

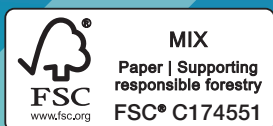


**ETERNITY INVESTMENT LIMITED**

**永恒策略投資有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 764)



*\*For identification only*

**2024**  
**INTERIM REPORT**

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## Corporate Information

### Board of Directors

#### **Executive directors**

Mr. Lei Hong Wai  
(Chairman and Chief Executive Officer)  
Mr. Cheung Kwok Wai Elton  
Mr. Cheung Kwok Fan

#### **Independent non-executive directors**

Mr. Wan Shing Chi  
Mr. Ng Heung Yan  
Mr. Wong Tak Chuen  
(resigned on 1 July 2024)  
Mr. Law Kwok Ho Kenward  
(appointed on 1 July 2024)  
Ms. Leung Man Yee Fanny

#### **Company Secretary**

Mr. Chan Kin Wah Billy  
(resigned on 8 July 2024)  
Ms. Lo Ming Wan  
(appointed on 8 July 2024)

#### **Members of Audit Committee**

Mr. Wong Tak Chuen (Chairman)  
(resigned on 1 July 2024)  
Mr. Law Kwok Ho Kenward (Chairman)  
(appointed on 1 July 2024)  
Mr. Wan Shing Chi  
Mr. Ng Heung Yan  
Ms. Leung Man Yee Fanny

#### **Members of Remuneration Committee**

Mr. Ng Heung Yan (Chairman)  
Mr. Lei Hong Wai  
Mr. Wan Shing Chi  
Ms. Leung Man Yee Fanny

#### **Members of Nomination Committee**

Mr. Lei Hong Wai (Chairman)  
Mr. Wan Shing Chi  
Mr. Ng Heung Yan  
Ms. Leung Man Yee Fanny

#### **Members of Finance Committee**

Mr. Cheung Kwok Wai Elton (Chairman)  
Mr. Wong Tak Chuen  
(resigned on 1 July 2024)  
Mr. Law Kwok Ho Kenward  
(appointed on 1 July 2024)

### Registered Office

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### Head Office and Principal Place of Business

Unit 1211  
Shun Tak Centre, West Tower  
168-200 Connaught Road Central  
Hong Kong

### Principal Share Registrar and Transfer Office

Conyers Corporate Services (Bermuda)  
Limited  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### Hong Kong Branch Share Registrar and Transfer Office

Tricor Standard Limited  
Share Registration Public Office  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### Auditors

HLB Hodgson Impey Cheng Limited  
Certified Public Accountants

### Principal Bankers

DBS Bank (Hong Kong) Limited  
Hang Seng Bank Limited

### Stock Code

764

### Website

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

### Email Address

[wanda@etrernityinv.com.hk](mailto:wanda@etrernityinv.com.hk)

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	For the six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)
Revenue	4	108,156	90,278
Cost of sales		(50,216)	(46,547)
Gross profit		57,940	43,731
Investment and other income	5	9,090	11,217
Other gains and losses	6	(87,599)	(3,971)
Selling and distribution expenses		(2,448)	(2,182)
Allowance for expected credit losses on financial assets	7	(1,127)	(1,662)
Administrative expenses		(57,876)	(57,780)
Share of results of associates		(842)	(7,342)
Loss from operations		(82,862)	(17,989)
Finance costs	8	(44,036)	(34,361)
Loss before taxation		(126,898)	(52,350)
Income tax (expense)/credit	9	(1,085)	1,325
Loss for the period	10	(127,983)	(51,025)
<b>Loss for the period attributable to:</b>			
Owners of the Company		(127,983)	(51,025)
Non-controlling interests		–	–
		(127,983)	(51,025)
<b>Interim dividend</b>	11	–	–
<b>Loss per share</b>	12		
Basic ( <i>Hong Kong cents</i> )		(3.46)	(1.38)
Diluted ( <i>Hong Kong cents</i> )		(3.46)	(1.38)

The accompanying notes form an integral part of the condensed consolidated financial statements.

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income *(Continued)*

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)
<b>Loss for the period</b>	<b>(127,983)</b>	(51,025)
<b>Other comprehensive (expense)/income for the period, net of income tax,</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Fair value loss on equity instruments at fair value through other comprehensive income	(1,720)	(2,880)
	<b>(1,720)</b>	(2,880)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translating foreign operations	(9,182)	(37,077)
Share of other comprehensive income of associates, net of related income tax	-	65
	<b>(9,182)</b>	(37,012)
Other comprehensive expense for the period, net of income tax	<b>(10,902)</b>	(39,892)
<b>Total comprehensive expense for the period</b>	<b>(138,885)</b>	(90,917)
<b>Total comprehensive (expense)/income for the period attributable to:</b>		
Owners of the Company	<b>(138,925)</b>	(91,096)
Non-controlling interests	<b>40</b>	179
	<b>(138,885)</b>	(90,917)

## Condensed Consolidated Statement of Financial Position

	<i>Notes</i>	<b>At 30 June 2024 HK\$'000 (Unaudited)</b>	At 31 December 2023 HK\$'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	930,284	928,529
Right-of-use assets	14	201,373	207,324
Investment properties	15	236,099	261,698
Intangible assets	16	626,189	639,189
Goodwill	17	143,533	190,277
Interests in associates	18	3,426	4,268
Deferred tax assets		69,941	69,892
Equity instruments at fair value through other comprehensive income		6,925	8,645
Financial assets at fair value through profit or loss		10,018	9,846
Finance lease receivables	19	147,345	159,224
Prepayments		–	344
		<b>2,375,133</b>	2,479,236
<b>Current assets</b>			
Inventories		33,264	34,484
Loan receivables	20	229,316	248,614
Trade receivables	21	35,007	37,902
Deposits, prepayments and other receivables		95,781	91,124
Finance lease receivables	19	25,010	22,664
Financial assets at fair value through profit or loss		66,264	97,316
Pledged bank deposits		427	23
Restricted bank deposits		–	18,035
Cash and cash equivalents		54,052	18,359
		<b>539,121</b>	568,521
Assets classified as held for sale	22	26,626	26,816
		<b>565,747</b>	595,337
<b>Total assets</b>		<b>2,940,880</b>	3,074,573

## Condensed Consolidated Statement of Financial Position (Continued)

	Notes	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
<b>EQUITY</b>			
Share capital	23	38,196	38,196
Share held for share award plan		(24,455)	(24,455)
Reserves		1,354,580	1,493,505
<b>Equity attributable to owners of the Company</b>		<b>1,368,321</b>	1,507,246
Non-controlling interests		(5,635)	(5,675)
<b>Total equity</b>		<b>1,362,686</b>	1,501,571
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	24	58,061	55,253
Deposits received, accruals and other payables		183,407	178,676
Receipts in advance		66,045	56,611
Tax payables		83,074	80,723
Bank borrowings	25	140,939	144,196
Other borrowings	26	250,871	254,748
Lease liabilities		6,168	6,106
Guaranteed secured notes	27	18,489	24,125
Amounts due to associates	29	6,848	11,169
Amounts due to directors and related party	28	94,684	89,715
		<b>908,586</b>	901,322
<b>Non-current liabilities</b>			
Deposit received and other payables		70,005	68,525
Lease liabilities		268,903	275,008
Deferred tax liabilities		183,852	187,027
Guaranteed secured notes		146,848	141,120
		<b>669,608</b>	671,680
<b>Total liabilities</b>		<b>1,578,194</b>	1,573,002
<b>Total equity and liabilities</b>		<b>2,940,880</b>	3,074,573
<b>Net current liabilities</b>		<b>(342,839)</b>	(305,985)
<b>Total assets less current liabilities</b>		<b>2,032,294</b>	2,173,251

The accompanying notes form an integral part of the condensed consolidated financial statements.

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Attributable to owners of the Company												
	Share capital	Shares held for share award plan	Share premium	Capital reserve	Contributed surplus	Property revaluation reserve	Fair value through other comprehensive income reserve	Equity-settled share-based payment reserve	Exchange reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 1 January 2023	38,196	(24,455)	1,807,051	17,761	404,663	25,801	(14,303)	16,377	(115,400)	(356,518)	1,799,173	(5,757)	1,793,416
Loss for the period	-	-	-	-	-	-	-	-	-	(51,025)	(51,025)	-	(51,025)
Other comprehensive expense for the period													
Fair value loss on equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	(2,880)	-	-	-	(2,880)	-	(2,880)
Share of other comprehensive income of associates	-	-	-	-	-	-	-	-	65	-	65	-	65
Exchange differences arising on translating foreign operations	-	-	-	-	-	-	-	-	(37,256)	-	(37,256)	179	(37,077)
Total comprehensive (expense)/ income for the period	-	-	-	-	-	-	(2,880)	-	(37,191)	(51,025)	(91,096)	179	(90,917)
At 30 June 2023	38,196	(24,455)	1,807,051	17,761	404,663	25,801	(17,183)	16,377	(152,591)	(407,543)	1,708,077	(5,578)	1,702,499
At 1 January 2024	38,196	(24,455)	1,807,051	17,761	404,663	25,801	(17,873)	16,377	(128,605)	(631,670)	1,507,246	(5,675)	1,501,571
Loss for the period	-	-	-	-	-	-	-	-	-	(127,983)	(127,983)	-	(127,983)
Other comprehensive expense for the period													
Fair value loss on equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	(1,720)	-	-	-	(1,720)	-	(1,720)
Exchange differences arising on translating foreign operations	-	-	-	-	-	-	-	-	(9,222)	-	(9,222)	40	(9,182)
Total comprehensive (expense)/ income for the period	-	-	-	-	-	-	(1,720)	-	(9,222)	(127,983)	(138,925)	40	(138,885)
Release on lapse of equity-settled share-based payment	-	-	-	-	-	-	-	(16,377)	-	16,377	-	-	-
At 30 June 2024	38,196	(24,455)	1,807,051	17,761	404,663	25,801	(19,593)	-	(137,827)	(743,276)	1,368,321	(5,635)	1,362,686



## Condensed Consolidated Statement of Cash Flows

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	80,992	29,931
<b>Net cash generated from operating activities</b>	<b>80,992</b>	<b>29,931</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(28,672)	(23,071)
Proceeds from disposal of residential serviced apartments	—	9,139
Release/(Placement) of restricted bank deposits	17,984	(18,312)
Repayment from lessees under finance lease	16,286	15,405
(Placement)/withdrawal of pledged bank deposits	(404)	630
Net cash inflow arising on other investing activities	9,833	1,794
<b>Net cash generated from/(used in) investing activities</b>	<b>15,027</b>	<b>(14,415)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advance from an associate	—	7,680
Advance from directors	21,970	49,199
Interest paid	(45,398)	(32,550)
Proceeds from bank borrowings	—	48,753
Proceeds from other borrowings	5,524	1,590
Repayment of bank borrowings	(3,257)	(52,454)
Repayment of other borrowings	(11,386)	(7,228)
Repayments of leases liabilities	(5,594)	(5,549)
Repayment to directors	(17,395)	(2,700)
Repayment to an associate	(4,321)	(3,100)
<b>Net cash (used in)/generated from in financing activities</b>	<b>(59,857)</b>	<b>3,641</b>
<b>Net increase in cash and cash equivalents</b>	<b>36,162</b>	<b>19,157</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>18,359</b>	<b>34,765</b>
<b>Effect of foreign exchange rate changes</b>	<b>(469)</b>	<b>(1,705)</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>54,052</b>	<b>52,217</b>

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 1. Basis of preparation

The condensed consolidated financial statements of Eternity Investment Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 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**”) and the applicable disclosure requirements set out in Appendix D2 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Exchange**”).

The condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2023. Except as described in note 2 below, the accounting policies and methods of computation used in the condensed consolidated financial statements are the same as those presented in the audited consolidated financial statements for the year ended 31 December 2023.

### **Going concern**

During the six months ended 30 June 2024, the Group incurred a loss for the period attributable to owners of the Company of HK\$127,983,000, and, as of that date, the Group’s current liabilities exceeded its current assets by HK\$342,839,000.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity, operating performance of the Group and its available sources of financing, and are of the opinion that the cash flow generated from operating activities and certain appropriate financing activities of the Group will be able to meet the funding needs of operations and repay the outstanding borrowings. In order to improve the Group’s financial position, the directors of the Company have been implementing various measures as follows:

- taking active measures to collect loan receivables to improve operating cash flows and its financial position;
- formulating various sale and marketing initiatives to increase the occupancy rate of the residential serviced apartments in Beijing, the People’s Republic of China (the “**PRC**”);
- negotiating with respective lenders to renew and extend the existing borrowings upon their maturities;
- reviewing its investments and actively considering to realise certain financial assets at fair value through profit or loss (“**FVTPL**”) in order to enhance the cash flow position of the Group whenever it is necessary;
- implementing an active cost-saving measures to control administrative costs through various ways to improve operating cash flows at a level sufficient to finance the working capital requirements of the Group; and
- two executive directors of the Company have undertaken to provide continuous financial support to the Group to enable it to have sufficient liquidity to finance its operations.

# Notes to the Condensed Consolidated Financial Statements

## (Continued)

For the six months ended 30 June 2024

### 1. Basis of preparation (Continued) **Going concern (Continued)**

The directors of the Company have carried out detail review on the Group's cash flow projections prepared by management. The cash flow projections cover a period up to 31 August 2025. In preparing the cash flow projection, the directors of the Company have considered the historical cash requirements of the Group as well as other key factors, including the availability of the loan finance which may impact the operations of the Group during the next twelve-month period. They are of the opinion that, taking into account the above-mentioned measures, the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the date of approval of the condensed consolidated financial statements.

Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the condensed consolidated financial statements for the six months ended 30 June 2024 on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these adjustments have not been reflected in the condensed consolidated financial statements.

### 2. Principal accounting policies

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

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 audited 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 periods 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)
Amendments to HKAS 1	Non-Current Liabilities with Covenant
Amendments 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 the condensed consolidated financial statements.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 3. Operating segments

The Group's operating segments have been determined based on the information reported to the Chairman of the board of directors (the "Board"), being the chief operating decision maker, that are used for performance assessment and to make strategic decisions. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other operating segments. The Group currently has five operating segments:

- |                              |  |
|------------------------------|--|
| (a) Property investment      | Leasing of rental properties and property management |
| (b) Sale of financial assets | Sale of financial assets at FVTPL                    |
| (c) Money lending            | Money lending  |
| (d) Sale of jewelry products | Design and sale of jewelry products                  |
| (e) Golf club operation      | Golf club operation                                  |

An analysis of the Group's reportable segment revenue, results, assets, liabilities and other selected financial information for the periods ended 30 June 2024 and 2023, and for the year ended 31 December 2023 by operating segments are as follows:

#### Segment revenue and results

For the six months ended 30 June 2024

	Property investment HK\$'000 (Unaudited)	Sale of financial assets HK\$'000 (Unaudited)	Money lending HK\$'000 (Unaudited)	Sale of jewelry products HK\$'000 (Unaudited)	Golf club operation HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited)
<b>Segment revenue</b>	5,235	(4,621)	11,133	31,796	64,613	108,156
<b>Segment (loss)/profit</b>	(88,890)	(24,109)	9,489	(1,803)	24,860	(80,453)
Interest income on bank deposits						105
Unallocated corporate income						228
Unallocated corporate expenses						(1,900)
Finance costs						(44,036)
Share of results of associates						(842)
Loss before taxation						(126,898)
Income tax expense						(1,085)
Loss for the period						(127,983)

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 3. Operating segments (Continued)

#### Segment revenue and results (Continued)

For the six months ended 30 June 2023

	Property investment HK\$'000 (Unaudited) (Restated)	Sale of financial assets HK\$'000 (Unaudited)	Money lending HK\$'000 (Unaudited)	Sale of jewelry products HK\$'000 (Unaudited)	Golf club operation HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited) (Restated)
<b>Segment revenue</b>	29,398	529	16,383	43,968	-	90,278
<b>Segment profit/(loss)</b>	1,992	(4,823)	2,771	1,074	-	1,014
Interest income on bank deposits						59
Unallocated corporate income						201
Unallocated corporate expenses						(11,921)
Finance costs						(34,361)
Share of results of associates						(7,342)
Loss before taxation						(52,350)
Income tax credit						1,325
Loss for the period						(51,025)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in both periods.

