



**SHUN HO PROPERTY  
INVESTMENTS LIMITED**  
**順豪物業投資有限公司**  
(Stock Code: 219)

**Interim Report 2024**

## CORPORATE INFORMATION

### **Executive Directors**

Mr. William CHENG Kai Man (*Chairman*)  
Mr. Albert HUI Wing Ho  
Madam Kimmy LAU Kam May  
Madam NG Yuet Ying  
Madam Wendy CHENG Wai Kwan  
(retired on 24th May, 2024)

### **Non-executive Director**

Madam Mabel LUI FUNG Mei Yee

### **Independent Non-executive Directors**

Mr. CHAN Kim Fai  
Mr. LAM Kwai Cheung  
Mr. Warren LIU Yuk Cho

### **Company Secretary**

Madam KOO Ching Fan

### **Auditor**

Deloitte Touche Tohmatsu  
Certified Public Accountants  
Registered Public Interest Entity Auditor  
35th Floor, One Pacific Place  
88 Queensway  
Hong Kong

### **Solicitor**

Withers  
30th Floor  
United Centre  
95 Queensway  
Hong Kong

### **Principal Bankers**

The Hongkong and Shanghai Banking  
Corporation Limited  
Bank of China (Hong Kong) Limited

### **Registered Office**

3rd Floor, Shun Ho Tower  
24-30 Ice House Street  
Central, Hong Kong

### **Share Registrar**

Tricor Tengis Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong  
Tel: 2980 1333

### **Company's Website**

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

## **INTERIM RESULTS**

The board (the “Board”) of directors (the “Director(s)”) of Shun Ho Property Investments Limited (the “Company”) announces that the net profit after tax attributable to owners of the Company before revaluation and depreciation of land, property and equipment for the six months ended 30th June, 2024 was HK\$61 million (six months ended 30th June, 2023: HK\$49 million), increased by HK\$12 million.

## **INTERIM DIVIDEND**

In deciding whether to distribute the interim dividend and its amount, the Board has reviewed the Company’s adopted dividend policy and considered that preserving capital would secure the Group with more cashflow under the current challenging economy and unstable hotel and commercial property rental market condition with high operating costs and interest costs, which may continue to affect the short- and mid-term business risks of the Group. Therefore, the Board does not recommend the payment of interim dividend for the six months ended 30th June, 2024 (six months ended 30th June, 2023: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

During the period, the Group continued with its commercial property investment, property leasing and property development, and through its major subsidiaries continued with the hotel investments and hotel management.

The net profit after tax attributable to owners of the Company before revaluation and depreciation of land, property and equipment for the six months ended 30th June, 2024 was HK\$61 million (six months ended 30th June, 2023: HK\$49 million), increased by HK\$12 million (+25%).

	<b>Six months ended</b>		
	<b>30.6.2024</b>	30.6.2023	Change
	<b>HK\$'000</b>	HK\$'000	
	<b>(unaudited)</b>	(unaudited)	
(Loss) profit from operation of hotels	<b>(4,543)</b>	10,777	N/A
(Loss) profit from property investment	<b>(62,531)</b>	52,305	N/A
Income from securities investments	-	45	-100%
Other income and expenses and gains and losses	<b>1,279</b>	3,099	-59%
	<b>(65,795)</b>	66,226	N/A
Administrative expenses	<b>(30,573)</b>	(57,187)	-47%
Income tax expense	<b>(7,685)</b>	(5,495)	+40%
(Loss) profit after taxation	<b>(104,053)</b>	3,544	N/A
Non-controlling interests	<b>11,216</b>	5,618	+100%
(Loss) profit after taxation and non-controlling interests	<b>(92,837)</b>	9,162	N/A
Add: Revaluation loss	<b>90,787</b>	-	N/A
Add: Depreciation of land, property and equipment	<b>62,914</b>	39,358	+60%
Net profit after tax attributable to owners of the Company before revaluation and depreciation of land, property and equipment	<b><u>60,864</u></b>	<u>48,520</u>	<b>+25%</b>

The overall increase in profit for the six months ended 30th June, 2024 was mainly due to increase in hotel revenue by 36% and no more pre-operating expenses and repair and refurbishment cost of Grand Bay View Hotel.

