HARBOUR CENTRE DEVELOPMENT LIMITED
(Incorporated in Hong Kong with limited liability)
Stock Code: 51

Interim Results Announcement for the half-year period ended 30 June 2024

GROUP RESULTS

Underlying net profit amounted to HK$74 million (2023: loss of HK$75 million). Inclusive of net deficit on revaluation of Investment Properties ("IP"), Group loss attributable to equity shareholders was HK$8 million (2023: HK$12 million).

Basic loss per share was HK$0.01 (2023: HK$0.02).

INTERIM DIVIDEND

The Board of Directors of the Company (the "Board") has resolved not to declare any interim dividend for the half-year period ended 30 June 2024 (2023: Nil).

BUSINESS REVIEW

Recovery of Hong Kong's inbound tourism remained slow, despite a notable increase in the first quarter that was largely attributed to the low base effect from the initial reopening of borders in early 2023. Key challenges, including unfavourable currency movements, global economic headwinds, flight capacity and intensified regional competition, continue to impede the recovery pace of Hong Kong's tourism economy.

There is a noticeable gap between inbound and outbound travel recovery. Many Hong Kong residents are taking advantage of the weaker currencies in destinations in Mainland China and Japan, leading to increased outbound travel. Retail sales have seen negative growth since March, affected by the divergence in travel patterns. The hotel industry has experienced a decline in bookings and room rates. Talent shortages are also posing significant operational challenges for both hotel operators and retailers. Even the successful players are cautious about expanding their business, as they strive to maintain service quality during the recovery phase.

In Mainland China, sluggish economic growth and subdued consumer sentiment continue to affect domestic tourism. Hotel market started to weaken in the fourth quarter last year, after three consecutive strong quarters. The recovery rate remains uneven across different regions and cities. An increasing number of countries are offering visa exemption to Mainland Chinese travellers, which also presents challenges as outbound often far exceed inbound.

Hong Kong

Hong Kong's hospitality and retail sectors are experiencing a challenging year in 2024.

Hotels
The Murray, Hong Kong, a Niccolo Hotel ("The Murray") and Marco Polo Hongkong Hotel ("MP Hong Kong") maintain steady occupancy rates, benefitting from their prime location and commitment to service excellence. However, overall revenue declined due to the slow recovery of tourism and growing trend of budget-conscious customers.

Moreover, the decline in inbound spending and ongoing trend of outbound travel have negatively impacted restaurants, bars, and event performances, eroding non-room revenue. In response, the Group's hotels have implemented creative initiatives and cost containment measures to mitigate these adverse impacts.

Investment Properties
Despite the softening retail sales in Hong Kong, the Group's premier retail portfolio maintained resilience. IP revenue and operating profit increased by 2% and 3% respectively.

Mainland China

Hotels
Suzhou's recovery has lagged behind other cities, primarily due to escalated competition and subdued spending sentiment in its key feeder markets. Competitive selling strategies by regional operators have negatively impacted luxury hotel room rates, leading to a decline in revenue for Niccolo Suzhou.

Development Properties ("DP")
Unsold units at Suzhou International Finance Square ("SZIFS") and Shanghai South Station project have as usual been marked to market. An attributable impairment provision amounting to HK$103 million was made in the period (2023: HK$349 million).

Attributable contracted sales in the first half of 2024 were RMB123 million. As of 30 June 2024, total remaining DP assets amounted to approximately RMB1.5 billion (equivalent to HK$1.6 billion), representing about 10% of Group assets.

OUTLOOK

Hong Kong's tourism and retail industries continue to face challenges from economic and geopolitical headwinds, as well as shifting consumption patterns. The proposed Hotel Accommodation Tax (HAT) starting from 1 January 2025 is expected to place additional burden on hotel operators during this recovery phase. Despite these challenges, the Group remains committed to supporting the government initiatives aimed at strengthening Hong Kong's reputation as a global destination.

FINANCIAL REVIEW

(I) Review of 2024 Interim Results

The Group turned in an underlying net profit of HK$74 million (2023: loss of HK$75 million) mainly due to lower impairment provision made for DP. IP profits increased by 8% while DP losses narrowed to HK$34 million (2023: HK$234 million) after an attributable impairment provision of HK$103 million (2023: HK$349 million). Hotels suffered a loss of HK$48 million (2023: profit of HK$4 million) mainly due to continuous softer travel demand in both Hong Kong and Mainland China.