Segment results represent (loss incurred)/profit earned by each segment without allocation of central administrative expenses including directors' emoluments, share of results of associates, certain investment and other income, certain other gains and losses, finance costs and income tax (expense)/credit. This is the measure reported to the Chairman of the Board for the purposes of resource allocation and assessment of segment performance.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 3. Operating segments (Continued)

#### Segment assets and liabilities

At 30 June 2024

	Property investment HK\$'000 (Unaudited)	Sale of financial assets HK\$'000 (Unaudited)	Money lending HK\$'000 (Unaudited)	Sale of jewelry products HK\$'000 (Unaudited)	Golf club operation HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited)
<b>Segment assets</b>						
- Hong Kong	344,119	73,203	280,733	67,323	-	765,378
- The PRC	1,786,494	-	-	-	364,638	2,151,132
	<b>2,130,613</b>	<b>73,203</b>	<b>280,733</b>	<b>67,323</b>	<b>364,638</b>	<b>2,916,510</b>
Unallocated corporate assets						24,370
Consolidated total assets						<b>2,940,880</b>
<b>Segment liabilities</b>						
- Hong Kong	(95,737)	(98,042)	(10,891)	(19,503)	-	(224,173)
- The PRC	(554,099)	-	-	-	(322,644)	(876,743)
	<b>(649,836)</b>	<b>(98,042)</b>	<b>(10,891)</b>	<b>(19,503)</b>	<b>(322,644)</b>	<b>(1,100,916)</b>
Unallocated corporate liabilities						(477,278)
Consolidated total liabilities						<b>(1,578,194)</b>

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 3. Operating segments (Continued) Segment assets and liabilities (Continued) At 31 December 2023

	Property investment HK\$'000 (Audited)	Sale of financial assets HK\$'000 (Audited)	Money lending HK\$'000 (Audited)	Sale of jewelry products HK\$'000 (Audited)	Golf club operation HK\$'000 (Audited)	Consolidated HK\$'000 (Audited)
<b>Segment assets</b>						
- Hong Kong	370,232	105,993	300,334	71,645	-	848,204
- The PRC	1,835,368	-	-	-	366,702	2,202,070
	2,205,600	105,993	300,334	71,645	366,702	3,050,274
Unallocated corporate assets						24,299
Consolidated total assets						3,074,573
<b>Segment liabilities</b>						
- Hong Kong	(98,210)	(103,707)	(8,552)	(20,153)	-	(230,622)
- The PRC	(556,328)	-	-	-	(310,279)	(866,607)
	(654,538)	(103,707)	(8,552)	(20,153)	(310,279)	(1,097,229)
Unallocated corporate liabilities						(475,773)
Consolidated total liabilities						(1,573,002)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than interests in associates, certain financial assets at FVTPL, certain deposits, prepayments, other receivables, and cash and cash equivalents that are not attributable to individual segments. Assets used jointly by individual segments are allocated on the basis of the revenues earned by individual segments; and
- all liabilities are allocated to operating segments other than certain bank borrowings, certain other borrowings, guaranteed secured notes, certain accruals and other payables, certain tax payables, amounts due to associates, and amounts due to directors and related party that are not attributable to individual segments. Liabilities for which segments are jointly liable are allocated in proportion to segment assets.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 3. Operating segments (Continued)

#### Other segment information

For the six months ended 30 June 2024

	Property investment HK\$'000 (Unaudited)	Sale of financial assets HK\$'000 (Unaudited)	Money lending HK\$'000 (Unaudited)	Sale of jewelry products HK\$'000 (Unaudited)	Golf club operation HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited)
<b>Amount included in the measure of segment (loss)/ profit and segment assets</b>						
Additions to property, plant and equipment	28,650	-	-	-	22	28,672
Allowance for expected credit loss ("ECL") on trade receivables	-	-	-	(2,120)	-	(2,120)
Amortisation of intangible assets	(7,806)	-	-	-	(706)	(8,512)
Depreciation of property, plant and equipment	(6,721)	-	-	(6)	(6,717)	(13,444)
Depreciation of right-of-use assets	-	-	-	(152)	(2,889)	(3,041)
Imputed interest income on finance lease receivables	8,540	-	-	-	-	8,540
Loss arising on change in fair value of financial assets at FVTPL	-	(19,418)	-	-	-	(19,418)
Loss arising on change in fair value of investment properties	(22,444)	-	-	-	-	(22,444)
Loss on disposals of niches	(146)	-	-	-	-	(146)
Reversal of allowance for ECL on loan receivables	-	-	993	-	-	993



## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 3. Operating segments (Continued) Other segment information (Continued)

For the six months ended 30 June 2023

	Property investment HK\$'000 (Unaudited) (Restated)	Sale of financial assets HK\$'000 (Unaudited)	Money lending HK\$'000 (Unaudited)	Sale of jewelry products HK\$'000 (Unaudited)	Golf club operation HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited) (Restated)
<b>Amount included in the measure of segment profit/ (loss) and segment assets</b>						
Additions to property, plant and equipment	24,580	-	-	23	-	24,603
Allowance for ECL on loan receivables	-	-	(2,018)	-	-	(2,018)
Allowance for ECL on trade receivables	-	-	-	(12)	-	(12)
Amortisation of intangible assets	(8,762)	-	-	-	-	(8,762)
Depreciation of property, plant and equipment	(12,921)	-	-	(6)	-	(12,927)
Depreciation of right-of-use assets	(2,955)	-	-	(155)	-	(3,110)
Dividend income	-	734	-	-	-	734
Gain arising on change in fair value of investment properties	3,700	-	-	-	-	3,700
Gain on disposals of residential serviced apartments	7,993	-	-	-	-	7,993
Imputed interest income on finance lease receivables	9,432	-	-	-	-	9,432
Interest income on other receivables	414	-	-	-	-	414
Loss arising on change in fair value of financial assets at FVTPL	-	(6,008)	-	-	-	(6,008)
Reversal of allowance for ECL on other receivables	368	-	-	-	-	368
Written-off of property, plant and equipment	(50)	-	-	-	-	(50)

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 3. Operating segments (Continued) Geographical information

The Group mainly operates in Hong Kong and the PRC. The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from external customer For the six months ended 30 June		Non-current assets	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Australia	586	415	–	–
Europe	3,696	4,292	–	–
Hong Kong	36,082	58,411	342,587	369,566
North America	–	36	–	–
The PRC	67,792	27,124	1,798,317	1,862,063
	<b>108,156</b>	90,278	<b>2,140,904</b>	2,231,629

Note:

Non-current assets excluded deferred tax assets, equity instruments at fair value through other comprehensive income, financial assets at FVTPL and finance lease receivables.

#### Information about major customers

The following is an analysis of the Group's major customers contributing over 10% of the total revenue of the Group:

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Customer 1 <sup>1</sup>	N/A*	18,896
Customer 2 <sup>2</sup>	–	15,268
Customer 3 <sup>1</sup>	N/A*	9,429
Customer 4 <sup>3</sup>	N/A*	9,058

<sup>1</sup> Revenue from sale of jewelry products.

<sup>2</sup> Revenue from property investment.

<sup>3</sup> Revenue from money lending.

\* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

## Notes to the Condensed Consolidated Financial Statements

(Continued)

For the six months ended 30 June 2024

### 4. Revenue

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)
<b>Disaggregation of revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by types of goods and services		
Sale of jewelry products	31,796	43,968
Golf club operation		
– club activities	35,012	–
– food and beverage	5,398	–
– membership fees	15,257	–
Property investment		
– membership fees	–	8,613
– property management income	729	738
	<b>88,192</b>	53,319
<b>Revenue from other sources</b>		
Sale of financial assets		
– sale of financial assets at FVTPL, net	(4,621)	529
Golf club operation		
– rental income	8,946	–
Money lending		
– interest income on loans	11,133	16,383
Property investment		
– rental income	4,506	20,047
<b>Total revenue</b>	<b>108,156</b>	90,278
<b>Timing of revenue recognition</b>		
– a point in time	72,206	43,968
– over time	15,986	9,351
<b>Revenue from contracts with customers</b>	<b>88,192</b>	53,319

Revenue from sale of financial assets at FVTPL is recorded on a net basis, details of which are as follows:

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Proceeds from sale of financial assets at FVTPL	9,838	19,339
Carrying amounts of financial assets at FVTPL sold plus transaction costs	(14,459)	(18,810)
	<b>(4,621)</b>	529

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 5. Investment and other income

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)
Dividend income	228	935
Imputed interest income on finance lease receivables	8,540	9,432
Interest income on bank deposits	105	59
Interest income on other receivables	–	414
Sundry income	217	377
	<b>9,090</b>	<b>11,217</b>

### 6. Other gains and losses

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Gain on disposals of residential serviced apartments	–	7,993
Impairment loss on goodwill	(45,591)	–
Impairment loss on interests in associates	–	(9,606)
Loss arising on change in fair value of financial assets at FVTPL	(19,418)	(6,008)
(Loss)/gain arising on change in fair value of investment properties	(22,444)	3,700
Loss on disposals of niches	(146)	–
Written-off of property, plant and equipment	–	(50)
	<b>(87,599)</b>	<b>(3,971)</b>

Gain on disposals of residential serviced apartments is recorded on a net basis, details of which are as follows:

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Discounted proceeds from disposals of residential serviced apartments (net of value-added tax)	–	24,874
Related assets of residential serviced apartments recorded in property, plant and equipment, intangible assets, and right-of-use assets disposed of	–	(16,881)
	–	7,993

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 7. Allowance for expected credit losses on financial assets

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Allowance/(reversal of allowance) for ECL on loan receivables:		
– 12 months ECL	156	(109)
– lifetime ECL not credit-impaired	8,038	(482)
– lifetime ECL credit-impaired	(9,187)	2,609
	(993)	2,018
Reversal of allowance for ECL on other receivables:		
– 12 months ECL	–	(368)
Allowance for ECL on trade receivables	2,120	12
	1,127	1,662

### 8. Finance costs

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interest on amount due to an associate	330	140
Interest on amount due to directors and related party	2,457	–
Interest on bank borrowings	3,373	4,255
Interest on lease liabilities	6,920	7,134
Interest on other borrowings	10,984	10,596
Interest on others	6	–
Imputed interest on guaranteed secured notes	24,260	16,607
	48,330	38,732
Less: interest on lease liabilities capitalised in the cost of qualifying assets	(4,294)	(4,371)
	44,036	34,361

## Notes to the Condensed Consolidated Financial Statements

(Continued)

For the six months ended 30 June 2024

### 9. Income tax (expense)/credit

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Hong Kong Profits Tax – current tax	–	–
PRC Enterprise Income Tax – current tax	(3,126)	(2,049)
Deferred taxation credit	2,041	3,374
	<b>(1,085)</b>	1,325

Under the two-tiered profits tax rates regime of Hong Kong, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2,000,000 for both periods.

Under the Law of the PRC 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.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 10. Loss for the period

Loss for the period has been arrived at after charging/(crediting):

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Amortisation of intangible assets (included in administrative expenses)	8,512	8,762
Cost of inventories sold	26,313	37,728
Depreciation of property, plant and equipment	13,444	12,927
Depreciation of right-of-use assets	3,041	3,110
Net foreign exchange loss	38	7
Staff costs (including directors' emoluments):		
– salaries and allowances	38,677	31,461
– contributions to retirement benefits scheme	191	201
	<b>38,868</b>	31,662
Gross rental income from investment properties and operating rights	(13,452)	(20,047)
Less: direct operating expenses incurred for investment properties and operating rights that generated rental income during the period	–	8,819
	<b>(13,452)</b>	(11,228)

### 11. Interim dividend

No interim dividend was paid, declared or proposed during the six months ended 30 June 2024 (2023: Nil). The Board has determined that no interim dividend will be paid in respect of the six months ended 30 June 2024 (2023: Nil).

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 12. Loss per share

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<u>Loss for the purpose of basic and diluted loss per share</u>		
Loss for the period attributable to owners of the Company	(127,983)	(51,025)

	For the six months ended 30 June	
	2024 '000 (Unaudited)	2023 '000 (Unaudited)
<u>Number of ordinary shares</u>		
Weighted average number of ordinary shares less weighted average number of shares held for share award plan for the purpose of basic and diluted loss per share	3,695,296	3,695,296

No diluted earnings per share for the six months ended 30 June 2024 was presented as there were no potential ordinary shares in issue.

The computation of diluted loss per share did not assume the exercise of the Company's share options for the six months ended 30 June 2023 because the exercise price of those share options was higher than the average market price for shares for the six months ended 30 June 2023.

### 13. Movements in property, plant and equipment

During the six months ended 30 June 2024, the Group acquired certain items of property, plant and equipment with an aggregate cost of HK\$28,672,000 (2023: HK\$24,603,000). During the six months ended 30 June 2024, the Group did not dispose any items of property, plant and equipment. During the six months ended 30 June 2023, the Group disposed of certain items of property, plant and equipment with an aggregate carrying amount of HK\$50,000, resulting in a written off of HK\$50,000.

During the six months ended 30 June 2024, no long-term lease (2023: One) relating to leasing residential serviced apartment erected on a piece of 580 Chinese acre land (the "Subject Land") adjacent to the Group's golf club and resort (the "Club") in Beijing, the PRC, commenced. The Group did not derecognise the related property, plant and equipment of the residential serviced apartment upon the commencement of the long-term lease (2023: HK\$6,638,000).



## Notes to the Condensed Consolidated Financial Statements

(Continued)

For the six months ended 30 June 2024

### 14. Movements in right-of-use assets

During the six months ended 30 June 2024, the Group did not enter into any new lease agreement. The depreciation of right-of-use assets of HK\$3,041,000 (2023: 3,110,000) has been recognised directly in profit or loss for the six months ended 30 June 2024 and HK\$1,459,000 (2023: HK\$1,509,000) has been capitalised in the cost of qualifying assets.

During the six months ended 30 June 2024, no long-term lease (2023: One) relating to leasing residential serviced apartment erected on the Subject Land commenced. The Group did not derecognise the related right-of-use assets in respect of the Subject Land of the residential serviced apartment upon the commencement of the long-term lease (2023: HK\$889,000).

### 15. Movements in investment properties

The Group's investment properties located in Hong Kong and the PRC at the end of the reporting period were valued by two independent firm of professional valuers, APAC Appraisal and Consulting Limited and Grant Sherman Appraisal Limited ("**Grant Sherman**"), using the same valuation techniques as used by them when carrying out the valuations of 31 December 2023. The resulting of a loss arising on change in fair value of investment properties of HK\$22,444,000 (2023: a gain of HK\$3,700,000) has been recognised in profit or loss for the six months ended 30 June 2024.

### 16. Movements in intangible assets

During the six months ended 30 June 2024, the amortisation of operating rights in respect of the Subject Land and operating rights in respect of club facilities of the Club of HK\$8,512,000 (2023: HK\$8,762,000) has been recognised in profit or loss for the six months ended 30 June 2024.

During the six months ended 30 June 2024, no long-term leases (2023: One) relating to leasing a residential serviced apartment erected on the Subject Land commenced. The Group did not derecognise the related operating rights in respect of the Subject Land of the residential serviced apartment upon the commencement of the long-term lease (2023: HK\$4,738,000).

### 17. Movements in goodwill

At the end of the six months ended 30 June 2024, the directors performed impairment tests for the property, plant and equipment, right-of-use assets, intangible assets and goodwill belonging to the Group's cash-generating units ("**CGUs**") engaged in property investment business and golf club operation business in Beijing, the PRC. As the carrying amount of the CGU engaged in property investment business and golf club operation business in Beijing, the PRC, exceeded its recoverable amount, an impairment loss on goodwill of HK\$45,591,000 was recognised in profit or loss for the six months ended 30 June 2024 (2023: Nil).

The impairment loss arose from the adjustments of certain key assumptions and inputs in the cash flow projection of property investment business on the Subject Land to reflect the prevailing market conditions and the management's latest estimation.

As the CGU engaged in the property investment business and golf club operation business in Beijing, the PRC, has been reduced to its recoverable amount of HK\$1,558,085,000, any adverse change in the key assumptions used in the calculation of recoverable amount would result in further impairment losses.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 18. Interests in associates

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
<b>Listed shares in Hong Kong</b>		
— China Healthwise Holdings Limited (“China Healthwise”)	—	965
<b>Unlisted shares in Hong Kong</b>		
— China Hong Kong Money Limited (“China Hong Kong Money”)	590	590
— Elite Prosperous Investment Limited (“Elite Prosperous”)	2,836	2,713
	<b>3,426</b>	4,268
Cost of investments in associates	58,944	58,944
Amount due from an associate	38,437	38,437
Share of post-acquisition loss, other comprehensive income, impairment loss, net dividends received and reserve	(93,955)	(93,113)
	<b>3,426</b>	4,268
<b>Market value of listed shares</b>		
— China Healthwise	10,819	6,931

#### China Healthwise

During the six months ended 30 June 2023, the Group determined that there was indication of impairment on the interests in China Healthwise since the carrying amount of the net assets of China Healthwise was in excess of its market capitalisation at the end of the reporting period. The Group determined the impairment loss by assessing the recoverable amount of the interests in China Healthwise which is the higher of value in use or fair value less cost of disposal. In view of the continuing loss of China Healthwise, the Group concluded the value in use of China Healthwise is less than its market capitalisation. Hence, the interests in China Healthwise was impaired to its fair value, which was categorised as Level 1 of the fair value hierarchy, with reference to China Healthwise’s quoted share price on the Exchange as at 30 June 2023, and an impairment loss of HK\$9,606,000 was recognised accordingly.