## PERFORMANCE

### 1. Hotel Business

The income from hotel operations of the Group amounted to HK\$260 million (six months ended 30th June, 2023: HK\$191 million), increased by 36%.

The Group owns 71.09% of Magnificent Hotel Investments Limited (“Magnificent Hotel”, together with its subsidiaries, “Magnificent Hotel Group”) as its hotel investment subsidiary. The Group and Magnificent Hotel Group presently own nine hotels, including: (1) Ramada Hong Kong Grand View, (2) Ramada Hong Kong Harbour View, (3) Best Western Plus Hotel Kowloon, (4) Best Western Plus Hotel Hong Kong, (5) Ramada Hong Kong Grand, (6) Best Western Hotel Causeway Bay, (7) Grand Bay View Hotel, (8) Magnificent International Hotel, Shanghai and (9) Royal Scot Hotel in London. The nine hotels have about 3,042 guest rooms and the Group is one of the largest hotel groups in Hong Kong.

The net profit after tax attributable to owners of Magnificent Hotel before revaluation and depreciation of land, property and equipment for the six months ended 30th June, 2024 was HK\$42 million (six months ended 30th June, 2023: HK\$18 million), increased by HK\$24 million (+132%).

	<b>Six months ended</b>		
	<b>30.6.2024</b>	30.6.2023	Change
	<i><b>HK\$'000</b></i>	<i><b>HK\$'000</b></i>	
	<b>(unaudited)</b>	<b>(unaudited)</b>	
(Loss) profit from operation of hotels	<b>(15,229)</b>	16,471	N/A
Profit from property investment	<b>6,723</b>	12,629	-47%
Income from securities investments	<b>-</b>	45	-100%
Other income and gain and losses	<b>2,182</b>	3,618	-40%
	<b>(6,324)</b>	32,763	N/A
Administrative expenses	<b>(23,159)</b>	(51,110)	-55%
Income tax (expense) credit	<b>(3,063)</b>	486	N/A
Loss after taxation	<b>(32,546)</b>	(17,861)	+82%
Non-controlling interests	<b>186</b>	(59)	N/A
Loss after taxation and non-controlling interests	<b>(32,360)</b>	(17,920)	+81%
Add: Revaluation loss	<b>5,000</b>	-	N/A
Add: Properties depreciation and release of prepaid lease payments for land	<b>68,922</b>	35,820	+92%
Net profit after tax attributable to owners of the Company before revaluation and depreciation of land, property and equipment	<b>41,562</b>	17,900	+132%

The overall increase in profit for the Magnificent Hotel Group for the six months ended 30th June, 2024 was mainly due to increase in hotel revenue by 41% and no more pre-operating expenses and repair and refurbishment costs of Grand Bay View Hotel.

During the period, the total income for the Magnificent Hotel Group increased by 36% from approximately HK\$182 million to approximately HK\$246 million compared with last period.

As at 30th June, 2024, an independent third-party valuation of Royal Scot Hotel, London was GBP88,500,000 (as at 31st December, 2023: GBP88,500,000). The rental income of Royal Scot Hotel, London for the period was GBP1,768,000 (six months ended 30th June, 2023: GBP1,768,000). During the period, the management succeeded in increasing the annual rental by 34% from GBP3,546,000 to GBP4,737,000. The new rental income will be reflected in the 2nd half of 2024.

## 2. Commercial Properties Rental Income

The commercial properties rental income was derived from the hotel property in UK, Royal Scot Hotel in London, office buildings of Shun Ho Tower, 633 King's Road and shops from Best Western Plus Hotel Kowloon, Best Western Plus Hotel Hong Kong and Ramada Hong Kong Grand amounted to HK\$60 million (six months ended 30th June, 2023: HK\$60 million).

During the period, the **ADMINISTRATIVE EXPENSES** excluding depreciation was HK\$28.5 million (six months ended 30th June, 2023: HK\$55.1 million).

## LIQUIDITY

As at 30th June, 2024, the **OVERALL DEBTS** of the Group including Magnificent Hotel and its subsidiaries was HK\$1,037 million (31st December, 2023: HK\$1,036 million). The gearing ratio of the Group (including Magnificent Hotel and its subsidiaries) in terms of overall debts against funds employed was 12% (31st December, 2023: 12%).

