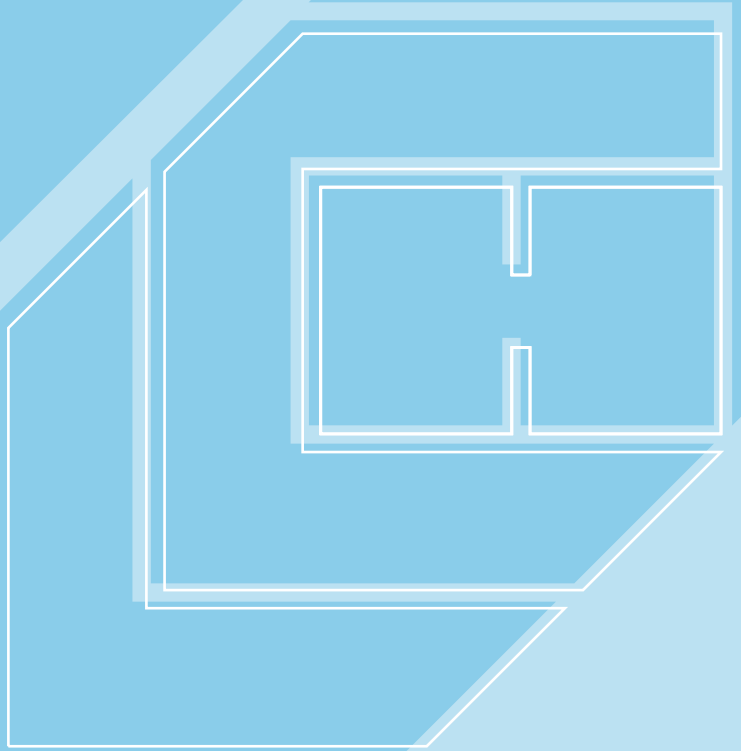




廖創興企業有限公司

Liu Chong Hing Investment Limited



STOCK CODE : 00194

2024  
INTERIM REPORT

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### EXECUTIVE DIRECTORS

Mr. Liu Lit Chi  
*(Chairman, Managing Director and Chief Executive Officer)*

Mr. Liu Kam Fai Winston  
*(Deputy Managing Director)*

Mr. Lee Wai Hung

Mr. Liu Kwun Bo Darryl

Mr. Liu Chak Hung Adrian

Mr. Liu Kwun Hung Tiger

#### NON-EXECUTIVE DIRECTOR

Mr. Kho Eng Tjoan Christopher  
BES, M. Arch, HKIA, RIBA, ARAIA, MRAIC,  
Assoc. AIA, Registered Architect, A.P.  
(Architect), MHKIoD

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. The Hon. Cheng Mo Chi Moses  
GBM, GBS, OBE, LLB (HK), J.P.

Mr. Au Kam Yuen Arthur

Dr. Ma Hung Ming John, PhD, BBS, J.P.

Mr. Cheng Yuk Wo  
Msc (Econ), BA (Hons), CPA (Canada), CA,  
FCA, FCPA, CPA (Practising)

Mr. Tong Tsun Sum Eric  
CA(Aust), CPA (Practising), CFE

#### COMPANY SECRETARY

Mr. Lee Wai Hung

#### EXECUTIVE MANAGEMENT COMMITTEE

Mr. Liu Lit Chi *(Chairman)*

Mr. Liu Kam Fai Winston

Mr. Lee Wai Hung

Mr. Liu Kwun Bo Darryl

Mr. Liu Chak Hung Adrian

Mr. Liu Kwun Hung Tiger

#### AUDIT COMMITTEE

Mr. Cheng Yuk Wo *(Chairman)*

Mr. Liu Kam Fai Winston

Dr. The Hon. Cheng Mo Chi Moses

Mr. Au Kam Yuen Arthur

Mr. Tong Tsun Sum Eric

Mr. Lee Wai Hung *(Secretary)*

#### NOMINATION COMMITTEE

Mr. Liu Lit Chi *(Chairman)*

Mr. Liu Kam Fai Winston

Mr. Liu Kwun Bo Darryl

Mr. Kho Eng Tjoan Christopher

Mr. Cheng Yuk Wo

Mr. Au Kam Yuen Arthur

Dr. Ma Hung Ming John

Mr. Tong Tsun Sum Eric

Mr. Lee Wai Hung *(Secretary)*

#### REMUNERATION COMMITTEE

Dr. The Hon. Cheng Mo Chi Moses *(Chairman)*

Mr. Liu Kam Fai Winston

Mr. Liu Kwun Hung Tiger

Mr. Kho Eng Tjoan Christopher

Dr. Ma Hung Ming John

Mr. Cheng Yuk Wo

Ms. Tin Siu Kuen *(Secretary)*

#### CORPORATE GOVERNANCE COMMITTEE

Mr. Liu Kam Fai Winston *(Chairman)*

Mr. Lee Wai Hung

Mr. Liu Chak Hung Adrian

Mr. Au Kam Yuen Arthur

Dr. Ma Hung Ming John

Mr. Lee Wai Hung *(Secretary)*

### **SOLICITORS**

Deacons  
Gallant  
P.C. Woo & Co.

### **AUDITOR**

Deloitte Touche Tohmatsu  
*Registered Public Interest Entity Auditors*

### **BANKERS**

Bangkok Bank Public Company Limited  
BNP Paribas Hong Kong Branch  
China Citic Bank International Limited  
Chong Hing Bank Limited  
Dah Sing Bank, Limited  
DBS Bank (Hong Kong) Limited  
Hang Seng Bank Limited  
MUFG Bank, Limited, Hong Kong Branch  
Nanyang Commercial Bank, Limited  
OCBC Bank (Hong Kong) Limited  
Standard Chartered Bank  
(Hong Kong) Limited  
The Hongkong and Shanghai  
Banking Corporation Limited  
United Overseas Bank Limited,  
Hong Kong Branch

### **REGISTERED OFFICE**

23rd Floor Chong Hing Bank Centre  
24 Des Voeux Road Central  
Hong Kong  
Tel: (852) 2983 7777  
Fax: (852) 2983 7723  
Email: info@lchi.com.hk

### **GUANGZHOU OFFICE**

18A Office Tower A  
339 Huan Shi Dong Road  
Yue Xiu District  
Guangzhou, PRC  
Tel: (8620) 8375 8993  
Fax: (8620) 8375 8071  
Email: guangzhou@lchi.com.cn

### **SHANGHAI OFFICE**

Room 3105, Chong Hing Finance Center  
288 Nanjing Road West  
Shanghai, PRC  
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Fax: (8621) 6327 6299  
Email: shanghai@lchi.com.cn

### **FOSHAN NANHAI OFFICE**

First Phase, The Grand Riviera  
1 Guilong Road  
Luocun Social Management Office,  
Shishan Town  
Nanhai District, Foshan  
Guangdong Province, PRC  
Tel: (86757) 6386 0888  
Fax: (86757) 6386 2218  
Email: foshan@lchi.com.cn

### **FOSHAN SANSHUI OFFICE**

Room 1638-1639, Block 3, Sanshui Square  
9 Zhangbian Road, Xi Nan Street  
Sanshui District, Foshan  
Guangdong Province, PRC  
Tel: (86757) 8778 6929  
Email: foshan@lchi.com.cn