After attributable net IP revaluation deficit of HK$82 million (2023: surplus of HK$63 million), the Group reported a net loss of HK$8 million (2023: HK$12 million) attributable to equity shareholders.

Revenue and Operating Profit

Group revenue decreased by 7% to HK$623 million (2023: HK$673 million) while operating profit improved by 14% to HK$209 million (2023: HK$183 million).

Hotels revenue fell by 7% to HK$422 million (2023: HK$454 million) and turned in an operating loss of HK$43 million (2023: profit of HK$15 million). Hong Kong revenue decreased by 6% to HK$370 million (2023: HK$393 million) and operating loss amounted to HK$36 million (2023: profit of HK$18 million) primarily suffering from decline in room rates. Mainland revenue decreased by 15% to HK$52 million (2023: HK$61 million) and operating loss widened to HK$7 million (2023: HK$3 million).

IP revenue increased by 2% to HK$123 million (2023: HK$121 million) and operating profit by 3% to HK$111 million (2023: HK$108 million).

DP revenue decreased by 64% to HK$8 million (2023: HK$22 million) but operating profit improved to HK$74 million (2023: loss of HK$13 million), mainly due to reversal of certain costs overprovided for SZIFS in previous years.

Investments operating profit, primarily from dividend income, decreased to HK$69 million (2023: HK$72 million).

IP Revaluation Change

The Group's IP were stated at fair value based on independent valuation as at 30 June 2024, resulting in a revaluation deficit of HK$82 million (2023: surplus of HK$63 million) which was recognised in the consolidated income statement.

Other Net Charge

Other net charge was minimal (2023: HK$90 million, mainly including an impairment provision of HK$88 million for Mainland DP).

Finance Costs
Net finance costs decreased to HK$10 million (2023: HK$21 million) primarily due to the reduction in bank loans.

Share of Results (after tax) of an Associate
Attributable loss of HK$113 million (2023: HK$146 million) mainly included impairment provision of HK$103 million for DP.

Income Tax
Taxation charge for the period was HK$20 million (2023: HK$22 million).

Loss Attributable to Equity Shareholders
Group loss attributable to equity shareholders for the period was HK$8 million (2023: HK$12 million). Loss per share was HK$0.01 (2023: HK$0.02) based on 708.8 million ordinary shares in issue.

Underlying net profit/(loss) (a performance indicator of the Group's major business segments and arrived at after excluding the net IP revaluation (deficit)/surplus) attributable to equity shareholders are analysed as below:

	Six months ended 30 June	
	2024	2023
	HK$ Million	HK$ Million
Underlying net profit/(loss)	**74**	(75)
Net IP revaluation (deficit)/surplus	**(82)**	63
Loss attributable to equity shareholders	**(8)**	(12)

(II) Review of Financial Position, Liquidity, Resources and Commitments

Shareholders' and Total Equity
As at 30 June 2024, shareholders' equity decreased by 3% to HK$13,892 million (31 December 2023: HK$14,329 million), equivalent to HK$19.60 per share (31 December 2023: HK$20.22 per share). The decrease was mainly attributable to the deficit of HK$421 million arising from investment revaluation. Including non-controlling interests, the Group's total equity amounted to HK$13,991 million (31 December 2023: HK$14,438 million).

Hotel properties are stated at cost less accumulated depreciation and impairment provision in accordance with prevailing Hong Kong Financial Reporting Standards ("HKFRSs"). Restating hotel properties based on independent valuation as at 30 June 2024 would give rise to a revaluation surplus of HK$3,657 million and increase the Group's shareholders' equity as at 30 June 2024 to HK$17,549 million, equivalent to HK$24.76 per share.

Assets and Liabilities
Total assets were reported at HK$15,703 million (31 December 2023: HK$16,896 million). Total business assets, excluding bank deposits and cash and deferred tax assets, amounted to HK$15,434 million (31 December 2023: HK$16,290 million).