As at 30th June, 2024, the **debt ratio was 7%** (31st December, 2023: 7%) in term of overall debt of HK\$1,037 million (31st December, 2023: HK\$1,036 million) against the fully revalued net asset value of the Group amounted to HK\$14,490 million (31st December, 2023: HK\$14,570 million).

The Group's bank borrowings carry interest at floating rates and are mainly denominated in Hong Kong dollar and Pound Sterling. Accordingly, the Group exposes to exchange risk and the management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

As at 30th June, 2024, the Group had a total number of 622 employees (31st December, 2023: 562 employees). Remuneration and benefit were set with reference to the market.

## **BUSINESS HIGHLIGHTS**

A total of approximately 11 million overnight tourists visited Hong Kong during the six months ended 30th June, 2024, of which about 7 million were from the PRC. Compared with 2019 and before the pandemic, 15 million overnight visitors arrived Hong Kong in the same period. The pace of recovery of the tourism industry is affected by various challenges such as air transport capacity, the global/PRC economy and foreign currency exchange rates. Operating costs go up significantly due to shortage of local labours and increase in number of hotel staffs.

In December 2022, the Group acquired Grand Bay View Hotel with 435 guest rooms, restaurants and 180 covered carparks, consisting 216,314 square feet gross area (excluding 180 covered carparks), which commenced business on 1st August, 2023. Magnificent International Hotel, Shanghai also reopened on 1st August, 2023 after substantial repair and refurbishment.

Throughout the six months ended 30th June, 2024, the Group achieved an average hotel occupancies rate of over 90%+. Compared with last period, the hotel income of the Group increased by 36% to HK\$260 million and the total income of the Group increased by 27% to HK\$320 million.

During the period, the management succeeded in increasing the annual rental of Royal Scot Hotel, London by 34% from GBP3,546,000 to GBP4,737,000. The new rental income will be reflected in the 2nd half of 2024.

The Group acquired Wood Street Police Headquarter building in the centre of City of London for GBP40 million on 29th January, 2020 which has a gross internal area of 117,472 s.f. on a 20,000 s.f. island site and obtained planning consents approval to refurbish a deluxe hotel of about 216 guest rooms, restaurant, bar and facilities.

On 15th April, 2024, the Group acquired Jessville Manor located at Jessville, No. 128 Pok Fu Lam Road, Hong Kong from Samsbury Investments Limited at a consideration of HK\$207,000,000 which has a gross floor area of 12,288 sq. ft. (HK\$21,112 per sq. ft. calculated based on 9,805 sq. ft. internal saleable area).

## **LOOKING AHEAD**

The Group has nine income producing hotels, seven in Hong Kong, one in Shanghai, one in London, and the Wood Street Hotel refurbishment project in London.

With the weak economy of the PRC and the expensive HKD vs RMB, the recovery of the PRC visitors may continue to be challenging. More PRC tourists choose to stay in the Greater Bay area and visit Hong Kong on day trips.

Most of the tenants at the Group's 633 King's Road office building and Shun Ho Tower are multinational trading companies. Due to the US/China trade war and downturn of Hong Kong's import/export volumes, those trading company tenants are experiencing difficulties and therefore the occupancies are being affected.

Future prospects of the hotel business and rental incomes continue to be challenging. The management will continue its effort to increase incomes and control costs.

## **MATERIAL ACQUISITION OF THE GROUP**

On 22nd March, 2024, Miluda Limited, a subsidiary of the Company, entered into a formal sale and purchase agreement with Samsbury Investments Limited, an independent third party to the Company (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) for the acquisition of Jessville Manor located at Jessville, No. 128 Pok Fu Lam Road, Hong Kong at a total consideration of HK\$207,000,000 (the "Acquisition"), which constituted a major transaction for the Company which required approval of shareholders of the Company. Since no shareholders of the Company were required to abstain from voting at the general meeting to approve the Acquisition, written shareholder approval was accepted in lieu of holding general meeting of the Company to approve the Acquisition. The Acquisition was completed on 15th April, 2024. Further details of the Acquisition were disclosed in the Company's announcement dated 22nd March, 2024 and circular dated 21st May, 2024.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30th June, 2024.