## SHAREHOLDERS' INFORMATION

### FINANCIAL CALENDAR

#### As at 8 August 2024

<b>Annual General Meeting</b>	:	Held on 23 May 2024
<b>Interim Results for six-month ended 30 June 2024</b>	:	Announced on 8 August 2024
<b>Dividends</b>		
Interim cash dividend	:	HK\$0.11 per share
Payable on	:	13 September 2024
<b>Ex-dividend date of interim dividend</b>	:	30 August 2024
<b>Latest time to lodge transfer forms</b>	:	4:30 p.m. on 2 September 2024
<b>Closure of Register of Members</b>	:	From 3 September 2024 to 5 September 2024 (both days inclusive)
<b>Share Registrar</b>	:	Computershare Hong Kong Investor Services Limited Rooms 1712–1716, 17th Floor Hopewell Centre, 183 Queen's Road East Wanchai, Hong Kong
<b>Share listing</b>	:	The Company's shares are listed on The Stock Exchange of Hong Kong Limited
<b>Stock Code</b>	:	00194
<b>Board lot</b>	:	2,000 shares
<b>No. of issued ordinary share</b>	:	378,583,440 shares
<b>Company's e-mail address</b>	:	info@lchi.com.hk
<b>Investors and Shareholders contact</b>	:	Attention: Mr. Lee Wai Hung/Ms. Hilda Chan 23rd Floor, Chong Hing Bank Centre 24 Des Voeux Road Central Hong Kong Tel: (852) 2983 7779 Fax: (852) 2983 7723 Website: <a href="http://www.lchi.com.hk">http://www.lchi.com.hk</a>

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

		<b>Six months ended 30 June</b>	
	NOTES	<b>2024</b>	2023
		<b>HK\$'000</b>	HK\$'000
		<b>(unaudited)</b>	(unaudited)
Revenue	3A		
Contracts with customers		<b>170,533</b>	195,388
Rental income		<b>155,005</b>	145,745
Interest and dividend income		<b>38,148</b>	31,451
		<b>363,686</b>	372,584
Direct costs		<b>(126,828)</b>	(145,308)
		<b>236,858</b>	227,276
Other income		<b>3,124</b>	9,776
Administrative and operating expenses		<b>(171,639)</b>	(166,376)
Other gains and losses	4	<b>(362,123)</b>	(268,067)
Finance costs		<b>(98,229)</b>	(58,773)
Share of results of joint ventures		<b>(47,052)</b>	9,092
		<b>(439,061)</b>	(247,072)
Loss before tax		<b>(439,061)</b>	(247,072)
Income tax credit	5	<b>20,575</b>	19,906
		<b>(418,486)</b>	(227,166)
Loss for the period	6	<b>(418,486)</b>	(227,166)
(Loss) profit for the period attributable to:			
Owners of the Company		<b>(416,720)</b>	(229,444)
Non-controlling interests		<b>(1,766)</b>	2,278
		<b>(418,486)</b>	(227,166)
Basic loss per share	7	<b>HK\$(1.10)</b>	HK\$(0.61)

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

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Loss for the period	<b>(418,486)</b>	(227,166)
Other comprehensive expense		
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")	<b>(2,633)</b>	(6,959)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<b>(45,154)</b>	(133,908)
Share of other comprehensive expense of joint ventures, net of tax	<b>(1,464)</b>	(1,485)
Other comprehensive expense for the period, net of tax	<b>(49,251)</b>	(142,352)
Total comprehensive expense for the period	<b>(467,737)</b>	(369,518)
Total comprehensive expense attributable to:		
Owners of the Company	<b>(464,725)</b>	(365,450)
Non-controlling interests	<b>(3,012)</b>	(4,068)
	<b>(467,737)</b>	(369,518)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	NOTES	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
<b>Non-current assets</b>			
Investment properties	9	<b>9,252,459</b>	9,611,370
Property, plant and equipment	9	<b>1,686,006</b>	1,762,836
Right-of-use assets		<b>1,238</b>	1,769
Interests in joint ventures		<b>544,491</b>	635,080
Equity instruments at FVTOCI	10	<b>269,823</b>	272,456
Deferred tax assets		<b>20,809</b>	20,809
		<b>11,774,826</b>	12,304,320
<b>Current assets</b>			
Properties under development for sale		<b>883,640</b>	865,772
Properties held for sale		<b>400,025</b>	409,861
Inventories		<b>32,278</b>	32,418
Trade and other receivables	11	<b>175,787</b>	168,554
Financial assets at fair value through profit or loss ("FVTPL")	10	<b>10,600</b>	14,732
Fixed bank deposits with more than three months to maturity when raised		<b>174,047</b>	45,085
Cash and cash equivalents		<b>2,022,422</b>	1,156,972
		<b>3,698,799</b>	2,693,394
<b>Current liabilities</b>			
Trade and other payables	12	<b>393,258</b>	439,684
Lease liabilities		<b>1,078</b>	1,122
Contract liabilities		<b>73,740</b>	2,235
Borrowings — due within one year	13	<b>1,981,559</b>	1,774,569
Taxation payable		<b>141,364</b>	138,425
		<b>2,590,999</b>	2,356,035
Net current assets		<b>1,107,800</b>	337,359
Total assets less current liabilities		<b>12,882,626</b>	12,641,679

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)

AS AT 30 JUNE 2024

	NOTES	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
<b>Non-current liabilities</b>			
Other payables	12	106,682	109,890
Lease liabilities		184	731
Borrowings — due after one year	13	1,432,834	628,783
Deferred tax liabilities		270,438	297,691
		<b>1,810,138</b>	1,037,095
		<b>11,072,488</b>	11,604,584
<b>Equity</b>			
Share capital		381,535	381,535
Reserves		10,656,171	11,185,255
Equity attributable to:			
Owners of the Company		11,037,706	11,566,790
Non-controlling interests		34,782	37,794
<b>Total equity</b>		<b>11,072,488</b>	11,604,584



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to owners of the Company							Total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Special reserve HK\$'000 (note a)	Property revaluation reserve HK\$'000 (note b)	Investment revaluation reserve HK\$'000	Exchange reserve HK\$'000	Statutory surplus reserve HK\$'000 (note c)	Accumulated profits HK\$'000			
At 1 January 2023 (audited)	381,535	13,915	2,956,817	(5,658)	69,192	89,639	9,093,933	12,599,373	60,616	12,659,989
(Loss) profit for the period	-	-	-	-	-	-	(229,444)	(229,444)	2,278	(227,166)
Fair value loss on investments in equity instruments at FVTOCI	-	-	-	(6,959)	-	-	-	(6,959)	-	(6,959)
Exchange differences arising on translation of foreign operations	-	-	-	-	(127,562)	-	-	(127,562)	(6,346)	(133,908)
Share of other comprehensive expense of joint ventures	-	-	-	-	(1,485)	-	-	(1,485)	-	(1,485)
Other comprehensive expense for the period	-	-	-	(6,959)	(129,047)	-	-	(136,006)	(6,346)	(142,352)
Total comprehensive expense for the period	-	-	-	(6,959)	(129,047)	-	(229,444)	(365,450)	(4,068)	(369,518)
Dividends recognised as distribution (note 8)	-	-	-	-	-	-	(75,716)	(75,716)	-	(75,716)
At 30 June 2023 (unaudited)	381,535	13,915	2,956,817	(12,617)	(59,855)	89,639	8,788,773	12,158,207	56,548	12,214,755

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to owners of the Company								Non-controlling interests	Total
	Share capital	Special reserve	Property revaluation reserve	Investment revaluation reserve	Exchange reserve	Statutory surplus reserve	Accumulated profits	Total		
	HK\$'000	HK\$'000 (note a)	HK\$'000 (note b)	HK\$'000	HK\$'000	HK\$'000 (note c)	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024 (audited)	381,535	(23,763)	2,956,817	(9,022)	9,949	90,012	8,161,262	11,566,790	37,794	11,604,584
Loss for the period	-	-	-	-	-	-	(416,720)	(416,720)	(1,766)	(418,486)
Fair value loss on investments in equity instruments at FVTOCI	-	-	-	(2,633)	-	-	-	(2,633)	-	(2,633)
Exchange differences arising on translation of foreign operations	-	-	-	-	(43,908)	-	-	(43,908)	(1,246)	(45,154)
Share of other comprehensive expense of joint ventures	-	-	-	-	(1,464)	-	-	(1,464)	-	(1,464)
Other comprehensive expense for the period	-	-	-	(2,633)	(45,372)	-	-	(48,005)	(1,246)	(49,251)
Total comprehensive expense for the period	-	-	-	(2,633)	(45,372)	-	(416,720)	(464,725)	(3,012)	(467,737)
Dividends recognised as distribution (note 8)	-	-	-	-	-	-	(64,359)	(64,359)	-	(64,359)
At 30 June 2024 (unaudited)	381,535	(23,763)	2,956,817	(11,655)	(35,423)	90,012	7,680,183	11,037,706	34,782	11,072,488

notes:

- Special reserve represents the difference between the consideration paid and the carrying values of the underlying assets and liabilities attributable to the additional interest in a subsidiary acquired during the years ended 31 December 2004, 31 December 2012 and 31 December 2023.
- Property revaluation reserve represents the reserve arising from valuation of properties under property, plant and equipment upon transfer to investment properties in previous years.
- The statutory surplus reserve ("SSR") is an appropriation from accumulated profits by subsidiaries of the Company in the People's Republic of China ("PRC"). In accordance with the Company Law of the PRC, the PRC subsidiaries of the Company are required to allocate 10% of their profit after tax to the SSR until such reserve reaches 50% of the registered capital of that subsidiary. The SSR may be converted to increase capital subject to certain restrictions set out in the Company Law of the PRC.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

		<b>Six months ended 30 June</b>	
		<b>2024</b>	2023
	NOTE	<b>HK\$'000</b>	HK\$'000
		<b>(unaudited)</b>	(unaudited)
NET CASH FROM OPERATING ACTIVITIES		<b>84,290</b>	57,181
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		<b>(6,205)</b>	(34,142)
Repayment from joint ventures		<b>40,238</b>	9,410
Dividend received from a joint venture		<b>1,835</b>	1,952
Addition of investment properties		<b>(5,507)</b>	(1,148)
Proceed from disposal of investment properties		<b>5,798</b>	3,299
Net cash outflow on acquisition of subsidiaries	16	-	(425,286)
Placement of fixed bank deposits with more than three months to maturity when raised		<b>(160,329)</b>	(25,159)
Release of fixed bank deposits with more than three months to maturity when raised		<b>31,897</b>	31,107
NET CASH USED IN INVESTING ACTIVITIES		<b>(92,273)</b>	(439,967)
FINANCING ACTIVITIES			
New borrowings raised		<b>1,297,000</b>	377,834
Repayments of borrowings		<b>(263,376)</b>	(28,648)
Repayments of lease liabilities		<b>(628)</b>	(1,428)
Interest on lease liabilities		<b>(39)</b>	(25)
Dividends paid		<b>(64,359)</b>	(75,716)
Interest paid on borrowings		<b>(87,321)</b>	(55,803)
NET CASH FROM FINANCING ACTIVITIES		<b>881,277</b>	216,214
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		<b>873,294</b>	(166,572)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		<b>1,156,972</b>	1,596,788
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		<b>(7,844)</b>	(3,167)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		<b>2,022,422</b>	1,427,049

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

The financial information relating to the year ended 31 December 2023 that is included in these condensed consolidated financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (the "Companies Ordinance") is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 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 consolidated 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 sections 406(2), 407(2) or (3) of the Companies Ordinance.

## 2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to 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 30 June 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2023.

### APPLICATION OF AMENDMENTS TO HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on or after 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendment to HKAS 1	Non-current Liabilities with Covenants
Amendment to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current interim 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.

### 3A. REVENUE

#### DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

An analysis of the Group's revenue and the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information is as follows:

	Six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000
Property development	8,978	54,862
Property management	16,794	14,034
Trading and manufacturing	43,637	36,030
Hotel operation	101,124	90,462
<b>Revenue from contracts with customers</b>	<b>170,533</b>	195,388
Property investment	155,005	145,745
Treasury investment		
– Interest income	37,907	18,474
– Dividend income	241	12,977
<b>Total revenue</b>	<b>363,686</b>	372,584

#### FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Property investment HK\$'000	Property development HK\$'000	Property management HK\$'000	Treasury investment HK\$'000	Trading and manufacturing HK\$'000	Hotel operation HK\$'000	Total HK\$'000
Property development	-	8,978	-	-	-	-	8,978
Property management	-	-	16,794	-	-	-	16,794
Trading and manufacturing	-	-	-	-	43,637	-	43,637
Hotel operation	-	-	-	-	-	101,124	101,124
Revenue from contracts with customers	-	8,978	16,794	-	43,637	101,124	170,533
Property investment	155,005	-	-	-	-	-	155,005
Interest income	-	-	-	37,907	-	-	37,907
Dividend income	-	-	-	241	-	-	241
Segment revenue	155,005	8,978	16,794	38,148	43,637	101,124	363,686

	Property development HK\$'000	Property management HK\$'000	Trading and manufacturing HK\$'000	Hotel operation HK\$'000	Total HK\$'000
<b>Geographical markets</b>					
Hong Kong	-	16,794	-	42,407	59,201
PRC	8,978	-	43,637	339	52,954
Thailand	-	-	-	58,378	58,378
<b>Total</b>	<b>8,978</b>	<b>16,794</b>	<b>43,637</b>	<b>101,124</b>	<b>170,533</b>
<b>Timing of revenue recognition</b>					
A point in time	8,978	-	43,637	21,852	74,467
Over time	-	16,794	-	79,272	96,066
<b>Total</b>	<b>8,978</b>	<b>16,794</b>	<b>43,637</b>	<b>101,124</b>	<b>170,533</b>

### 3A. REVENUE (continued)

#### DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Property investment HK\$'000	Property development HK\$'000	Property management HK\$'000	Treasury investment HK\$'000	Trading and manufacturing HK\$'000	Hotel operation HK\$'000	Total HK\$'000
Property development	-	54,862	-	-	-	-	54,862
Property management	-	-	14,034	-	-	-	14,034
Trading and manufacturing	-	-	-	-	36,030	-	36,030
Hotel operation	-	-	-	-	-	90,462	90,462
Revenue from contracts with customers	-	54,862	14,034	-	36,030	90,462	195,388
Property investment	145,745	-	-	-	-	-	145,745
Interest income	-	-	-	18,474	-	-	18,474
Dividend income	-	-	-	12,977	-	-	12,977
Segment revenue	145,745	54,862	14,034	31,451	36,030	90,462	372,584
		Property development HK\$'000	Property management HK\$'000	Trading and manufacturing HK\$'000	Hotel operation HK\$'000	Total HK\$'000	
<b>Geographical markets</b>							
Hong Kong	-	-	14,034	-	37,352	51,386	
PRC	54,862	-	-	36,030	5,481	96,373	
Thailand	-	-	-	-	47,629	47,629	
<b>Total</b>	54,862	54,862	14,034	36,030	90,462	195,388	
<b>Timing of revenue recognition</b>							
A point in time	54,862	-	-	36,030	14,697	105,589	
Over time	-	-	14,034	-	75,765	89,799	
<b>Total</b>	54,862	54,862	14,034	36,030	90,462	195,388	

### 3B. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resources allocation or assessment of segment performance focuses on types of goods and services delivered or provided. During the prior interim period, the CODM identified a new geographical property investment segment located in the United Kingdom (the "UK") which is aggregated in property investment segment. No other operating segment identified by the CODM has been aggregated in arriving at the reportable segment of the Group.

Specifically, the Group's reportable segments under HKFRS 8 Operating Segments are as follows:

1. Property investment — investment and letting of properties
2. Property development — development and sale of properties
3. Property management — provision of property management services
4. Treasury investment — investments in securities and other financial instruments
5. Trading and manufacturing — manufacture and sale of magnetic products
6. Hotel operation — management and operation of hotels and food & beverage business

### 3B. SEGMENT INFORMATION *(continued)* SEGMENT REVENUE AND RESULTS

The following is an analysis of the Group's revenue and results by reportable segment.