During the six months ended 30 June 2024, there was no indication of impairment on the interests in China Healthwise since the market capitalisation of China Healthwise was in excess of its carrying amount of the net assets at the end of the reporting period.

At 30 June 2024, the Group held 169,042,824 shares (31 December 2023: 169,042,824 shares) in China Healthwise and 163,342,024 shares (31 December 2023: 163,342,024 shares) of which, with a fair value of HK\$10,454,000 (31 December 2023: HK\$6,697,000), have been pledged to secure the secured other borrowing — margin financing facilities granted to the Group.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 19. Finance lease receivables

The leasing of properties erected on the Subject Land under long-term leases is treated as finance leases as the committed lease term of the long-term leases substantially covers the remaining period of the operating rights in respect of the Subject Land.

During the six months ended 30 June 2024, no finance lease (2023: two) relating to residential serviced apartments erected on the Subject Land commenced. The payment term of the finance leases ranges from 5 to 15 years. The inherent interest rates in the finance leases are fixed at the contract date over the lease term. The risk arising from the unguaranteed residual value on the residential serviced apartments under the leases is considered insignificant.

	Minimum lease payments		Present value of minimum lease payments	
	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Finance lease receivables comprise:				
Within one year	41,275	32,527	25,010	22,664
In the second year	34,284	33,516	15,102	12,789
In the third year	32,529	34,716	15,310	15,652
In the fourth year	33,623	32,949	18,358	15,920
In the fifth year	34,717	34,050	21,868	19,047
After five years	99,868	129,730	76,707	95,816
Gross investment in the lease	276,296	297,488	172,355	181,888
Less: unearned finance income	(103,941)	(115,600)	—	—
Present value of minimum lease payment receivables	172,355	181,888	172,355	181,888
Less: finance lease receivables classified as non-current assets			(147,345)	(159,224)
Finance lease receivables classified as current assets			25,010	22,664

Interest rates implicit in the above finance leases are 13% (31 December 2023: 13%).

All finance lease receivables are denominated in RMB. The Group is not exposed to foreign currency risk as a result of the finance lease arrangements, as all finance leases are denominated in the functional currencies of group entities.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 20. Loan receivables

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Loans to customers	928,300	948,192
Accrued interest receivables	54,929	55,328
	<b>983,229</b>	1,003,520
<i>Less: accumulated allowance for ECL</i>	<b>(753,913)</b>	(754,906)
	<b>229,316</b>	248,614

All loans are denominated in Hong Kong dollars. The loan receivables carry effective interest ranging from 8% to 20% per annum (31 December 2023: 8% to 20% per annum). Loans contain a repayable on demand clause and are classified under current assets. A maturity profile of the loan receivables (net of accumulated allowance for ECL) at the end of the reporting period, based on the maturity date is as follows:

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Within one year	229,316	248,614

During the six months ended 30 June 2024, a reversal of allowance for ECL on loan receivables of HK\$993,000 (2023: an allowance for ECL of HK\$2,018,000) was recognised.

At 30 June 2024, seven loans in the aggregate outstanding principal amount of HK\$553,619,000 are secured by corporate guarantees, one loan in the outstanding principal amount of HK\$165,000,000 is secured by a corporate guarantee, a share charge of a private company, and a share pledge over certain participating shares of a closed-end private fund, and one loan in the outstanding principal amount of HK\$9,535,000 is secured by a share charge.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 20. Loan receivables (Continued)

Included in the carrying amount of loan receivables at 30 June 2024 is an accumulated allowance for ECL of HK\$753,913,000 (31 December 2023: HK\$754,906,000).

Movements in the accumulated allowance for ECL are as follows:

	12 months ECL HK\$'000 (Unaudited)	Lifetime ECL not credit- impaired HK\$'000 (Unaudited)	Lifetime ECL credit- impaired HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
At 1 January 2023	1,850	14,712	605,372	621,934
Transfer to lifetime ECL credit-impaired	—	(14,712)	14,712	—
Allowance for ECL recognised	3,802	—	129,170	132,972
At 31 December 2023 (audited) and 1 January 2024	5,652	—	749,254	754,906
Transfer to lifetime ECL not credit-impaired	(493)	493	—	—
Allowance for ECL recognised/ (reversed)	156	8,038	(9,187)	(993)
<b>At 30 June 2024</b>	<b>5,315</b>	<b>8,531</b>	<b>740,067</b>	<b>753,913</b>

The accumulated allowance for ECL was valued by Grant Sherman, using the same valuation techniques as used by it when carrying out the valuation of 31 December 2023.

### 21. Trade receivables

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Trade receivables	38,115	38,890
Less: accumulated allowance for ECL	(3,108)	(988)
	<b>35,007</b>	37,902

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 21. Trade receivables (Continued)

The following is an aging analysis of trade receivables (net of accumulated allowance for ECL) at the end of the reporting period presented based on the invoice dates:

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
0 – 30 days	4,587	6,616
31 – 60 days	4,235	6,558
61 – 90 days	6,842	4,957
91 – 120 days	6,344	3,544
121 – 180 days	6,784	11,514
Over 180 days	6,215	4,713
	<b>35,007</b>	37,902

The Group allows credit period ranging from 0 to 270 days to its customers. The directors assess the credit status and impose credit limits for customers in accordance with the Group's credit policy. The credit limits are closely monitored and subject to periodic reviews.

During the six months ended 30 June 2024, an allowance for ECL on trade receivables of HK\$2,120,000 (2023: HK\$12,000) was recognised.

Included in the carrying amount of trade receivables at 30 June 2024 is an accumulated allowance for ECL of HK\$3,108,000 (31 December 2023: HK\$988,000).

Movements in the accumulated allowance for ECL are as follows:

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
At the beginning of the reporting period	988	868
Allowance for ECL recognised during the period	2,120	120
At the end of the reporting period	<b>3,108</b>	988

The accumulated allowance for ECL was valued by Grant Sherman, using the same valuation techniques as used by it when carrying out the valuation of 31 December 2023.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 22. Movements in assets classified as held for sale

At 30 June 2024, three long term leases (31 December 2023: three) relating to leasing residential serviced apartments had yet to commence. These long-term leases were expected to commence within 12 months. Accordingly, the related property, plant and equipment, right-of-use asset in respect of the Subject Land, and operating rights in respect of the Subject Land of these residential serviced apartments of HK\$26,626,000 (31 December 2023: HK\$26,816,000) were reclassified as held for sale.

The net proceeds of disposals (net of value-added tax) are expected to exceed the net carrying amount of the assets classified as held for sale and accordingly, no impairment loss was recognised.

### 23. Share capital

	Number of shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.01 each (2023: HK\$0.01 each)		
<b>Authorised:</b>		
At 1 January 2023, 31 December 2023 (audited), 1 January 2024 and 30 June 2024 (unaudited)	<b>10,000,000</b>	<b>100,000</b>
<b>Issued and fully paid:</b>		
At 1 January 2023, 31 December 2023 (audited), 1 January 2024 and 30 June 2024 (unaudited)	<b>3,819,606</b>	<b>38,196</b>

### 24. Trade payables

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Trade payables	<b>58,061</b>	55,253

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 24. Trade payables (Continued)

The following is an aging analysis of trade payables at the end of the reporting period presented based on the invoice dates:

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
0 – 30 days	878	2,367
31 – 60 days	597	369
61 – 90 days	1,099	38
91 – 120 days	1,054	397
Over 120 days	54,433	52,082
	<b>58,061</b>	55,253

The average credit period on purchase of goods and services is 120 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

### 25. Bank borrowings

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Secured bank borrowings	140,939	144,196
Carrying amounts that contain a repayable on demand clause (shown under current liabilities) but repayable:		
Within one year	6,320	7,727
More than one year, but not exceeding two years	6,669	7,921
More than two years, but not exceeding five years	22,288	24,898
Over five years	105,662	103,650
	<b>140,939</b>	144,196
Less: amounts shown under current liabilities	<b>(140,939)</b>	(144,196)
Amounts shown under non-current liabilities	—	—



## Notes to the Condensed Consolidated Financial Statements

(Continued)

For the six months ended 30 June 2024

### 25. Bank borrowings (Continued)

At 30 June 2024, the Group had the following bank borrowings:

- (a) a secured installment loan of HK\$94,293,000 (31 December 2023: HK\$96,841,000), which is 1% per annum over one-month Hong Kong Interbank Offered Rate (“**HIBOR**”) quoted by the bank from time to time from 28 March 2024, secured by (i) a first legal charge over the Group’s buildings and investment properties located in Hong Kong with an aggregate carrying amount of HK\$304,857,000 (31 December 2023: HK\$328,455,000), (ii) a charge over a bank deposit of HK\$427,000 (31 December 2023: HK\$23,000) of a wholly-owned subsidiary of the Company, namely Max Winner Investments Limited, (iii) a charge/mortgage over the structured investment products, stocks, and other securities with a fair value of HK\$15,306,000 (31 December 2023: HK\$19,234,000) held by Max Winner Investments Limited, and (iv) a charge/mortgage over the key management personnel life insurance policy with a fair value of HK\$10,018,000 (31 December 2023: HK\$9,846,000) held by Max Winner Investments Limited, guaranteed by the Company and two wholly-owned subsidiaries of the Company, namely K E Group Limited and Om Gem Limited and repayable by 165 equal monthly installments ending on 18 March 2038;
- (b) a secured term loan of HK\$36,986,000 (31 December 2023: HK\$37,580,000), which is interest-bearing at 1% per annum over one-month HIBOR, secured by (i) the first legal charge over the Group’s buildings and investment properties located in Hong Kong with an aggregate carrying amount of HK\$304,857,000 (31 December 2023: HK\$328,455,000), (ii) the charge over a bank deposit of HK\$427,000 (31 December 2023: HK\$23,000) of Max Winner Investments Limited, (iii) the charge/mortgage over the structured investment products, stocks, and other securities with a fair value of HK\$15,306,000 (31 December 2023: HK\$19,234,000) held by Max Winner Investments Limited, and (iv) a charge/mortgage over the key management personnel life insurance policy with a fair value of HK\$10,018,000 (31 December 2023: HK\$9,846,000) held by Max Winner Investments Limited, guaranteed by the Company, K E Group Limited and Om Gem Limited and repayable by 213 equal monthly installments ending on 10 March 2042; and
- (c) a secured term loan of US\$1,233,000 (equivalent to HK\$9,660,000) (31 December 2023: US\$1,248,000 (equivalent to HK\$9,775,000)), which is interest-bearing at 1% per annum over one month DBS Bank (Hong Kong) Limited’s cost of funds on the outstanding amount, secured by (i) the first legal charge over the Group’s buildings and investment properties located in Hong Kong with an aggregate carrying amount of HK\$304,857,000 (31 December 2023: HK\$328,455,000), (ii) the charge over a bank deposit of HK\$427,000 (31 December 2023: HK\$23,000) of Max Winner Investments Limited, (iii) the charge/mortgage over the structured investment products, stocks, and other securities with a fair value of HK\$15,306,000 (31 December 2023: HK\$19,234,000) held by Max Winner Investments Limited, and (iv) a charge/mortgage over the key management personnel life insurance policy with a fair value of HK\$10,018,000 (31 December 2023: HK\$9,846,000) held by Max Winner Investments Limited, guaranteed by the Company, K E Group Limited and Om Gem Limited and repayable by 218 equal monthly installments ending on 25 August 2042.

As the secured installment loan and the secured term loans contain a repayable on demand clause, the entire outstanding balance of the secured installment loan and the secured term loans were classified under current liabilities.

All bank borrowings are denominated in Hong Kong dollar.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 26. Other borrowings

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Secured other borrowings — securities margin financing facilities	48,838	53,874
Unsecured other borrowings	202,033	200,874
	<b>250,871</b>	254,748

At 30 June 2024, the securities margin financing facilities of HK\$33,050,000 (31 December 2023: HK\$38,550,000) granted by a securities brokerage firm, which is interest bearing at prime rate plus 3% per annum and secured by (i) the Group's listed equity securities in Hong Kong held in the margin securities trading accounts with a fair value of HK\$47,168,000 (31 December 2023: HK\$65,737,000), of which HK\$36,714,000 (31 December 2023: HK\$59,040,000) is related to the Group's financial assets at FVTPL and HK\$10,454,000 (31 December 2023: HK\$6,697,000) is related to part of the Group's listed investments in associate, and (ii) a personal guarantee given by Mr. Lei Hong Wai, the Chairman of the board of directors and an executive director.

At 30 June 2024, the securities margin financing facility of HK\$15,788,000 (31 December 2023: HK\$15,324,000) granted by a securities brokerage firm, which is interest bearing at a fixed rate of 6% per annum and secured by (i) the Group's listed equity securities in Hong Kong held in the margin securities trading account with a fair value of HK\$14,244,000 (31 December 2023: HK\$19,041,000), which is related to the Group's financial assets at FVTPL, and (ii) a personal guarantee given by Mr. Lei Hong Wai.

At 30 June 2024, the unsecured other borrowing of HK\$200,000,000 is interest bearing at 8% per annum for the period from the date of first drawdown to 31 March 2024 and 10% per annum from 1 April 2024, secured by (i) the post-dated cheques drawn in favour of a finance company for payment of the principal and the interests stipulated under the loan agreement, and (ii) a personal guarantee given by Mr. Lei Hong Wai, and maturing on 1 April 2025. The unsecured other borrowing contains a repayable on demand clause and is denominated in Hong Kong dollar.

On 4 March 2024, the Company entered into a supplemental agreement for revolving loan facilities of HK\$1,290,000 with a finance company, which is interest-bearing at prime rate plus 3% per annum, unsecured and maturing on 21 March 2025. At 30 June 2024, the outstanding balance of the revolving loan facilities amounted to HK\$17,000.

On 22 April 2024, the Company entered into an agreement for a loan of HK\$2,000,000 with a person which is interest-bearing at 4% per annum, unsecured and maturing on 21 October 2024. At 30 June 2024, the outstanding balance of the loan amounted to HK\$2,016,000.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 27. Guaranteed secured notes

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Guaranteed secured notes	165,337	165,245
	165,337	165,245
Less: guaranteed secured notes classified as non-current liabilities	(146,848)	(141,120)
	18,489	24,125
		HK\$'000 (Unaudited)
At 1 January 2023		197,000
Imputed interest on guaranteed secured notes		30,362
Interest paid and payable		(24,672)
Recognition of guaranteed secured notes		162,555
Derecognition of guaranteed secured notes		(196,000)
Redemption		(4,000)
At 31 December 2023 (audited) and 1 January 2024		165,245
Imputed interest on guaranteed secured notes		24,260
Interest paid and payable		(24,168)
<b>At 30 June 2024 (unaudited)</b>		<b>165,337</b>

On 29 December 2022, the Company as issuer, Mr. Lei Hong Wai and Mr. Cheung Kwok Wai Elton as guarantors entered into a subscription and note instrument agreement with the subscriber, pursuant to which the Company issues and the subscriber subscribed for the guaranteed secured notes due 2023 in the aggregate principal amount of HK\$197,000,000 (the “**Guaranteed Secured Notes due 2023**”). Pursuant to the terms and conditions of the subscription and note instrument agreement, the proceeds of the Guaranteed Secured Notes due 2023 were fully set off against the outstanding principal amount of the Guaranteed Secured Notes due 2022. On 29 December 2022, the Company issued the Guaranteed Secured Notes due 2023 in the aggregate principal amount of HK\$197,000,000 to the subscriber.

## Notes to the Condensed Consolidated Financial Statements

*(Continued)*

*For the six months ended 30 June 2024*

### **27. Guaranteed secured notes** *(Continued)*

The Guaranteed Secured Notes due 2023 are interest bearing at 17% per annum and payable semi-annually in arrears, secured by a share charge over 100% of the issued share capital in Eternity Investment (China) Limited, guaranteed by Mr. Lei Hong Wai and Mr. Cheung Kwok Wai Elton, and maturing on 23 September 2023. Upon the maturity of the Guaranteed Secured Notes due 2023, the noteholders have agreed to (i) extend the maturity date from 24 September 2023 to 23 September 2025 and (ii) modify the terms relating to interest rate, interest payment dates, and partial redemption of the Guaranteed Secured Notes due 2023. Save and except for the above modifications, all terms and conditions remain unchanged and continue in full force and effect. At 31 December 2023, the outstanding principal amount of the guaranteed secured notes due 23 September 2025 was HK\$193,000,000 (the **“Guaranteed Secured Notes due 2025”**).