## DIRECTORS' INTERESTS IN LISTED SECURITIES

As at 30th June, 2024, the interests or short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required (a) to be entered in the register required to be kept by the Company under section 352 of the SFO; or (b) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

### The Company

Name of director	Capacity	Nature of interests	Number of Shares/ underlying Shares held	Approximate % of shareholding
William Cheng Kai Man	Beneficial owner and interest of controlled corporations	Personal and corporate	385,395,999 (Note)	66.48

#### Note:

Omnico Company Inc. ("Omnico"), Mercury Fast Limited ("Mercury Fast") and Trillion Resources Limited (a company incorporated in Hong Kong) ("Trillion Resources (HK)") beneficially owned 281,904,489 shares of the Company (the "Shares") (48.63%), 68,139,510 Shares (11.75%) and 33,642,000 Shares (5.80%) respectively. Mr. William Cheng Kai Man had controlling interests in these companies. In addition, Mr. William Cheng Kai Man beneficially owned 1,710,000 Shares (0.29%). All the above interests in the Shares are long position.

## Associated Corporations

Name of director	Name of associated corporation	Capacity	Nature of interests	Number of Shares/ underlying Shares held	Approximate % of shareholding
William Cheng Kai Man	Magnificent Hotel <i>(Note 1)</i>	Interest of controlled corporations	Corporate	6,360,585,437	71.09
William Cheng Kai Man	Shun Ho Holdings Limited ("Shun Ho Holdings") <i>(Note 2)</i>	Beneficial owner and interest of controlled corporations	Personal and corporate	226,454,825	74.40
William Cheng Kai Man	Trillion Resources Limited ("Trillion Resources (BVI)") <i>(Note 3)</i>	Beneficial owner	Personal	2	100.00

### Notes:

1. Magnificent Hotel, the Company's subsidiary, is a public limited company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange.
2. Shun Ho Holdings, the Company's holding company, is a public limited company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange.
3. Trillion Resources (BVI), the Company's ultimate holding company, is a company incorporated in the British Virgin Islands.
4. All the above interests in the shares of the associated corporations are long position.

Save as disclosed above and save for shares in subsidiaries held by a director in trust for their immediate holding companies, as at 30th June, 2024, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be entered in the register required to be kept by the Company under Section 352 of the SFO; or (b) to be notified to the Company and the Stock Exchange pursuant to the Model Code and none of the directors or their associates or their spouse or children under the age of 18, had any right to subscribe for the securities of the Company or associated corporations, or had exercised any such right during the period.

## SUBSTANTIAL SHAREHOLDERS

As at 30th June, 2024, the following persons (not being directors or chief executive of the Company) had interests in the Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO:

<b>Name of shareholder</b>	<b>Capacity</b>	<b>Number of Shares/ underlying Shares held</b>	<b>Approximate % of shareholding</b>
Mercury Fast <i>(Note 1)</i>	Beneficial owner	68,139,510	11.75
Magnificent Hotel <i>(Note 1)</i>	Interest of controlled corporations	68,139,510	11.75
Omnico <i>(Note 2)</i>	Beneficial owner and interest of controlled corporations	350,043,999	60.38
Shun Ho Holdings <i>(Note 3)</i>	Interest of controlled corporations	383,685,999	66.18
Trillion Resources (BVI) <i>(Note 3)</i>	Interest of controlled corporations	383,685,999	66.18
Trillion Resources (HK) <i>(Note 3)</i>	Beneficial owner	33,642,000	5.80
Liza Lee Pui Ling <i>(Note 4)</i>	Interest of spouse	385,395,999	66.48
Credit Suisse Trust Limited <i>(Note 5)</i>	Interest of controlled corporations	63,379,591	10.93
Hashim Majed Hashim A. <i>(Note 5)</i>	Interest of controlled corporations	63,379,591	10.93
North Salomon Limited <i>(Note 5)</i>	Interest of controlled corporations	63,379,591	10.93
Saray Capital Limited <i>(Note 5)</i>	Interest of controlled corporations	63,379,591	10.93
Saray Value Fund SPC <i>(Note 5)</i>	Beneficial owner and interest in persons acting in concert	63,379,591	10.93
Hashim Ahmed Hashim A. <i>(Note 5)</i>	Beneficial owner and interest in persons acting in concert	63,379,591	10.93
Shobokshi Hussam Ali H. <i>(Note 5)</i>	Interest of controlled corporations	63,379,591	10.93