	<b>Property investment HK\$'000</b>	<b>Property development HK\$'000</b>	<b>Property management HK\$'000</b>
<b>For the six months ended 30 June 2024</b>			
Segment revenue	<b>156,099</b>	<b>8,978</b>	<b>24,278</b>
Comprising:			
— revenue from customers	<b>155,005</b>	<b>8,978</b>	<b>16,794</b>
— inter-segment transactions (note)	<b>1,094</b>	<b>-</b>	<b>7,484</b>
Operating expenses	<b>(80,765)</b>	<b>(24,429)</b>	<b>(16,984)</b>
Loss on changes in fair value of investment properties	<b>(334,301)</b>	<b>-</b>	<b>-</b>
Loss on changes in fair value of financial assets at FVTPL	<b>-</b>	<b>-</b>	<b>-</b>
Loss on disposal of property, plant and equipment	<b>-</b>	<b>-</b>	<b>-</b>
Net exchange gains (losses)	<b>214</b>	<b>(623)</b>	<b>40</b>
Segment (loss) profit	<b>(258,753)</b>	<b>(16,074)</b>	<b>7,334</b>
Share of results of joint ventures			
Finance costs			
Loss before tax			

note: Inter-segment transactions are charged at prevailing market prices.

Treasury investment HK\$'000	Trading and manufacturing HK\$'000	Hotel operation HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
38,148	43,637	101,271	372,411	(8,725)	363,686
38,148	43,637	101,124			
-	-	147			
(17,360)	(40,741)	(123,789)	(304,068)	8,725	(295,343)
-	-	-	(334,301)	-	(334,301)
(3,150)	-	-	(3,150)	-	(3,150)
-	(75)	(141)	(216)	-	(216)
(24,155)	-	68	(24,456)	-	(24,456)
(6,517)	2,821	(22,591)	(293,780)	-	(293,780)
					(47,052)
					(98,229)
					(439,061)



### 3B. SEGMENT INFORMATION *(continued)*

#### SEGMENT REVENUE AND RESULTS *(continued)*

The following is an analysis of the Group's revenue and results by reportable segment *(continued)*

	Property investment HK\$'000	Property development HK\$'000	Property management HK\$'000
<b>For the six months ended 30 June 2023</b>			
Segment revenue	147,862	54,862	21,304
Comprising:			
— revenue from customers	145,745	54,862	14,034
— inter-segment transactions (note)	2,117	—	7,270
Operating expenses	(89,948)	(38,327)	(14,988)
Loss on changes in fair value of investment properties	(235,929)	—	—
Loss on changes in fair value of financial assets at FVTPL	—	—	—
Loss on disposal of property, plant and equipment	(4)	(265)	—
Net exchange gains (losses)	1,359	(11,795)	171
Segment (loss) profit	(176,660)	4,475	6,487

Share of results of joint ventures  
Finance costs

Loss before tax

note: Inter-segment transactions are charged at prevailing market prices.

Segment (loss) profit represents the (loss incurred) profit earned by each segment without allocation of share of results of joint ventures and finance costs. In addition, the Group's administrative costs are allocated to respective reportable segments on the basis of revenue earned by individual reportable segments. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Since the CODM does not review assets and liabilities of the Group's reportable segments for performance assessment and resource allocation purpose, the Group has not included total asset information as part of segment information.

Treasury investment HK\$'000	Trading and manufacturing HK\$'000	Hotel operation HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
31,451	36,030	90,730	382,239	(9,655)	372,584
31,451	36,030	90,462			
-	-	268			
(17,298)	(32,533)	(118,469)	(311,563)	9,655	(301,908)
-	-	-	(235,929)	-	(235,929)
(1,727)	-	-	(1,727)	-	(1,727)
-	(75)	(2,685)	(3,029)	-	(3,029)
(15,271)	-	(1,846)	(27,382)	-	(27,382)
(2,845)	3,422	(32,270)	(197,391)	-	(197,391)
					9,092
					(58,773)
					(247,072)

#### 4. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000
Loss on changes in fair value of investment properties	(334,301)	(235,929)
Loss on changes in fair value of financial assets at FVTPL	(3,150)	(1,727)
Net exchange losses	(24,456)	(27,382)
Loss on disposal of property, plant and equipment	(216)	(3,029)
	<b>(362,123)</b>	<b>(268,067)</b>

#### 5. INCOME TAX CREDIT

	Six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000
The (credit) charge comprises:		
Current tax:		
Hong Kong Profits Tax	3,350	2,832
PRC Enterprise Income Tax	339	1,964
UK Corporate Tax	1,207	–
	<b>4,896</b>	<b>4,796</b>
Overprovision in prior years:		
Hong Kong Profits Tax	(3)	(36)
PRC Enterprise Income Tax	–	(3,453)
	<b>(3)</b>	<b>(3,489)</b>
PRC Land Appreciation Tax ("LAT")	630	3,170
Deferred taxation	(26,098)	(24,383)
	<b>(20,575)</b>	<b>(19,906)</b>

Notes:

- Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.
- Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.
- The Group has estimated the tax provision for PRC LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.
- The domestic statutory tax rate of UK is 25%.

## 6. LOSS FOR THE PERIOD

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Loss for the period has been arrived at after charging:		
Staff costs including directors' emoluments	<b>82,283</b>	76,871
Depreciation of property, plant and equipment	<b>51,514</b>	49,568
Depreciation of right-of-use assets	<b>531</b>	1,347
Expense relating to short-term leases	<b>1,894</b>	2,028

## 7. BASIC LOSS PER SHARE

The calculation of the loss per share attributable to the owners of the Company is based on the loss for the period attributable to owners of the Company of HK\$416,720,000 (six months ended 30 June 2023: HK\$229,444,000) and on 378,583,440 (30 June 2023: 378,583,440) ordinary shares in issue during the period.

No diluted earnings per share has been presented as there were no potential ordinary shares in issue during both periods.

## 8. DIVIDENDS

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Dividends recognised as distribution during the period:		
Final dividend declared and paid for 2023 — HK\$0.17 per share (2023: declared and paid for 2022 HK\$0.20 per share)	<b>64,359</b>	75,716
Dividend declared in respect of current period:		
Interim dividend declared for 2024 — HK\$0.11 per share (2023: HK\$0.11 per share)	<b>41,644</b>	41,644

On 8 August 2024, the Board of Directors has approved an interim cash dividend of HK\$0.11 per share (2023: HK\$0.11 per share), which will be paid to the Company's shareholders whose names appear on the Register of Members on 5 September 2024.

## **9. PROPERTY, PLANT AND EQUIPMENT & INVESTMENT PROPERTIES**

During the current interim period, the Group disposed of i) certain property, plant and equipment with an aggregate carrying amount of HK\$216,000 (six months ended 30 June 2023: HK\$3,029,000) with no cash proceeds (six months ended 30 June 2023: no cash proceeds), resulting in a loss on disposal of HK\$216,000 (six months ended 30 June 2023: HK\$3,029,000) and ii) investment properties with an aggregate carrying amount of HK\$5,798,000 (six months ended 30 June 2023: HK\$3,299,000) for cash proceeds of HK\$5,798,000 (six months ended 30 June 2023: HK\$3,299,000).

In addition, during the current interim period, the Group incurred HK\$6,205,000 (six months ended 30 June 2023: HK\$34,142,000) and HK\$5,507,000 (six months ended 30 June 2023: HK\$1,148,000) for additions of property, plant and equipment and an investment property, respectively. In prior period, the Group acquired investment property through acquisition of subsidiaries amounting to approximately HK\$425,248,000 as set out in note 16.

On 30 June 2024 and 31 December 2023, independent valuations were undertaken by Vigers Appraisal & Consulting Ltd. and Cushman & Wakefield Limited, independent qualified professional valuers not connected to the Group which have appropriate professional qualifications and recent experience in the valuations of similar properties in the relevant locations.

The valuations have been arrived at using direct comparison method by reference to market evidence of transaction prices for similar properties in the similar locations and conditions or, where appropriate, by capitalising the market rentals of all lettable units of the properties by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuer for the similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the respective properties.

The resulting decrease in fair value of investment properties of approximately HK\$334,301,000 (six months ended 30 June 2023: decrease in fair value of investment properties of approximately HK\$235,929,000) has been recognised directly in profit or loss.