During the six months ended 30 June 2024, the Company defaulted in redemption of the principal amount of HK\$4,000,000 and semi-annual interests of HK\$13,966,000 on or before 23 March 2024 in respect of the Guaranteed Secured Notes due 2025. On 28 March 2024, the subscriber granted a waiver to the Company in respect of the default in redemption of the principal amount and semi-annual interests and agreed to modify the repayment schedule of the Guaranteed Secured Notes due 2025.

On 2 April 2024, the Company made full redemption of the principal amount, semi-annual interests and defaulted interests on the Guaranteed Secured Notes due 2025 thereon.

At 30 June 2024, the outstanding principal amount of the Guaranteed Secured Notes due 2025 was HK\$183,893,000, which are (i) interest-bearing at 17% per annum for the period from 24 September 2022 to 23 January 2024 and 10% per annum from 23 January 2024, (ii) secured by a share charge over 100% of the issued share capital in Eternity Investment (China) Limited, (iii) guaranteed by Mr. Lei Hong Wai and Mr. Cheung Kwok Wai Elton, and (iv) repayable by 18 partial redemptions during the period from 23 September 2023 to 23 March 2025 and final redemption on 23 September 2025. Under the Guaranteed Secured Notes due 2025, the Company covenants with the noteholders that from the issue date and for so long as any Guaranteed Secured Notes due 2025 are outstanding, (i) the Group will not create any encumbrance upon the whole or any part of its present or future undertaking, assets or revenue of the Group to secure any present or future indebtedness incurred or to secure any guarantee or indemnity in respect of any guarantee or indemnity in respect of (subject to the exceptions as set out in the Guaranteed Secured Notes due 2025), and (ii) the Company will ensure the consolidated tangible net worth of the Group will not be less than HK\$850,000,000.

The effective interest rate of the Guaranteed Secured Notes due 2025 is 14.51% per annum.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 28. Amounts due to directors and related party

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Mr. Lei Hong Wai	19,464	121
Mr. Cheung Kwok Fan	2,800	3,400
Mr. Cheung Kwok Wai Elton	19,240	32,335
Ms. Chan Mei Sau Teresina (Note)	53,180	53,859
	<b>94,684</b>	89,715

Note: Ms. Chan Mei Sau Teresina is the spouse of Mr. Cheung Kwok Wai Elton, an executive director of the Company.

At 31 December 2023, the outstanding balance of the cash advance from Mr. Lei Hong Wai, the Chairman of the board of directors and an executive director of the Company, amounted to HK\$121,000. During the six months ended 30 June 2024, Mr. Lei Hong Wai made additional cash advance of HK\$3,740,000 to the Group for financing its short-term funding needs. The cash advances are non-interest bearing, unsecured, and repayable on demand. During the six months ended 30 June 2024, the Group repaid HK\$2,440,000 to Mr. Lei Hong Wai.

At 30 June 2024, the cash advances of HK\$1,421,000 remained outstanding.

During the six months ended 30 June 2024, Mr. Lei Hong Wai made cash advances of HK\$18,000,000 to the Group to finance its short-term financing needs. The cash advances are interest-bearing at 21.60% per annum, unsecured and repayable on demand. The interest on the cash advances is based on the interest paid/payable by Mr. Lei Hong Wai to a finance company to obtain the cash advances. The interest paid and payable by the Group on cash advances to Mr. Lei Hong Wai amounted to HK\$1,015,000.

At 30 June 2024, the cash advances of HK\$18,043,000 remained outstanding.

At 31 December 2023, the outstanding balance of the cash advance from Mr. Cheung Kwok Fan, an executive director of the Company, amounted to HK\$3,400,000. During the six months ended 30 June 2023, Mr. Cheung Kwok Fan did not make additional cash advances to the Group for financing its short-term funding needs. The cash advances are non-interest bearing, unsecured, and repayable on demand. During the six months ended 30 June 2024, the Group repaid HK\$600,000 to Mr. Cheung Kwok Fan.

At 30 June 2024, the cash advances of HK\$2,800,000 remained outstanding.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 28. Amounts due to directors and related party (Continued)

At 31 December 2023, the outstanding balance of the cash advance from Mr. Cheung Kwok Wai Elton, an executive director of the Company, amounted to HK\$32,335,000. During the six months ended 30 June 2024, Mr. Cheung Kwok Wai Elton made additional cash advances of HK\$230,000 to the Group for financing its short-term funding needs. The cash advances are interest-bearing at a one-month HIBOR quoted by Bank of China (Hong Kong) Limited plus 1.30% per annum or 2.25% per annum below the prime rate for Hong Kong Dollars quoted by Bank of China (Hong Kong) Limited, whichever is lower, unsecured, and repayable on demand. The interest on the cash advances is based on the interest paid/payable by Mr. Cheung Kwok Wai Elton to Bank of China (Hong Kong) Limited to obtain the cash advances. During the six months ended 30 June 2024, the Group repaid HK\$13,536,000 to Mr. Cheung Kwok Wai Elton, and the interest paid and payable by the Group on cash advances to Mr. Cheung Kwok Wai Elton amounted to HK\$477,000.

At 30 June 2024, the cash advances of HK\$19,240,000 remained outstanding.

At 31 December 2023, the outstanding balance of the cash advances from Ms. Chan Mei Sau Teresina, the spouse of Mr. Cheung Kwok Wai Elton, amounted to HK\$53,859,000. The cash advances are interest-bearing at a one-month HIBOR quoted by Bank of East Asia Limited plus 1.30% per annum or 2.50% per annum below the prime rate for Hong Kong dollars quoted by Bank of East Asia Limited, whichever is lower, unsecured, and repayable on demand. The interest on the cash advances is based on the interest paid/payable by Ms. Chan Mei Sau Teresina to Bank of East Asia Limited to obtain the cash advances.

During the six months ended 30 June 2024, the Group repaid HK\$819,000 to Ms. Chan Mei Sau Teresina, and the interest paid and payable by the Group on cash advances to Ms. Chan Mei Sau Teresina amounted to HK\$965,000.

At 30 June 2024, the cash advances of HK\$53,180,000 remained outstanding.

### 29. Amounts due to associates

	<b>At 30 June 2024 HK\$'000 (Unaudited)</b>	At 31 December 2023 HK\$'000 (Audited)
China Hong Kong Money	<b>1,959</b>	1,959
China Healthwise	<b>4,889</b>	9,210
	<b>6,848</b>	11,169

Amount due to China Hong Kong Money is unsecured, non-interest bearing and repayable on demand.

At 31 December 2023, the outstanding balance of amount due to China Healthwise amounted to HK\$9,210,000, which is unsecured, interest-bearing at prime rate plus 3% per annum and maturing on 21 March 2024. The amount due to an associate contains a repayable on demand clause.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 29. Amounts due to associates (Continued)

On 26 February 2024, the Company entered into a supplemental agreement for revolving loan facilities of HK\$9,000,000 with the finance company to extend the maturing date from 21 March 2024 to 21 March 2025. Save and except for the above modification, all terms and conditions remain unchanged and continue in full force and effect.

At 30 June 2024, the outstanding balance of amount due to China Healthwise was HK\$4,889,000.

### 30. Capital commitments

At the end of the reporting period, the Group had the following capital commitments which were contracted but not provided for.

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Capital expenditures for the Subject Land	255,432	255,967

### 31. Equity-settled share-based payment transaction

#### a. Share options scheme adopted on 12 December 2011

Pursuant to an ordinary resolution passed by the shareholders on 12 December 2011, the Company adopted a new share option scheme (the “**2011 Share Option Scheme**”) to replace the share option scheme adopted on 21 January 2002. Details of the 2011 Share Option Scheme were set out in the Company’s circular dated 18 November 2011. A summary of the 2011 Share Option Scheme was disclosed in the Company’s 2023 annual report.

As the 2011 Share Option Scheme expired on 11 December 2021, no further share options can be granted under the 2011 Share Option Scheme, but the provisions of the 2011 Share Option Scheme remain in full force and effect in respect of the outstanding share options granted before its expiry.

Details of the specific categories of share options are as follows:

Share option type	Date of grant	Vesting schedule	Performance target	Exercise period	Exercise price	Closing price of shares prior to the date of grant
2021	4 June 2021	100% of the share options were vested on 4 June 2021	Nil	4 June 2021 to 3 June 2024	HK\$0.298	HK\$0.290

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 31. Equity-settled share-based payment transaction (Continued)

#### a. Share options scheme adopted on 12 December 2011 (Continued)

The following table discloses the movements of the 2011 Share Option Scheme during the six months ended 30 June 2024:

Share option type	Outstanding at 1 January 2024	Granted during the period	Number of share options		Lapsed during the period	Outstanding at 30 June 2024
			Exercised during the period	Cancelled during the period		
2021	171,760,000	–	–	–	(171,760,000)	–
Exercisable at the end of the reporting period						–
Weighted average exercise price					HK\$0.298	–

The following table discloses the movements of the 2011 Share Option Scheme during the six months ended 30 June 2023:

Share option type	Outstanding at 1 January 2023	Granted during the period	Number of share options		Lapsed during the period	Outstanding at 30 June 2023
			Exercised during the period	Cancelled during the period		
2021	171,760,000	–	–	–	–	171,760,000
Exercisable at the end of the reporting period						171,760,000
Weighted average exercise price						HK\$0.298

#### b. Share options scheme adopted on 16 December 2021

As the 2011 Share Option Scheme expired on 11 December 2021, the Company adopted a new share option scheme (the “**2021 Share Option Scheme**”), pursuant to an ordinary resolution passed by the shareholders at the special general meeting held on 15 December 2021. Details of the 2021 Share Option Scheme were set out in the Company’s circular dated 25 November 2021. A summary of the 2021 Share Option Scheme was disclosed in the Company’s 2023 annual report.

No share option was granted under the 2021 Share Option Scheme since its adoption.



## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 31. Equity-settled share-based payment transaction (Continued)

#### c. Share award plan

The Company has adopted the share award plan to recognise the contributions of certain employees and help in retaining them for the Company's operations and further development. The share award plan was adopted by the Board on 16 September 2021. A summary of the share award plan was disclosed in the Company's 2023 annual report.

No share was awarded under the share award plan since its adoption.

Details of movements in the Company's shares held for the share award plan are as follows:

	Number of shares held for share award plan		Shares held for share award plan	
	2024 '000 (Unaudited)	2023 '000 (Unaudited)	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
At 1 January	124,310	124,310	24,455	24,455
Shares purchased for share award plan	—	—	—	—
At 30 June	124,310	124,310	24,455	24,455

During the six months ended 30 June 2024 and 2023, none of the shares of the Company was acquired through purchases on open market under the share award plan.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 32. Material related party transactions

Save as disclosed elsewhere in the condensed consolidated financial statements, the Group entered into the following material related party transactions during the six months ended 30 June 2024 and 2023:

#### (a) Transactions with associates

Amounts due from/(to) associates

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Amount due from Elite Prosperous (Note)	38,437	38,437
Amount due to China Hong Kong Money	(1,959)	(1,959)
Amount due to China Healthwise	(4,889)	(9,210)

Note: The amount due from an associate of HK\$38,437,000 is considered as long-term interest and forms part of the Group's net investment in Elite Prosperous.

The amounts from/(to) associates do not constitute connected transactions as defined in Chapter 14A of the Listing Rules.

(Expenses) paid/payable to and income received/receivable from an associate

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Rental income received/receivable from an associate	796	828
Interest expense paid/payable to an associate	(330)	(140)

The above transactions do not constitute connected transactions as defined in the Chapter 14A of the Listing Rules.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 32. Material related party transactions (Continued)

#### (b) Compensation of key management personnel

The remuneration of executive directors and the chief executive officer, who are key management, during the period was as follows:

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Short-term benefits	585	11,372
Post-employment benefits	24	36
	<b>609</b>	11,408

Total remuneration is included in "Staff costs" (see note 10 to the condensed consolidated financial statements).

The remuneration of executive directors and the chief executive officer is approved by the Board on the recommendation of the Remuneration Committee of the Board having regard to the duties and responsibilities of individuals and market trends.

#### (c) Transactions with the directors and substantial shareholders of the Company

(i) On 29 November 2018, Mr. Lei Hong Wai, the Chairman of the board of directors and an executive director of the Company, provided a personal guarantee to secure the Company's repayment obligations under the loan of HK\$200,000,000 granted by the finance company to the Company. No consideration was paid by the Company to Mr. Lei Hong Wai for providing the personal guarantee. No security over the assets of the Group was provided for the personal guarantee given by Mr. Lei Hong Wai.

At 30 June 2024 and 2023, the provision of the personal guarantee by Mr. Lei Hong Wai remained in full force and effect.

(ii) On 9 March 2020, Mr. Lei Hong Wai provided a personal guarantee to secure the Group's repayment obligations under the securities margin financing facility granted by a securities brokerage firm with an outstanding balance of HK\$24,397,000 at 30 June 2024. No consideration was paid by the Group to Mr. Lei Hong Wai for providing the personal guarantee. No security over the assets of the Group was provided for the personal guarantee given by Mr. Lei Hong Wai.

At 30 June 2024 and 2023, the provision of the personal guarantee by Mr. Lei Hong Wai remained in full force and effect.

## Notes to the Condensed Consolidated Financial Statements

(Continued)

For the six months ended 30 June 2024

### 32. Material related party transactions (Continued)

#### (c) Transactions with the directors and substantial shareholders of the Company (Continued)

- (iii) On 22 October 2020, Mr. Lei Hong Wai provided a personal guarantee to secure the Group's repayment obligations under the securities margin financing facility granted by a securities brokerage firm with an outstanding balance of HK\$15,788,000 at 30 June 2024. No consideration was paid by the Group to Mr. Lei Hong Wai for providing the personal guarantee. No security over the assets of the Group was provided for the personal guarantee given by Mr. Lei Hong Wai.

At 30 June 2024 and 2023, the provision of the personal guarantee by Mr. Lei Hong Wai remained in full force and effect.

- (iv) On 29 December 2022, each of Mr. Lei Hong Wai and Mr. Cheung Kwok Wai Elton, an executive director of the Company, provided a personal guarantee to guarantee the punctual performance by the Company's obligations under the Guaranteed Secured Notes due 2023 of HK\$197,000,000 issued by the Company on 29 December 2022 pursuant to the subscription and note instrument agreement dated 29 December 2022. Upon the maturity of the Guaranteed Secured Notes due 2023, the noteholders have agreed to (i) extend the maturity date from 24 September 2023 to 23 September 2025 and (ii) modify the terms relating to the interest rate, interest payment dates, and partial redemption of the Guaranteed Secured Notes due 2023. Save and except for the above modifications, all terms and conditions remain unchanged and continue in full force and effect. No consideration was paid by the Company to Mr. Lei Hong Wai and/or Mr. Cheung Kwok Wai Elton for providing the personal guarantees. No security over the assets of the Group was provided for the personal guarantees given by Mr. Lei Hong Wai and/or Mr. Cheung Kwok Wai Elton.

At 30 June 2024 and 2023, the provision of the personal guarantees by Mr. Lei Hong Wai and Mr. Cheung Kwok Wai Elton remained in full force and effect.

- (v) On 18 August 2023, Mr. Lei Hong Wai provided a personal guarantee to secure the Group's repayment obligations under the securities margin financing facility granted by the securities brokerage firm mentioned in (ii) above, with an outstanding balance of HK\$8,653,000 at 30 June 2024. No consideration was paid by the Group to Mr. Lei Hong Wai for providing the personal guarantee. No security over the assets of the Group was provided for the personal guarantee given by Mr. Lei Hong Wai.

At 30 June 2024, the provision of the personal guarantee by Mr. Lei Hong Wai remained in full force and effect.

- (vi) At 31 December 2023, the outstanding balance of the cash advance from Mr. Cheung Kwok Fan, an executive director of the Company, amounted to HK\$3,400,000. During the six months ended 30 June 2024, Mr. Cheung Kwok Fan did not make additional cash advances to the Group for financing its short-term funding needs. The cash advances are non-interest bearing, unsecured, and repayable on demand. During the six months ended 30 June 2024, the Group repaid HK\$600,000 to Mr. Cheung Kwok Fan.

At 30 June 2024, the outstanding balance of the cash advances was HK\$2,800,000, which was present in the "Amounts due to directors and related party" line item in the condensed consolidated statement of financial position.