*Notes:*

1. Mercury Fast was a wholly-owned subsidiary of Magnificent Hotel.
2. Omnico beneficially owned 281,904,489 Shares and was taken to be interested in 68,139,510 Shares held by Mercury Fast which was owned as to 100% by Magnificent Hotel, which was in turn owned as to 71.09% by the Group, the Company was in turn directly and indirectly owned as to 60.38% by Omnico.
3. Both Omnico and Trillion Resources (HK) were direct wholly-owned subsidiaries of Shun Ho Holdings, which was in turn directly and indirectly owned as to 71.20% by Trillion Resources (BVI), which was in turn wholly-owned by Mr. William Cheng Kai Man. Since Trillion Resources (HK) beneficially owned 33,642,000 Shares (5.80%), Shun Ho Holdings and Trillion Resources (BVI) were taken to be interested in 383,685,999 Shares (66.18%) by virtue of their direct or indirect interests in Omnico and Trillion Resources (HK).
4. Madam Liza Lee Pui Ling was deemed to be interested in 385,395,999 Shares (66.48%) by virtue of the interest in such Shares of her spouse, Mr. William Cheng Kai Man, a director of the Company.
5. Hashim Ahmed Hashim A. beneficially held 746,346 Shares. Saray Value Fund SPC (“Saray Value Fund”), a wholly-owned subsidiary of Saray Capital Limited, beneficially held 62,633,245 Shares. Saray Value SPV Asia I disposed of 746,346 Shares and ceased to be a concert party on 14th April, 2022. Since Hashim Ahmed Hashim A. and Saray Value Fund are concert parties to an agreement to buy shares under section 317 (1)(a) of the SFO, they are deemed to have interest in the Shares held by the other concert parties. Saray Capital Limited was held by Shobokshi Hussam Ali H. as to 26.76% and Hashim Majed Hashim A. as to 50%. Therefore, the total number of Shares in which Hashim Ahmed Hashim A., Saray Value Fund, Saray Capital Limited, Shobokshi Hussam Ali H. and Hashim Majed Hashim A. were interested under Sections 317 and 318 of the SFO was 63,379,591 Shares.

Saray Value Fund was held by North Salomon Limited as to 67.40%. North Salomon Limited was held by Credit Suisse Trust Limited as to 100%. Therefore, the total number of Shares in which North Salomon Limited and Credit Suisse Trust Limited were interested under Sections 317 and 318 of the SFO was 63,379,591 Shares (10.93%).

Save as disclosed above, there was no person, other than a director or chief executive of the Company, who has an interest or short position in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

## **INDEPENDENT REVIEW**

The interim results for the six months ended 30th June, 2024 are unaudited, but have been reviewed 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, by Deloitte Touche Tohmatsu, whose independent review report is included on pages 13-14 of this interim report. The interim results and the interim report 2024 have also been reviewed by the Group’s Audit Committee.

## CORPORATE GOVERNANCE

### (a) Compliance with the Corporate Governance Code

During the six months ended 30th June, 2024, the Company has complied with all the code provisions of the Corporate Governance Code set out in Appendix C1 of the Listing Rules with the exception of the following deviation:

*Code Provision C.2.1: chairman and chief executive should not be performed by the same individual*

The Company does not have separate appointments for the Chairman and the Chief Executive Officer. Mr. William Cheng Kai Man holds both positions. The Board believes that vesting the roles of both the Chairman and the Chief Executive Officer in the same person enables the Company to have a stable and consistent leadership. It also facilitates planning and execution of the Company's strategy and is hence, for the interests of the Company and its shareholders. It is also significantly cost-saving for Mr. Cheng, the Chairman to also serve as the Chief Executive Officer, which would have otherwise been recruited from the market at a heavy cost.

### (b) Compliance with the Model Code

The Company has adopted the Model Code set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by Directors. All Directors have confirmed, following specific enquiry by the Company, their compliance with the required standard set out in the Model Code throughout the period.