Geographically, business assets in Hong Kong amounted to HK$12,235 million (31 December 2023: HK$12,783 million), representing 79% of total business assets (31 December 2023: 78%). Mainland business assets amounted to HK$2,469 million (31 December 2023: HK$2,720 million), representing 16% of total business assets (31 December 2023: 17%).

Hotels
Hotel properties, at cost less depreciation and impairment provision, amounted to HK$6,525 million (31 December 2023: HK$6,681 million), which comprised The Murray, MP Hong Kong, Niccolo Suzhou and Marco Polo Changzhou ("MP Changzhou").

Investment Properties
IP amounted to HK$5,017 million (31 December 2023: HK$5,099 million), which comprised MP Hong Kong's commercial podium and Star House units.

Development Properties for Sale/Interests in an Associate and a Joint Venture
Total DP amounted to HK$1,061 million (31 December 2023: HK$1,118 million) for SZIFS and those undertaken through an associate and a joint venture amounting to HK$485 million (31 December 2023: HK$601 million).

Equity Investments
Equity investments were marked to market at HK$2,101 million (31 December 2023: HK$2,522 million), including mainly blue-chip equity investment held for long term capital growth and dividend return. The value of the whole portfolio represented 13% (31 December 2023: 15%) of the Group's total assets and each investment within which was individually not material to the Group's total assets. Marking these investments to market produced a net deficit of HK$421 million (2023: HK$349 million) as reflected in the Other Comprehensive Income Statement.

The Group's investment portfolio analysed by industry sector and by geographical location as below:

	30 June 2024 HK$ Million	31 December 2023 HK$ Million
Analysed by industry sector:		
- Properties	**1,786**	2,118
- Others	**315**	404
Total	**2,101**	2,522
Analysed by geographical location:		
- Hong Kong	**1,370**	1,735
- Overseas	**731**	787
Total	**2,101**	2,522

Pre-sale Deposits and Proceeds
Pre-sale deposits and proceeds decreased to HK$72 million (31 December 2023: HK$78 million).

Net Debt and Gearing
As at 30 June 2024, the Group had net debt of HK$130 million (31 December 2023: HK$145 million), consisting of HK$269 million in cash (mainly held in Mainland China) and HK$399 million in bank borrowings (mainly drawn in Mainland China). Gearing at 0.9% of total equity (31 December 2023: 1.0%).

Finance and Availability of Facilities and Funds
As at 30 June 2024, the Group's available loan facilities amounted to HK$1,420 million, of which HK$399 million were utilised. Certain banking facilities were secured by hotel and DP in the Mainland of RMB1,220 million (equivalent to HK$1,337 million) (2023: RMB1,303 million (equivalent to HK$1,414 million)).

The Group's debts were principally denominated in Hong Kong dollars ("HK$") and Renminbi ("RMB") at floating rates.

The use of derivative financial instruments is strictly controlled. Instruments entered into by the Group are mainly used for managing and hedging interest rate and currency exposures.

The Group continued to maintain a reasonable level of surplus cash denominated principally in HK$ and RMB to facilitate business and investment activities. As at 30 June 2024, the Group also held a portfolio of liquid listed equity investments with an aggregate market value of HK$2,101 million (31 December 2023: HK$2,522 million), which is available for use if necessary.

Net Cash Flows for Operating and Investing Activities
For the period under review, the Group generated a net cash inflow in operating activities of HK$25 million (2023: HK$132 million) mainly with dividend income from equity. For investing activities, the Group recorded a net cash outflow of HK$10 million (2023: inflow of HK$45 million) mainly for the purchase of other properties, plant and equipment.

Commitments to Capital and Development Expenditure
As at 30 June 2024, major capital and development expenditure planned for the coming years totalled HK$0.5 billion which was mainly related to Mainland DP.

The above expenditures will be funded by internal financial resources, including cash currently on hand, as well as bank loans. Other available resources include equity investments that can be liquidated when in need.

(III) Human Resources

The Group had approximately 1,200 employees as at 30 June 2024. Employees are remunerated according to their job responsibilities and the market pay trend with a discretionary annual performance bonus as variable pay for rewarding individual performance and contributions to the Group's achievement and results.

CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2024 – Unaudited

	Note	Six months ended 30 June **2024** **HK$ Million**	 2023 HK$ Million
Revenue	2	**623**	673
Direct costs and operating expenses		**(220)**	(285)
Selling and marketing expenses		**(34)**	(36)
Administrative and corporate expenses		**(71)**	(66)
Operating profit before depreciation, interest and tax		**298**	286
Depreciation		**(89)**	(103)
Operating profit	2 & 3	**209**	183
Changes in fair value of investment properties		**(82)**	63
Other net charge		**(1)**	(90)
		126	156
Finance costs	4	**(10)**	(21)
Share of results after tax of an associate		**(113)**	(146)
Profit/(loss) before taxation		**3**	(11)
Income tax	5(a)	**(20)**	(22)
Loss for the period		**(17)**	(33)
Loss attributable to:			
Equity shareholders		**(8)**	(12)
Non-controlling interests		**(9)**	(21)
		(17)	(33)
Loss per share	6		
Basic		**(HK$0.01)**	(HK$0.02)
Diluted		**(HK$0.01)**	(HK$0.02)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2024 - Unaudited

	Six months ended 30 June	
	2024	2023
	HK$ Million	HK$ Million
Loss for the period	**(17)**	(33)
Other comprehensive income		
Item that will not be reclassified to profit or loss:		
Fair value changes on equity investments	**(421)**	(349)
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of the operations		
- subsidiaries	**(5)**	(35)
Share of reserves of an associate and joint ventures	**(4)**	(24)
Others	**-**	2
Other comprehensive income for the period	**(430)**	(406)
Total comprehensive income for the period	**(447)**	(439)
Total comprehensive income attributable to:		
Equity shareholders	**(437)**	(411)
Non-controlling interests	**(10)**	(28)
	(447)	(439)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2024 – Unaudited

	Note	**30 June 2024 HK$ Million**	31 December 2023 HK$ Million
Non-current assets			
Investment properties		**5,017**	5,099
Hotel properties, plant and equipment		**6,605**	6,764
Interest in an associate		**475**	591
Interest in a joint venture		**10**	10
Equity investments		**2,101**	2,522
Deferred tax assets		**-**	225
Other non-current assets		**33**	32
		14,241	15,243
Current assets			
Properties for sale		**1,061**	1,118
Inventories		**10**	9
Trade and other receivables	7	**119**	143
Prepaid tax		**3**	2
Bank deposits and cash		**269**	381
		1,462	1,653
Total assets		**15,703**	16,896
Non-current liabilities			
Deferred tax liabilities		**(155)**	(273)
Bank loans		**(311)**	(504)
		(466)	(777)
Current liabilities			
Trade and other payables	8	**(975)**	(1,375)
Pre-sale deposits and proceeds		**(72)**	(78)
Taxation payable		**(111)**	(206)
Bank loans		**(88)**	(22)
		(1,246)	(1,681)
Total liabilities		**(1,712)**	(2,458)
NET ASSETS		**13,991**	14,438
Capital and reserves			
Share capital		**3,641**	3,641
Reserves		**10,251**	10,688
Shareholders' equity		**13,892**	14,329
Non-controlling interests		**99**	109
TOTAL EQUITY		**13,991**	14,438

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

This unaudited interim financial information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

The unaudited interim financial information 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 annual financial statements for the year ended 31 December 2023. The unaudited interim financial information 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 accounting policies and methods of computation used in the preparation of the unaudited interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2023 except for the changes mentioned below.

With effect from 1 January 2024, the Group has adopted the below amendments which are relevant to the Group's consolidated financial statements:

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

The Group has assessed the impact of the adoption of the above amendments and considered that there was no significant impact on the Group's results and financial position or any substantial changes in the Group's accounting policies.

The Group has not applied any new standards or interpretation that is not yet effective for the current accounting period.

The financial information relating to the financial year ended 31 December 2023 that is included in the unaudited interim financial information as comparative information does not constitute the Company's statutory annual 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 Companies Ordinance (Cap. 622 of the laws of Hong Kong) (the "Companies Ordinance") is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies in accordance with 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. SEGMENT INFORMATION

The Group manages its diversified businesses according to the nature of services and products provided. Management has determined four reportable operating segments for measuring performance and allocating resources. The segments are hotels, investment properties, development properties and investments. No operating segment has been aggregated to form reportable segments.

