Email : info@sino.com

## Registered Office

P.O. Box 309,  
Ugland House, Grand Cayman,  
KY1-1104, Cayman Islands

## Listing information

Stock Code 1221

## Shareholders' calendar

Closure of Register of Members  
for dividend entitlement 8th to 12th March, 2024  
(both dates inclusive)

Record Date for  
interim dividend entitlement 12th March, 2024

Last Day for lodging form of  
election for scrip dividend 5th April, 2024  
4:30 p.m.

Interim Dividend  
Payable HK1.5 cents per share  
18th April, 2024

# Chairman's statement

I am pleased to present my Interim Report to the shareholders.

## Interim results

The Group recorded unaudited net profit attributable to shareholders of HK\$28.8 million for the six months ended 31st December, 2023 ("Interim Period") compared to net loss attributable to shareholders of HK\$51.5 million for the same corresponding period in 2022. Turnover of the Group for the Interim Period was HK\$65.7 million (2022: HK\$68.2 million). Earnings per share for the Interim Period was HK2.52 cents compared to loss per share of HK4.50 cents for the corresponding period in 2022.

The unaudited results for the Interim Period have been reviewed by the Company's auditor, KPMG and they reflect the adoption of all Hong Kong Financial Reporting Standards applicable to the Group that are effective for the accounting period.

## Dividend

As a result of the Group's improved financial performance, the Board of Directors has declared an interim dividend of HK1.5 cents per share (2022: nil), payable on 18th April, 2024 to the shareholders whose name appear on the Register of Members of the Company on 12th March, 2024.

The interim dividend will be payable in cash but shareholders will be given the option of electing to receive the interim dividend in the form of new shares in lieu of cash in respect of part or all of such dividend. The shares to be issued pursuant to the scrip dividend scheme are subject to their listing being granted by the Listing Committee of The Stock Exchange of Hong Kong Limited.

A circular containing details of the scrip dividend scheme will be dispatched to the shareholders together with a form of election for the scrip dividend on or about 18th March, 2024. It is expected that the interim dividend warrants and share certificates will be dispatched to the shareholders on or about 18th April, 2024.

## Review of operations

As at 31st December, 2023, the Group's portfolio of hotels comprises City Garden Hotel, Conrad Hong Kong and The Royal Pacific Hotel & Towers.

The global hospitality industry has seen positive developments in the post-pandemic era, with business and leisure travellers resuming international travel and driving up demand for hotels. In Hong Kong, the HKSAR Government has made tremendous efforts to attract tourists with a series of effective campaigns and measures including 'Hello Hong Kong', 'Happy Hong Kong' and 'Night Vibes Hong Kong' as well as popular mega events including the Hong Kong Sevens. The latest figure from the Hong Kong Tourism Board indicates that close to 34 million tourists visited Hong Kong in 2023, gradually recovering to pre-pandemic level. The Mainland Chinese tourist segment is recovering rapidly, driven by cross-boundary infrastructures such as the high-speed rail and the Hong Kong-Zhuhai-Macau Bridge. These infrastructures provide convenient and efficient transportation options for Mainland Chinese tourists, making it easier for them to visit Hong Kong and experience its unique culture and attractions. The recent launch of the 'Night Vibes Hong Kong' campaign has added impetus to the city's night economy, with various sectors of the community contributing to a diverse spectrum of riveting events. These events, which began in September 2023, encompass entertainment, arts, culture, and consumption, creating a dynamic atmosphere for both citizens and tourists.

The Group has taken proactive steps to prepare for the normalization of visitor arrivals. To optimize occupancy and ensure a stable income stream, City Garden Hotel entered into a new four-year lease agreement with a tenant, effective August 2022, while remaining under the Group's management. Under this agreement, the hotel receives pre-agreed rates for all available rooms. Conrad Hong Kong experienced an encouraging increase in both occupancy and room rates, largely driven by business travellers, contributed by a robust pipeline of physical exhibitions, events, and local banquets in Hong Kong. The Royal Pacific Hotel & Towers also saw a significant improvement in its operational performance, benefiting from its strategic location near the Hong Kong West Kowloon railway station and China Ferry Terminal, and the revival of inbound tourists from Mainland China. The Group remained focused on cost control, efficiency improvements, and enhancing the quality of hotel services to ensure that our discerning guests have enjoyable experiences during their stays.

During the Interim Period, income generated from operations of City Garden Hotel, Conrad Hong Kong and The Royal Pacific Hotel & Towers were HK\$48.7 million, HK\$301.3 million and HK\$153.4 million (2022: HK\$46.7 million, HK\$152.8 million and HK\$70.8 million), respectively. The average occupancy rates for City Garden Hotel, Conrad Hong Kong and The Royal Pacific Hotel & Towers were 100%, 69.5% and 84.7% (2022: 100%, 37.6% and 42.7%), respectively. Overall, the three hotels saw a marked improvement in their operating results, boosted by the revival of tourist arrivals from Mainland China and overseas, leading to a noticeable resurgence in local tourism and social activities. The net profit attributable to shareholders was HK\$28.8 million for the Interim Period, partially offset by an unrealised loss of HK\$26.9 million on fair value changes of a financial instrument. This instrument represents a long-term investment in a company listed on the Main Board of the Stock Exchange, primarily engaged in real estate investment trust in Mainland China. Excluding this non-cash item, the net profit for the Interim Period would have been HK\$55.7 million.

Other than that mentioned above, there was no material change from the information published in the report and accounts for the year ended 30th June, 2023.

## Finance

As at 31st December, 2023, the Group had cash and bank deposits of HK\$1,156.3 million and had no debt outstanding. The Group is in net cash position, therefore gearing ratio, calculated on the basis of total borrowings less cash and bank deposits to equity attributable to the Company's shareholders, is not applicable.

There was no material change in the capital structure of the Group for the Interim Period. Foreign exchange exposure is kept at a low level. As at 31st December, 2023, the Group did not have any contingent liabilities.

Other than the above-mentioned, there was no material change from the information published in the report and accounts for the financial year ended 30th June, 2023.

## Corporate governance

The Group places great importance on corporate integrity, business ethics, and good governance. With the objective of practising good corporate governance, the Group has formed Audit, Compliance, Remuneration and Nomination Committees.

## Chairman's statement (Continued)

### Employee programmes

In this fiscal year, we have implemented multiple measures aimed at enhancing the service level of hotel employees, promoting sustainable development, and increasing colleague engagement.

