



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

Stock Code : 184



INTERIM REPORT 2024 INTERIM REPORT 2024

CORPORATE INFORMATION

DIRECTORS

EXECUTIVE DIRECTORS

HO Kim Swee@ HO Kian Guan
 – *Executive Chairman*
 HO Cheng Chong@ HO Kian Hock
 – *Deputy Executive Chairman*
 TSE See Fan Paul
 CHAN Lui Ming Ivan
 HO Chung Hui
 HO Chung Kain@ HE Chongjing
 (*Alternate to HO Chung Hui*)

NON-EXECUTIVE DIRECTORS

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

KWOK Chi Shun Arthur
 WANG Poey Foon Angela
 YU Hon To David
 Stephen TAN

AUDIT AND COMPLIANCE COMMITTEE

YU Hon To David – *Chairman*
 KWOK Chi Shun Arthur
 WANG Poey Foon Angela
 Stephen TAN

REMUNERATION COMMITTEE

WANG Poey Foon Angela – *Chairlady*
 KWOK Chi Shun Arthur
 YU Hon To David
 Stephen TAN
 TSE See Fan Paul

NOMINATION COMMITTEE

KWOK Chi Shun Arthur – *Chairman*
 WANG Poey Foon Angela
 YU Hon To David
 Stephen TAN
 TSE See Fan Paul

RISK MANAGEMENT COMMITTEE

Stephen TAN – *Chairman*
 WANG Poey Foon Angela
 YU Hon To David
 TSE See Fan Paul

AUDITORS

KPMG
 (*Public Interest Entity Auditor
 registered in accordance with
 the Accounting and Financial Reporting
 Council Ordinance*)
 8th Floor
 Prince's Building
 10 Chater Road
 Central
 Hong Kong

SHARE REGISTRAR & TRANSFER OFFICE

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

COMPANY SECRETARY

CHENG Ka Kit

REGISTERED OFFICE

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

COMPANY'S WEBSITE

www.keckseng.com.hk

INTERIM RESULTS

The board of directors (the “Board”) of Keck Seng Investments (Hong Kong) Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2024.

The consolidated profit attributable to equity shareholders of the Company for the six months ended 30 June 2024 was HK\$87,330,000 (HK\$0.257 earnings per share), compared to HK\$45,250,000 (HK\$0.133 earnings per share) for the first six months of 2023.

The Board has declared an interim dividend of HK\$0.05 (2023: HK\$0.03) per share for 2024 (the “2024 Interim Dividend”) payable on Thursday, 31 October 2024, to equity shareholders whose names appear on the register of members of the Company on Monday, 14 October 2024.

REVIEW OF OPERATIONS

The global economic environment in the first half of 2024 was one marked by continuing high interest rates in general, extensive regional military conflicts, and considerable geopolitical tension. These developments have resulted in heightened economic and business uncertainties, critical supply chains disruptions, and increased energy costs on a worldwide basis, severely impacting business operations and profitability for companies, as well as pushing up costs of living for families and individuals. Global economic growth was moderate. Some emerging markets have shown resilience, while many economies continue to face headwinds. Selective hospitality sectors, such as those in the US and in Vietnam, have shown growth on the back of increased domestic and international travel, with higher occupancy rates post-Covid. However, labor shortages and rising costs continue to present persistent challenges across the board. In Macau, the property market has slowed, particularly in commercial and retail sectors, with reduced demand for office space and lower performance in shopping malls and shops. Amidst these challenges, the Group’s operations in early 2024 were satisfactory but still marked by uncertainties.

A summary and analysis of the operations are as follows.

Property Operations

Macau

In the first half of 2024, Macau’s economy demonstrated strong recovery, with GDP projected to grow by of 17.5% year-on-year, reaching 87.5% of pre-pandemic levels. Tourism rebounded significantly, with over 16.7 million visitors, marking a 43.6% increase from the previous year, including a 146.4% rise in international visitors to 1.17 million. The overall unemployment rate further improved, dropping from 2.8% in the second quarter of 2023 to 1.9% in the second quarter of 2024. Despite these positive developments, challenges persist throughout the year due to external factors such as geopolitical tensions, global economic uncertainty, fluctuating consumer confidence in mainland China, and shifts in cross-border consumer behavior.

In 2024, Macau's property market experienced varying impacts amid a rapidly recovering economy. The residential and serviced apartment sectors saw notable improvements, driven by the return of expatriates post-pandemic. In contrast, the commercial and office markets faced declining demand, largely due to cross-border consumer shifts, the sluggish recovery of the local commercial sector, and the government's transition from leasing space in private office buildings to constructing new government office buildings for various government departments. These trends are anticipated to lead to further downturns in the office market in the second half of 2024 and beyond.

Despite the mixed performance in the market, the Group's income from leasing Macau properties showed a slight increase, rising to HK\$42.8 million in the first half of 2024, compared to HK\$40.6 million in the same period of 2023. This growth was primarily driven by improved occupancy rates in residential properties and serviced apartments.

Occupancy in our residential property portfolio rose to 85% in the first half of 2024, compared to 68% in the same period of 2023. This increase is attributable to the growing demand from expatriates returning to Macau, and creating demand for lease of residential properties and serviced apartments post-pandemic. Despite the decline in office demand, our Group's office buildings maintained high occupancy levels during the first half of both 2024 and 2023, with occupancy rates of 94% and 95% respectively, reflecting the high standard and popularity of our office portfolio.

A net decrease in fair value of our Macau investment properties of HK\$41 million (2023: HK\$7 million) was recorded due to market volatility and economic uncertainties. This decline is mainly related to our commercial and industrial office buildings, which have been impacted by challenging market conditions and reduced demand in these sectors. Our investment properties are held on a long-term basis to earn recurring rental income.

There were no sales of properties during the first half of 2024 due to the ongoing slowdown in Macau property market.

The Group remains vigilant in monitoring property market conditions, and realising the growth opportunities arising from Macau's post-COVID economic recovery. Key growth drivers, including the newly launched Macau Light Rapid Transit System Barra extension, increased utilisation of the Hong Kong-Zhuhai-Macau Bridge, the convenience offered by the new Hengqin immigration facilities, the opening of Shenzhen-Zhongshan Bridge, and the enhanced integration with the Guangdong-Hong Kong-Macau Greater Bay Area, are expected to significantly boost cross-border traffic and expand Macau's population catchment area. These developments are likely to drive increased demand for both residential and commercial properties, benefiting the local property market. Additionally, the establishment of the Guangdong-Macao In-Depth Cooperation Zone in Hengqin and the upcoming 25th anniversary of Macau's return to China are poised to further stimulate economic activity, attracting more visitors and investors, and contribute to the overall growth of the property market.