Hotels segment represents the operations of The Murray, MP Hong Kong, Niccolo Suzhou and MP Changzhou.

Investment properties segment primarily represents the property leasing of the Group's investment properties in Hong Kong.

Development properties segment encompasses activities relating to the acquisition, development and sales of trading properties primarily in Mainland China.

Investments segment represents equity investment in global capital markets. The performance of the portfolio is assessed and monitored by top management regularly.

Management evaluates performance based on operating profit as well as the equity share of results of an associate and a joint venture of each segment.

Segment business assets principally comprise all tangible assets, intangible assets and current assets directly attributable to each segment with the exception of bank deposits and cash as well as deferred tax assets.

Revenue and expenses are allocated with reference to income generated by those segments and expenses incurred by those segments or which arise from the depreciation of assets attributable to those segments.

(a) Analysis of segment revenue and results

Six months ended	Revenue HK$ Million	Operating profit/(loss) HK$ Million	Changes in fair value of investment properties HK$ Million	Other net charge HK$ Million	Finance costs HK$ Million	Associate HK$ Million	Profit/(loss) before taxation HK$ Million
30 June 2024							
Hotels	**422**	**(43)**	**-**	**-**	**(1)**	**-**	**(44)**
Investment properties	**123**	**111**	**(82)**	**-**	**(3)**	**-**	**26**
Development properties	**8**	**74**	**-**	**(1)**	**(6)**	**(113)**	**(46)**
Investments	**69**	**69**	**-**	**-**	**-**	**-**	**69**
Segment total	**622**	**211**	**(82)**	**(1)**	**(10)**	**(113)**	**5**
Others	**1**	**(2)**	**-**	**-**	**-**	**-**	**(2)**
Group total	**623**	**209**	**(82)**	**(1)**	**(10)**	**(113)**	**3**
30 June 2023							
Hotels	454	15	-	-	(5)	-	10
Investment properties	121	108	63	-	(9)	-	162
Development properties	22	(13)	-	(88)	(7)	(146)	(254)
Investments	72	72	-	-	-	-	72
Segment total	669	182	63	(88)	(21)	(146)	(10)
Others	4	1	-	(2)	-	-	(1)
Group total	673	183	63	(90)	(21)	(146)	(11)

(i) Substantially all depreciation was attributable to the hotels segment.
(ii) No inter-segment revenue has been recorded during the current and prior periods.

(b) Disaggregation of revenue

	Six months ended 30 June	
	2024	2023
	HK$ Million	HK$ Million
Revenue recognised under HKFRS 15		
Hotels	**422**	454
Management and services income and other rental related income	**19**	18
Sale of development properties	**8**	22
	449	494
Revenue recognised under other accounting standards		
Rental income under investment properties segment		
- Fixed	**102**	100
- Variable	**2**	3
Investments	**69**	72
Others	**1**	4
	174	179
Total revenue	**623**	673

The Group has applied practical expedient in paragraph 121 of HKFRS 15 to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date to its:

- hotel operation as the Group recognises revenue at the amount to which it has a right to invoice, which corresponds directly with the value to the customer of the Group's performance completed to date.

- property management fees and other rental related income as the Group recognises revenue at the amount to which it has a right to invoice, which corresponds directly with the value to the customer of the Group's performance completed to date.

- sales of completed properties as the performance obligation is part of a contract that had an original expected duration of one year or less.

3. OPERATING PROFIT

Operating profit is arrived at:

	Six months ended 30 June	
	2024	2023
	HK$ Million	HK$ Million
After charging/(crediting):		
Depreciation	**89**	103
Staff costs (Note)	**196**	192
Cost of trading properties for recognised sales	**(70)**	17
Direct operating expenses of investment properties	**8**	8
After crediting:		
Gross rental revenue from investment properties	**123**	121
Interest income	**2**	4
Dividend income from equity investments	**69**	72

Note: Staff costs included defined contribution pension schemes costs HK$8 million (2023: HK$8 million), which included MPF schemes after a forfeited contribution of HK$Nil (2023: HK$Nil).

4. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	HK$ Million	HK$ Million
Interest on bank borrowings	**9**	19
Other finance costs	**1**	2
Total	**10**	21

5. INCOME TAX

(a) Taxation charged to the consolidated income statement represents:

	Six months ended 30 June **2024** HK$ Million	2023 HK$ Million
Current income tax		
Hong Kong		
- provision for the period	**22**	23
Mainland China		
- provision for the period	**-**	1
- over-provision in respect of prior years	**(110)**	-
	(88)	24
Land appreciation tax ("LAT") (Note (d))	**-**	1
Deferred tax		
Origination and reversal of temporary differences	**108**	(3)
Total	**20**	22

(b) The provision for Hong Kong profits tax is at the rate of 16.5% (2023: 16.5%) of the estimated assessable profits for the period.

(c) Income tax on profit assessable in Mainland China are corporate income tax calculated at a rate of 25% (2023: 25%) and withholding tax at a rate of up to 10%.

(d) Under the Provisional Regulations on LAT, all gains arising from transfer of real estate property in Mainland China are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights, borrowings costs and all property development expenditures.

(e) Tax credit attributable to an associate for the six months ended 30 June 2024 of HK$3 million (2023: expense of HK$126 million) is included in the share of results of an associate.

6. LOSS PER SHARE

Basic and diluted loss per share is calculated by dividing the loss attributable to equity shareholders for the period of HK$8 million (2023: HK$12 million) by 708.8 million ordinary shares (2023: 708.8 million ordinary shares) in issue during the period.

7. TRADE AND OTHER RECEIVABLES

Included in this item are trade receivables (net of loss allowance) with an ageing analysis based on invoice date as at 30 June 2024 as follows:

	30 June 2024 HK$ Million	31 December 2023 HK$ Million
Trade receivables		
0 – 30 days	**19**	30
31 – 60 days	**1**	2
Over 60 days	**2**	3
	22	35
Prepayments	**28**	33
Other receivables	**7**	7
Amounts due from fellow subsidiaries	**62**	68
Group total	**119**	143

The Group has established credit policies for each of its core businesses. The general credit terms allowed range from 0 to 60 days, except for sale of properties from which the proceeds are receivable pursuant to the terms of the agreements. All the trade and other receivables are expected to be recoverable within one year.

8. TRADE AND OTHER PAYABLES

Included in this item are trade payables with an ageing analysis based on invoice date as at 30 June 2024 as follows:

	30 June 2024 HK$ Million	31 December 2023 HK$ Million
Trade payables		
0 – 30 days	**17**	28
31 – 60 days	**2**	6
61 – 90 days	**2**	2
Over 90 days	**4**	-
	25	36
Other payables and provisions	**340**	385
Construction costs payable	**594**	930
Amounts due to fellow subsidiaries	**2**	10
Amount due to an associate	**14**	14
Group total	**975**	1,375

9. REVIEW OF UNAUDITED INTERIM FINANCIAL INFORMATION

The unaudited interim financial information for the six months ended 30 June 2024 has been reviewed with no disagreement by the Audit Committee of the Company.

CORPORATE GOVERNANCE CODE

During the financial period under review, the Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, with one exception as regards Code Provision C.2.1 providing for the roles of chairman and chief executive to be performed by different individuals.

Such deviation is deemed appropriate as it is considered to be more efficient to have one single person to be Chairman of the Company as well as to discharge the executive functions of a chief executive under the Group's corporate structure thereby enabling more effective planning and better execution of long-term strategies. The Board believes that the balance of power and authority is adequately ensured by the operations and governance of the Board which comprises experienced and high calibre individuals, with more than half of them being Independent Non-executive Directors ("INEDs").

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the financial period under review.

By Order of the Board
Harbour Centre Development Limited
Grace L. C. Ho
Company Secretary

Hong Kong, 1 August 2024

As at the date of this announcement, the Board comprises Mr. Stephen T. H. Ng, Hon. Frankie C. M. Yick and Mr. Peter Z. K. Pao, together with five INEDs, namely, Mr. David T. C. Lie-A-Cheong, Mr. Roger K. H. Luk, Mr. Michael T. P. Sze, Mr. Brian S. K. Tang and Mr. Ivan T. L. Ting.