### **IMPAIRMENT ASSESSMENT**

The management of the Group concluded there was indication for impairment and conducted impairment assessment on carrying amounts of certain property, plant and equipment relating to hotel operations in Hong Kong and Thailand of approximately HK\$1,088,046,000 (31 December 2023: HK\$1,119,081,000) and HK\$406,868,000 (31 December 2023: HK\$437,483,000). The management of the Group estimated the recoverable amount of the cash-generating unit ("CGU") to which the assets belong based on fair value less costs of disposal. The hotel in Hong Kong was measured using residual approach on a redevelopment basis. The key unobservable inputs used in the valuation included the gross development value on completion status and estimated project redevelopment cost. While the other hotel in Thailand was measured using income approach and discounted cash flow projections with 3% growth rate and pre-tax discount rate of 10%.

Based on the result of the assessment, management of the Group determined that the recoverable amount of the CGU based on the fair value less cost of disposal was higher than its carrying amount. No impairment is recognised during the six months ended 30 June 2024.

## 10. EQUITY INSTRUMENTS AT FVTOCI AND FINANCIAL ASSETS AT FVTPL

	<b>Financial assets at FVTPL HK\$'000</b>	<b>Equity instruments at FVTOCI HK\$'000</b>	<b>Total HK\$'000</b>
<b>30 June 2024</b>			
Listed equity securities	10,600	212	10,812
Unlisted equity securities	–	223,491	223,491
Perpetual capital securities	–	46,120	46,120
	<b>10,600</b>	<b>269,823</b>	<b>280,423</b>
Analysed as:			
Listed in Hong Kong	10,600	46,332	56,932
Unlisted	–	223,491	223,491
	<b>10,600</b>	<b>269,823</b>	<b>280,423</b>
Analysed for reporting purpose as:			
Non-current assets			269,823
Current assets			10,600
			<b>280,423</b>
	Financial assets at FVTPL HK\$'000	Equity instruments at FVTOCI HK\$'000	Total HK\$'000
<b>31 December 2023</b>			
Listed equity securities	14,732	227	14,959
Unlisted equity securities	–	227,113	227,113
Perpetual capital securities	–	45,116	45,116
	<b>14,732</b>	<b>272,456</b>	<b>287,188</b>
Analysed as:			
Listed in Hong Kong	14,732	45,343	60,075
Unlisted	–	227,113	227,113
	<b>14,732</b>	<b>272,456</b>	<b>287,188</b>
Analysed for reporting purpose as:			
Non-current assets			272,456
Current assets			14,732
			<b>287,188</b>

## 11. TRADE AND OTHER RECEIVABLES

	<b>30 June 2024 HK\$'000</b>	31 December 2023 HK\$'000
Trade receivables	<b>33,011</b>	32,103
Lease receivables	<b>4,238</b>	5,825
	<b>37,249</b>	37,928
Deposits paid	<b>7,614</b>	9,712
Prepayments and other receivables	<b>75,452</b>	65,039
VAT receivables	<b>55,472</b>	55,875
	<b>175,787</b>	168,554

Considerations in respect of sold properties are payable by the purchasers pursuant to the terms of the sale and purchase agreements. There is no credit period given on billing for rental of properties. Monthly rentals in respect of leased properties are payable monthly in advance by the tenants. Other trade customers settle their accounts with an average credit period of 30 to 90 days. The aged analysis of trade receivables and lease receivables presented based on the invoice date at the end of the reporting period is as follows:

	<b>30 June 2024 HK\$'000</b>	31 December 2023 HK\$'000
Within 30 days	<b>16,123</b>	18,765
Between 31 days to 90 days	<b>16,100</b>	14,822
Over 90 days	<b>5,026</b>	4,341
	<b>37,249</b>	37,928

## 12. TRADE AND OTHER PAYABLES

	<b>30 June 2024 HK\$'000</b>	31 December 2023 HK\$'000
Trade payables	<b>10,214</b>	10,908
Construction costs and retention payables	<b>107,963</b>	135,804
Deposits received in respect of rental of investment properties	<b>123,158</b>	139,156
Rentals receipt in advance	<b>10,627</b>	8,613
Deposits received (note)	<b>149,593</b>	151,249
Other payables	<b>98,385</b>	103,844
	<b>499,940</b>	549,574
Less: Amount due for settlement within 12 months shown under current liabilities	<b>(393,258)</b>	(439,684)
Amount due for settlement after 12 months shown under non-current liabilities	<b>106,682</b>	109,890

note: The amounts represent refundable deposits received from subcontractors for the purpose of securing their performance in respect of construction contracts in favour of the Group.

## 12. TRADE AND OTHER PAYABLES (continued)

The following is an aged analysis of trade payables based on the invoice date:

	<b>30 June 2024 HK\$'000</b>	31 December 2023 HK\$'000
Within 30 days	<b>10,214</b>	10,908

## 13. BORROWINGS

	<b>30 June 2024 HK\$'000</b>	31 December 2023 HK\$'000
– Secured bank borrowings	<b>2,563,689</b>	1,550,694
– Unsecured bank borrowings	<b>850,000</b>	850,000
– Amounts due to non-controlling shareholders	<b>704</b>	2,658
	<b>3,414,393</b>	2,403,352
Amounts due within one year	<b>(24,487)</b>	(921,911)
Amounts contain a repayment on demand clause or become repayable on demand as a result of breach of covenants	<b>(1,957,072)</b>	(852,658)
	<b>(1,981,559)</b>	(1,774,569)
Total shown under current liabilities	<b>1,432,834</b>	628,783

During the current interim period, the Group obtained bank loans of approximately HK\$1,297,000,000 (30 June 2023: HK\$377,834,000), repaid bank loans of approximately HK\$261,421,000 (30 June 2023: HK\$26,665,000), and repaid borrowings from non-controlling shareholder of approximately HK\$1,955,000 (30 June 2023: HK\$1,983,000). The proceeds were used for general working capital purposes.

As at the end of the reporting period, certain bank loans of approximately HK\$1,206,368,000 (31 December 2023: HK\$nil) is repayable on demand as a result of breach of covenants. Included in this amount is an amount of approximately HK\$207,488,000 (31 December 2023: HK\$nil), with original repayment term of more than one year, were reclassified from non-current liabilities to current liabilities. On discovery of the breach, the directors of the Company informed the lender and commenced a renegotiation of the terms of the loan with the relevant banker. As at 30 June 2024, those negotiations had not been concluded. Up to the date of approval for issuance of the condensed consolidated financial statements, the negotiations are still in progress. The directors of the Company are confident that their negotiations with the lender will ultimately reach a successful conclusion. In any event, should the lender call for immediate repayment of the loan, the directors of the Company believe that adequate alternative sources of finance are available to ensure that there is no threat to the continuing operations of the Group.

## 14. CAPITAL COMMITMENTS

	<b>30 June 2024 HK\$'000</b>	31 December 2023 HK\$'000
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:		
– Property, plant and equipment/investment properties	<b>8,158</b>	12,155
– Capital commitment to unlisted equity security	<b>20,317</b>	20,317



## 15. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENTS AND VALUATION PROCESS

The management performs regular reviews to determine the appropriate valuation techniques and inputs for fair value measurement and valuation process.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers or other service providers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The respective management team reports the findings to the Board of Directors of the Company regularly to explain the cause of fluctuations in the fair value of the assets and liabilities.

Some of 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 are observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

	Fair value hierarchy			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
<b>30 June 2024</b>				
<b>Financial assets at FVTPL</b>				
Listed equity securities	10,600	–	–	10,600
<b>Equity instruments at FVTOCI</b>				
Listed equity securities	212	–	–	212
Unlisted equity securities	–	–	223,491	223,491
Perpetual capital securities	–	46,120	–	46,120
Total	10,812	46,120	223,491	280,423
<b>31 December 2023</b>				
<b>Financial assets at FVTPL</b>				
Listed equity securities	14,732	–	–	14,732
<b>Equity instruments at FVTOCI</b>				
Listed equity securities	227	–	–	227
Unlisted equity securities	–	–	227,113	227,113
Perpetual capital securities	–	45,116	–	45,116
Total	14,959	45,116	227,113	287,188

## 15. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(continued)* FAIR VALUE MEASUREMENTS AND VALUATION PROCESS *(continued)*

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

There were no transfers between Levels 1, 2 and 3 during the period.