Through high-quality customer service training programs, we have covered employees of different ranks and positions throughout the hotel to foster a culture of excellent service and improve the service skills of our staff. Within a year, over 90% of employees have participated in and completed this training program. The effectiveness of the training is also reflected in a 10% increase in ratings in our Guest Satisfaction Survey.

To cultivate future leaders in the industry, we have established a new operational management trainee program that has attracted many passionate young professionals. Through a series of interviews, selections, and onboarding training, these management trainees are currently undergoing work experience in various operational departments.

As always, our group training programs continue to focus on sustainable development and employee experience. In the fiscal year 2023, all colleagues received training on environmental, social, and corporate governance topics. By participating in sustainable development initiatives and training activities, colleagues have gained a better understanding of the group's goals and strategies.

In addition to talent development programs, we have launched several employee engagement initiatives, including 'Appreciation Week'. We also hold employee conferences and present 'Best Performance Employee' awards and Long Service Awards ceremonies to promote communication among colleagues and recognize their contributions.

The hotel also encourages employee participation in community service programs, such as participating in the 'BUN Run' event, beach cleaning, and serving at food banks, amongst other community partnerships, to contribute to the community.

These measures reflect our commitment to continuous improvement and development, promoting sustainable development, and increasing employee engagement. We look forward to continuing to provide high-level service to our guests while creating a positive impact on our community and the environment.

### Sustainability

The Group continues to embrace Environmental, Social and Governance ("ESG") best practices and integrates sustainability into the operations and management of our hotels. Taking a holistic approach, we seek to create value for stakeholders by combating climate change, serving the community, promoting social integration and conserving cultural heritage.

In recognition of our performance in sustainable hotel best practices, the Group was recognised by the Centre for Business Sustainability of The Chinese University of Hong Kong Business School as one of the Top 10 (Achievers) in the Greater China Hotel Business Sustainability Index for the second consecutive year in November 2023.

### Environmental management

The Group recognises the importance of sustainable development and environmental management. We also promote sustainable living among stakeholders and the general public. Key focus areas include climate change mitigation, waste management and urban biodiversity conservation.

### Climate change mitigation

The Group continues to support the 'Energy Saving Charter' and '4T Charter' organised by the Environment and Ecology Bureau. In this connection, City Garden Hotel has installed 72 solar panels to support the development of renewable energy in Hong Kong. We also encourage the use of electric vehicles ("EVs") with the installation of an EV charging station at the City Garden Hotel's car parking area.

### Waste management

Since April 2018, the Group has initiated a group-wide Plastic Awareness Campaign. The Group has installed smart filtered water stations and removed plastic bottled water from all guest premises and eliminated single-use plastic straws and umbrella bags at its hotels.

We also actively engage our stakeholders to reduce food waste. The Royal Pacific Hotel & Towers joined hands with Foodlink to donate a total of 283 kg of surplus food to the underprivileged families in the community.

### Urban biodiversity

The Group supports Sino Group's participation in the Sustainable Seafood Business Membership Programme, organised by the World Wide Fund For Nature Hong Kong ("WWF"), to promote sustainable seafood consumption. We also adopted the Seafood Guide issued by the WWF to procure sustainable seafood, including those certified by the Aquaculture Stewardship Council and the Marine Stewardship Council.

### Community engagement

As a devoted corporate citizen, the Group continues to play an active role in serving the community by utilising its hotel resources and formulating long-term sustainable community programmes. To spread warmth across the community, the Group partnered with various community service centres through the 'Hearty Soup Delivery Programme' for the 13th consecutive year. Homemade soup was prepared by the Group's hotel chefs and delivered to the elderly members of the community during the cold winter months.

Furthermore, The Royal Pacific Hotel & Towers celebrated Breast Cancer Awareness Month by offering guests a Pink Afternoon Tea Set with a portion of proceeds donated to the Hong Kong Breast Cancer Foundation.

We are committed to providing equal opportunities to disadvantaged members of the community. The Group continues collaborating with the Hong Chi Association to provide long-term employment and training opportunities to share skills with students. City Garden Hotel and The Royal Pacific Hotel & Towers received 'Happy Company 2023' recognition from the Promoting Happiness Index Foundation.

### Tai O Heritage Hotel

The Ng Family, the major shareholder of the Group, established a non-profit-making organisation named Hong Kong Heritage Conservation Foundation Limited ("HCF"). HCF revitalised and converted the Old Tai O Police Station, a Grade II historic building, into a boutique hotel. Named Tai O Heritage Hotel ("Hotel"), it has nine colonial-style rooms and suites. The Hotel, operated by HCF as a non-profit-making social enterprise, is part of the HKSAR Government's 'Revitalising Historic Buildings Through Partnership Scheme'. The Hotel is a winner of the '2013 UNESCO Asia-Pacific Awards for Cultural Heritage Conservation' and the first UNESCO-awarded hotel in Hong Kong.

In September 2023, the Hotel colleagues joined hands with the Tai O Rural Committee to spread warmth and care to more than 1,000 residents in Tai O by presenting Mid-autumn festive gifts.

In addition, to promote marine conservation, the Hotel partnered with a local NGO, A Plastic Ocean Foundation, and students from The Church of Christ in China Tai O Primary School to clean up Tai O shores.

In December 2023, the hotel joined hands with NGO partners to present hot soup and festive gifts to over 100 elderly people and children to spread warmth across the community.

### Industry outlook and prospects

The hotel industry has experienced a significant recovery following the relaxation of travel restrictions post-pandemic, including surges in business and leisure travel, the resumption of physical conferences, events and exhibitions, and the steady return to normal flight capacities worldwide. These have contributed to a notable improvement in operating results, with substantial increases in both occupancy and room rates.

Tourism is a major driving force for Hong Kong's economy, and the Central Government fully supports enhanced collaboration between Mainland China and Hong Kong in this area. The HKSAR Government is committed to revitalizing tourism by launching various campaigns and measures, as well as coordinating with relevant sectors to create new attractions with unique characteristics in suitable locations. Various promotional activities and events will be rolled out to enhance Hong Kong's offerings and attractions to consolidate the city's position as an international tourist destination.

Hong Kong's festive seasons are filled with a wealth of exciting activities, including the return of the National Day Firework Display after a five-year hiatus, the resumption of the Tai Hang Fire Dragon Dance, a spectacular drone show held simultaneously in Hong Kong and Shenzhen, and the Hong Kong Chinese New Year Night Parade on Lunar New Year's Day. Popular and well-attended events such as the Hong Kong Sevens, Art Basel, Art Central, and financial and investment summits will also be hosted again in Hong Kong to further support the tourism industry. These events provide a unique and authentic experience for visitors, showcasing the vibrant culture and energy of Hong Kong.