## Notes to the Condensed Consolidated Financial Statements

(Continued)

For the six months ended 30 June 2024

### 32. Material related party transactions (Continued)

#### (c) Transactions with the directors and substantial shareholders of the Company (Continued)

- (vii) At 31 December 2023, the outstanding balance of the cash advance from Mr. Cheung Kwok Wai Elton amounted to HK\$32,335,000. During the six months ended 30 June 2024, Mr. Cheung Kwok Wai Elton made additional cash advances of HK\$230,000 to the Group for financing its short-term funding needs. The cash advances are interest-bearing at a one-month HIBOR quoted by Bank of China (Hong Kong) Limited plus 1.30% per annum or 2.25% per annum below the prime rate for Hong Kong Dollars quoted by Bank of China (Hong Kong) Limited, whichever is lower, unsecured, and repayable on demand. The interest on the cash advances is based on the interest paid/payable by Mr. Cheung Kwok Wai Elton to Bank of China (Hong Kong) Limited to obtain the cash advances. During the six months ended 30 June 2024, the Group repaid HK\$13,536,000 to Mr. Cheung Kwok Wai Elton, and the interest paid and payable by the Group on cash advances to Mr. Cheung Kwok Wai Elton amounted to HK\$477,000.

At 30 June 2024, the outstanding balance of the cash advances from Mr. Cheung Kwok Wai Elton was HK\$19,240,000, which was present in the “Amounts due to directors and related party” line item in the condensed consolidated statement of financial position.

- (viii) At 31 December 2023, the outstanding balance of the cash advance from Mr. Lei Hong Wai amounted to HK\$121,000. During the six months ended 30 June 2024, Mr. Lei Hong Wai made additional cash advance of HK\$3,740,000 to the Group for financing its short-term funding needs. The cash advances are non-interest bearing, unsecured, and repayable on demand. During the six months ended 30 June 2024, the Group repaid HK\$2,440,000 to Mr. Lei Hong Wai.

At 30 June 2024, the outstanding balance of the cash advances from Mr. Lei Hong Wai was HK\$1,421,000, which was present in the “Amounts due to directors and related party” line item in the condensed consolidated statement of financial position.

- (ix) During the six months ended 30 June 2024, Mr. Lei Hong Wai made cash advances of HK\$18,000,000 to the Group to finance its short-term financing needs. The cash advances are interest bearing at 21.60% per annum, unsecured and repayable on demand. The interest on the cash advances is based on the interest paid/payable by Mr. Lei Hong Wai to a finance company to obtain the cash advances. The interest paid and payable by the Group on cash advances to Mr. Lei Hong Wai amounted to HK\$1,015,000.

At 30 June 2024, the outstanding balance of the cash advances from Mr. Lei Hong Wai was HK\$18,043,000, which was present in the “Amounts due to directors and related party” line item in the condensed consolidated statement of financial position.

- (x) At 31 December 2023, the outstanding balance of the cash advances from Ms. Chan Mei Sau Teresina, the spouse of Mr. Cheung Kwok Wai Elton, amounted to HK\$53,859,000. The cash advances are interest-bearing at a one-month HIBOR quoted by Bank East Asia Limited plus 1.30% per annum or 2.50% per annum below the prime rate for Hong Kong dollars quoted by Bank of East Asia Limited, whichever is lower, unsecured, and repayable on demand. The interest on the cash advances is based on the interest paid/payable by Ms. Chan Mei Sau Teresina to Bank of East Asia Limited to obtain the cash advances.

## Notes to the Condensed Consolidated Financial Statements

(Continued)

For the six months ended 30 June 2024

### 32. Material related party transactions (Continued)

#### (c) Transactions with the directors and substantial shareholders of the Company (Continued)

##### (x) (Continued)

During the six months ended 30 June 2024, the Group repaid HK\$819,000 to Ms. Chan Mei Sau Teresina, and the interest paid and payable by the Group on cash advances to Ms. Chan Mei Sau Teresina amounted to HK\$965,000.

At 30 June 2024, the outstanding balance of the cash advances from Ms. Chan Mei Sau Teresina was HK\$53,180,000, which was present in the “Amounts due to directors and related party” line item in the condensed consolidated statement of financial position.

All of the above transactions also constitute connected transactions as defined in Chapter 14A of the Listing Rules. However, these transactions are fully exempt from the connected transaction requirements in Chapter 14A of the Listing Rules under Rule 14A.90.

### 33. Fair value measurements of financial instruments

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

##### Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 *Fair value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available; and
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The Board has appointed the Finance and Accounting Department, which is headed up by an executive director, to determine the appropriate valuation techniques and inputs for fair value measurements.

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 independent third party qualified valuers to perform valuation. The Finance and Accounting Department works closely with the independent third party qualified valuers to establish the appropriate valuation techniques and inputs to the model. The executive director who is responsible for the Group's finance and accounting function reports the Finance and Accounting Department's findings to the Board twice a year to explain the cause of fluctuations in the fair value of the assets and liabilities.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 33. Fair value measurements of financial instruments (Continued)

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

Fair value hierarchy (Continued)

	Fair value measurements categorised into							
	Level 1		Level 2		Level 3		Total	
	At	At	At	At	At	At	At	At
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
<b>Financial assets</b>								
Financial assets at FVTPL								
– key management personnel life insurance policy	–	–	10,018	9,846	–	–	10,018	9,846
– listed equity securities in Hong Kong	66,264	97,316	–	–	–	–	66,264	97,316
Equity instruments at fair value through other comprehensive income ("FVTOCI")								
– unlisted equity securities	–	–	–	–	6,925	8,645	6,925	8,645
	66,264	97,316	10,018	9,846	6,925	8,645	83,207	115,807

	Fair value at 30 June 2024 HK\$'000 (Unaudited)	Fair value at 31 December 2023 HK\$'000 (Audited)	Fair value hierarchy	Valuation techniques and key inputs
<b>Financial assets</b>				
Financial assets at FVTPL				
– key management personnel life insurance policy	10,018	9,846	Level 2	Account value quoted by the insurance company
– listed equity securities in Hong Kong	66,264	97,316	Level 1	Quoted closing prices in active markets
Equity instruments at FVTOCI				
– unlisted equity securities	6,925	8,645	Level 3	Significant unobservable inputs

During the six months ended 30 June 2024 and 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 33. Fair value measurements of financial instruments (Continued)

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

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs	Relation of significant unobservable inputs to fair value
<b>At 30 June 2024</b>			
<b>Financial assets</b>			
Equity instruments at FVTOCI	Income approach	Discount rate of 15.66% (31 December 2023: 17.97%)	The discount rate is negatively correlated to the fair value measurement
– unlisted equity securities		Discount for lack of marketability of 15.68% (31 December 2023: 15.70%)	The discount for lack of marketability is negatively correlated to the fair value measurement

The fair value of the unlisted equity securities at 30 June 2024 and 31 December 2023 was determined based on valuations prepared by Access Partner Consultancy and Appraisals Limited, an independent firm of professional valuer, using a valuation technique with significant unobservable inputs and hence was classified under Level 3 of the fair value hierarchy.

The movements during the six months ended 30 June 2024 in the balance of the Level 3 fair value measurement are as follows:

#### Financial assets

Equity instruments at FVTOCI

	HK\$'000 (Unaudited)
At 1 January 2024	8,645
Loss arising on change in fair value of equity instruments at FVTOCI	(1,720)
<b>At 30 June 2024 (unaudited)</b>	<b>6,925</b>

#### (b) Fair value of the Group's financial assets and liabilities that are not measured at fair value on a recurring basis

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values at 30 June 2024 and 31 December 2023, except for the guaranteed secured notes, which had a carrying amount and fair value of HK\$165,337,000 (31 December 2023: HK\$165,245,000) and HK\$169,852,000 (31 December 2023: HK\$171,218,000) at 30 June 2024 respectively.

The fair value measurement of the guaranteed secured notes was categorised under Level 3 of the fair value hierarchy. The fair value of the guaranteed secured notes was determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the return required by the noteholders for investing in similar financial instruments.



## Notes to the Condensed Consolidated Financial Statements

(Continued)

For the six months ended 30 June 2024

### 34. Contingent liabilities

- (a) On 6 May 2021, a Beijing law firm as plaintiff filed a civil claim to the People's Court in Chaoyang District, Beijing, the PRC against four defendants, one of the four defendants is 北京北湖九號商務酒店有限公司 (Beijing Bayhood No. 9 Business Hotel Company Limited, "**Bayhood No. 9 Co.**"), a wholly-owned subsidiary of the Company, for an unsettled legal fee of RMB31,000,000 (equivalent to HK\$33,967,000) (excluding overdue interest) regarding an engagement of such law firm by the four defendants to resolve a civil dispute brought against them by an independent third party in relation to a property transaction in 2010. Details of the civil claim are disclosed in the Company's announcement dated 6 August 2021. The Group has been advised by a PRC legal adviser that the possibility of Bayhood No. 9 Co. being required to pay the unsettled legal fee is remote. Accordingly, no provision for any liability has been made in respect of the civil claim.
- (b) On 13 January 2023, certain bank accounts of Bayhood No. 9 Co. have been frozen by a civil ruling (the "**Civil Ruling**") (民事裁定書) dated 13 January 2023 issued by 北京市海淀區人民法院 (Haidian District People's Court of Beijing Municipality) (the "**Court**") against Bayhood No. 9 Co. in relation to an alleged unsettled liability before the acquisition of the entire issued share capital of Smart Title Limited on 6 October 2015 (the "**Acquisition**"), the principal and the interest of which amounted to approximately RMB44,000,000 (equivalent to HK\$48,211,000) as at 1 January 2023 (the "**Alleged Liability**").

Based on the findings, the directors noted that the Civil Ruling is related to a civil filing (the "**Civil Filing**") filed by a plaintiff (the "**Plaintiff**") to the Court on 9 January 2023. Pursuant to the Civil Filing, Bayhood No. 9 Co., together with the other three defendants to the Civil Filing, were alleged that (i) they had entered into an agreement in 2019 (the "**Settlement Agreement**") with the Plaintiff in relation to the settlement of the property pre-sale agreements (the "**Pre-Acquisition Agreements**") which were entered into before the Acquisition; and (ii) they did not repay the Alleged Liability in relation to the Settlement Agreement.

None of the directors of the Company and the directors of Bayhood No. 9 Co. has any knowledge or was aware of any information in relation to the Pre-Acquisition Agreements and the Settlement Agreement before the Civil Filing came to their attention, nor had they authorized the entering into of the Settlement Agreement. There has been no relevant information regarding Pre-Acquisition Agreements and the Settlement Agreement shown in the books and records of Bayhood No. 9 Co. since the consolidation of its accounts into that of the Group upon completion of the Acquisition. In view of the above matters, on 4 February 2023, the Company reported to 北京市公安局朝陽分局 (Chaoyang Branch Bureau of Beijing Municipal Public Security Bureau) regarding the forgery of the relevant documents and the company seal of Bayhood No. 9 Co..

On 28 March 2023, one of the defendants (the "**Responsible Defendant**") entered into an undertaking agreement with the other defendants, including Bayhood No. 9 Co., pursuant to which the Responsible Defendant has agreed to undertake the repayment obligation to the Plaintiff and in the case that the other defendants incur losses due to the claim, the Responsible Defendant will indemnify them in full.

On 24 April 2024, the Plaintiff, Bayhood No. 9 Co., together with the other three defendants to the Civil Ruling reached an agreement during the mediation process (the "**Mediation**") led by the Court to resolve the relevant litigation. Pursuant to the Mediation, one of the other three defendants has agreed to settle the litigation at an agreed amount. Bayhood No. 9 Co. shall bear no responsibility in the case and has not suffered any damage or loss as a result of the Mediation. Moreover, the Frozen Bank Accounts have been unfrozen on 13 May 2024.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

### 34. Contingent liabilities (Continued)

#### (b) (Continued)

In general, as a result of the Mediation, the litigation has come to an end and the settled litigation did not have any impact on the financial position and business performance of the Group. The details were disclosed in the announcement on 13 May 2024.

### 35. Events after the end of the reporting period

The Group did not have any material events after the reporting period and up to the date of approval of the condensed consolidated financial statements.

### 36. Comparative figures

On 5 October 2023, the Group commenced a business by engaging in golf club operation in the PRC. To conform with the current period's presentation, the Group has determined that the membership fees of HK\$8,613,000 (previously presented in and classified as "Investment and other income") should now be presented in and classified as "Revenue" (the "**Reclassification**") for the six months ended 30 June 2023. The Reclassification has no effect on the loss for the period presented in the condensed consolidated statement of profit or loss and other comprehensive income.

### 37. Approval of condensed consolidated financial statements

The condensed consolidated financial statements were approved and authorised for issue by the Board on 29 August 2024.

## Management Discussion and Analysis

### Financial Review

#### Results of operations

During the six months ended 30 June 2024, the Group recorded a revenue of HK\$108,156,000, a 20% increase from HK\$90,278,000 for the previous period. The increase in revenue was mainly attributable to a HK\$56,000,000 increase from the newly expanded golf club operation. This increase was partly offset by (i) the recognition of a trading loss of HK\$4,621,000 for the sale of financial assets, in contrast with a trading gain of HK\$529,000 for the six months ended 30 June 2023, (ii) a HK\$12,172,000 decrease in the sales of jewelry products, (iii) the absence of rental income in property investment of HK\$15,268,000 generated from the assets of the Club and (iv) a HK\$5,250,000 decrease in interest income on loans due to the non-recognition of interest income for loans classified under stage 3 (credit-impaired). Of the total revenue, HK\$11,133,000 was generated from money lending, HK\$31,796,000 was generated from the sale of jewelry products, HK\$5,235,000 was generated from property investment, HK\$64,613,000 was generated from golf club operation, and the trading loss of HK\$4,621,000 was generated from the sale of financial assets.

Loss for the period ended 30 June 2024 attributable to owners of the Company amounted to HK\$127,983,000, a 151% increase from HK\$51,025,000 in the six months ended 30 June 2023. This increase was mainly attributable to (i) the absence of a gain on disposals of residential serviced apartments under long-term lease agreements treated as finance leases, (ii) a HK\$45,591,000 increase in impairment loss in respect of goodwill, (iii) a HK\$13,410,000 increase in the loss arising on a change in the fair value of financial assets at fair value through profit or loss (“FVTPL”), (iv) a HK\$26,144,000 increase in the loss arising on a change in the fair value of investment properties and (v) a HK\$9,675,000 increase in finance costs, which were partly offset by (i) the absence of an impairment loss on interests in associates and (ii) a HK\$14,209,000 increase in gross profit.

The gross profit of the sale of jewelry products business decreased by 12% from HK\$6,240,000 in the six months ended 30 June 2023 to HK\$5,483,000 in the six months ended 30 June 2024. In addition, the gross profit margin for the sale of jewelry products business increased from 14% in the six months ended 30 June 2023 to 17% in the six months ended 30 June 2024. The decrease in gross profit and the improvement of gross profit margin are discussed in the “*Sale of jewelry products business*” section under “Operations Review” below.

The gross profit for the property investment business decreased by 75% from HK\$20,579,000 in the six months ended 30 June 2023 to HK\$5,235,000 in the six months ended 30 June 2024. This decrease in gross profit is discussed in the “*Property investment business*” section under “Operations Review” below.

The newly expanded golf club operation business since 6 October 2023 generated a gross profit of HK\$40,710,000 and recorded a gross profit margin of 63% in the six months ended 30 June 2024. The gross profit and gross profit margin of the newly expanded golf course business are discussed in the “*Golf club operation business*” section under “Operations Review” below.

Significant items of other gains and losses recorded by the Group are as follows:

- (a) At the end of the reporting period, the Group measured its Hong Kong-listed equity securities at fair value based on the closing prices quoted on The Stock Exchange of Hong Kong Limited (the “**Exchange**”) and recognised a loss of HK\$19,418,000 arising on change in fair value of financial assets at FVTPL.
- (b) At the end of the reporting period, the directors performed an impairment test for the goodwill arising from the acquisition of the entire issued shares in and the shareholder’s loan due by Smart Title Limited and recognised an impairment loss in respect of goodwill of HK\$45,591,000. Please refer to the “*Property investment business*” section under “Operations Review” below for information on the recognition of the impairment loss in respect of goodwill.

## Management Discussion and Analysis (Continued)

### Financial Review (Continued)

#### Results of operations (Continued)

- (c) At the end of the reporting period, the Group measured the investment properties located in Hong Kong and Beijing, Mainland China at fair value based on valuations prepared by two independent professional valuers and recognised a loss of HK\$22,444,000.

Selling and distribution expenses mainly represent staff costs and commission of the sales team, overseas travelling expenses, freight charges, and exhibition expenses incurred by the Group's sale of jewelry products business. Selling and distribution expenses increased by 12% from HK\$2,182,000 in the six months ended 30 June 2023 to HK\$2,448,000 in the six months ended 30 June 2024. This increase was mainly attributable to increased overseas travelling and exhibition expenses for business development.