The fair values of listed equity securities are determined with reference to quoted market bid prices from relevant stock exchanges.

The fair values of perpetual capital securities are determined based on indicative prices provided by the dealers and brokers. In addition, the Group makes comparison of the indicative prices with the prices obtained from pricing services providers to substantiate the indicative prices of these securities. The key inputs used in the valuation models are the interest rate data, which are observable at the end of the reporting period. The objective of valuation models is to arrive at a fair value estimation that reflects the price of the financial instrument at the reporting date, which would have been determined by market participants acting at arm's length.

The fair values of unlisted equity securities are determined with reference to market values of underlying assets, which mainly comprise investment properties located in Hong Kong held by the investees and take into account the discount for lack of marketability. The valuations have been arrived at using direct comparison method by reference to market evidence of transaction prices for similar properties in the same locations and conditions or, where appropriate, by capitalising the market rentals of all lettable units of the properties by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuer for the similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the respective properties.

The directors of the Company consider that the carrying amounts of the Group's other financial assets and financial liabilities recorded at amortised costs in the condensed consolidated financial statements approximate their fair values.

### RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS

	<b>Unlisted equity securities HK\$'000</b>
Balance at 1 January 2023 (audited)	233,966
Total net losses recognised in other comprehensive income	(10,203)
Balance at 30 June 2023 (unaudited)	223,763
Balance at 1 January 2024 (audited)	<b>227,113</b>
Total net losses recognised in other comprehensive income	<b>(3,622)</b>
Balance at 30 June 2024 (unaudited)	<b>223,491</b>

The majority of the Group's investments are valued based on quoted market information or observable market data. A small percentage, 1.4% (31 December 2023: 1.5%), of total assets of the Group, is based on estimates and recorded as financial assets at level 3 fair value measurements. Whilst such valuations are sensitive to estimate, it is believed that changing one or more of the assumptions to reasonably possible alternative assumptions would not have a significant impact on the Group's financial position.

## 16. ACQUISITION OF SUBSIDIARIES

On 6 April 2023, Premium Realty Company Limited and Bliss Alliance Global Limited, both indirect wholly-owned subsidiaries of the Company (collectively referred to as the "Purchasers"), entered into a sale and purchase agreement with Ascot Real Estate Investments GP LLP, Aviva Life & Pensions UK Limited and PSP Jessica Trustee Limited (collectively referred to as the "Sellers"). Pursuant to the sale and purchase agreement, the Sellers agreed to sell, and the Purchasers agreed to purchase, the entire interest of Barratt House Unit Trust, Barratt House Nominee 1 Limited and Barratt House Nominee 2 Limited (collectively referred to as the "Subsidiaries"), which holds the legal ownership of the property situated at Barratt House, 341-349 Oxford Street, London W1, UK at a consideration of Great British Pound 44,000,520 (equivalent to approximately HK\$426,805,000).

On 6 April 2023, completion of the acquisition had taken place immediately following the entering into of the sale and purchase agreement. Upon completion, the Company, through the Purchasers, hold 100% equity interest in the Subsidiaries.

The Group elected to apply the optional concentration test in accordance with HKFRS 3 *Business Combination* and considered the property as a single identifiable asset. Consequently, the Group determined that substantially all of the fair value of the gross assets (excluding cash and cash equivalents) acquired is concentrated in a single identifiable asset and concluded that the acquired set of activities and assets is not a business.

### ASSETS AND LIABILITIES RECOGNISED AT THE DATE OF ACQUISITION

	HK\$'000
Investment property	425,248
Other receivables	2,723
Bank balances and cash	1,519
Other payables	(2,685)
	<u>426,805</u>
Net cash outflows arising on acquisition of subsidiaries:	
Consideration paid in cash	426,805
Less: Cash and cash equivalents acquired	(1,519)
	<u>425,286</u>

## 17. RELATED PARTY DISCLOSURES

### (A) RELATED PARTY TRANSACTIONS

	Six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000
Expenses paid and payable to directors of the Company or its affiliates		
Rental expenses	1,504	–

The Group had no other material significant transactions with related parties.

### (B) COMPENSATION OF KEY MANAGEMENT PERSONNEL

The emoluments of key management personnel of the Group during the period were as follows:

	Six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000
Short-term benefits	31,214	26,796
Post-employment benefits	2,071	1,744
	33,285	28,540

The emoluments of directors and key executives are determined by the remuneration committee having regard to the performance of individuals and market trends.

## 18. PLEDGE OF ASSETS

At the end of the reporting period, the assets shown as below were pledged to banks to secure general banking facilities made available to the Group.

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Freehold land under hotel land and buildings	453,061	493,598
Leasehold land and buildings	51,970	52,717
Investment properties	4,605,870	4,781,625



## REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### TO THE BOARD OF DIRECTORS OF LIU CHONG HING INVESTMENT LIMITED

*(incorporated in Hong Kong with limited liability)*

#### INTRODUCTION

We have reviewed the condensed consolidated financial statements of Liu Chong Hing Investment Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 4 to 27, which comprise the condensed consolidated statement of financial position as of 30 June 2024 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, 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 these condensed consolidated financial statements consists of making inquiries, 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 are not prepared, in all material respects, in accordance with HKAS 34.

#### **Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

8 August 2024

## INTERIM DIVIDEND

The Board of Directors has resolved to declare an interim cash dividend for 2024 of HK\$0.11 per share (2023: HK\$0.11 per share), payable on Friday, 13 September 2024 to the Company's shareholders registered on Thursday, 5 September 2024.

## CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Tuesday, 3 September 2024 to Thursday, 5 September 2024, both days inclusive. In order to qualify for the interim dividend, all share certificates with completed transfer forms either overleaf or separately, must be lodged for registration with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited, Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 2 September 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

For the period ended 30 June 2024, the Group recorded unaudited consolidated loss of approximately HK\$418.5 million, comparing to a loss of approximately HK\$227.2 million for the corresponding period last year, representing an increase of approximately HK\$191.3 million. The change was mainly due to the fair value losses of investment properties. Nevertheless, the overall financial position of the Group remains healthy. The revaluation deficits are non-cash and unrealised items.

Revenue mainly referred to the revenues generated from property investment, property development, property management, treasury investment, trading & manufacturing and hotel operation.

Other income referred to various miscellaneous incomes other than the main revenue.

Other gains and losses mainly comprised of loss on changes in fair value of investment properties and net exchange losses.

## PROPERTY INVESTMENT

### OVERALL RENTAL REVENUE

For the period ended 30 June 2024, the Group recorded gross rental revenue of approximately HK\$155.0 million, increased by approximately HK\$9.3 million from approximately of HK\$145.7 million in the corresponding period of 2023, representing an increase of 6.4%.

### OVERALL OCCUPANCIES

The Group's overall occupancy from major investment properties maintained at 85.2% as at 30 June 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

### PROPERTY INVESTMENT *(continued)*

#### HK PROPERTIES

##### *Chong Hing Square*

Chong Hing Square, located at 601 Nathan Road Mongkok, is a 20-storey ginza-type retail/commercial development offers over 182,000 square feet of retail and commercial space. For the period ended 30 June 2024, Chong Hing Square generated gross rental revenue of approximately HK\$29.3 million, increased by approximately HK\$2.1 million from approximately of HK\$27.2 million in 2023. The occupancy was 79% as at 30 June 2024.

##### *Chong Hing Bank Centre*

Chong Hing Bank Centre, located at 24 Des Voeux Road Central, is a 26-storey Grade A office building. Having retained several floors for the Company's use, this office building was leased to Chong Hing Bank Limited. The management regarded the tenancy would bring stable and good rental return to the Group. On 24 March 2023, Chong Hing Bank Limited exercised its option to renew the lease for five more years from 19 February 2024 to 18 February 2029, at a monthly rental of HK\$6.08 million.