An array of factors will continue to shape the hotel industry and market, including global economic outlook, currency exchange rates, airline capacity as well as the changes in consumer behaviours of tourists, in particular Mainland Chinese tourists. Mainland Chinese tourists make up 78.7% of inbound arrivals to Hong Kong, it is crucial to monitor changes in their behaviours and respond accordingly.

The Central Government is firmly committed to supporting Hong Kong's economic development and leveraging its unique advantages under the 'One Country, Two Systems' principle. Hong Kong is furthering integration into the country's development, serving as a hub connecting domestic and global markets, participating in and promoting national strategies such as the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and the Belt and Road Initiative, and realising the development of Hong Kong's 'eight centres' as outlined in the 14th Five-Year Plan. Hong Kong has boundless, long-term potential.

The Group is well positioned to cater to the increasing number of tourists arrivals as flight capacity resumes and airfares normalise. We remain vigilant in monitoring market developments and managing costs carefully. Competition in the industry remains fierce, well thought-through strategies are therefore vital to stimulate demand and support business development and growth. Management is dedicated to continuously evaluating and improving our offerings and services, with the goal of providing exceptional experiences for our discerning guests during their stays at our hotels.

The Group is in a strong financial position with no outstanding debt as of 31st December, 2023.

### Staff and management

On behalf of the Board, I take this opportunity to express my sincere appreciation to all staff for their commitment, dedication and continuing support. I would also like to express my gratitude to my fellow Directors for their guidance and wise counsel.

**Robert NG Chee Siong**

*Chairman*

Hong Kong, 22nd February, 2024

# Consolidated statement of profit or loss

For the six months ended 31st December, 2023

	Notes	Six months ended	
		31st December, 2023 HK\$ (Unaudited)	31st December, 2022 HK\$ (Unaudited)
Revenue	3, 4	65,755,260	68,264,106
Direct expenses		<u>(28,060,426)</u>	<u>(33,201,368)</u>
Gross profit		37,694,834	35,062,738
Other income and other gains and losses		(25,598,894)	(32,761,088)
Other expenses		(34,842,992)	(34,534,634)
Marketing costs		(7,315)	(26,276)
Administrative expenses		(11,193,262)	(11,849,708)
Finance income	5	<u>25,991,982</u>	<u>10,261,007</u>
Finance costs	6	<u>(62,284)</u>	<u>(47,091)</u>
Finance income, net		25,929,698	10,213,916
Share of results of associates		<u>36,967,344</u>	<u>(17,449,018)</u>
Profit/(loss) before taxation	7	28,949,413	(51,344,070)
Income tax expense	8	<u>(147,513)</u>	<u>(127,739)</u>
Profit/(loss) for the period attributable to the Company's shareholders		<u>28,801,900</u>	<u>(51,471,809)</u>
Earnings/(loss) per share – Basic	10	<u>2.52 cents</u>	<u>(4.50) cents</u>

The notes on pages 15 to 24 form part of these condensed consolidated financial statements.

# Consolidated statement of profit or loss and other comprehensive income

For the six months ended 31st December, 2023

	Six months ended	
	31st December, 2023 HK\$ (Unaudited)	31st December, 2022 HK\$ (Unaudited)
Profit/(loss) for the period	<u>28,801,900</u>	<u>(51,471,809)</u>
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
(Loss)/gain on fair value changes of equity instruments at fair value through other comprehensive income ("FVTOCI")	<b>(90,284,701)</b>	73,555,016
Exchange difference arising on translation of equity instruments at FVTOCI	–	(768,750)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Gain/(loss) on fair value changes of debt instrument at FVTOCI	<u>1,195,913</u>	<u>(912,506)</u>
Other comprehensive income for the period	<u><b>(89,088,788)</b></u>	<u>71,873,760</u>
Total comprehensive income for the period attributable to the Company's shareholders	<u><b>(60,286,888)</b></u>	<u>20,401,951</u>

The notes on pages 15 to 24 form part of these condensed consolidated financial statements.

# Consolidated statement of financial position

At 31st December, 2023

	<i>Notes</i>	31st December, 2023 <i>HK\$</i> (Unaudited)	30th June, 2023 <i>HK\$</i> (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	11	251,896,423	257,773,163
Right-of-use assets	11	901,679,042	912,788,025
Interests in associates	12	1,010,568,794	973,601,450
Amount due from an associate		94,781,102	158,801,917
Financial instruments	17	573,256,153	921,801,022
Deposits paid for property, plant and equipment		3,230,000	2,308,613
		<u>2,835,411,514</u>	<u>3,227,074,190</u>
<b>Current assets</b>			
Hotel inventories		67,142	91,094
Trade and other receivables	13	43,488,720	25,657,749
Amounts due from associates		1,382,914	1,034,927
Financial instrument	17	75,272,101	–
Time deposits, bank balances and cash		1,156,378,271	911,594,178
		<u>1,276,589,148</u>	<u>938,377,948</u>
<b>Current liabilities</b>			
Trade and other payables	14	27,617,777	20,707,033
Amount due to an associate		1,503,306	1,474,698
Taxation payable		122,505	226,445
		<u>29,243,588</u>	<u>22,408,176</u>
<b>Net current assets</b>		<u>1,247,345,560</u>	<u>915,969,772</u>
<b>Total assets less current liabilities</b>		<u>4,082,757,074</u>	<u>4,143,043,962</u>
<b>Capital and reserves</b>			
Share capital	15	1,142,661,798	1,142,661,798
Reserves		2,940,095,276	3,000,382,164
<b>Equity attributable to the Company's shareholders</b>		<u>4,082,757,074</u>	<u>4,143,043,962</u>

The notes on pages 15 to 24 form part of these condensed consolidated financial statements.