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

Hotel Operations

	Occupancy		Average Room Rate	
	2024	2023	2024	2023
The People's Republic of China				
Holiday Inn Wuhan Riverside	45%	54%	RMB402	RMB410
Vietnam				
Sheraton Saigon Grand Opera Hotel (formerly known as Sheraton Saigon Hotel & Tower)	78%	74%	USD178	USD173
Caravelle Hotel	73%	69%	USD152	USD155
Japan				
Best Western Hotel Fino Osaka Shinsaibashi	82%	73%	JPY11,137	JPY8,935
The United States				
W San Francisco	62%	64%	USD363	USD359
Sofitel New York	81%	69%	USD337	USD361
Canada				
The Sheraton Ottawa Hotel*	60%	68%	CAD195	CAD216
Delta Hotels by Marriott Toronto Airport & Conference Centre	71%	72%	CAD185	CAD180

* Sheraton Ottawa Hotel was disposed on 29 February 2024.

In the first half of 2024, the global hospitality industry experienced steady growth, driven by a resurgence in travel and tourism. However, the industry continues to face significant challenges, including high operating costs, particularly labor expenses, alongside economic pressures including inflation, high interest rates, and currency volatility. While many regions saw revenue growth, the higher costs, particularly in operating expenses, put considerable pressure on hotel profit margins. Despite these challenges, corporate transient travel showed potential for recovery, with varying degrees of improvement across different regions, notably in Japan and Vietnam. Overall, the hospitality industry demonstrated resilience and adaptability, positioning itself for continuing growth, although profitability remained under pressure in many markets.

During the first half of 2024, total revenue from hotel operations slightly decreased to HK\$758.4 million, down from HK\$783.1 million in the same period of 2023. This decline is primarily attributed to the strategic disposal of a hotel property in Canada, which reduced the revenue base. Additionally, the depreciation of the Vietnamese dong negatively impacted both revenue and profit from operations in Vietnam. Profit for the period, includes a HK\$156.2 million gain from the disposal of the Canadian hotel asset, however underlying operational profit was lower than the previous year, largely due to the adverse effects of the dong's depreciation.

The People's Republic of China

In the first half of 2024, China's economy experienced a modest rebound amidst a mix of positive and challenging factors. According to the National Bureau of Statistics of China, China's GDP in the first half of 2024 grew by 5.5%, aligning with the government's annual target and demonstrating improvement compared to the same period in 2023. Despite this growth, concerns remain due to ongoing challenges in the property sector and subdued domestic demand.

Despite the modest rebound in China's economy, the hospitality industry faced a challenging business environment in the first half of 2024. While domestic tourism saw growth driven by a rising middle class and increased corporate travel, the industry continued to adapt to post-pandemic dynamics. Market performance was hindered by regional disparities and the sluggish return of international tourism. Aside from a few major first-tier cities, occupancy rates and room rates in secondary cities nationwide, including Wuhan, were under pressure or even declined compared to the same period in 2023. Additionally, a competitive hotel price war further impacted revenue and profit earnings. Looking ahead to the second half of 2024, the hospitality industry in China is expected to maintain, or gradually improve, supported by enhanced domestic travel policies and a cautious increase in international arrivals.

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

Room revenue of the hotel decreased to RMB10.0 million as compared to RMB12.2 million in the first half of 2023, a decrease of 18%. The food and beverage revenue of the hotel has also decreased to RMB4.6 million in the first half of 2024 from RMB5.6 million in the first half of 2023, a decrease of 18%.

During the first half of 2024, average occupancy rate was 45.1%, as compared to 54.0% during the first half of 2023. Average room rate has slightly decreased to RMB402 per room night during the first half of 2024, as compared to RMB410 per room night during the first half of 2023.

Vietnam

In the first half of 2024, Vietnam's economy grew robustly with a GDP growth of 6.42% year-on-year, driven by increase in foreign direct investment and higher export revenues, despite challenges in public investment disbursement and inflationary pressures. The services sector grew by 6.64%, with accommodation and catering services experiencing a significant 9.94% increase.

Vietnamese tourism experienced a recovery in the first half of 2024, driven by strong arrivals from both international and domestic sources. International visitors to Vietnam reached 8.8 million, an increase of 58.4% compared to the same period last year, and 4.1% higher than the pre-pandemic period in 2019. The depreciation of the Vietnamese dong further supported this growth by making Vietnam more affordable for international travelers. However, while the weaker dong contributed to higher tourist arrivals, it adversely impacted the group's financial results. The conversion of revenue and profit into Hong Kong dollars reduced their contribution, leading to lower margins and overall financial performance. As the dong is expected to stabilise in the second half of 2024, this adverse impact may lessen, supporting a more balanced recovery.

Additionally, despite signs of continuing recovery in the first half of 2024 and a cautiously optimistic outlook for the year, a more subdued performance is anticipated in the latter half due to the higher base from the second half of 2023 and other ongoing risks. These risks include geopolitical conflicts in regions such as Russia, Ukraine, and the Middle East, as well as inflationary pressures. Nonetheless, the recovery in the semiconductor sector, which significantly impacts Vietnam's electronics exports, stable growth in China and the broader region, and potential easing of monetary policies by major central banks are expected to positively influence the overall outlook.

In 2024, Sheraton Saigon Grand Opera Hotel was once again recognised as Vietnam's Leading Hotel by the World Travel Awards. Caravelle Hotel also maintained its reputation and standard, and was bestowed the Travelers' Choice Winner award from TripAdvisor. These awards highlight the consistent excellence and high standards of both hotels, enhancing their reputations as top destinations in Vietnam.

***Sheraton Saigon Grand Opera Hotel (Group's interest: 64.12%)
(formerly known as Sheraton Saigon Hotel & Tower)***

For the first half of 2024, occupancy rate has increased to 78.1%, as compared to 73.6% for the first half of 2023. Average room rate was at US\$177.7 per room night during the first half of 2024, as compared to US\$173.1 per room night during the first six months of 2023.

Caravelle Hotel (Group's interest: 24.99%)

For the first half of 2024, occupancy rate has increased to 72.7%, as compared to 68.5% for the first half of 2023. Average room rate was at US\$152.0 per room night during the first half of 2024, as compared to US\$154.9 per room night during the first six months of 2023.

Japan

In 2024, Japan's economy demonstrated a moderate recovery amidst several challenges. GDP contracted by 2.0% in the first quarter, a notable decline from the 1.2% expansion in the same period of 2023. This downturn was largely driven by production disruptions resulting from an earthquake in Tokyo, which adversely affected consumption, investment, and exports. Despite these challenges, Japan's economic revival has been supported by rising consumer spending, increased wages, and favorable fiscal and monetary policies. However, the economy remains vulnerable to external risks, including a global economic slowdown and concerns over the Chinese economy. Additionally, the recent appreciation of the yen and signs of a slowdown in the U.S. economy could pose new challenges to Japan's export-driven growth.

The hospitality sector continued its gradual recovery, supported by the reopening of borders to tourists, although inbound tourism had not fully returned to pre-pandemic levels due to delays in the return of visitors from China.