### (c) Change in Director's information

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in Director's information, as notified to the Company, subsequent to the date of the 2023 Annual Report, is set out below:

Madam Wendy CHENG Wai Kwan retired as an executive Director of the Company, Magnificent Hotel and Shun Ho Holdings upon conclusion of the respective annual general meeting on 24th May, 2024.

By Order of the Board

**William CHENG Kai Man**  
*Chairman*

Hong Kong, 16th August, 2024

# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

# Deloitte.

# 德勤

## TO THE BOARD OF DIRECTORS OF SHUN HO PROPERTY INVESTMENTS LIMITED

順豪物業投資有限公司

*(incorporated in Hong Kong with limited liability)*

## INTRODUCTION

We have reviewed the condensed consolidated financial statements of Shun Ho Property Investments Limited (the “Company”) and its subsidiaries set out on pages 15 to 38, which comprise the condensed consolidated statement of financial position as of 30th June, 2024 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of total comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
16th August, 2024

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE SIX MONTHS ENDED 30TH JUNE, 2024**

	NOTES	Six months ended 30th June,	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	3		
Contracts with customers		259,757	190,509
Leases		59,818	60,479
Dividend income		–	45
Total revenue		319,575	251,033
Cost of sales		(1,750)	(486)
Other service costs		(180,129)	(113,284)
Depreciation of property, plant and equipment		(80,425)	(47,232)
Depreciation of right-of-use asset		(381)	(394)
Gross profit		56,890	89,637
Net decrease in fair value of investment properties	10	(92,232)	–
Other income and expenses and gains and losses		1,279	3,099
Administrative expenses		(30,573)	(57,187)
– Depreciation		(2,033)	(2,088)
– Others		(28,540)	(55,099)
Finance costs	5	(31,732)	(26,510)
(Loss) profit before taxation		(96,368)	9,039
Income tax expense	6	(7,685)	(5,495)
(Loss) profit for the period	7	<u>(104,053)</u>	<u>3,544</u>
(Loss) profit for the period attributable to:			
Owners of the Company		(92,837)	9,162
Non-controlling interests		(11,216)	(5,618)
		<u>(104,053)</u>	<u>3,544</u>
		<b>HK cents</b>	<b>HK cents</b>
(Loss) earnings per share	9		
Basic		<u>(18.15)</u>	<u>1.79</u>



**CONDENSED CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME**

FOR THE SIX MONTHS ENDED 30TH JUNE, 2024

	<b>Six months ended 30th June,</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
(Loss) profit for the period	<u>(104,053)</u>	<u>3,544</u>
<b>Other comprehensive (expense) income</b>		
<b>Item that will not be reclassified to profit or loss</b>		
Fair value gain on equity instruments at fair value through other comprehensive income (“FVTOCI”)	455	455
<b>Item that may be reclassified subsequently to profit or loss</b>		
Exchange differences arising on translation of foreign operations	<u>(13,773)</u>	<u>53,257</u>
Other comprehensive (expense) income for the period	<u>(13,318)</u>	<u>53,712</u>
Total comprehensive (expense) income for the period	<u><u>(117,371)</u></u>	<u><u>57,256</u></u>
Total comprehensive (expense) income attributable to:		
Owners of the Company	(102,306)	47,346
Non-controlling interests	<u>(15,065)</u>	<u>9,910</u>
	<u><u>(117,371)</u></u>	<u><u>57,256</u></u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30TH JUNE, 2024

	NOTES	As at 30th June, 2024 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2023 <i>HK\$'000</i> (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	4,698,078	4,776,307
Right-of-use asset		21,880	23,131
Investment properties	10	4,802,595	4,685,260
Equity instruments at FVTOCI	17	45,320	44,865
		<b>9,567,873</b>	9,529,563
<b>CURRENT ASSETS</b>			
Inventories		1,490	1,761
Trade and other receivables	11	10,468	23,630
Other deposits and prepayments		14,961	12,629
Bank balances and cash		184,638	334,479
		<b>211,557</b>	372,499
<b>CURRENT LIABILITIES</b>			
Trade and other payables and accruals	12	42,949	53,562
Rental and other deposits received		7,797	7,744
Contract liabilities		8,721	7,378
Refund liabilities		–	1,754
Amount due to an intermediate holding company	15(a)	7,063	7,830
Amount due to a shareholder	15(b)	5,088	5,088
Tax liabilities		41,074	34,402
Bank loans	13	151,200	131,448
		<b>263,892</b>	249,206
<b>NET CURRENT (LIABILITIES) ASSETS</b>		<b>(52,335)</b>	123,293
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>9,515,538</b>	9,652,856