# Consolidated statement of changes in equity

For the six months ended 31st December, 2023

	Share capital HK\$	Share premium HK\$	Investment revaluation reserve HK\$	Distributable reserve HK\$	Retained profits HK\$	Total HK\$
At 1st July, 2022	<u>1,142,661,798</u>	<u>677,263,627</u>	<u>(127,416,316)</u>	<u>552,191,869</u>	<u>1,946,922,205</u>	<u>4,191,623,183</u>
Loss for the period	-	-	-	-	(51,471,809)	(51,471,809)
Gain on fair value changes of equity instruments at FVTOCI	-	-	73,555,016	-	-	73,555,016
Exchange difference arising on translation of equity instruments at FVTOCI	-	-	(768,750)	-	-	(768,750)
Loss on fair value changes of debt instrument at FVTOCI	-	-	(912,506)	-	-	(912,506)
Other comprehensive income for the period	-	-	<u>71,873,760</u>	-	-	<u>71,873,760</u>
Total comprehensive income for the period	-	-	<u>71,873,760</u>	-	<u>(51,471,809)</u>	<u>20,401,951</u>
At 31st December, 2022 (unaudited)	<u>1,142,661,798</u>	<u>677,263,627</u>	<u>(55,542,556)</u>	<u>552,191,869</u>	<u>1,895,450,396</u>	<u>4,212,025,134</u>
At 1st July, 2023	<u>1,142,661,798</u>	<u>677,263,627</u>	<u>(156,508,500)</u>	<u>552,191,869</u>	<u>1,927,435,168</u>	<u>4,143,043,962</u>
Profit for the period	-	-	-	-	28,801,900	28,801,900
Loss on fair value changes of equity instruments at FVTOCI	-	-	(90,284,701)	-	-	(90,284,701)
Gain on fair value changes of debt instrument at FVTOCI	-	-	<u>1,195,913</u>	-	-	<u>1,195,913</u>
Other comprehensive income for the period	-	-	<u>(89,088,788)</u>	-	-	<u>(89,088,788)</u>
Total comprehensive income for the period	-	-	<u>(89,088,788)</u>	-	<u>28,801,900</u>	<u>(60,286,888)</u>
<b>At 31st December, 2023 (unaudited)</b>	<b><u>1,142,661,798</u></b>	<b><u>677,263,627</u></b>	<b><u>(245,597,288)</u></b>	<b><u>552,191,869</u></b>	<b><u>1,956,237,068</u></b>	<b><u>4,082,757,074</u></b>

The notes on pages 15 to 24 form part of these condensed consolidated financial statements.

# Condensed consolidated statement of cash flows

For the six months ended 31st December, 2023

	Six months ended	
	31st December, 2023 HK\$ (Unaudited)	31st December, 2022 HK\$ (Unaudited)
<b>Net cash from operating activities</b>	<b>19,602,059</b>	<b>21,774,958</b>
<b>Net cash from investing activities</b>		
Purchase of property, plant and equipment	(3,149,554)	(329,248)
Proceeds on disposal of equity instrument at FVTOCI	157,303,980	–
Proceeds on disposal of property, plant and equipment	14,211	1,180
(Increase)/decrease in time deposits with original maturity of more than three months	(122,162,636)	440,752,871
Repayment from associates	63,672,828	1,626,819
Other investing cash flows	7,536,447	6,361,244
	<b>103,215,276</b>	<b>448,412,866</b>
<b>Net cash (used in)/generated from financing activities</b>		
Advance from an associate	28,608	1,098,185
Other financing cash flows	(224,486)	(680,347)
	<b>(195,878)</b>	<b>417,838</b>
<b>Net increase in cash and cash equivalents</b>	<b>122,621,457</b>	<b>470,605,662</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>75,318,693</b>	<b>71,767,612</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>197,940,150</b>	<b>542,373,274</b>
<b>Analysis of the balances of cash and cash equivalents</b>		
Time deposits	1,088,810,555	829,356,519
Bank balances and cash	67,567,716	39,526,672
Time deposits, bank balances and cash in the consolidated statement of financial position	1,156,378,271	868,883,191
Less: Time deposits with original maturity of more than three months	(958,438,121)	(326,509,917)
Cash and cash equivalents in the condensed consolidated statement of cash flows	<b>197,940,150</b>	<b>542,373,274</b>

The notes on pages 15 to 24 form part of these condensed consolidated financial statements.

# Notes to the unaudited condensed consolidated financial statements

For the six months ended 31st December, 2023

## 1. Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements 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 (the “HKICPA”).

The condensed consolidated financial statements are unaudited, but have 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 31.

## 2. Principal accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of new and amended Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31st December, 2023 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 30th June, 2023.

### Application of new and amended HKFRSs

In the current interim period, the Group has applied the following new and amended HKFRSs issued by the HKICPA which are effective for the annual period beginning on or after 1st July, 2023 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 17	<i>Insurance contracts</i>
Amendments to HKAS 8	<i>Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Presentation of financial statements and Making materiality judgements: Disclosure of accounting policies</i>
Amendments to HKAS 12	<i>Income taxes: Deferred tax related to assets and liabilities arising from a single transaction</i>
Amendments to HKAS 12	<i>Income taxes: International tax reform – Pillar Two model rules</i>

The application of new and amended HKFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

# Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

## 2. Principal accounting policies (Continued)

### New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In July 2023, the HKICPA published *Accounting implications of the abolition of the mandatory provident fund ("MPF")-long service payment ("LSP") offsetting mechanism in Hong Kong* that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism.

To better reflect the substance of the abolition of the offsetting mechanism, the Group has changed its accounting policy in connection with its LSP liability and has applied the above HKICPA guidance retrospectively. The cessation of applying the practical expedient in paragraph 93(b) of HKAS 19 in conjunction with the enactment of the Amendment Ordinance resulted in a catch-up profit or loss adjustment in June 2022 for the service cost up to that date and consequential impacts on current service cost, interest expense and remeasurement effects from changes in actuarial assumptions for the period ended 31st December, 2023, with the corresponding adjustment to the comparative carrying amount of the LSP liability. However, since the amount of the catch-up profit or loss adjustment was immaterial, the Group did not restate the comparative figure for the condensed consolidated financial statements.

## 3. Revenue

	Six months ended	
	31st December, 2023 HK\$	31st December, 2022 HK\$
Hotel operation		
– Room revenue	43,750,000	41,376,322
– Food and beverage sales	4,520,895	5,063,899
– Other ancillary services	440,132	324,621
	<u>48,711,027</u>	<u>46,764,842</u>
Club operation and hotel management	7,850,428	7,644,827
Dividend income from financial instruments	7,289,287	11,950,110
Interest revenue from debt instrument at FVTOCI	1,904,518	1,904,327
	<u>65,755,260</u>	<u>68,264,106</u>
<b>Geographical market:</b>		
Hong Kong	<u>65,755,260</u>	<u>68,264,106</u>

City Garden Hotel remains under the Group's management, and entered into a two-year bulk hiring of hotel rooms and facilities arrangement (the "Arrangement") with a tenant effective 1st August, 2020. In August 2022, a new four-year bulk hiring of hotel rooms and facilities arrangement (the "New Arrangement") was signed with the same tenant effective 1st August, 2022.

# Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

## 3. Revenue (Continued)

The total room charge of HK\$43,750,000 (six months ended 31st December, 2022: HK\$41,376,322) derived from the Arrangement and the New Arrangement in current period has been included in room revenue as above, comprising lease income of HK\$26,250,000 (six months ended 31st December, 2022: HK\$24,825,793) and room service revenue of HK\$17,500,000 (six months ended 31st December 2022: HK\$16,550,529) for the purpose of separation of lease and non-lease component under HKFRS 16, *Leases*.

	Six months ended	
	31st December, 2023 HK\$	31st December, 2022 HK\$
<b>Disaggregation of revenue:</b>		
<b>Lease income under HKFRS 16</b>		
– Room revenue	26,250,000	24,825,793
<b>Revenue from contracts with customers within the scope of HKFRS 15, <i>Revenue from Contracts with Customers</i></b>		
Recognised over time		
– Room revenue	17,500,000	16,550,529
– Club operation and hotel management	4,895,853	4,990,201
– Other ancillary services	440,132	324,621
	<u>22,835,985</u>	<u>21,865,351</u>
Recognised at a point in time		
– Hotel operation	4,520,895	5,063,899
– Club operation	2,954,575	2,654,626
	<u>7,475,470</u>	<u>7,718,525</u>
	<u>56,561,455</u>	<u>54,409,669</u>

Dividend income and interest revenue from financial instruments are recognised in accordance with HKFRS 9, *Financial Instruments*.

As at 31st December, 2023, the aggregate amount of the transaction price allocated to the remaining performance obligations under the New Arrangement is approximately HK\$96,500,000, which is expected to be recognised over the next 31 months under HKFRS 15. The revenue from club operation and hotel management are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

The Group's revenue is originated from Hong Kong.

## Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

### 4. Segment information

The Group's reportable and operating segments under HKFRS 8, *Operating Segments* are as follows:

1. Hotel operation – City Garden Hotel
2. Investment holding – holding financial instruments
3. Hotel operation – operated through investments in associates of the Group, including Conrad Hong Kong and The Royal Pacific Hotel & Towers
4. Others – club operation and hotel management

The following is an analysis of the Group's revenue and results by reportable and operating segments for the period under review:

	Segment revenue Six months ended		Segment results Six months ended	
	31st December, 2023 HK\$	31st December, 2022 HK\$	31st December, 2023 HK\$	31st December, 2022 HK\$
Hotel operation				
– City Garden Hotel	48,711,027	46,764,842	7,256,069	200,993
Investment holding	9,193,805	13,854,437	9,181,538	13,825,637
Hotel operation				
– share of results of associates	–	–	66,227,118	329,733
Others – club operation and hotel management	7,850,428	7,644,827	995,660	1,010,024
	<b>65,755,260</b>	<b>68,264,106</b>		
Total segment results			83,660,385	15,366,387
Other income and other gains and losses			(25,598,894)	(32,761,088)
Administrative and other expenses			(25,782,002)	(26,384,534)
Finance income, net			25,929,698	10,213,916
Share of results of associates				
– other income			–	2,613,000
– administrative and other expenses			(28,309,003)	(23,558,925)
– finance income, net			670,138	66,033
– income tax (expense)/credit			(1,620,909)	3,101,141
			<b>(29,259,774)</b>	<b>(17,778,751)</b>
Profit/(loss) before taxation			<b>28,949,413</b>	<b>(51,344,070)</b>

All of the segment revenue reported above are from external customers. There was no inter-segment revenue for the period (six months ended 31st December, 2022: nil).

Segment results represent the results by each segment without allocation of certain administrative and other expenses, other income and other gains and losses and finance costs net of finance income. The segment results of hotel operation operated through investments in associates includes revenue and direct expenses without allocation of associates' other income, administrative and other expenses, finance costs net of finance income and income tax expense/credit of the associates. This is the measure reported to the chief operating decision makers for the purposes of resources allocation and performance assessment.

# Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

## 5. Finance income

The amount represents interest income on time deposits and bank balances.

## 6. Finance costs

	Six months ended	
	31st December, 2023 HK\$	31st December, 2022 HK\$
Interest on amount due to a related company	<u>62,284</u>	<u>47,091</u>

## 7. Profit/(loss) before taxation

	Six months ended	
	31st December, 2023 HK\$	31st December, 2022 HK\$
Profit/(loss) before taxation has been arrived at after charging/(crediting):		
Loss on fair value change of financial asset at FVTPL <sup>1</sup>	26,880,000	33,040,000
Exchange (gain)/loss <sup>1</sup>	(1,658,376)	809,534
Government subsidies (Note) <sup>1</sup>	–	(1,087,266)
Gain on disposal of property, plant and equipment <sup>1</sup>	(1,710)	(1,180)
Cost of hotel inventories consumed <sup>2</sup>	4,570,991	5,918,293
Depreciation of right-of-use assets <sup>3</sup>	11,108,983	11,108,982
Depreciation and amortisation of property, plant and equipment <sup>3</sup>	<u>9,637,406</u>	<u>9,909,392</u>

<sup>1</sup> Included in other income and other gains and losses

<sup>2</sup> Included in direct expenses

<sup>3</sup> Included in other expenses

Note: The amount represents the subsidies under the Anti-Epidemic Fund of the Government of Hong Kong Special Administrative Region.

## Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

### 8. Income tax expense

	Six months ended	
	31st December, 2023 HK\$	31st December, 2022 HK\$
Income tax expense comprises:		
Hong Kong Profits Tax		
Current period	165,513	167,739
Over-provision in prior year	(18,000)	(40,000)
	<u>147,513</u>	<u>127,739</u>

Note:

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated weighted average annual tax rate used is 16.5% (six months ended 31st December, 2022: 16.5%).

### 9. Dividend

Subsequent to 31st December, 2023, the Directors of the Company determined that an interim dividend for the six months ended 31st December, 2023 of HK1.5 cents (six months ended 31st December, 2022: nil) per share amounting to HK\$17,139,927 (six months ended 31st December, 2022: nil) would be paid to the shareholders of the Company whose names appear on the Register of Members on 12th March, 2024.