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

For the first half of 2024, occupancy rate for the hotel has increased to 81.8%, as compared to 73.2% for the first half of 2023. Average room rate was at JPY11,137 per room night during the first half of 2024, as compared to JPY8,935 per room night for the first half of 2023.

The United States ("US")

In the first half of 2024, the U.S. economy demonstrated resilience, with steady growth driven by robust consumer spending and increased business investments. The GDP is projected to grow at an annualised rate of 2.8% in the second quarter, an improvement compared to 1.4% in the first quarter. This positive economic trajectory has been fueled by strong consumer expenditures, inventory investments, and capital investments. The outlook for the remainder of 2024 remains cautiously optimistic. While business activity may remain stable, the sustainability of consumer spending is uncertain as economic pressures mount. Challenges such as geopolitical instability, persistent high inflation, and elevated interest rates are likely to temper growth prospects and could further slow consumer demand as the year progresses. Additionally, the unemployment rate saw an increase from 3.7% in December 2023 to 4.1% in June 2024.

The U.S. hospitality industry encountered a challenging business environment during the first half of 2024, marked by uneven recovery and significant regional disparities. Leisure travel demand softened as more domestic travelers sought international experiences and short-term rentals gained popularity. Corporate travel showed modest improvement; however, low office utilisation rates continued to hinder a full return to pre-pandemic levels. Furthermore, high operational costs, especially labor expenses, coupled with increased interest rates, placed additional strain on hotel financial performance, often outpacing revenue growth in many markets.

In New York, the hotel market performed strongly, with moderate year-over-year growth supported by high occupancy rates. In contrast, San Francisco's hotel industry faced substantial challenges due to a decline in tech jobs, reduced convention attendance, and the slow return of international travelers. Rising crime and homelessness, despite recent improvements, further impacted tourism and heightened public safety concerns, adversely affecting the city's reputation.

As we enter the second half of 2024, the U.S. economy is expected to experience slower growth due to persistent inflation, high interest rates, and reduced fiscal stimulus. Geopolitical tensions with China, Russia, and Ukraine add further risks to global trade. The labor market is likely to remain tight, with slower job growth and slightly higher unemployment, while inflation is expected to gradually align with the Federal Reserve's target. For the U.S. hospitality industry, the outlook remains mixed. Economic pressures, including rising operational costs and high interest rates, continue to challenge profitability.

Sofitel New York's service excellence continued to be well recognised. The property has once again been named a Recommended Hotel by Forbes Travel Guide in 2024.

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

For the first half of 2024, occupancy rate was 61.7%, as compared to 63.6% for the first half of 2023. Average room rate was at US\$362.9 per room night during the first half of 2024, as compared to US\$359.4 per room night during the first half of 2023.

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

For the first half of 2024, Sofitel New York's occupancy rate was 80.9%, as compared to 69.4% for the first half of 2023. Average room rate was at US\$337.1 per room night during the first half of 2024, as compared to US\$361.4 per room night during the first half of 2023.

Sofitel New York has commenced renovation of its guest rooms and other facilities, with the aim of enhancing the competitiveness and upgrading the standard of the hotel. The exact scope and cost of the renovations will be finalised in the third quarter of the year.

Canada

In the first half of 2024, Canada's economy showed moderate growth, with GDP rising by 0.4% in the first quarter. This growth was largely fueled by increased household spending on services, benefiting from declining inflation as energy prices fell and supply chain issues eased. However, the benefits were offset by the impact of high mortgage interest rates, which continued to strain household budgets, particularly in housing and grocery costs. By June 2024, the unemployment rate had increased to 6.4%, up from 5.8% at the end of 2023, reflecting a slowdown in job creation amidst a growing population and broader economic adjustments. Looking ahead, a gradual economic recovery is expected, driven by lower interest rates, ongoing disinflation, and a stronger global economy. However, challenges remain, including a tight labor market with slower job growth, potential geopolitical risks, and the possibility of renewed inflationary pressures.

The Canadian hospitality industry experienced steady growth in the first half of 2024, driven by any increase in both domestic and international travel demand. This positive trend suggests that the industry is on a stable recovery path, although the pace of growth may slow slightly in the latter half of the year due to economic factors such as higher interest rates and more conservative domestic spending.

The Sheraton Ottawa Hotel

In February 2024, the Group disposed of its 85% interest in the Sheraton Ottawa Hotel. This disposal resulted in a profit before taxation attributable to the Group of approximately HK\$156.2 million.

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

For the first half of 2024, occupancy rate has slightly decreased to 71.1%, as compared to 71.6% for the first half of 2023. Average room rate has slightly increased to C\$184.5 per room night during the first half of 2024, as compared to C\$179.5 per room night during the first six months of 2023.

Other net (losses)/gains

Other net losses were at an amount of HK\$29.4 million, as compared to other net gains on HK\$12.2 million in the first half of 2023. This year recorded net unrealised losses on other non-current financial assets amounting to HK\$1.4 million, compared to net unrealised gains of HK\$10.3 million for the first half of 2023. Loss on release of exchange reserve upon cessation of a subsidiary's business of HK\$18.1 million (30 June 2023: Nil) for the period ended 30 June 2024.

FINANCIAL REVIEW

The Group's revenue was HK\$809 million for the first six months of 2024, a decrease of 2.7% as compared to the corresponding period in 2023. This decline is largely due to the depreciation of the Vietnamese dong, which negatively impacted the Group's overall revenue.

The Group's operating profit was HK\$250.4 million for the period ended 30 June 2024, as compared to the HK\$124.6 million for the corresponding period in 2023. The increase in operating profit of the Group for the first half year of 2024 was mainly attributable to gains on disposal of assets classified as held for sale, which amounted to HK\$156.2 million.

Profit attributable to equity shareholders was HK\$87.3 million for the period ended 30 June 2024 as compared to the HK\$45.3 million in the first half of 2023.

LIQUIDITY AND FINANCIAL RESOURCES

The overall financial position of the Group remains healthy. We have a strong balance sheet and sufficient liquidity in place, with cash, bank balances and short-term bank deposits totalling HK\$1,489.4 million as at 30 June 2024 (as at 31 December 2023: HK\$1,511.7 million). The Group also has undrawn facility from the bank loans facility agreement amounting to HK\$85.0 million as at 30 June 2024 (as at 31 December 2023: HK\$85.0 million). The Group's total liabilities as a percentage of total assets was 33.0% as at 30 June 2024, compared to 35.5% as at 31 December 2023.

PLEDGE OF ASSETS

As at 30 June 2024, hotel properties including land with an aggregate value of HK\$1,880.2 million (31 December 2023: HK\$1,899.6 million) were pledged to bank to secure bank loans borrowed by the Group.