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)**

AT 30TH JUNE, 2024

	NOTES	As at 30th June, 2024 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2023 <i>HK\$'000</i> (Audited)
<b>CAPITAL AND RESERVES</b>			
Share capital	14	1,084,887	1,084,887
Reserves		<u>6,149,605</u>	<u>6,251,911</u>
Equity attributable to owners of the Company		7,234,492	7,336,798
Non-controlling interests		<u>1,208,173</u>	<u>1,223,238</u>
<b>TOTAL EQUITY</b>		<u>8,442,665</u>	<u>8,560,036</u>
<b>NON-CURRENT LIABILITIES</b>			
Bank loans	13	873,389	891,971
Rental deposits received		22,513	22,034
Deferred tax liabilities		<u>176,971</u>	<u>178,815</u>
		<u>1,072,873</u>	<u>1,092,820</u>
		<u>9,515,538</u>	<u>9,652,856</u>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

	Attributable to owners of the Company											
	Share capital	Capital reserve	Property revaluation reserve	Securities revaluation reserve	General reserve	Foreign currency translation reserve	Own shares held by a subsidiary	Other reserve	Retained profits	Sub-total	Non-controlling interests	Total
	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>
		(Note a)	(Note b)				(Note c)	(Note d)				
At 1st January, 2023 (audited)	1,084,887	4,181	50,832	9,713	263	(98,778)	(12,271)	498,660	5,843,315	7,380,802	1,223,355	8,604,157
Profit (loss) for the period	-	-	-	-	-	-	-	-	9,162	9,162	(5,618)	3,544
Exchange differences arising on translation of foreign operations	-	-	-	-	-	37,861	-	-	-	37,861	15,396	53,257
Fair value gain on equity instruments at FVTOCI	-	-	-	323	-	-	-	-	-	323	132	455
Total comprehensive income for the period	-	-	-	323	-	37,861	-	-	9,162	47,346	9,910	57,256
At 30th June, 2023 (unaudited)	<u>1,084,887</u>	<u>4,181</u>	<u>50,832</u>	<u>10,036</u>	<u>263</u>	<u>(60,917)</u>	<u>(12,271)</u>	<u>498,660</u>	<u>5,852,477</u>	<u>7,428,148</u>	<u>1,233,265</u>	<u>8,661,413</u>
At 1st January, 2024 (audited)	<u>1,084,887</u>	<u>4,181</u>	<u>50,832</u>	<u>(6,795)</u>	<u>263</u>	<u>(53,306)</u>	<u>(12,271)</u>	<u>498,660</u>	<u>5,770,347</u>	<u>7,336,798</u>	<u>1,223,238</u>	<u>8,560,036</u>
Loss for the period	-	-	-	-	-	-	-	-	(92,837)	(92,837)	(11,216)	(104,053)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(9,792)	-	-	-	(9,792)	(3,981)	(13,773)
Fair value gain on equity instruments at FVTOCI	-	-	-	323	-	-	-	-	-	323	132	455
Total comprehensive income (expenses) for the period	-	-	-	323	-	(9,792)	-	-	(92,837)	(102,306)	(15,065)	(117,371)
At 30th June, 2024 (unaudited)	<u>1,084,887</u>	<u>4,181</u>	<u>50,832</u>	<u>(6,472)</u>	<u>263</u>	<u>(63,098)</u>	<u>(12,271)</u>	<u>498,660</u>	<u>5,677,510</u>	<u>7,234,492</u>	<u>1,208,173</u>	<u>8,442,665</u>

### Notes:

- (a) The capital reserve was created by capital reduction of the Company on 28th June, 1988.
- (b) The property revaluation reserve is arisen from the transfer of properties from property, plant and equipment to investment properties and will be transferred to retained profits when the relevant properties are disposed of.
- (c) The own shares held by a subsidiary represents the carrying amount of shares in the Company held by an entity at the time the entity became a subsidiary of the Company.
- (d) The other reserve was resulted from the acquisition of additional interest or disposal of partial interest in subsidiaries without losing control in previous years.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30TH JUNE, 2024**