For the period ended 30 June 2024, Chong Hing Bank Centre has generated rental revenue of approximately HK\$39.6 million, decreased by HK\$8.3 million from approximately HK\$47.9 million in 2023.

##### *The Rockpool*

The Rockpool (formerly known as Chong Yip Centre) is located at 402–404 Des Voeux Road West. The mall was revamped in 2019 and has transformed into a young and trendy community mall that serves the local neighborhood and features numerous new retail and F&B brands. After the renovation, the management expected that the mall would be one of the young and popular malls in the western district and be able to generate higher rental return.

For the period ended 30 June 2024, The Rockpool generated gross rental revenue of approximately HK\$8.1 million, increased by HK\$1.9 million from approximately of HK\$6.2 million in the corresponding period of 2023. As at 30 June 2024, the mall achieved occupancy of 88% and carparks were fully let.

##### *Fairview Court*

Fairview Court is located at 94 Repulse Bay Road. The Group owns 5 units, each of areas over 4,100 square feet, luxury apartment on a low-rise building. For the period ended 30 June 2024, Fairview Court recorded rental revenue of approximately HK\$1.6 million, slightly decreased by HK\$0.1 million from HK\$1.7 million in the corresponding period of 2023. This property recorded 40% occupancy as at 30 June 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

### PROPERTY INVESTMENT *(continued)*

#### PRC PROPERTIES

##### *Chong Hing Finance Center, Shanghai*

The Group's mainland flagship property located at 288 Nanjing Road West in Huang Pu District of Shanghai is a 36-storey Grade A commercial building which commands a strategic location and enviable view over The People's Square just across the street. With a total floor area of over 516,000 square feet of office and commercial spaces and 198 carparks, this property was approximately 83% let in terms of office space and 100% let in terms of retail space as at period end.

For the period ended 30 June 2024, this office building, after taking exchange translation, generated a rental revenue of approximately HK\$57.8 million, increased by approximately HK\$6.9 million from approximately HK\$50.9 million in 2023, representing an increase of 13.5%.

Given the over-supply of office market and low recovery of economy, the management have rolled out new and lucrative measures to retain the existing and new tenants.

#### UNITED KINGDOM PROPERTIES

##### *Barratt House, 341–349 Oxford Street, London*

On 6 April 2023, the Group has completed the new acquisition of a UK commercial property, Barratt House, located on 341–349 Oxford Street, London by purchasing 100% of the units in a Jersey Property Unit Trust, and two UK incorporated nominee companies which hold the legal title of the property. The property provides 7 floors of accommodation with total area of 16,200 sq.ft., consisting of a 5,894 sq.ft. prime retail unit over basement, ground and first floors, and 8,244 sq.ft. of refurbished offices on four upper floors. From the period ended 30 June 2024, the rental income attributable to the Group was approximately HK\$12.4 million. This property recorded 100% occupancy as at 30 June 2024.

The management regarded the acquisition is a good investment given the prime location, good tenant mix, strong discounted value and future redevelopment potential.



## MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

### PROPERTY DEVELOPMENT

#### PRC

##### *The Grand Riviera, Foshan*

This comprehensive development situated at 1 Guilong Road, Luocun in the Nanhai District of Foshan, is conveniently located within half an hour's drive from the Foshan financial district and within 5 minutes' drive from the new Foshan West Station.

### FINANCIAL AND SALE RESULTS

For the period ended 30 June 2024, the Group recorded sale revenue of approximately HK\$9.0 million, decreased by approximately of HK\$45.9 million from approximately of HK\$54.9 million in 2023, representing a decrease of 83.6%. Number of residential units sold and recognized for the year was decreased from 18 units in 2023 to 3 units in 2024, and number of carparks sold was decreased from 49 units in 2023 to 18 units in 2024. In effect, the sales profit was decreased significantly.

As at 30 June 2024, a total of 5,242 residential units out of total 5,264 units (representing 99%) and a total of 2,414 carpark units out of total 4,670 units (representing 52%) were successfully sold out fetching accumulated sale proceeds of approximately HK\$6 billion. The management forecasted that further sale proceeds of approximately HK\$700 million would be received if all unsold properties including residential units, carpark spaces and retail shops were sold under current market conditions.

### ELEGANCE GARDEN, SANSHUI

##### *Location and vicinity*

The development is located at the heart of Bei Jiang Xin Qu. It is surrounded by the well-developed facilities, such as Beijiang Primary School, Xindongli Center, Beijiang Feng Huang Park, Sanshui Renmin Hospital and Sanshui Bus Stop. It takes 15 minutes' drive to the Guangzhou and Foshan High Speed Railway Station and 20 minutes' drive to Sanshui High Speed Railway South Station only. The development is just 2.1 miles away from the Sanshui Metro Route 4, it is closely connected to the Guangzhou and Foshan cities.

##### *Project design*

This residential development named Elegance Garden, consists of 9 blocks 31-storey residential apartments with three typical sizes of 88, 98 and 108 square meters respectively. Given the plot ratio of 3.2 and green area ratio of 30%, it provides a total of 1,084 residential units with developable areas of over 108,000 square meters. If including the retail and commercial area of approximately 1,461 square meters on the ground floor and 874 carpark spaces mainly built at basement level, the total developable area is over 142,000 square meters.

## MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

### PROPERTY DEVELOPMENT *(continued)*

#### ELEGANCE GARDEN, SANSHUI *(continued)*

##### *Construction, marketing and sales*

Overall construction had been completed at the end of 2022. Various marketing and sales activities have been undertaken to promote the residential property. Official open sale for Block 1 and 6 was launched in November 2023 and May 2024 respectively. As at the date of board meeting a total of 179 residential units were successfully sold, fetching sale proceeds of approximately RMB177.5 million. The interior decoration work is expected to be completed and will be handed over to the buyers in August 2024, and the relevant sales revenue will be recorded in the second half of 2024. The management has decided to launch sales of Block 2 and Block 9 in the third quarter. These two blocks are currently undergoing interior renovation.

### HOTEL OPERATIONS

#### PRC

##### *Budget Hotel*

Since 2008, the Group started to operate budget hotel business in Shanghai, Beijing and Guangzhou. All of these budget hotels are managed by and under the brand name of Hanting. Due to the restructuring of the business strategy, the Group had sold the budgeted hotels at Shanghai and Beijing in 2016, only the hotel in Guangzhou remains in operation.

Due to the lease expiration, the hotel business operation in Guangzhou had been ceased on 11 January 2024. For the period ended 30 June 2024, the budget hotel revenue recorded HK\$0.3 million.

#### HONG KONG

##### *One-Eight-One Hotel & Serviced Residences*

The previous office building (formerly known as Western Harbour Centre), located at 181–183 Connaught Road West, was converted into a 182-room hotel and serviced residences. The hotel was in full operation after obtaining the hotel license on 2 December 2019. Apart from providing 182 guest rooms (room size ranging from 330 sq.ft. to 1,152 sq.ft.), other facilities include Sky Residences, two restaurants, Quay Club (executive lounge), gym room and a wide range of services and amenities.

For the period ended 30 June 2024, the hotel and F&B business recorded gross revenue approximately of HK\$42.4 million, increased by approximately of HK\$5.0 million, from approximately of HK\$37.4 million in 2023, and recorded profits before interest, tax, depreciation and amortization (“EBITDA”) approximately of HK\$2.2 million. If adding depreciation approximately of HK\$30.5 million, the hotel and F&B business recorded a net loss of approximately HK\$28.3 million.

## **MANAGEMENT DISCUSSION AND ANALYSIS** *(continued)*

### **HOTEL OPERATIONS** *(continued)*

#### **HONG KONG** *(continued)*

##### *One-Eight-One Hotel & Serviced Residences (continued)*

The management is encouraged by the gradual recovery observed in the Hong Kong economy and tourism industry during the first half of 2024. This improving market environment has had a positive impact on our hotel business. The hotel team is closely monitoring market trends and adjusting our pricing strategies accordingly. By offering competitive room rates and targeted package deals, we aim to capture a larger market share and maintain a strong competitive position within the hospitality industry in Hong Kong. With our strategic initiatives and commitment to excellence, we are wellpositioned to capture growth opportunities and deliver sustained profitability in the years ahead.