CONTINGENT LIABILITIES

As at 30 June 2024, there were outstanding counter indemnities relating to guarantees issued by the bankers of a subsidiary in favor of the Macau SAR Government in respect of properties held for sale amounted to HK\$8,252,000 (31 December 2023: HK\$8,252,000).

As at 30 June 2024, the Directors do not consider it probable that a claim will be made against the Group under any of the guarantees.

PROSPECTS

In the second half of 2024, the global economy is at crossroads. Whilst it is generally expected that interest rates will trend downward, possibly offering relief to businesses and consumers, the magnitude and speed of reducing interest rate cannot be confidently projected. The reduction in borrowing costs supports consumer spending and investment, though the impact may vary across regions. Inflationary pressures are expected to ease, particularly in advanced economies, as supply chain issues improve and energy prices stabilise. However, geopolitical tensions and economic uncertainties remain risks that could temper the pace of recovery. China faces persistent deflationary pressures and weak demand, with lingering effects from the property market crisis further heightening risks across Greater China, including Hong Kong and Macau. Emerging markets, while benefiting from lower interest rates, may still face challenges due to currency volatility and slower global demand. There is also prospect of declining economic growth in the US, which will have critical impact on the rest of the world.

In the second half of 2024, Macau's property market is expected to face significant challenges, with slow recovery prospects. High interest rates and cautious investor sentiment continue to dampen activity, particularly in the residential and commercial sectors. While the government has relaxed property cooling measures, such as reducing stamp duty on second homes and adjusting loan-to-value ratios, these efforts may not result in a quick turnaround. The office market is particularly strained as government departments move to government-owned premises, increasing vacancy rates and putting downward pressure on rental prices. Despite these challenges, opportunities exist for growth in the longer term, supported by economic stabilisation, increased tourism, and infrastructure improvements. The limited supply in the luxury sector is expected to contribute to price stability. Inflation, interest rates, and China's economic recovery will continue to influence market dynamics. Our focus remains on increasing occupancy and maximising tenant retention through competitive leasing strategies.

The global hospitality industry is poised for a gradual rebound in the second half of 2024, supported by the downward trend in interest rates, which is expected to encourage consumer spending on travel and accommodation. As inflationary pressures ease and energy prices stabilise, regions previously struggling with high costs may see an improvement in demand. Domestic travel is likely to strengthen, while international tourism is expected to pick up as economic conditions stabilise. However, the pace of recovery will vary by region, with markets that rely heavily on international visitors and those still facing economic challenges likely to recover more slowly. Despite these variations, the overall outlook for the hospitality sector is cautiously optimistic as conditions improve globally.

The Group continues to maintain a robust financial position with HK\$1,489 million in cash, bank balances, and short-term bank deposits as of 30 June 2024. We will focus on reviewing potential investments that create long-term value for shareholders on a sustainable basis. Our approach to acquisitions remains disciplined and pragmatic, targeting industries and regions where we have experience and comparative advantages.

PERSONNEL AND RETIREMENT SCHEMES

As at 30 June 2024, the Group had approximately 1,798 employees. A policy of localising as many of the positions as possible is in place throughout the Group, subject to suitable and sufficient local executives and staff with relevant qualifications and experiences being available. Salary and remuneration are competitive and are based on varying conditions in the different countries in which the Company and its subsidiaries operate. The Group has defined contribution schemes in Hong Kong, Macau, the People's Republic of China, Vietnam, the United States, Canada and Japan.

CORPORATE GOVERNANCE

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

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") as contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

The Company has complied with the principles and code provisions (the “Code Provisions”) as set out in the CG Code during the period from 1 January to 30 June 2024, save and except for the deviation as explained below.

- Code Provision C.2.1, as the roles of chairman and chief executive officer of the Company are not separated.

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

SECURITIES TRANSACTIONS BY DIRECTORS

The Board of the Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules. The Company has made specific enquiries of all Directors who have confirmed compliance with the required standards set out in the Model Code during the period under review.

AUDIT AND COMPLIANCE COMMITTEE

The Audit and Compliance Committee presently comprises four Independent Non-executive Directors. The Audit and Compliance Committee meets with the Group’s senior management and internal auditors regularly to review the effectiveness of the internal control system and the interim and annual reports, including the Group’s unaudited consolidated financial statements for the six months ended 30 June 2024. In compliance with the Listing Rules, an Independent Non-executive Director currently chairs the Audit and Compliance Committee.

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders' entitlement to the 2024 Interim Dividend, the Company's register of members will be closed as set out below:

- Ex-dividend date Tuesday, 8 October 2024
- Latest time to lodge transfer documents for registration with the Company's share registrar and transfer office At 4:30 p.m. (*Hong Kong time*) on
Wednesday, 9 October 2024
- Closure of Register of Members Thursday, 10 October 2024 to
Monday, 14 October 2024,
both days inclusive
- Record date Monday, 14 October 2024

During the above closure period, no transfer of shares will be registered. To qualify for the 2024 Interim Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar and transfer office, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than the aforementioned latest time.

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities during the six months ended 30 June 2024.

CHANGES IN DIRECTORS' BIOGRAPHICAL DETAILS

As at 30 June 2024, there has been no change in the information of the Directors as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

The Directors of the Company who held office as at 30 June 2024 had the following interests in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (the "Associated Corporations") at that date as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

Number of ordinary shares (unless otherwise specified)

Long Positions:

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

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

Notes:

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

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

Save as mentioned above, as at 30 June 2024, none of the Directors of the Company or any of their associates had interests or short positions in the shares, underlying shares or debentures of the Company or any of its Associated Corporations, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 June 2024, the interests and short positions of those persons (other than the Directors) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long Positions:

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

Notes:

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

Save as mentioned above, as at 30 June 2024, the Company had not been notified of any interests and short positions in the shares and underlying shares of the Company which had been recorded in the register required to be kept under section 336 of the SFO.

HO Kian Guan
Executive Chairman

Hong Kong, 26 August 2024



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

(Incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 18 to 46 which comprises the consolidated statement of financial position of Keck Seng Investments (Hong Kong) Limited (the "Company") as of 30 June 2024 and the related consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

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

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2024 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

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

26 August 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS*for the six months ended 30 June 2024 – unaudited*

		Six months ended 30 June	
		2024	2023
	Note	HK\$'000	HK\$'000
Revenue	3	808,981	831,541
Cost of sales		(74,009)	(80,121)
		734,972	751,420
Other revenue	4(a)	46,907	35,737
Other net (losses)/gains	4(b)	(29,399)	12,160
Gains on disposal of the Hotel Assets	16	156,237	–
Direct costs and operating expenses		(349,513)	(352,304)
Marketing and selling expenses		(21,237)	(29,930)
Depreciation		(60,193)	(74,124)
Administrative and other operating expenses		(227,333)	(218,384)
Operating profit		250,441	124,575
Decrease in fair value of investment properties	8	(41,000)	(7,000)
Finance costs	5(a)	209,441	117,575
Share of profits of associates		(47,647)	(45,080)
		15,998	18,475
Profit before taxation	5	177,792	90,970
Income tax	6	(40,153)	(1,826)
Profit for the period		137,639	89,144
Attributable to:			
Equity shareholders of the Company		87,330	45,250
Non-controlling interests		50,309	43,894
Profit for the period		137,639	89,144
Earnings per share, basic and diluted (cents)	7	25.7	13.3