### 10. Earnings/(loss) per share

The calculation of the basic earnings/(loss) per share is based on the profit for the period attributable to the Company's shareholders of HK\$28,801,900 (six months ended 31st December, 2022: loss of HK\$51,471,809) and on the weighted average number of 1,142,661,798 (six months ended 31st December, 2022: 1,142,661,798) shares in issue during the period.

No diluted earnings/(loss) per share has been presented as there were no potential ordinary shares outstanding in both periods.

# Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

## 11. Property, plant and equipment and right-of-use assets

During the six months ended 31st December, 2023, the Group paid approximately HK\$3,150,000 (six months ended 31st December, 2022: HK\$329,000) on property, plant and equipment.

Under the New Arrangement, leasehold land, hotel building, furniture, fixtures, leasehold improvement and hotel operating equipment with an aggregate carrying amount of HK\$1,150,774,739 as at 31st December, 2023 (30th June, 2023: HK\$1,167,600,812) were leased out under an operating lease for a period of four years as disclosed in note 3.

## 12. Interests in associates

	31st December, 2023 HK\$	30th June, 2023 HK\$
Interests in associates	<u>1,010,568,794</u>	<u>973,601,450</u>

Included in the interests in associates is goodwill of HK\$186,513,404 (30th June, 2023: HK\$186,513,404) arising on acquisition of an associate in prior years.

## 13. Trade and other receivables

At 31st December, 2023, included in trade and other receivables of the Group are trade receivables of HK\$2,857,063 (30th June, 2023: HK\$2,845,402). Trade debtors mainly comprise receivables from the operation of City Garden Hotel. For the payment terms of the New Arrangement referred to in note 3, the monthly room charge and other charges for three months in total shall be settled in advance by the first month of each quarter.

For the others, the Group maintains a defined credit policy to assess the credit quality of each counterparty. The collection is closely monitored to minimise any credit risk associated with these trade receivables.

The following is an analysis of trade receivables by age based on the invoice dates, and other receivables at the end of the reporting period:

	31st December, 2023 HK\$	30th June, 2023 HK\$
Trade receivables		
0 – 30 days	2,857,063	2,845,402
Other receivables	<u>40,631,657</u>	<u>22,812,347</u>
	<u>43,488,720</u>	<u>25,657,749</u>

## Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

### 14. Trade and other payables

At 31st December, 2023, included in trade and other payables of the Group are trade payables of HK\$5,854,306 (30th June, 2023: HK\$3,940,973).

The following is an analysis of trade payables by age based on the invoice dates, and other payables and contract liabilities at the end of the reporting period:

	31st December, 2023 HK\$	30th June, 2023 HK\$
Trade payables		
0 – 30 days	5,644,580	3,731,416
31 – 60 days	204,141	182,312
61 – 90 days	–	7,150
Over 90 days	5,585	20,095
	<u>5,854,306</u>	<u>3,940,973</u>
Other payables	18,823,471	13,966,060
Contract liabilities	2,940,000	2,800,000
	<u>27,617,777</u>	<u>20,707,033</u>

### 15. Share capital

	Number of ordinary shares of HK\$1 each		Nominal value	
	2023	2022	2023 HK\$	2022 HK\$
Authorised: At the beginning and the end of the period	<u>3,000,000,000</u>	<u>3,000,000,000</u>	<u>3,000,000,000</u>	<u>3,000,000,000</u>
Issued and fully paid: At 1st July and 31st December	<u>1,142,661,798</u>	<u>1,142,661,798</u>	<u>1,142,661,798</u>	<u>1,142,661,798</u>

### 16. Commitments

	31st December, 2023 HK\$	30th June, 2023 HK\$
Expenditures contracted for but not provided in the condensed consolidated financial statements in respect of: Renovation works, purchase of furniture, fixtures and hotel operating equipment	<u>10,954,834</u>	<u>13,996,897</u>

# Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

## 17. Fair value measurement of financial instruments

### Fair value of the Group's financial assets that are measured at fair value on a recurring basis

The Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 inputs are quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique and key inputs
	31st December, 2023 HK\$	30th June, 2023 HK\$		
<b>Equity instruments at FVTOCI</b>				
– Listed equity securities	<u>498,216,153</u>	<u>588,465,444</u>	Level 1	Quoted price from direct market comparable
– Listed perpetual bond	<u>–</u>	<u>157,339,390</u>	Level 2	Quoted market price provided by financial institution
<b>Debt instrument at FVTOCI</b>				
– Listed debt security	<u>75,272,101</u>	<u>74,076,188</u>	Level 2	Quoted market price provided by financial institution
<b>Debt instrument at FVTPL</b>				
– Listed debt security	<u>75,040,000</u>	<u>101,920,000</u>	Level 1	Quoted price from direct market comparable

There was no transfer between level 1, 2 and 3 in the current and prior periods.

The Directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

## Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

### 17. Fair value measurement of financial instruments (Continued)

#### Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

As at 31st December, 2023, the Group held 84,828,218 (30th June, 2023: 84,828,218) ordinary shares, representing approximately 5.14% (30th June, 2023: 5.14%) equity interest, in The Hongkong and Shanghai Hotels, Limited (the "HKSHL Shares"), a company whose shares (stock code: 45) are listed on the Main Board of the Stock Exchange and is principally engaged in the ownership and management of hotel, retail, commercial and residential properties in Asia, the United States of America and Europe.

The total cost of investment in HKSHL Shares was approximately HK\$702,510,000 (30th June, 2023: HK\$702,510,000) and its fair value as at 31st December, 2023 was approximately HK\$495,397,000 (30th June, 2023: HK\$585,315,000), representing approximately 12.05% (30th June, 2023: 14.1%) of the total assets of the Group as at 31st December, 2023. The Group recognised an unrealised loss on fair value change of the HKSHL Shares of approximately HK\$89,918,000 (six months ended 31st December, 2022: unrealised gain of HK\$76,345,000) in other comprehensive income and accumulated in the investment revaluation reserve for the six months ended 31st December, 2023. This significant investment is held for long term. During the six months ended 31st December, 2023 and 31st December, 2022, no scrip dividend or cash was received by the Group.

### 18. Material related party transactions

There were no new material related party transactions during the six months ended 31st December, 2023 save as those disclosed in the Group's audited annual financial statements for the year ended 30th June, 2023.