Allowance for ECL on financial assets decreased by 32% from HK\$1,662,000 in the six months ended 30 June 2023 to HK\$1,127,000 in the six months ended 30 June 2024. Of the total allowance for ECL on financial assets for the period ended 30 June 2024, a reversal of allowance for ECL of HK\$993,000 was recognised for loan receivables, which is discussed in the "Money lending business" section under "Operations Review" below, and HK\$2,120,000 was recognised for trade receivables, which is discussed in the "Sale of jewelry products" section under "Operations Review".

Administrative expenses increased slightly from HK\$57,780,000 in the six months ended 30 June 2023 to HK\$57,876,000 in the six months ended 30 June 2024. This increase was mainly attributable to an increase in general administration expenses resulting from the commencement of the Group's golf club operation business since the fourth quarter of 2023, which were partly offset by a decrease in salaries and allowances mainly resulting from two executive directors waived their emoluments.

Share of losses of associates amounted to HK\$842,000 for the six months ended 30 June 2024, representing (i) the share of profit of HK\$123,000 from Elite Prosperous Investment Limited ("**Elite Prosperous**"), a 49% owned associate of the Company, (ii) the share of loss of HK\$965,000 from China Healthwise Holdings Limited ("**China Healthwise**"), a 21.94% owned associate of the Company.

Finance costs increased by 28% from HK\$34,361,000 in the six months ended 30 June 2023 to HK\$44,036,000 in the six months ended 30 June 2024. This increase was mainly due to the delay in settlement of partial redeem principal and semi-annual interest for the guaranteed secured notes due 2025 from the period 23 March 2024 to 3 April 2024 and the increase in the amounts due to directors and related party in 2024.

The Group recorded an income tax expense of HK\$1,085,000 for the six months ended 30 June 2024. The income tax expense mainly derived from (i) the recognition of deferred tax expense of HK\$259,000 resulting from the movements in deferred tax assets related to lease contracts and (ii) the current year's tax expense of HK\$3,126,000, which were partly offset by the recognition of deferred tax credit of HK\$2,300,000 resulting from the movements in the deferred tax liabilities recognised for the fair value adjustments on the acquisition of Smart Title Limited in October 2015.

#### Liquidity and financial resources

During the six months ended 30 June 2024, the Group funded its operations through a combination of cash generated from operations, equity attributable to owners of the Company, and borrowings. Equity attributable to owners of the Company decreased from HK\$1,507,246,000 at 31 December 2023 to HK\$1,368,321,000 at 30 June 2024. This decrease was due to the loss incurred by the Group for the six months ended 30 June 2024.

At 30 June 2024, the cash and cash equivalents of the Group amounted to HK\$54,052,000 (31 December 2023: HK\$18,359,000).

## Management Discussion and Analysis (Continued)

### Financial Review (Continued)

#### Liquidity and financial resources (Continued)

At 30 June 2024, the Group had outstanding borrowings of HK\$651,831,000 (31 December 2023: HK\$653,904,000) representing:

- (a) the carrying principal amount of the guaranteed secured notes due 2025 issued by the Company on 29 December 2022 (the “**Guaranteed Secured Notes due 2025**”) of HK\$165,337,000, which is interest-bearing at 17% per annum for the period from 24 September 2022 to 22 January 2024 and 10% per annum from 23 January 2024, secured by (i) a share charge over 100% issued shares in Eternity Investment (China) Limited, a wholly-owned subsidiary of the Company and the principal assets of which are (1) the rights to construct and operate the club facilities of a membership golf club and resort (the “**Club**”) in Beijing, Mainland China and (2) the rights to develop and operate a piece of 580 Chinese acre land adjacent to the Club (the “**Subject Land**”) and the rights to manage the properties erected on the Subject Land, and (ii) the personal guarantees given by Mr. Lei Hong Wai, the Chairman of the Board and an executive director, and Mr. Cheung Kwok Wai Elton, an executive director, and (iii) repayable by 18 partial redemptions during the period from 23 September 2023 to 23 March 2025 and a final redemption on 23 September 2025;
- (b) the banking facilities granted by a bank in the aggregate principal amount of HK\$140,939,000, comprising (i) an installment loan of HK\$94,293,000, which is interest-bearing at 1% per annum over one-month HIBOR quoted by the bank from time to time from 28 March 2024, secured by (1) a first legal charge over the Group’s properties located at Unit Nos. 1201, 1202, 1203, 1209, 1210, 1211 & 1212 and the corridor on the 12th Floor, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong (the “**Shun Tak Property**”) and (2) a charge/mortgage over the cash deposit, structured investment products, stocks, the key management personnel life insurance policy, and other securities held by a wholly-owned subsidiary of the Company, guaranteed by the Company and two wholly-owned subsidiaries of the Company, and repayable by 165 equal monthly installments ending on 18 March 2038, (ii) a term loan in the principal amount of HK\$36,986,000, which is interest-bearing at 1% per annum over one-month HIBOR, secured by (1) the first legal charge over the Shun Tak Property and (2) a charge/mortgage over the cash deposit, structured investment products, stocks, the key management personnel life insurance, and other securities held by the wholly-owned subsidiary of the Company, guaranteed by the Company and two wholly-owned subsidiaries of the Company, and repayable by 213 equal monthly installments ending on 10 March 2042, and (iii) a term loan in the principal amount of US\$1,233,000 (equivalent to HK\$9,660,000), which is interest-bearing at 1% per annum over one month bank’s cost of funds on the outstanding amount, secured by (1) the first legal charge over Shun Tak Property and (2) the charge/mortgage over the cash deposit, structured investment products, stocks, the key management personnel life insurance policy, and other securities held by a wholly-owned subsidiary of the Company, guaranteed by the Company, and two wholly-owned subsidiaries of the Company, and repayable by 218 equal monthly installments ending on 25 August 2042;
- (c) a loan of HK\$200,000,000 granted by a finance company, which is interest-bearing at 8% per annum for the period from the date of the first drawdown to 31 March 2024 and 10% per annum from 1 April 2024, secured by (i) the post-dated cheques drawn in favour of the finance company for payment of the principal and the interests stipulated under the loan agreement, and (ii) a personal guarantee given by Mr. Lei Hong Wai, and maturing on 1 April 2025;
- (d) a loan of HK\$17,000 granted by a finance company, which is unsecured, interest-bearing at the prime rate plus 3% per annum, and maturing on 21 March 2025;
- (e) the securities margin financing facilities of HK\$33,050,000 granted by a securities brokerage firm, which is interest-bearing at prime rate plus 3% per annum and secured by the Group’s Hong Kong-listed equity securities held in the margin securities trading account and a personal guarantee given by Mr. Lei Hong Wai;

## Management Discussion and Analysis (Continued)

### Financial Review (Continued)

#### Liquidity and financial resources (Continued)

- (f) the securities margin financing facility of HK\$15,788,000 granted by a securities brokerage firm, which is interest-bearing at a fixed rate of 6% per annum and secured by the Group's Hong Kong-listed equity securities held in the margin securities trading account and a personal guarantee given by Mr. Lei Hong Wai;
- (g) the cash advance of HK\$1,421,000 made by Mr. Lei Hong Wai, which is non-interest bearing, unsecured, and repayable on demand;
- (h) the cash advance of HK\$18,043,000 made by Mr. Lei Hong Wai, which is interest-bearing at 21.60% per annum quoted by a finance company, unsecured, and repayable on demand;
- (i) the cash advance of HK\$2,800,000 made by Mr. Cheung Kwok Fan, an executive director, which is non-interest bearing, unsecured, and repayable on demand;
- (j) the cash advance of HK\$19,240,000 made by Mr. Cheung Kwok Wai Elton, which is interest-bearing at the one-month HIBOR quoted by Bank of China (Hong Kong) Limited plus 1.3% per annum or 2.25% per annum below the prime rate for Hong Kong dollars quoted by Bank of China (Hong Kong) Limited, whichever is lower, unsecured, and repayable on demand;
- (k) the cash advance of HK\$53,180,000 made by Ms. Chan Mei Sau Teresina, the spouse of Mr. Cheung Kwok Wai Elton, which is interest-bearing at the one-month HIBOR quoted by Bank of East Asia Limited plus 1.3% per annum or 2.50% per annum below the prime rate for Hong Kong dollars quoted by Bank of East Asia Limited, whichever is lower, unsecured, and repayable on demand; and
- (l) the cash advance of HK\$2,016,000 made by a person which is interest-bearing at 4% per annum and maturing on 21 October 2024.

#### Gearing ratio

At 30 June 2024, the gearing ratio calculated as a percentage of total borrowings over equity attributable to owners of the Company was 48% (31 December 2023: 43%).

#### Net current liabilities and current ratio

At 30 June 2024, the Group's net current liabilities and current ratio were HK\$342,839,000 (31 December 2023: HK\$305,985,000) and 0.62 (31 December 2023: 0.66), respectively.

#### Capital structure

During the six months ended 30 June 2024, there was no change in the Company's capital structure.

#### Material acquisitions of subsidiaries, associates, and joint ventures

During the six months ended 30 June 2024, the Group did not have any material acquisitions of subsidiaries, associates and joint ventures.

#### Material disposals of subsidiaries, associates, and joint ventures

During the six months ended 30 June 2024, the Group did not have any material disposals of subsidiaries, associates and joint ventures.

## Management Discussion and Analysis (Continued)

### Financial Review (Continued)

#### Pledge of assets

At 30 June 2024, the following Group's assets were pledged:

- (a) the Shun Tak Property with a carrying amount of HK\$304,857,000 (31 December 2023: HK\$328,455,000), of which HK\$161,257,000 (31 December 2023: HK\$164,755,000) was classified under "property, plant and equipment" and HK\$143,600,000 (31 December 2023: HK\$163,700,000) was classified under "investment properties", for securing the banking facilities granted to the Group;
- (b) the 100% issued shares in Eternity Investment (China) Limited with the unaudited combined net assets of HK\$1,274,390,000 (31 December 2023: HK\$1,335,463,000) after adjusting for purchase price allocation for securing the Guaranteed Secured Notes due 2025;
- (c) the Group's Hong Kong-listed equity securities with a fair value of HK\$76,718,000 (31 December 2023: HK\$104,012,000), of which HK\$66,264,000 (31 December 2023: HK\$97,315,000) was related to the Group's financial assets at FVTPL and HK\$10,454,000 (31 December 2023: HK\$6,697,000) was related to a part of the Group's listed investment in an associate, for securing the margin financing facilities and banking facilities granted to the Group;
- (d) the bank deposits of HK\$427,000 (31 December 2023: HK\$23,000) for securing the banking facilities granted to the Group; and
- (e) the key management personnel life insurance of HK\$10,018,000 (31 December 2023: HK\$9,846,000) to secure the banking facilities granted to the Group.

#### Material commitments

At 30 June 2024, the Group had a total commitment of HK\$255,432,000 (31 December 2023: HK\$255,967,000) relating to the development costs for the Subject Land, which were contracted but not provided for.

#### Exchange risk and hedging

The majority of the Group's transactions, assets, and liabilities are denominated in Hong Kong dollars and Renminbi. The Group is exposed to exchange risk with respect mainly to Renminbi, which may affect its performance. The directors closely monitor statements of financial position and cash flow exchange risk exposures and, where considered appropriate, use financial instruments, such as forward exchange contracts, foreign currency options, and forward rate agreements, to hedge this exchange risk. During the six months ended 30 June 2024, no financial instruments for hedging purposes were used by the Group.

#### Contingent liabilities

- (a) On 6 May 2021, a Beijing law firm as plaintiff filed a civil claim to the People's Court in Chaoyang District, Beijing, Mainland China against four defendants, one of the four defendants is 北京北湖九號商務酒店有限公司 (Beijing Bayhood No. 9 Business Hotel Company Limited, "**Bayhood No. 9 Co.**"), a wholly-owned subsidiary of the Company, for an unsettled legal fee of RMB31,000,000 (equivalent to HK\$33,967,000) (excluding overdue interest) regarding an engagement of such law firm by the four defendants to resolve a civil dispute brought against them by an independent third party in relation to a property transaction in 2010. Details of the civil claim are disclosed in the Company's announcement dated 6 August 2021.

The Group's Mainland Chinese legal adviser has advised that the possibility of Bayhood No. 9 Co. being required to pay the unsettled legal fee is remote. Accordingly, no provision for liability has been made with respect to the civil claim.

## Management Discussion and Analysis (Continued)

### Financial Review (Continued)

#### Contingent liabilities (Continued)

- (b) On 13 January 2023, certain bank accounts of Bayhood No. 9 Co. were frozen by a civil ruling (the “**Civil Ruling**”) (民事裁定書) dated 13 January 2023 issued by 北京市海淀區人民法院 (Haidian District People’s Court of Beijing Municipality) (the “**Court**”) against Bayhood No. 9 Co. in relation to an alleged unsettled liability before the acquisition of the entire issued share capital of Smart Title Limited on 6 October 2015 (the “**Acquisition**”), the principal and the interest of which amounted to approximately RMB44,000,000 (equivalent to HK\$48,211,000) as at 1 January 2023 (the “**Alleged Liability**”).

Based on the findings, the directors noted that the Civil Ruling is related to a civil filing (the “**Civil Filing**”) filed by a plaintiff (the “**Plaintiff**”) to the Court on 9 January 2023. Pursuant to the Civil Filing, Bayhood No. 9 Co., together with the other three defendants to the Civil Filing, were alleged that (i) they had entered into an agreement in 2019 (the “**Settlement Agreement**”) with the Plaintiff in relation to the settlement of the property pre-sale agreements (the “**Pre-Acquisition Agreements**”) which had been entered into before the Acquisition and (ii) they had not repaid the Alleged Liability in relation to the Settlement Agreement.

None of the directors and the directors of Bayhood No. 9 Co. has any knowledge or was aware of any information in relation to the Pre-Acquisition Agreements and the Settlement Agreement before the Civil Filing came to their attention, nor had they authorised the entering into of the Settlement Agreement. There has been no relevant information regarding Pre-Acquisition Agreements and the Settlement Agreement shown in the books and records of Bayhood No. 9 Co. since the consolidation of its accounts into that of the Group upon completion of the Acquisition. In view of the above matters, on 4 February 2023, the Company reported to 北京市公安局朝陽分局 (Chaoyang Branch Bureau of Beijing Municipal Public Security Bureau) regarding the forgery of the relevant documents and the company seal of Bayhood No. 9 Co..

On 28 March 2023, one of the defendants (the “**Responsible Defendant**”) entered into an undertaking agreement with the other defendants, including Bayhood No. 9 Co., pursuant to which the Responsible Defendant has agreed to undertake the repayment obligation to the Plaintiff and indemnify the other defendants in full in the event that they incur losses due to the claim.

On 24 April 2024, the Plaintiff, Bayhood No. 9 Co., together with the other three defendants to the Civil Ruling reached an agreement during the mediation process (the “**Mediation**”) led by the Court to resolve the relevant litigation. Pursuant to the Mediation, one of the other three defendants has agreed to settle the litigation at an agreed amount. Bayhood No. 9 Co. shall bear no responsibility in the case and has not suffered any damage or loss as a result of the Mediation. Moreover, the certain bank accounts have been unfrozen on 13 May 2024. In general, as a result of the Mediation, the litigation has come to an end and the settled litigation did not have any impact on the financial position and business performance of the Group. The details were disclosed in the Company’s announcement dated 13 May 2024.

#### Employees and remuneration policy

At 30 June 2024, the headcount of the Group was 357 (2023: 103). Staff costs (including directors’ emoluments) amounted to HK\$38,868,000 in the six months ended 30 June 2024 (2023: HK\$31,662,000). The increase in staff costs was mainly attributable to the commencement of the Group’s golf club operation business since fourth quarter of 2023, which were partly offset by two executive directors waived their emoluments. In addition to basic salaries, contributions to the retirement benefits scheme, and discretionary bonuses, staff benefits include a medical scheme, share options, and share awards.



## Management Discussion and Analysis (Continued)

### Operations Review

#### **Sale of financial assets business**

During the six months ended 30 June 2024, the Group's sale of financial assets business reported a segment loss (before taxation) of HK\$24,109,000, a 400% increase as compared to HK\$4,823,000 for the previous period. The increase in segment loss (before taxation) was mainly due to the recognition of the trading loss of HK\$4,621,000 in the six months ended 30 June 2024, in contrast to the trading gain of HK\$529,000 in the six months ended 30 June 2023, and a HK\$13,410,000 increase in the loss arising on change in fair value of financial assets at FVTPL.