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

The notes on pages 25 to 46 form part of this interim financial report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2024 – unaudited

	Six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000
Profit for the period	137,639	89,144
Other comprehensive income for the period		
<i>Item that will not be reclassified to profit or loss:</i>		
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)	(291)	(253)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of:		
– financial statements of overseas subsidiaries and associates	(33,854)	1,174
– release of exchange reserve upon cessation of a subsidiary's business	18,114	–
Other comprehensive income for the period	(16,031)	921
Total comprehensive income for the period	121,608	90,065
Attributable to:		
Equity shareholders of the Company	73,832	42,821
Non-controlling interests	47,776	47,244
Total comprehensive income for the period	121,608	90,065

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

The notes on pages 25 to 46 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2024 – unaudited

	Note	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Non-current assets			
Investment properties	8	851,900	892,900
Property, plant and equipment		1,368,146	1,431,628
Land		770,754	777,558
		2,990,800	3,102,086
Interest in associates		100,242	98,196
Derivative financial assets		–	8,476
Other non-current financial assets	9	131,596	137,363
Deferred tax assets		465,046	455,818
		3,687,684	3,801,939
Current assets			
Trading securities		8,896	10,561
Properties held for sale		278,873	278,873
Inventories		4,114	4,531
Trade and other receivables	10	96,457	96,438
Loan to a non-controlling shareholder	14	30,642	–
Derivative financial assets		6,049	–
Deposits and cash	11	1,489,432	1,511,698
Taxation recoverable		1,402	2,600
		1,915,865	1,904,701
Assets classified as held for sale	16	–	89,497
		1,915,865	1,994,198

	Note	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Current liabilities			
Bank loans	12	319,604	319,391
Trade and other payables	13	390,684	453,614
Loan from an associate		464	464
Loans from non-controlling shareholders	14	75,891	4,155
Taxation payable		44,895	21,111
		831,538	798,735
Net current assets		1,084,327	1,195,463
Total assets less current liabilities		4,772,011	4,997,402
Non-current liabilities			
Bank loans	12	896,423	1,056,083
Deferred revenue		2,783	2,783
Loans from non-controlling shareholders	14	34,067	108,824
Deferred tax liabilities		84,994	89,914
		1,018,267	1,257,604
NET ASSETS		3,753,744	3,739,798
CAPITAL AND RESERVES			
	15		
Share capital		498,305	498,305
Reserves		2,666,691	2,620,075
Total equity attributable to equity shareholders of the Company		3,164,996	3,118,380
Non-controlling interests		588,748	621,418
TOTAL EQUITY		3,753,744	3,739,798

The notes on pages 25 to 46 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*for the six months ended 30 June 2024 – unaudited*

	Attributable to equity shareholders of the Company							Total HK\$'000
	Share capital HK\$'000	Legal reserve HK\$'000	Exchange reserve HK\$'000	Fair value reserve (non- recycling) HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non- controlling interests HK\$'000	
Balance at 1 January 2024	498,305	19,511	(32,083)	2,751	2,629,896	3,118,380	621,418	3,739,798
Profit for the period	-	-	-	-	87,330	87,330	50,309	137,639
Other comprehensive income	-	-	(13,207)	(291)	-	(13,498)	(2,533)	(16,031)
Total comprehensive income for the period	-	-	(13,207)	(291)	87,330	73,832	47,776	121,608
Dividends approved in respect of the previous year (note 15(a)(iii))	-	-	-	-	(27,216)	(27,216)	-	(27,216)
Dividends paid by the subsidiaries to non-controlling shareholders	-	-	-	-	-	-	(80,446)	(80,446)
Balance at 30 June 2024	498,305	19,511	(45,290)	2,460	2,690,010	3,164,996	588,748	3,753,744
Balance at 1 January 2023	498,305	19,511	(21,453)	2,980	2,437,456	2,936,799	615,847	3,552,646
Profit for the period	-	-	-	-	45,250	45,250	43,894	89,144
Other comprehensive income	-	-	(2,176)	(253)	-	(2,429)	3,350	921
Total comprehensive income for the period	-	-	(2,176)	(253)	45,250	42,821	47,244	90,065
Capital contribution from non-controlling shareholders	-	-	-	-	-	-	5,892	5,892
Dividends approved in respect of the previous year (note 15(a)(ii))	-	-	-	-	(17,010)	(17,010)	-	(17,010)
Dividends paid by the subsidiaries to non-controlling shareholders	-	-	-	-	-	-	(58,085)	(58,085)
Balance at 30 June 2023	498,305	19,511	(23,629)	2,727	2,465,696	2,962,610	610,898	3,573,508

The notes on pages 25 to 46 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2024 – unaudited

	Note	Six months ended 30 June	
		2024 HK\$'000	2023 HK\$'000
Operating activities			
Cash generated from operations		83,246	123,284
Overseas tax paid		(28,945)	(5,722)
Net cash generated from operating activities		54,301	117,562
Investing activities			
(Increase)/decrease in bank deposits with original maturity more than three months		(67,740)	86,173
Interest received		40,282	28,896
Dividends received from listed securities		397	447
Dividends received from associates		12,651	–
Payment for the purchase of non-current financial assets		–	(553)
Payment for the purchase of property, plant and equipment		(19,338)	(24,399)
Proceeds from the disposal of property, plant and equipment		329	93
Proceeds from the disposal of assets classified as held for sale		246,404	–
Loan advance to a non-controlling shareholder		(30,642)	–
Net cash generated from investing activities		182,343	90,657
Financing activities			
Repayment of bank loans		(159,493)	–
Repayment of loan from non-controlling shareholder		(4,056)	–
Interest paid		(47,167)	(34,116)
Dividends paid to equity shareholders of the company		(27,216)	(17,010)
Dividends paid to non-controlling shareholders		(80,446)	(58,085)
Net cash used in financing activities		(318,378)	(109,211)

	Note	Six months ended 30 June	
		2024 HK\$'000	2023 HK\$'000
(Decrease)/increase in cash and cash equivalents		(81,734)	99,008
Cash and cash equivalents at 1 January		1,275,382	1,247,915
Effect of foreign exchange rate changes		(8,272)	3,943
Cash and cash equivalents at 30 June	11	1,185,376	1,350,866

The notes on pages 25 to 46 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 26 August 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 2.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the Board of Directors is included on page 17. In addition, this interim financial report has been reviewed by the Company’s Audit and Compliance Committee.