## Closure of register of members

The register of members of the Company will be closed from Friday, 8th March, 2024 to Tuesday, 12th March, 2024, both dates inclusive, during which period no transfer of shares will be effected. The record date for the interim dividend is at the close of business on Tuesday, 12th March, 2024.

In order to qualify for the interim dividend, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Principal Registrar, Tricor Friendly Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 7th March, 2024.

## Purchase, sale or redemption of the Company's listed securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the interim period.

## Directors' interests

As at 31st December, 2023, the interests and short positions held by the Directors of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) ("SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"), were as follows:

### (a) Long positions in shares of the Company

Name of Director	Number of ordinary shares	Capacity and nature of interest	% of issued shares
Mr. Robert Ng Chee Siong	550,171,018 (Note)	Beneficial owner of 322,464 shares, spouse interest in 987,380 shares and trustee interest in 548,861,174 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	48.14%
The Honourable Ronald Joseph Arculli	286,123	Beneficial owner	0.02%
Mr. Gilbert Lui Wing Kwong	–	–	–
Ms. Nikki Ng Mien Hua	–	–	–
Mr. Steven Ong Kay Eng	–	–	–
Mr. Wong Cho Bau	–	–	–
Mr. Hung Wai Man	–	–	–
Mr. Daryl Ng Win Kong	–	–	–
Mr. Thomas Tang Wing Yung	–	–	–

Note:

The trustee interest in 548,861,174 shares comprises:

- 498,111,048 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 48,314,342 shares by Fanlight Investment Limited, 68,697 shares by Garford Nominees Limited, 20,669,686 shares by Karaganda Investments Inc., 65,035,449 shares by Nippomo Limited, 1,863,526 shares by Orient Creation Limited, 131,457,316 shares by Strathallan Investment Limited, 5,653,298 shares by Strong Investments Limited, 195,210,718 shares by Tamworth Investment Limited and 29,838,016 shares by Transpire Investment Limited;
- 2,237,553 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited, in which the co-executors of the estate of the late Mr. Ng Teng Fong had a 72.06% control; and
- 48,512,573 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

## Directors' interests (Continued)

### (b) Long positions in shares of associated corporation

Mr. Robert Ng Chee Siong was deemed to be interested in shares of the following company through corporation controlled by him:

Name of associated corporation	Number of ordinary shares	% of issued shares
FHR International Limited	1 (Note)	33.33%

Note: The share was held by Smart Link Limited in which Mr. Robert Ng Chee Siong had a 100% control.

Save as disclosed above, as at 31st December, 2023, none of the Directors of the Company had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations which were recorded in the register required to be kept by the Company under Section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## Substantial shareholders' and other shareholders' interests

As at 31st December, 2023, the interests and short positions of the substantial shareholders and other shareholders (other than Directors of the Company) in the shares and underlying shares of the Company as notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO were as follows:

### Long positions in shares of the Company

Name of substantial shareholder	Number of ordinary shares	Capacity and nature of interest	% of issued shares
Mr. Philip Ng Chee Tat	550,085,966 (Notes 1, 2, 3, 4 and 5)	Interest of controlled corporation in 3,278,907 shares and trustee interest in 546,807,059 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	48.31%
Tamworth Investment Limited	178,150,243 (Notes 3 and 5)	Beneficial owner	17.04%
Strathallan Investment Limited	119,968,581 (Notes 3 and 5)	Beneficial owner	11.47%
Name of other shareholder	Number of ordinary shares	Capacity and nature of interest	% of issued shares
Nippomo Limited	59,351,666 (Notes 3 and 5)	Beneficial owner	5.67%

## Substantial shareholders' and other shareholders' interests (Continued)

### Long positions in shares of the Company (Continued)

Notes:

1. 3,278,907 shares were held by Far East Capital Pte. Ltd. which was 100% controlled by Mr. Philip Ng Chee Tat.
2. The trustee interest in 546,807,059 shares comprises:
  - (a) 496,246,865 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 48,133,525 shares by Fanlight Investment Limited, 68,440 shares by Garford Nominees Limited, 20,592,331 shares by Karaganda Investments Inc., 64,792,053 shares by Nippomo Limited, 1,856,552 shares by Orient Creation Limited, 130,965,336 shares by Strathallan Investment Limited, 5,632,141 shares by Strong Investments Limited, 194,480,140 shares by Tamworth Investment Limited and 29,726,347 shares by Transpire Investment Limited;
  - (b) 2,229,180 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited, in which the co-executors of the estate of the late Mr. Ng Teng Fong had a 72.03% control; and
  - (c) 48,331,014 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.
3. The interests of Tamworth Investment Limited, Strathallan Investment Limited and Nippomo Limited were duplicated in the interests of the co-executors of the estate of the late Mr. Ng Teng Fong.
4. The trustee interest of Mr. Philip Ng Chee Tat was duplicated in the trustee interest of Mr. Robert Ng Chee Siong as disclosed under the section headed "Directors' interests" above as the co-executors of the estate of the late Mr. Ng Teng Fong.
5. The number and the percentage of shares as disclosed are based on the substantial shareholder notices filed with the Stock Exchange.

Save as disclosed above and so far as the Directors of the Company are aware, as at 31st December, 2023, no other person (other than Directors of the Company) had an interest or short position in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and were recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a substantial shareholder of the Company.

# Disclosure of Directors' information pursuant to Rule 13.51B(1) of the Listing Rules

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in information of the Directors since the publication of the 2023 Annual Report and up to 22nd February, 2024 (being the approval date of this Interim Report) are set out below:

## Directors' updated biographical details

The changes in the biographical details of the Directors are set out below:

### Mr. Hung Wai Man

- appointed as an Independent Non-Executive Director of K Cash Corporation Limited.

### Mr. Daryl Ng Win Kong

- conferred an Honorary Doctor of Business Administration, *honoris causa* from Hong Kong Metropolitan University;
- ceased as an Advisor and appointed as a Governor of Our Hong Kong Foundation Limited;
- ceased as a Member of the Board of Mind Mental Health Hong Kong Limited;
- appointed as a member of the Steering Committee of the Research, Academic and Industry Sectors One-plus (RAISE+) Scheme of Innovation and Technology Commission;
- appointed as a member of the Board of Hong Kong Academy for Wealth Legacy of Financial Services Development Council; and
- appointed as a Special Advisor to UNESCO Asia-Pacific Awards for Cultural Heritage Conservation.