During the six months ended 30 June 2024, the Group acquired one Hong Kong-listed equity security at the aggregate acquisition costs of HK\$2,790,000 and made a trading loss of HK\$4,621,000 from selling two Hong Kong-listed equity securities with the aggregate carrying amounts of HK\$14,424,000 at the aggregate net sale proceeds of HK\$9,803,000. At the end of the reporting period, the Group measured its Hong Kong-listed equity securities at fair value based on the closing prices quoted on the Exchange and recognised the loss of HK\$19,418,000 arising on change in fair value of financial assets at FVTPL.

Movements in the carrying amount of the Hong Kong-listed equity securities held by the Group recorded as "financial assets at FVTPL" during the six months ended 30 June 2024 and 2023 are as follows:

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Carrying amount at 1 January	<b>97,316</b>	125,910
Add: acquisitions	<b>2,790</b>	7,958
Less: disposals	<b>(14,424)</b>	(18,743)
loss arising on change in fair value recognised	<b>(19,418)</b>	(6,008)
Carrying amount at 30 June	<b>66,264</b>	109,117

## Management Discussion and Analysis (Continued)

### Operations Review (Continued)

#### Sale of financial assets business (Continued)

Details of the Hong Kong-listed equity securities held by the Group recorded as “financial assets at FVTPL” at 30 June 2024 are as follows:

Name of Hong Kong-listed equity securities	Number of shares held at 30 June 2024	Fair value at 30 June 2024 HK\$'000	Fair value as compared to the consolidated total assets of the Group at 30 June 2024	Dividend received/receivable in the six months ended 30 June 2024 HK\$'000	Gain/(loss) arising on change in fair value recognised in the six months ended 30 June 2024 HK\$'000
Brockman Mining Ltd. (stock code: 159)	78,223,000	8,057	0.27%	–	(2,894)
Frontier Services Group Ltd. (stock code: 500)	47,807,000	8,605	0.29%	–	(2,151)
Global Mastermind Holdings Ltd. (stock code: 8063)	94,497,000	3,969	0.14%	–	(1,039)
Huanxi Media Group Ltd. (stock code: 1003)	27,100,000	15,447	0.53%	–	(2,710)
KuangChi Science Ltd. (stock code: 439)	110,000	54	0%	–	(58)
Lajin Entertainment Network Group Ltd. (stock code: 8172)	32,640,000	1,501	0.05%	–	(392)
Nimble Holdings Company Ltd. (stock code: 186)	83,673,268	15,061	0.51%	–	(9,204)
Ocean Line Port Development Ltd. (stock code: 8502)	12,096,000	3,447	0.12%	–	(726)
SuperRobotics Holdings Ltd. (stock code: 8176)	8,925,000	2,767	0.09%	–	535
WellCell Holdings Co., Ltd. (stock code: 2477)	884,000	2,546	0.09%	–	(244)
Yunfeng Financial Group Ltd. (stock code: 376)	5,344,000	4,810	0.16%	–	(535)
		66,264		–	(19,418)

The directors believe that the future performance of the Hong Kong-listed equity securities held by the Group is primarily affected by economic factors, investor sentiment, demand and supply balance of an investee company's shares, and fundamentals of an investee company, such as the investee company's news, business fundamentals and development, financial performance, and prospects. Accordingly, the directors closely monitor the above factors, particularly the fundamentals of each investee company in the Group's equity securities portfolio, proactively adjust the Group's equity securities portfolio mix from time to time, and realise the Hong Kong-listed equity securities into cash as and when appropriate.

## Management Discussion and Analysis (Continued)

### Operations Review (Continued)

#### Money lending business

During the six months ended 30 June 2024, the Group's money lending business generated interest income on loans amounting to HK\$11,133,000, a 32% decrease from HK\$16,383,000 for the previous period and reported a segment profit (before taxation) was HK\$9,489,000, a 242% increase from HK\$2,771,000 in the six month ended 30 June 2023.

The 32% decrease in interest income on loans was mainly due to no further interest income being recognised for loan receivables that were classified under stage 3 (credit-impaired) and fully impaired.

The 242% increase in segment profit (before taxation) was mainly attributable to a HK\$9,187,000 reversal of allowance for ECL on loan receivables that were classified under stage 3 (credit-impaired) and a HK\$8,901,000 decrease in salaries and allowances mainly resulting from two executive directors waived their emoluments, which were partly offset by a HK\$8,194,000 allowance for ECL on loan receivables that were classified under stage 1 (initial recognition) and stage 2 (not credit-impaired) and HK\$5,250,000 decrease in interest income on loans.

During the six months ended 30 June 2024, no new loan was granted. In addition, no customers made drawings from the existing loans, and four customers repaid HK\$19,892,000 to the Group.

At 30 June 2024, 12 loans granted by the Group's money lending business remained outstanding. Three loan receivables with an aggregate gross balance of HK\$220,230,000 were classified under stage 1 (initial recognition), one loan receivable with an aggregate gross balance of HK\$22,933,000 was classified under stage 2 (not credit-impaired), and eight loan receivables with an aggregate gross balance of HK\$740,066,000 were classified under stage 3 (credit-impaired). During the six months ended 30 June 2024, one loan receivable with an aggregate gross balance of HK\$22,933,000 were reclassified from stage 1 (initial recognition) to stage 2 (not credit impaired) as the interest payment pattern was considered unsatisfactory.

At the end of the reporting period, the directors performed an impairment assessment on the Group's loan receivables with reference to a valuation prepared by an independent professional valuer. The valuation measured impairment on loan receivables using the general approach, which is often referred to as the "three-stage model" under HKFRS 9 *Financial Instruments*. Based on the valuation, a reversal of allowance for ECL on loan receivables of HK\$993,000 was made, in contrast with an allowance for ECL on loan receivables of HK\$2,018,000 for the six months ended 30 June 2023. Of the total reversal of allowance for ECL, HK\$156,000 was recognised for the loan receivables classified under stage 1 (initial recognition), HK\$8,038,000 was recognised for the loan receivable classified under stage 2 (not credit-impaired), and the reversal of allowance for ECL of HK\$9,187,000 was recognised for the loan receivables classified under stage 3 (credit-impaired).

The reversal of allowance for ECL of HK\$9,187,000 recognised for the loan receivables under stage 3 (credit-impaired) was resulting from the recovering of unpaid principal and interest on loan receivables classified under stage 3 (credit-impaired).

## Management Discussion and Analysis (Continued)

### Operations Review (Continued)

#### Money lending business (Continued)

Reference is made to the loan receivables classified under stage 3 (credit-impaired) as referred to on pages 364 to 373 of the Company's annual report for the year ended 31 December 2023. Set out below is the latest development of the recovery of these loan receivables:

- (a) Customer D  
Since December 2023, the Group has been negotiating the terms of the settlement with Customer D. However, no terms have been finalized yet, and the negotiation is still ongoing.
- (b) Customer I  
In September 2021, Customer I procured one of the guarantors to enter into an agreement (the "**Debt Assignment Agreement**") to assign a debt in the face value of HK\$117,000,000 owned by the guarantor (the "**Assigned Debt**") to the Group to enable the Group to demand payment and liquidate the Assigned Debt and to apply the proceeds, if any, from the recovery of the Assigned Debt to offset the loan due by Customer I.

After establishing dialogues with the representative of the debtor of the Assigned Debt, the Group decided to abort the recovery action on the Assigned Debt and revert to pursuing Customer I and the guarantors on the original loan due by Customer I. In August 2022, the Group terminated the Debt Assignment Agreement. In October 2022, the Group commenced civil proceedings against Customer I and the guarantors for recovering the outstanding principal amount of the original loan together with the accrued and unpaid interest thereon.

Subsequently, the Group was notified by its legal adviser that the writ of summons and the statement of claim delivered to Customer I and the guarantors were returned to the Group's legal adviser and could not be served personally on them.

The Group has instructed its legal adviser to apply to the High Court for an order for substituted service for serving the writ of summons and the statement of claim against Customer I and the guarantors.

- (c) Customer J  
On 22 September 2023, the court handed down the judgement of the civil appeal in which the court dismissed the civil appeal lodged by Customer J and upheld the first instance judgment.

In October 2023, the Group was approached by an independent third party purchaser proposing to acquire the loan receivable due from Customer J and the accrued and unpaid interest thereon by transferring the ownership of a number of properties located in Guangzhou, Mainland China, legally and beneficially owned by the independent third party to the Group. The Group is currently discussing the terms and conditions of such a proposal with the purchaser.

- (d) Customer H  
In October 2023, the Group applied for compulsory enforcement of the asset preservation order over Customer H's assets in Mainland China. In November 2023, the Group received RMB383,000 (equivalent to HK\$419,000) from enforcing Customer H's bank accounts under the compulsory enforcement of the asset preservation order. The Group's legal adviser is still in the process of enforcing Customer H's other assets in Mainland China under the asset preservation order.

The Group's legal adviser is still in the process of enforcing Customer H's other assets in Mainland China under the assets in Mainland China under the asset preservation order.

## Management Discussion and Analysis (Continued)

### Operations Review (Continued)

#### Money lending business (Continued)

(e) Customer F

In August 2023, Customer F paid the Group HK\$9,106,000 to settle part of the unpaid interest on the loan.

In November 2023, the Group took legal action against Customer F in Hong Kong by issuing the writ of summons and the statement of claim to Customer F. Customer F has put her residential property in Hong Kong on the market for sale and has made arrangements for the Group to share the proceeds of the property sale (after the payment of two outstanding mortgage loans) with other lenders.

(f) Customer L

The Group has been negotiation with Customer L on the repayment of the loan receivables with a view to entering into a binding settlement agreement. During the negotiation period from January 2024 to June 2024, Customer L repaid USD300,000 (equivalent to HK\$2,337,000) to the Group to settle part of the unpaid interest and principal on the loan. The negotiation is still ongoing.

(g) Customer N

The Group has been negotiating with Customer N on the repayment of the loan receivables with a view to entering into a binding settlement agreement since default in March 2023. During the negotiation period from January 2024 to April 2024, Customer N repaid HK\$850,000 to the Group. In May 2024, the Group and Customer N entered into a settlement agreement, in which Customer N repaid HK\$6,000,000 on 28 May 2024 and shall repay the remaining outstanding balance on or before 29 August 2024. During the six months ended 30 June 2024, the Customer N repaid HK\$6,850,000 to the Group to settle part of the unpaid interest and principal on the loan.

At 30 June 2024, the Group's loan and interest receivables (after accumulated allowance for ECL) amounted to HK\$229,316,000 (31 December 2023: HK\$248,614,000).

Information on the Group's money lending business, including (i) business model, (ii) internal control system, (iii) basis of determining the allowance for ECL on loan receivables, (iv) major terms of each outstanding loan receivables, and (v) actions being taken for recovering the loan receivables classified under stage 3 (credit-impaired) are disclosed in the Company's annual report for the year ended 31 December 2023.

#### Sale of jewelry products business

During the six months ended 30 June 2024, the Group's sale of jewelry products business generated revenue of HK\$31,796,000, a 28% decrease from HK\$43,968,000 for the previous period, and reported a segment loss (before taxation) of HK\$1,803,000, in contrast to the segment profit of HK\$1,074,000 in the previous period.

Due to the significant increase in gold price since the second half of 2023, the sales orders for jewelry accessories, which generally have a high volume with a slim profit margin, has dropped significantly resulting an increase in gross profit margin. However, the gross profit in the six months ended 30 June 2024 was slightly deteriorated from the previous period due to the decrease of sales revenue.

At the end of the reporting period, the directors performed an impairment assessment on the Group's trade receivables based on a valuation prepared by the independent professional valuer. Based on the valuation, an allowance for ECL on trade receivables of HK\$2,120,000 was made, a HK\$2,108,000 increase compared to the previous period.

## Management Discussion and Analysis (Continued)

### Operations Review (Continued)

#### Sale of jewelry products business (Continued)

To cope with the sluggish market condition and the surge in gold price, the Group is expanding its product categories by developing budgeted jewelry products to meet the shrinking budget of the consumer public. Starting from the fourth quarter of 2023, the Group launched its other stone-type jewelry products and received sales inquiries from several customers with order of small quantities. It was expected that customers would not place any quantity orders for the other stone-type jewelry products until the second half of 2024. In addition, the Group would continue to cultivate new markets for its jewelry products, such as Japan and other Asian Pacific countries in the second half of 2024 by attending trade shows and organizing sales trips.

At 30 June 2024, the Group's inventories of jewelry products, including raw materials, work-in-progress, and finished goods, amounted to HK\$30,068,000 (31 December 2023: HK\$31,235,000). The Group's sale of jewelry products business had undelivered sales orders amounting to HK\$1,327,000 (31 December 2023: HK\$1,200,000).

#### Property investment business

During the six months ended 30 June 2024, the Group's property investment business generated a turnover of HK\$5,235,000, a 82% decrease from HK\$29,398,000 for the previous period, and recorded a segment loss (before taxation) of HK\$88,890,000. In contrast, a segment profit (before taxation) of HK\$1,992,000 was recorded in the previous period.

Of the total turnover, HK\$2,056,000 was rental income generated from the investment property portion of the Shun Tak Property, HK\$2,450,000 was rental income generated from the residential serviced apartments under short-term lease agreements, and HK\$729,000 was derived from property and car parks management fees. Following the delivery of the vacant possession of the residential serviced apartments to lessees upon completion of three blocks of residential serviced apartments erected on the Subject Land in the third quarter of 2022, rental income is generated from the residential serviced apartments under short-term lease agreements, and property management fees are charged to the delivered residential serviced apartments. The decrease in turnover mainly resulted from the absence of rental income generated from the assets of the Club as the club lease agreement relating to the assets of the Club was terminated by the lessee on 5 October 2023.

The deterioration in segment results was mainly attributable to (i) the absence of the gain on disposals of residential serviced apartments, (ii) the HK\$45,591,000 increase in impairment loss in respect of goodwill in the six months ended 30 June 2024, (iii) the HK\$26,144,000 increase in the loss arising on a change in the fair value of investment properties and (iv) the absence of rental income of HK\$15,268,000 generated from the assets of the Club.

The Company's indirect wholly-owned subsidiary, Bayhood No. 9 Co., owns (i) the rights to construct and operate the club facilities of the Club and (ii) the rights to develop and operate the Subject Land and the rights to construct and manage properties (each a "Property" and collectively, the "Properties") erected on the Subject Land (the "**Management Rights**") for around 38 years until 30 January 2062. As disclosed previously in the Company's annual report for the year ended 31 December 2020, due to the unprecedented impact of the COVID-19 pandemic on the hotel industry, the Company modified its business strategy for the second and third phases of the Subject Land such that the Properties are constructed and leased out on a long-term or short-term lease basis.

The second and third phases of the Subject Land have been developed into seven blocks of three-storey residential serviced apartments comprising 279 residential serviced apartments with an aggregate gross floor area of 45,165 square meters (with individual apartments of sizes ranging from approximately 88 to 459 square meters), together with two blocks of three-storey office buildings each having a gross floor area of approximately 6,300 square meters with total construction costs of RMB726,000,000 (equivalent to HK\$795,478,000). The residential serviced apartments and the office buildings are offered for lease by Bayhood No. 9 Co..

## Management Discussion and Analysis (Continued)

### Operations Review (Continued)

#### Property investment business (Continued)

Short-term lease agreements are treated as operating leases. The Group recognises the Total Rental Income (net of VAT) as rental income on a straight-line basis over the term of a short-term lease agreement commencing on the delivery of vacant possession of a Property to a lessee. Upon commencement of a short-term lease agreement, the related assets of the Property recorded in “property, plant and equipment”, “intangible assets”, and “right-of-use assets” are transferred to “investment properties”. At the end of the reporting period, such investment properties are measured at fair value based on a valuation prepared by an independent professional valuer.

During the six months ended 30 June 2024, no long-term lease agreement for a residential serviced apartment and lease agreement for office premises was signed, and none of vacant possession of residential serviced apartments was delivered under long-term lease agreements. As a result, the Group did not recognise any gain on disposals of residential serviced apartments in the six months ended 30 June 2024.

At 30 June 2024, there were three signed long-term lease agreements for residential serviced apartments remaining undelivered.

At the end of the reporting period, the directors performed an impairment test for the goodwill arising from the acquisition of Smart Title Limited, the intangible assets, and the right-of-use assets relating to (i) the rights to construct and operate the club facilities of the Club and (ii) the rights to develop and operate the Subject Land and the rights to manage the properties erected on the Subject Land with reference to the discounted cash flow projections to assess the value in use of the property investment business and the golf club operation business in Beijing, Mainland China. As the carrying amount of the cash-generating units of the Group’s property investment business and golf club operation business exceeded their recoverable amounts, an impairment loss of HK\$45,591,000 in respect of the goodwill was recognised for the six months ended 30 June 2024. The impairment loss arose from the change in key assumption and input for longer delivery dates of residential serviced apartments and office premises used in the discounted cash flow projection of the property investment business to reflect the prevailing market conditions and the management’s latest estimation.