The financial information relating to the financial year ended 31 December 2023 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

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

2 Changes in accounting policies

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

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current*
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants*
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

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

3 Revenue and segment reporting

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

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

3 Revenue and segment reporting *(continued)*

(a) Revenue

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

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Hotel and club operations	761,300	786,141
Rental income	44,215	41,884
Management fee income	3,466	3,516
	808,981	831,541

(b) Segment results, assets and liabilities

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

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

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

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

3 Revenue and segment reporting (continued)

(c) Analysis of segment results of the Group

	Revenue	Depreciation	Gain on disposal of hotel assets	Decrease in fair value of investment properties	Finance costs	Share of profits of associates	Income tax (expense)/credit	Contribution to profit/(loss)
	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000
For the six months ended 30 June 2024								
Hotel	758,366	(59,568)	156,237	-	(46,421)	15,998	(33,807)	148,601
- Vietnam	334,374	(21,042)	-	-	-	8,949	(20,567)	92,110
- United States	380,935	(31,768)	-	-	(44,526)	-	19,923	(53,934)
- The People's Republic of China	18,387	(5,482)	-	-	(1,808)	-	-	(6,155)
- Canada	10,466	-	156,237	-	(87)	7,049	(33,161)	112,030
- Japan	14,204	(1,276)	-	-	-	-	(2)	4,550
Property								
- Macau	49,184	(580)	-	(41,000)	(243)	-	1,280	3,165
Investment and corporate	1,431	(45)	-	-	(983)	-	(7,626)	(14,127)
Total	808,981	(60,193)	156,237	(41,000)	(47,647)	15,998	(40,153)	137,639
For the six months ended 30 June 2023								
Hotel	783,138	(71,846)	-	-	(44,132)	18,475	6,595	50,280
- Vietnam	363,131	(24,075)	-	-	(99)	11,078	(20,529)	92,616
- United States	345,091	(35,296)	-	-	(42,086)	-	27,093	(48,512)
- The People's Republic of China	23,073	(5,603)	-	-	(1,750)	-	-	(4,804)
- Canada	39,203	(5,431)	-	-	(197)	7,397	34	7,710
- Japan	12,640	(1,441)	-	-	-	-	(3)	3,270
Property								
- Macau	47,172	(2,233)	-	(7,000)	(20)	-	(2,954)	33,856
Investment and corporate	1,231	(45)	-	-	(928)	-	(5,467)	5,008
Total	831,541	(74,124)	-	(7,000)	(45,080)	18,475	(1,826)	89,144

3 Revenue and segment reporting (continued)

(d) Analysis of total assets of the Group

	Segment assets HK\$'000	Interest in associates HK\$'000	Total assets HK\$'000	Capital expenditure HK\$'000
At 30 June 2024				
Hotel				
– Vietnam	295,845	47,815	343,660	5,516
– United States	2,458,865	–	2,458,865	12,219
– The People's Republic of China	133,415	–	133,415	771
– Canada	60,560	48,286	108,846	–
– Japan	69,532	–	69,532	54
Property				
– Macau	1,921,476	–	1,921,476	778
Investment and corporate	563,614	4,141	567,755	–
Total	5,503,307	100,242	5,603,549	19,338
At 31 December 2023				
Hotel				
– Vietnam	302,102	51,516	353,618	13,405
– United States	2,492,138	–	2,492,138	15,242
– The People's Republic of China	142,212	–	142,212	4,824
– Canada	135,643	42,538	178,181	12,660
– Japan	75,108	–	75,108	13
Property				
– Macau	1,992,185	–	1,992,185	893
Investment and corporate	558,553	4,142	562,695	44
Total	5,697,941	98,196	5,796,137	47,081

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

3 Revenue and segment reporting (continued)

(e) Analysis of total liabilities of the Group

	Segment liabilities HK\$'000	Bank borrowings HK\$'000	Total liabilities HK\$'000
At 30 June 2024			
Hotel			
– Vietnam	126,878	–	126,878
– United States	149,886	1,216,027	1,365,913
– The People's Republic of China	92,293	–	92,293
– Canada	23,451	–	23,451
– Japan	1,987	–	1,987
Property			
– Macau	184,573	–	184,573
Investment and corporate	54,710	–	54,710
Total	633,778	1,216,027	1,849,805
At 31 December 2023			
Hotel			
– Vietnam	152,203	–	152,203
– United States	172,714	1,375,474	1,548,188
– The People's Republic of China	93,860	–	93,860
– Canada	17,133	–	17,133
– Japan	2,916	–	2,916
Property			
– Macau	187,967	–	187,967
Investment and corporate	54,072	–	54,072
Total	680,865	1,375,474	2,056,339

4 Other revenue and other net (losses)/gains

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
(a) Other revenue		
Interest income	40,282	28,896
Dividend income from listed securities	397	447
Others	6,228	6,394
	46,907	35,737
(b) Other net (losses)/gains		
Net exchange (losses)/gains	(5,596)	4,611
Net unrealised losses on derivative financial instruments	(2,429)	(908)
Net unrealised (losses)/gains on other non-current financial assets (note 17)	(1,426)	10,349
Net unrealised losses on trading securities	(1,665)	(1,145)
Loss on disposal of property, plant and equipment	(165)	(1,250)
Loss on release of exchange reserve upon cessation of a subsidiary's business	(18,114)	–
Others	(4)	503
	(29,399)	12,160

5 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
<hr/>		
(a) Finance costs		
Bank loan interests	44,526	42,086
Discounting effect on loans from non-controlling shareholders	2,754	2,677
Others	367	317
	<hr/>	<hr/>
	47,647	45,080
<hr/>		
(b) Staff costs		
Salaries, wages and other benefits	312,777	302,157
Contributions to defined contribution retirement plans	6,023	5,563
	<hr/>	<hr/>
	318,800	307,720
<hr/>		
(c) Other items		
Cost of inventories	30,516	29,401
Rental income from properties less direct outgoings of HK\$1,673,000 (2023: HK\$1,332,000)	(42,542)	(40,552)
	<hr/>	<hr/>

6 Income tax

Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Current tax – Overseas		
Provision for the period	54,595	29,713
Under-provision in respect of prior years	51	99
	54,646	29,812
Deferred taxation		
Origination and reversal of other temporary differences	(14,493)	(27,986)
	40,153	1,826

Notes:

- (a) No provision has been made for Hong Kong Profits Tax as the Company and all other entities comprising the Group that are incorporated in Hong Kong sustained a loss for taxation purposes or had unutilised tax loss to set-off against taxable income for the six months ended 30 June 2024 and 30 June 2023.
- (b) Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.
- (c) The applicable income tax rate for the subsidiary established in Vietnam before any incentives is 20% (2023: 20%) for the six months ended 30 June 2024.
- (d) The applicable PRC Enterprise Income Tax of the subsidiary established in the PRC is calculated at 25% (2023: 25%) of the estimated taxable profits for the period. No provision has been made for PRC Enterprise Income Tax as the subsidiary sustained a loss for taxation purposes for the six months ended 30 June 2024 and 30 June 2023.