#### **THAILAND**

##### *Kimpton Kitalay Samui*

In 2021, the Group invested in a hotel property at Koh Samui, Thailand, through an acquisition of entire issued share capital in Choengmon Real Estate Company Limited, a company incorporated in Thailand.

The hotel is located at the north-eastern part of Samui Island and is situated along the Choengmon Beach. The land is a freehold land title with land areas of 29,588 sq.m. The hotel consists of 21 pool villas and 117 premium rooms and suites with total gross floor area of over 22,098 sq.m. Other amenities include the main reception building, lobby bar, lobby lounge, an all-day dining restaurant, a beachfront specialty restaurant, swimming pool, spa, fitness centre and yoga studio, kids club and multi-purpose space to accommodate weddings or executive meetings. The hotel was in full operation since January 2022.

For the period ended 30 June 2024, the hotel achieved gross revenue of approximately HK\$58.4 million, increased by approximately HK\$10.8 million, from approximately HK\$47.6 million in 2023 and generated EBITDA of approximately HK\$19.9 million. These figures represent a very positive performance for the period of 2024, as both gross revenue and gross operating profit exceeded the budget. This success can be attributed to the reopening of Asian regional markets and the implementation of various IHG marketing campaigns. Moving forward, the hotel's management will closely monitor its financial and operating results. The hotel team remains committed to implementing appropriate measures to maintain this positive trend.

## MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

### SHARE OF RESULTS OF JOINT VENTURES

As at 30 June 2024, the Group teamed up with Value Partners Group Limited (“Value Partners”), had acquired four logistic centers in Japan, two commercial buildings in Australia and seven logistic centres in Italy. All these logistic centers and commercial properties continued to maintain a stable rental revenue with an average 93% occupancy. The management regarded all the joint venture investments would bring the Group a stable rental returns together with a long term capital appreciation. For the period ended of 30 June 2024, the share of results of joint ventures was decreased from approximately HK\$9.1 million gain in 2023 to approximately HK\$47.1 million loss in 2024. The negative share result was primarily attributable to the fair value loss of Australia investment properties and unrealized exchange loss.

### OUTLOOK

The first half of 2024 has seen a continued challenging economic environment, with persistent high interest rates and a slowdown in economic growth globally. However, we remain cautiously optimistic about the gradual recovery of the Hong Kong market. With the support and introduction of various economic stimulus policies and initiatives implemented by local government, we maintain our confidence in the gradual recovery of overall business activities. Our management remains committed to improving overall financial performance through operational efficiency and asset enhancement. We will focus on optimizing existing business operations to enhance profitability and maximize returns for our stakeholders.

## DIRECTORS' INTERESTS IN SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2024, the interests of the directors and the Chief Executive Officer 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 (“SFO”)) which have been notified to the Company and The Stock Exchange of Hong Kong Limited (“Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO, or have been recorded in the register maintained by the Company pursuant to section 352 of the SFO, or have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

### INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS THE COMPANY – LIU CHONG HING INVESTMENT LIMITED

Name of director	Long /short position	Number of ordinary shares held			Total Interests	Total interests as approximate % of the relevant issued share capital
		Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests (interests of controlled corporation)		
Mr. Liu Lit Chi	Long	24,000	–	220,139,000 (Notes 1 and 2)	220,163,000	58.15%
Mr. Liu Kam Fai Winston	Long	2,756,867	–	–	2,756,867	0.73%

Notes:

- 132,326,710 shares in the Company are beneficially held by Liu’s Holdings Limited, of which Mr. Liu Lit Chi is amongst its shareholders. The above numbers of shares are duplicated under the corporate interests for each of these directors.
- Alba Holdings Limited, of which Mr. Liu Lit Chi and his associates are shareholders, beneficially holds 87,812,290 shares in the Company, and thus is included in the corporate interests of Mr. Liu Lit Chi.

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30 June 2024, so far as is known to the Company, the following persons (other than the directors or the Chief Executive Officer of the Company) had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

<b>Name of substantial shareholder</b>	<b>Long/short position</b>	<b>Capacity</b>	<b>No. of ordinary share held</b>	<b>% of the issued share capital</b>
Liu's Holdings Limited	Long	Beneficial owner	132,326,710 (note 1)	34.95%
Alba Holdings Limited	Long	Beneficial owner	87,812,290 (note 2)	23.19%

notes:

1. Liu's Holdings Limited, a private company incorporated in Hong Kong, is owned by, amongst others, Mr. Liu Lit Chi. Such corporate interests are also disclosed in the sub-section under "Directors' interests in Share Capital of the Company and its Associated Corporations."
2. Alba Holdings Limited, a private company incorporated in Hong Kong, is owned by Mr. Liu Lit Chi and his associates. Such corporate interests are also disclosed in the sub-section under "Directors' interests in Share Capital of the Company and its Associated Corporations."

Save as disclosed above, the Company had not been notified by any person (other than the directors or Chief Executives Officer of the Company) who had interests or short positions in the shares and underlying shares of the Company of 5% or more as at 30 June 2024 which were required to be disclosed to the Company under Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

## **EMPLOYEE AND EMOLUMENT POLICY**

As at 30 June 2024, the Group employed a workforce of 602 (30 June 2023: 633). Staff cost for the period include salaries, bonuses and allowances, were approximately HK\$82.3 million (30 June 2023: HK\$76.9 million).

The Group's remuneration policy, having been advised and determined by the Remuneration Committee, will ensure that the pay levels of its employee are reasonable and competitive in the market and their total rewards including basic salary and bonus system are linked with their performance.

## **THE CORPORATE GOVERNANCE CODE**

During the period under review, the Company has substantially complied with the provisions of the Corporate Governance Code (the "Code") as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), saved for the following.

### **CHAIRMAN AND MANAGING DIRECTOR: CLEAR DIVISION OF RESPONSIBILITIES**

The roles of Chairman and the Managing Director of the Company have not been segregated as required by the code provision C.2.1 of the Code. The Board considers this arrangement is in the best interest of the Company that by nature of the Group's business which requires considerable market expertise and Mr. Liu Lit Chi, with his profound expertise in the property and banking industry, shall continue in his dual capacity as the Chairman and Managing Director.

## THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

All directors have confirmed that they have complied with the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules throughout the review period.

## PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 June 2024, the Company and its subsidiaries have not purchased, sold or redeemed any of the shares of the Company.

## REVIEW OF UNAUDITED INTERIM FINANCIAL REPORT

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim financial report. In addition, the condensed consolidated financial statements of the Company for the six months ended 30 June 2024 have been reviewed by our auditor, Messrs. Deloitte Touche Tohmatsu, 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 and an unmodified review report is issued.

## PUBLICATION OF RESULTS ON THE WEBSITE

This results announcement, containing the relevant information required by the Listing Rules, is published on the website of the HKExnews ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.lchi.com.hk](http://www.lchi.com.hk)). The Company’s interim report for 2024 will be dispatched to the shareholders of the Company and available on the above websites on or about 30 August 2024.



## BOARD OF DIRECTORS

As at the date of this report, the Board of Directors of the Company comprises Executive Directors: Mr. Liu Lit Chi (Chairman, Managing Director and Chief Executive Officer), Mr. Liu Kam Fai Winston (Deputy Managing Director), Mr. Lee Wai Hung, Mr. Liu Kwun Bo Darryl, Liu Chak Hung Adrian and Liu Kwun Hung Tiger and; Non-executive Director: Mr. Kho Eng Tjoan Christopher; and Independent Non-executive Directors: Dr. The Hon. Cheng Mo Chi Moses, Mr. Au Kam Yuen Arthur, Dr. Ma Hung Ming John, Mr. Cheng Yuk Wo and Mr. Tong Tsun Sum Eric.

By Order of the Board  
**Liu Chong Hing Investment Limited**  
**Liu Lit Chi**

*Chairman, Managing Director  
and Chief Executive Officer*

Hong Kong, 8 August 2024