### Ms. Nikki Ng Mien Hua

- appointed as a member of the Personal Data (Privacy) Advisory Committee;
- appointed as a member of the Board of Mind Mental Health Hong Kong Limited; and
- appointed as an honorary advisor of The Hong Kong Mental Wellness Association.

Directors' updated biographies are available on the Company's website.

Save as disclosed above, there had not been any other changes in the information of Directors notified to the Company as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## Remuneration Committee

The Company has established its Remuneration Committee with written terms of reference which are available at the Company's website [www.sino.com](http://www.sino.com) and the Stock Exchange's website.

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy. The Committee makes recommendations to the Board on the remuneration package of individual Executive Directors and senior management, and it also makes recommendations to the Board on the remuneration of Non-Executive Directors. The Committee meets at least once a year and is provided with sufficient resources enabling it to discharge its duties.

The Remuneration Committee currently comprises Mr. Steven Ong Kay Eng (Committee Chairman) and Mr. Hung Wai Man, both of whom are Independent Non-Executive Directors, and Mr. Daryl Ng Win Kong, the Deputy Chairman of the Board.

## Nomination Committee

The Company has established its Nomination Committee with written terms of reference which are available at the Company's website [www.sino.com](http://www.sino.com) and the Stock Exchange's website.

The Nomination Committee is responsible for regularly reviewing the structure, size and composition of the Board with reference to the board diversity policy of the Company and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy. Its duties include making recommendations to the Board on the selection of individuals nominated for directorships, the appointment or re-appointment of Directors and succession planning for Directors, and regularly reviewing the time required from a Director to perform his/her responsibilities. The Committee is also responsible for assessing the independence of Independent Non-Executive Directors and reviewing their annual confirmations on independence. The Committee meets at least once a year and is provided with sufficient resources enabling it to discharge its duties.

The Nomination Committee currently comprises Mr. Robert Ng Chee Siong (Committee Chairman), the Chairman of the Board, as well as Mr. Steven Ong Kay Eng and Mr. Hung Wai Man, both of whom are Independent Non-Executive Directors.

## Audit Committee

The Company has set up its Audit Committee with written terms of reference which are available at the Company's website [www.sino.com](http://www.sino.com) and the Stock Exchange's website.

The Audit Committee reports to the Board and holds regular meetings to assist the Board in discharging its responsibilities for effective financial reporting controls, risk management and internal control. The Committee meets at least four times a year and is provided with sufficient resources enabling it to discharge its duties.

The Audit Committee currently comprises Mr. Steven Ong Kay Eng (Committee Chairman) and Mr. Hung Wai Man, both of whom are Independent Non-Executive Directors, and Mr. Gilbert Lui Wing Kwong, a Non-Executive Director.

In the first quarter of 2024, the Audit Committee has reviewed the accounting policies and practices adopted by the Company and the interim report for the six months ended 31st December, 2023.

## Compliance Committee

The Company has set up its Compliance Committee with written terms of reference to enhance the corporate governance standard of the Company. The Compliance Committee has dual reporting lines. A principal reporting line is to the Board through the Committee Chairman. A secondary reporting line is to the Audit Committee. The Compliance Committee currently comprises the Deputy Chairman of the Board, Mr. Daryl Ng Win Kong (Committee Chairman), the other Executive Directors of the Company, the Group Chief Financial Officer, the Group General Counsel, the Company Secretary, the Head of Internal Audit Department, other department heads and the Compliance Officer. The Committee holds regular meetings on a bi-monthly basis to review management reports on ongoing compliance regarding continuing connected transactions and usage of annual caps, provide a forum for regulatory updates for the management, consider corporate governance issues and make recommendations to the Board and the Audit Committee on the Company's corporate governance issues and Listing Rules compliance matters.

## Codes for dealing in the Company's securities

The Company has adopted its own code for dealing in the Company's securities by Directors ("Directors Dealing Code") on terms no less exacting than the required standard set out in the Model Code. The Company has made specific enquiries of all Directors who held such offices during the period under review. All of them confirmed their compliance with the required standard set out in the Directors Dealing Code during the six months ended 31st December, 2023. The Company has also adopted a code for dealing in the Company's securities by relevant employees, who are likely to be in possession of inside information in relation to the securities of the Company, on no less exacting terms than the Model Code.

## Compliance with Corporate Governance Code

The Company has adopted its own Corporate Governance Code, which is based on the principles and the code provisions as set out in Part 2 of Appendix C1 to the Listing Rules (the "CG Code"). The Company has complied with all code provisions as set out in the CG Code applicable to the Company for the six months ended 31st December, 2023, except that there was no separation of the roles of the chairman and the chief executive, both of the roles are currently undertaken by the Chairman of the Board.

The Board is of the view that the current management structure has been effective in facilitating the Company's operation and business development and that necessary checks and balances consistent with sound corporate governance practices are in place. The implementation of strategies and policies of the Board and the operations of each business unit are overseen and monitored by designated responsible Executive Directors. The Board has found that the current arrangement has worked effectively in enabling it to discharge its responsibilities satisfactorily. In addition, the three Independent Non-Executive Directors have contributed valuable views and proposals for the Board's deliberation and decisions. The Board reviews the management structure regularly to ensure that it continues to meet these objectives and is in line with the industry practices.

By Order of the Board

**Fanny CHENG Siu King**

*Company Secretary*

Hong Kong, 22nd February, 2024

# Report on review of condensed consolidated financial statements



**Review report to the board of directors of Sino Hotels (Holdings) Limited**  
*(Incorporated in the Cayman Islands with limited liability)*

## Introduction

We have reviewed the condensed consolidated financial statements set out on pages 10 to 24 which comprise the consolidated statement of financial position of Sino Hotels (Holdings) Limited (the “Company”) as of 31st December, 2023 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated statement of cash flows 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 (“HKAS”) 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 condensed consolidated financial statements in accordance with HKAS 34.

Our responsibility is to form a conclusion, based on our review, on the condensed consolidated financial statements 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 condensed consolidated financial statements 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 condensed consolidated financial statements as at 31st December, 2023 are not prepared, in all material respects, in accordance with HKAS 34.

### KPMG

*Certified Public Accountants*  
8th Floor, Prince’s Building  
10 Chater Road  
Central, Hong Kong  
22nd February, 2024



(An exempted company incorporated in the Cayman Islands with limited liability)  
(於開曼群島註冊成立之受豁免有限公司)

[www.sino.com](http://www.sino.com)