6 Income tax (*continued*)

- (e) Pursuant to the income tax rules and regulations of the United States, the applicable Federal and State Income Tax in respect of the subsidiaries operating in the United States are calculated at a rate of 21% (2023: 21%) and 10.69% (2023: 9.98%) respectively determined by income ranges for the six months ended 30 June 2024. United States sourced interest income received by foreign entities are subject to withholding tax of 30% (2023: 30%) on all gross income received.
- (f) Under the Japanese domestic law, the subsidiary established in Japan under the Tokumei-Kumiai arrangement is subject to Japanese withholding tax at the rate of 21.36% (2023: 21.36%) on all gross profit distributions from the subsidiary.
- (g) Provision for Macau, Complementary Tax is calculated at 12% (2023: 12%) of the estimated assessable profits for the six months ended 30 June 2024. Macau Property Tax is calculated at 8% (2023: 8%) of the assessable rental income in Macau.
- (h) Pursuant to the income tax rules and regulations of Canada, the applicable federal and provincial statutory tax rate is 26.5% (2023: 26.5%). The retained profits of the Canada subsidiary of the Group are subject to withholding tax at a rate of 5% upon the dividend distribution outside Canada.

7 Earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$87,330,000 (2023: HK\$45,250,000) and on the 340,200,000 ordinary shares in issue during the six months ended 30 June 2024 and 30 June 2023.

There is no potential dilutive ordinary share during the six months ended 30 June 2024 and 30 June 2023.

8 Investment properties

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

The Group recorded a decrease in fair value of investment properties of HK\$41,000,000 (2023: HK\$7,000,000) in profit or loss for the six months ended 30 June 2024.

9 Other non-current financial assets

	Note	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Equity securities designated at FVOCI (non-recycling)			
– Listed outside Hong Kong		3,051	3,342
Financial assets measured at FVPL			
– Unlisted securities	(i)	128,545	134,021
		131,596	137,363

Note:

- (i) At 30 June 2024, the Group owned 8.10% (31 December 2023: 8.10%) interest of A2I Holdings S.A.R.L.. A2I Holdings S.A.R.L. is a private limited liability company incorporated in Luxembourg which owns 6.75% (31 December 2023: 6.75%) equity shares of AccorInvest Group S.A..

10 Trade and other receivables

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

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Within one month	27,756	30,414
One to three months	3,637	6,439
More than three months	1,708	2,522
	33,101	39,375

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

11 Deposits and cash

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Deposits with banks and other financial institutions	1,303,910	1,314,073
Cash at bank and on hand	185,522	197,625
Deposits and cash in the consolidated statement of financial position	1,489,432	1,511,698
Less: Deposits with original maturity greater than three months	(304,056)	(236,316)
Cash and cash equivalents in the condensed consolidated cash flow statement	1,185,376	1,275,382

12 Bank loans

(a) At 30 June 2024 and 31 December 2023, the bank loans were repayable as follows:

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Within 1 year or on demand	319,604	319,391
After 1 year but within 2 years	6,254	6,701
After 2 years but within 5 years	890,169	1,049,382
	896,423	1,056,083
	1,216,027	1,375,474

At 30 June 2024 and 31 December 2023, the bank loans were secured and unsecured as follows:

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Bank loans		
– Secured (note 12(b))	1,202,509	1,358,870
– Unsecured	13,518	16,604
	1,216,027	1,375,474

At 30 June 2024 and 31 December 2023, except for the loans received by two of the Group's subsidiaries amounting to HK\$13,518,000 (31 December 2023: HK\$16,604,000) which bear fixed interest rates, all other bank loans bear interest at floating interest rates which approximate to market rates of interest.

12 Bank loans *(continued)*

- (b) At 30 June 2024, the banking facilities available to the Company and certain subsidiaries of the Group were secured by:
- (i) Properties held for sale with a carrying value of HK\$64,366,000 (31 December 2023: HK\$64,366,000), and
 - (ii) Hotel properties, including land, of the Group with aggregate carrying value of HK\$1,815,787,000 (31 December 2023: HK\$1,835,269,000).

Such banking facilities amounted to HK\$1,287,509,000 (31 December 2023: HK\$1,443,870,000) and were utilised to the extent of HK\$1,202,509,000 as at 30 June 2024 (31 December 2023: HK\$1,358,870,000).

- (c) Except for the loans received by two of the Group's subsidiaries amounting to HK\$13,518,000 (31 December 2023: HK\$16,604,000), all of the Group's other banking facilities are subject to the fulfilment of covenants relating to certain of the Group's financial ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the draw down facilities would become payable on demand.

As at 30 June 2024 and 31 December 2023, certain covenant ratios of two bank loans (referred as "Loan 1" and "Loan 2", respectively) entered into by two of the Group's subsidiaries deviated from the requirements as stated in the relevant loan agreements. For both Loan 1 and Loan 2, the Group has obtained waivers from the banks to waive the testing of the covenant prior to the end of the reporting period and the waivers to exempt those covenants testing covered a period of twelve months from the end of reporting period.

13 Trade and other payables

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Trade payables	100,059	128,462
Payables and accruals	135,780	148,114
Deposits and receipts in advance	154,845	177,038
	390,684	453,614

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

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Within one month	65,210	74,880
One to three months	24,342	50,131
More than three months	10,507	3,451
	100,059	128,462

14 Loans to/(from) non-controlling shareholders

At 30 June 2024, loan to a non-controlling shareholder of a subsidiary was unsecured, interest-free and recoverable on demand. The loan was provided to shareholders of the subsidiary in proportion to the equity interest held by the Group and the non-controlling shareholder upon completion of the disposal of the Hotel Assets during the period.

At 30 June 2024, loans from non-controlling shareholders of subsidiaries for amounts of HK\$34,067,000 (31 December 2023: HK\$33,126,000) and HK\$75,891,000 (31 December 2023: \$75,698,000) were unsecured, interest-free and repayable on 30 April 2026 and 30 April 2025 respectively. At 31 December 2023, loans from non-controlling shareholders amounting to HK\$4,155,000 were unsecured, interest-bearing on prime lending rate and repayable on demand. The amount of HK\$34,067,000 (31 December 2023: HK\$108,824,000) were classified as non-current liabilities.