At the end of the reporting period, the directors measured the investment properties of the residential serviced apartments under short-term lease agreements at fair value. Based on a valuation prepared by an independent professional valuer, the Group recognised a loss of HK\$3,301,000 arising on change in fair value of investment properties.

At the end of the reporting period, the directors measured the investment properties of 23 niches at Po Fook Hill, Hong Kong at fair value. Based on a valuation prepared by an independent professional valuer, the Group recognised a gain of HK\$957,000 arising on the change in fair value of investment properties.

At the end of the reporting period, the directors measured the investment property portion of the Shun Tak Property at fair value. Based on a property valuation prepared by the independent professional valuer, the fair value of the investment property portion of the Shun Tak Property decreased from HK\$163,700,000 at 31 December 2023 to HK\$143,600,000 at 30 June 2024. Accordingly, the Group recognised a loss of HK\$20,100,000 arising on change in fair value of investment properties.

## Management Discussion and Analysis (Continued)

### Operations Review (Continued)

#### **Golf club operation business**

On 3 April 2023, the Group received an advance notice from the lessee of the assets of the Club for the termination of the club lease agreement by 5 October 2023. Upon such termination by 5 October 2023, the Group expanded into the golf club operation business by operating and managing the Club on its own.

With a proximity location, the Club is only about a 10-minute drive from the Beijing Capital International Airport and a 25-minute drive from the urban center of Beijing. The Club is one of Beijing's largest high-end leisure complexes operating under membership plans for corporations and individuals. With an area of 1,150 Chinese acres, the Club was designed jointly by several world-renowned design firms with a comprehensive range of facilities, including an 18-hole golf course, a golf academy, restaurants, lakeside VIP private rooms, conference facilities, and a retail shop. The Group's golf club operation business mainly derives income from membership, golf club operation, and food and beverage operation.

Given that the Subject Land is located next to the Club, the directors consider that the operation and management of the Club by the Group itself will provide great flexibility to the Group in formulating marketing plans for leasing the residential serviced apartments erected on the Subject Land, such as allowing admission by lessees to use the facilities of the Club.

During the six months ended 30 June 2024, the Group's newly expanded golf club operation business generated a turnover of HK\$64,613,000 and recorded a segment profit (before taxation) of HK\$24,860,000. As such, the Club can generate a steady revenue and segment profit. The directors are cautiously monitor the revenue and the operation costs of the Club from time to time in order to create a continuous income stream.

#### **Investments in associates**

Elite Prosperous is an investment holding company whose principal asset is 47,643 ordinary shares in an unlisted investment holding company, representing 2.65% of the entire issued share capital of the unlisted investment holding company. The principal subsidiaries of the unlisted investment holding company are engaged in (i) agency payment services, (ii) currency exchange services, and (iii) provision of online, mobile, and cross-border payment services. At the end of the reporting period, Elite Prosperous measured its investment in the unlisted investment holding company at fair value. Based on a valuation prepared by an independent professional valuer, the fair value of the investment increased from HK\$5,535,000 at 31 December 2023 to HK\$5,786,000 at 30 June 2024. Accordingly, Elite Prosperous recognised a gain of HK\$251,000 arising on change in fair value of its investment in the unlisted investment holding company. During the six months ended 30 June 2024, Elite Prosperous reported a profit of HK\$251,000, and accordingly, the Group shared a profit of HK\$123,000 from Elite Prosperous.

China Healthwise is an investment holding company, and its subsidiaries are principally engaged in sales of Chinese health products, money lending business, and investment in financial instruments.

During the six months ended 30 June 2024, China Healthwise reported a loss of HK\$28,663,000, a HK\$3,199,000 decrease from HK\$31,862,000 in the previous period, and the Group should entitle to share a loss of HK\$6,289,000 from China Healthwise. At 30 June 2024, the carrying amount of interests in associates from China Healthwise before sharing a loss from China Healthwise during the six months ended 30 June 2024 was HK\$965,000. According to HKAS 28 *Investments In Associates and Joint Ventures*, the entity's share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture, no further losses is recognised. As a result, the Group shared a loss of HK\$965,000 from China Healthwise during the six months ended 30 June 2024.



## Management Discussion and Analysis (Continued)

### Future Prospects

The recovery of global economy in first half of 2024 is under the expectation in 2024. The Federal Reserve is expected to maintain the high interest rate policy until in the end of 2024. Moreover, the Russia-Ukraine conflict continues, the Israel-Palestine conflict continues, the Red Sea shipping crisis, tensions between the United States and Mainland China remain significant, and patterns of trade and cross-border investment are shifting. With this backdrop, the directors expect uncertainty in the global macroeconomic environment for the second half of 2024.

The directors expect the global macroeconomic environment to remain uncertain in 2024. As such, the directors will cautiously monitor the equity market, adjust the Group's equity securities portfolio from time to time, and realise the Group's equity securities into cash as and when appropriate in 2024.

Given the global macroeconomic environment is expected to be uncertain, the directors intend to maintain or reduce the size of the Group's loan portfolio in 2024. As a result, the interest income on loans generated from the Group's money lending business in 2024 is expected to be less than 2023. Nevertheless, the directors will closely monitor the performance of the Group's loan portfolio, especially in each customer's repayment and financial condition, and make every effort to recover the overdue loan receivables.

Due to the sluggish market condition, the Group has been developing new product lines, such as other stone-type and budgeted jewelry products, to meet the shrinking budget of the consumer public. In addition, the Group has planned to broaden its sales territories by cultivating new overseas markets, such as Japan and Asian Pacific countries. Although measures have been taken to improve the performance of the Group's sale of jewelry products business in gross profit margin, the directors expect the performance of the Group's sale of jewelry products business in 2024 will be more or less the same as in 2023 due to soliciting more sales orders through the adjustment of gross profit margin and the uncertainty casting on the global macroeconomic environment.

Although there is a sign showing that the Mainland Chinese economy is slowing down in the first half of 2024, the Chinese Government has implemented several measures to boost the Mainland Chinese economy, such as issuing an additional 1 trillion yuan in special treasury bond, adopting the proactive fiscal policy and emphasis on economic stability in property sector, advanced manufacturing industries and domestic demand. Therefore, the directors will put more effort and resources into marketing and leasing activities to achieve a high level of occupancy rate in order to build up the continuous income stream derived from rental income of the properties erected on the Subject Land. In addition, the directors will put more effort and resources into completing the remaining four blocks of residential serviced apartments and two blocks of office buildings as planned. As the club lease agreement relating to the assets of the Club was terminated on 5 October 2023, the directors expect that the rental income of the Group's property investment business will decrease significantly in 2024 compared to 2023.

In October 2023, the Group expanded into the golf club operation business following the termination of the club lease agreement relating to the assets of the Club by the lessee. The directors expect the performance of the Group's golf club operation business will be improved in 2024 as compared to 2023 due to the full-year effect of the Group's golf club operation business in 2024.

Due to the global macroeconomic environment remaining uncertain in 2024, the directors remain cautious and watchful over the key risks for 2024 and their impact. The directors commit to leading the Group to weather the challenges, monitor the business environment cautiously, and strengthen the Group's business foundation by focusing on its existing businesses.

### Events after the End of the Reporting Period

The Group did not have any material events after the reporting period and up to the date of approval of the condensed consolidated financial statements.

## Additional Information Required by the Listing Rules

### Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (2023: Nil).

### Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

At 30 June 2024, the interests of the directors and the chief executive and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

#### Long positions

##### a. Ordinary shares of HK\$0.01 each of the Company

Name of director	Notes	Number of ordinary shares held and capacity			Percentage of the issued share capital of the Company
		Beneficial owner	Held by controlled corporations	Total	
Mr. Lei Hong Wai	1 and 2	408,740,000	583,832,803	992,572,803	25.99%
Mr. Cheung Kwok Wai Elton	1 and 2	—	583,832,803	583,832,803	15.29%
Ms. Leung Man Yee Fanny		700,000	—	700,000	0.02%

Notes:

- Twin Success International Limited ("**Twin Success**") beneficially owns 583,832,803 ordinary shares of the Company.  
  
Twin Success is owned as to 50% by Silver Pacific International Limited and as to 50% by Silver Pacific Development Limited. Silver Pacific International Limited is wholly-owned by Mr. Lei Hong Wai. Silver Pacific Development Limited is owned as to 50% by Mr. Cheung Kwok Wai Elton and as to 50% by Mr. Guan Jian.
- On 5 June 2018, Twin Success pledged its 583,832,803 ordinary shares of the Company in favour of Kingston Finance Limited as security for a loan facility.

##### b. Ordinary shares of HK\$0.01 each of China Healthwise Holdings Limited, a 21.94% owned associate of the Company

Name of director	Capacity	Number of ordinary shares held	Percentage of the issued share capital of China Healthwise Holdings Limited
Mr. Lei Hong Wai	Beneficial owner	56,663,636	7.35%

Other than as disclosed above, none of the directors, chief executive nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations at 30 June 2024.

## Additional Information Required by the Listing Rules (Continued)

### Share Schemes

Particulars of the Company's share schemes are set out in note 31 to the condensed consolidated financial statements.

#### a. Share options scheme adopted on 12 December 2011

The following table discloses movements in the share option scheme adopted on 12 December 2011 (the "2011 Share Option Scheme") during the six months ended 30 June 2024:

Share option type	Date of grant	Vesting schedule	Number of share options					Outstanding at 30 June 2024	Exercise price	Exercise period	
			Outstanding at 1 January 2024	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period				
<b>Directors, chief executive or substantial shareholders or their respective associates</b>											
Mr. Lei Hong Wai	2021	4 June 2021	100% of the share options was vested on 4 June 2021	3,800,000	–	–	–	(3,800,000)	–	HK\$0.298	4 June 2021 to 3 June 2024
Mr. Cheung Kwok Wai Eiton	2021	4 June 2021	100% of the share options was vested on 4 June 2021	3,800,000	–	–	–	(3,800,000)	–	HK\$0.298	4 June 2021 to 3 June 2024
Mr. Cheung Kwok Fan	2021	4 June 2021	100% of the share options was vested on 4 June 2021	3,800,000	–	–	–	(3,800,000)	–	HK\$0.298	4 June 2021 to 3 June 2024
<b>Employees</b>	2021	4 June 2021	100% of the share options was vested on 4 June 2021	160,360,000	–	–	–	(160,360,000)	–	HK\$0.298	4 June 2021 to 3 June 2024
<b>Total</b>				171,760,000	–	–	–	(171,760,000)	–		

The closing price of the Company's shares immediately before 4 June 2021, the date of grant of the 2021 share options, was HK\$0.29.

As the 2011 Share Option Scheme expired on 11 December 2021, no share options were available for grant under the 2011 Share Option Scheme on 1 January 2024 and 30 June 2024.

## Additional Information Required by the Listing Rules *(Continued)*

### Share Schemes *(Continued)*

#### **b. Share options scheme adopted on 16 December 2021**

During the six months ended 30 June 2024, no share options were granted, exercised, cancelled or lapsed, and there were no outstanding share options under the share option scheme adopted on 16 December 2021 (the “**2021 Share Option Scheme**”) at 1 January 2024 and 30 June 2024.

The number of share options available for grant under the existing scheme mandate of the 2021 Share Option Scheme on 1 January 2024 and 30 June 2024 was 381,960,648 share options.

#### **c. Share award plan**

During the six months ended 30 June 2024, no share was awarded, vested, cancelled or lapsed, and there were no unvested share awards under the Company’s share award plan at 1 January 2024 and 30 June 2024.

The number of share options available for award under the existing scheme mandate of the share award plan on 1 January 2024 and 30 June 2024 was 381,960,648 share options.

For the six months ended 30 June 2024, no share that may be issued in respect of share options and shares awarded under all share schemes of the Company.

## Additional Information Required by the Listing Rules *(Continued)*

### Substantial Shareholders' and Other Persons' Interests and Short Position in Shares and Underlying Shares

At 30 June 2024, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

#### Long positions

a. Ordinary shares of HK\$0.01 each of the Company

Name of shareholder	Notes	Number of ordinary shares held and capacity			Total	Percentage of the issued share capital of the Company
		Beneficial owner	Person having a security interest in shares	Held by controlled corporation(s)		
Twin Success	1 and 4	583,832,803	—	—	583,832,803	15.29%
Silver Pacific International Limited	1, 2 and 4	—	—	583,832,803	583,832,803	15.29%
Silver Pacific Development Limited	1, 3 and 4	—	—	583,832,803	583,832,803	15.29%
Mr. Lei Hong Wai	1, 2 and 4	408,740,000	—	583,832,803	992,572,803	25.99%
Mr. Cheung Kwok Wai Elton	1, 3 and 4	—	—	583,832,803	583,832,803	15.29%
Mr. Guan Jian	1, 3 and 4	—	—	583,832,803	583,832,803	15.29%
Kingston Finance Limited	4	—	583,832,803	—	583,832,803	15.28%
Ample Cheer Limited	5	—	—	583,832,803	583,832,803	15.28%
Ms. Chu Yuet Wah	6	—	—	646,374,285	646,374,285	16.92%

#### Notes:

1. Twin Success is owned as to 50% by Silver Pacific International Limited and as to 50% by Silver Pacific Development Limited.
2. Silver Pacific International Limited is wholly-owned by Mr. Lei Hong Wai.
3. Silver Pacific Development Limited is owned as to 50% by Mr. Cheung Kwok Wai Elton and as to 50% by Mr. Guan Jian.
4. On 5 June 2018, Twin Success pledged its 583,832,803 ordinary shares of the Company in favour of Kingston Finance Limited as security for a loan facility.
5. Kingston Finance Limited is a wholly-owned subsidiary of Ample Cheer Limited, which is wholly-owned by Ms. Chu Yuet Wah.

## Additional Information Required by the Listing Rules *(Continued)*

### Substantial Shareholders' and Other Persons' Interests and Short Position in Shares and Underlying Shares *(Continued)*

#### Long positions *(Continued)*

##### a. Ordinary shares of HK\$0.01 each of the Company *(Continued)*

Notes: *(Continued)*

6. Out of the 645,374,285 ordinary shares of the Company,
  - (i) 583,832,803 ordinary shares are held by Kingston Finance Limited is wholly-owned by Ample Cheer Limited. Ample Cheer Limited is wholly-owned by Ms. Chu Yuet Wah;
  - (ii) 12 ordinary shares are held by Kingston Securities Limited. Kingston Securities Limited is a wholly-owned subsidiary of Galaxy Sky Investments Limited, which is wholly-owned by Kingston Capital Asia Limited. Kingston Capital Asia Limited is wholly-owned by Kingston Financial Group Limited. Kingston Financial Group Limited is wholly-owned by Active Dynamic Limited. Active Dynamic Limited is wholly-owned by Ms. Chu Yuet Wah; and
  - (iii) 62,541,470 ordinary shares are held by Turbo Kingdom International Limited, which is wholly-owned by Ms. Chu Yuet Wah.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company at 30 June 2024.

### Purchase, Redemption and Sale of the Company's Listed Securities

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

### Compliance with Corporate Governance Code

In the opinion of the Board, the Company complied with the code provisions of the Corporate Governance Code (the "Code") as set out in Part 2 of Appendix C1 of the Listing Rules throughout the six months ended 30 June 2024, except for code provision C.2.1.

Code provision C.2.1 of the Code requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the six months ended 30 June 2024, Mr. Lei Hong Wai has taken up the roles of the Chairman of the Board and the Chief Executive Officer of the Company. Mr. Lei possesses essential leadership skills and has extensive experience in corporate management and business development. The Board is of the view that currently vesting the roles of the Chairman and the Chief Executive Officer in the same person provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies.

### Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules for securities transactions by the directors of the Company. Having made specific enquiry, all directors confirmed that they had complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2024.

## Additional Information Required by the Listing Rules *(Continued)*

### **Review of Financial Information**

The Audit Committee of the Board has reviewed the 2024 interim report and the condensed consolidated financial statements for the six months ended 30 June 2024 and agreed to the accounting policies and practices adopted by the Company.

### **Acknowledgement**

On behalf of the Board, I would like to express my gratitude and appreciation to my fellow directors, the management and staff for their dedication, loyalty and contribution. In addition, I would like to thank our shareholders for their continuous support.

By Order of the Board  
**Eternity Investment Limited**  
**Lei Hong Wai**  
*Chairman*

Hong Kong, 29 August 2024