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

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

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Interim dividend declared after the interim period, of HK\$0.05 (six months ended 30 June 2023: HK\$0.03) per ordinary share	17,010	10,206

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

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

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of HK\$0.08 (six months ended 30 June 2023: HK\$0.05) per ordinary share	27,216	17,010

(b) Share capital

	At 30 June 2024		At 31 December 2023	
	No. of shares '000	Amount HK\$'000	No. of shares '000	Amount HK\$'000
Ordinary shares, issued and fully paid:				
At 1 January and at 30 June/ 31 December	340,200	498,305	340,200	498,305

(c) Reserves

Fair value reserve (non-recycling)

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

16 Assets classified as held for sales

On 6 October 2023, Chateau Ottawa Hotel Inc. (the "Vendor"), an indirect non-wholly owned subsidiary of the Group entered into an agreement with an independent third party (the "Purchaser"), pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, its interest in the hotel assets mainly comprise Sheraton Ottawa Hotel in Canada ("the Hotel Assets") at the consideration of CAD43,200,000 (equivalent to approximately HK\$246,685,000).

The disposal was completed on 29 February 2024 with a gain on disposal of the Hotel Assets of approximately HK\$156,237,000 recognised in the consolidated statement of profit or loss for the six months ended 30 June 2024.

17 Fair value measurement of financial instruments

(a) Financial assets and liabilities measured at fair value

- (i) The Group's listed equity securities and trading securities are measured using market quoted price and therefore fall within the Level 1 fair value hierarchy as defined in HKFRS 13. The derivative financial assets carried at fair value are categorised as falling under Level 2 of the fair value hierarchy. The unlisted securities carried at fair value are categorised as falling under Level 3 of the fair value hierarchy.

During the six months ended 30 June 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2023: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

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

The Group's derivative financial instruments of interest rate swap is the estimated amount that the Group would receive or pay to terminate the swap at the end of the reporting period, taking into account current interest rates and the current creditworthiness of the swap counterparties. These derivative financial instruments fall within the Level 2 fair value hierarchy as defined in HKFRS 13.

- (iii) Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs	Range
Unlisted securities	Adjusted net asset value	Underlying assets' value	N/A
		Discount for marketability	25% to 30% (2023: 25% to 30%)

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

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

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

Significant unobservable inputs	Increase/(decrease) in significant unobservable inputs	Six months ended 30 June	
		2024	2023
		Increase/(decrease) in the Group's profit HK\$'000	Increase/(decrease) in the Group's profit HK\$'000
Underlying assets' value	5	6,427	6,520
	(5)	(6,427)	(6,520)
Discount for marketability	1	(1,828)	(1,854)
	(1)	1,828	1,854

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

	Six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000
Financial assets measured at FVPL:		
– Unlisted securities:		
At 1 January	134,021	117,040
Capital contribution during the period	–	553
Changes in fair value recognised in profit or loss	(1,426)	10,349
Unrealised exchange (loss)/gain	(4,050)	2,468
At 30 June	128,545	130,410

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

The carrying amounts of the Group's financial assets and liabilities carried at cost or amortised cost were not materially different from their fair values as at 30 June 2024 and 31 December 2023.

18 Capital commitments outstanding not provided for in the interim financial report

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Contracted for	21,369	8,944
Authorised but not contracted for	146,935	46,567
	168,304	55,511

19 Material related party transactions

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

KC Ho is a non-executive director and a substantial shareholder of the Company at 30 June 2024. Goodland holds 28% of the equity interest in the Company at 30 June 2024. Kansas holds 30% of the equity interest in the Company at 30 June 2024. KSC is the fellow subsidiary of Kansas and Goodland. Mr Ho Kian Guan and Mr Ho Kian Hock, executive directors of the Company, each had 1/3 indirect interest in Goodland, Kansas and KSC and are also directors of Goodland and Kansas. They are deemed to be interested in the following transactions.

19 Material related party transactions (continued)

	Note	Six months ended 30 June	
		2024 HK\$'000	2023 HK\$'000
(a) Transactions with Goodland			
Rental income receivable	(i)	260	260
Management fee payable	(ii)	984	984
		At	At
		30 June	31 December
		2024	2023
	Note	HK\$'000	HK\$'000
(a) Balances with Goodland			
Amount due to Goodland	(iv)	113	163
(b) Balances with KC Ho			
Loan from KC Ho	(iii)	12,241	12,122
Amount due to KC Ho	(iii)	593	604
(c) Balances with Kansas			
Loan from Kansas	(iii)	50,532	50,042
Amount due to Kansas	(iii)	2,635	2,681
(d) Balances with KSC			
Loan from KSC	(iii)	–	4,155
Loan to KSC	(iii)	30,642	–

19 Material related party transactions (continued)

Notes:

- (i) A subsidiary of the Company rented certain of its properties to Goodland and received rental income.
- (ii) Certain subsidiaries of the Company paid management fees to Goodland.
- (iii) At 30 June 2024, loans from KC Ho of HK\$9,585,000 (31 December 2023: HK\$9,540,000) and HK\$2,656,000 (31 December 2023: HK\$2,582,000) were unsecured, interest-free and repayable on 30 April 2025 and 30 April 2026 (31 December 2023: repayable on 30 April 2025 and 30 April 2026), respectively. Amount due to KC Ho of HK\$593,000 (31 December 2023: HK\$604,000) was interest-free, unsecured and repayable on demand.

At 30 June 2024, loan from Kansas of HK\$39,569,000 (31 December 2023: HK\$39,382,000) and HK\$10,963,000 (31 December 2023: HK\$10,660,000) were unsecured, interest-free and repayable on 30 April 2025 and 30 April 2026 (31 December 2023: repayable on 30 April 2025 and 30 April 2026), respectively. Amount due to Kansas of HK\$2,635,000 (31 December 2023: HK\$2,681,000) which was interest-free, unsecured and repayable on demand.

At 30 June 2024, loan to KSC of HK\$30,642,000 (31 December 2023: loan from KSC of HK\$4,155,000 was unsecured, interest-bearing on prime lending rate and repayable on demand) was interest-free, unsecured and recoverable on demand.

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

- (iv) At 30 June 2024, trade and other payables included amounts due to Goodland of HK\$113,000 (31 December 2023: HK\$163,000) comprising:
 - interest-bearing accounts with certain subsidiaries of the Company amounting to HK\$54,000 (31 December 2023: HK\$97,000).
 - non-interest bearing accounts with certain subsidiaries of the Company amounted to HK\$59,000 (31 December 2023: HK\$66,000).

The balances were unsecured and repayable on demand.

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

20 Contingent liabilities

- (a) At 30 June 2024, there were outstanding counter indemnities relating to guarantees issued by the bankers of a subsidiary in favour of the Macau Special Administrative Region Government in respect of properties held for sale amounted to HK\$8,252,000 (31 December 2023: HK\$8,252,000).

At 30 June 2024, the Directors do not consider it probable that a claim will be made against the Group under any of the guarantees. The Group have not recognised any deferred income in respect of any of the above guarantees as their fair value cannot be reliably measured and they were issued many years ago and their transaction price was Nil.

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

SCHEDULE OF PRINCIPAL PROPERTIES

at 30 June 2024

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

SCHEDULE OF PRINCIPAL PROPERTIES *(continued)*

at 30 June 2024

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