	<b>Six months</b>	
	<b>ended 30th June,</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Operating activities</b>		
(Loss) profit before taxation	<b>(96,368)</b>	9,039
Adjustments for:		
Net decrease in fair value of investment properties	<b>92,232</b>	–
Loss (gain) on disposal of property, plant and equipment	<b>2,497</b>	(7)
Depreciation of property, plant and equipment	<b>82,458</b>	49,320
Depreciation of right-of-use asset	<b>381</b>	394
Other non-cash items	<b>28,751</b>	23,358
	<hr/>	<hr/>
Operating cash flows before movements in working capital	<b>109,951</b>	82,104
Decrease in trade and other receivables	<b>12,639</b>	14,792
(Increase) decrease in other deposits and prepayments	<b>(2,332)</b>	969
Decrease in trade and other payables and accruals	<b>(10,297)</b>	(17,794)
Increase (decrease) in rental and other deposits received	<b>532</b>	(7,219)
Decrease in contract liabilities and refund liabilities	<b>(411)</b>	(21,488)
Other changes in working capital	<b>271</b>	(856)
	<hr/>	<hr/>
Cash generated from operations	<b>110,353</b>	50,508
Hong Kong Profits Tax refunded	<b>923</b>	–
Hong Kong Profits Tax paid	<b>–</b>	(3,610)
Income tax paid in other jurisdictions	<b>(3,762)</b>	(3,313)
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	<b>107,514</b>	43,585
<b>Investing activities</b>		
Addition of property, plant and equipment	<b>(12,985)</b>	(4,424)
Addition of investment properties	<b>(207,000)</b>	–
Expenditure on investment properties	<b>(10,532)</b>	–
Proceeds from disposal of property, plant and equipment	<b>1,000</b>	46
Interest received	<b>3,504</b>	3,078
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(226,013)</b>	(1,300)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(Continued)**  
FOR THE SIX MONTHS ENDED 30TH JUNE, 2024

	Six months ended 30th June,	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
<b>Financing activities</b>		
Interest paid	(31,973)	(27,036)
New bank loan raised	150,000	10,000
Repayment of bank loans	(146,733)	(38,488)
Repayment to an intermediate holding company	(842)	(708)
<b>Net cash used in financing activities</b>	<b>(29,548)</b>	<b>(56,232)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(148,047)</b>	<b>(13,947)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>334,479</b>	<b>286,676</b>
Effect of foreign exchange rate changes	(1,794)	8,508
<b>Cash and cash equivalents at the end of the period, represented by bank balances and cash</b>	<b>184,638</b>	<b>281,237</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30TH JUNE, 2024

## 1. BASIS OF PREPARATION

Shun Ho Property Investments Limited (the “Company”) is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

The Company’s immediate holding company is Omnico Company Inc., a wholly-owned subsidiary of Shun Ho Holdings Limited (“Shun Ho Holdings”, an intermediate holding company of the Company) which is a public limited company incorporated in Hong Kong whose shares are listed on the Hong Kong Stock Exchange. The directors of the Company consider the Company’s ultimate holding company to be Trillion Resources Limited, an international business company incorporated in the British Virgin Islands.

The condensed consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), which is also the functional currency of the Company. The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are the investment and operation of hotels, property investment and securities investment.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

The financial information relating to the year ended 31st December, 2023 that is included in these condensed consolidated financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements is as follows:

The Company has delivered the financial statements for the year ended 31st December, 2023 to the Register of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong 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 sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

## 1. BASIS OF PREPARATION (*Continued*)

In preparing the condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group's current liabilities exceeded its current assets by HK\$52,335,000 as at 30th June, 2024. In the opinion of the directors of the Company, the Group has source of finance available to fund its operations, including internal financial resources and available unutilised banking facilities. Shun Ho Holdings Limited, which is an intermediate holding company, agreed not to demand repayment on the amount due to an intermediate holding company before the Group has the financial ability to do so. Accordingly, the condensed consolidated financial statements have been prepared in conformity with principles applicable to a going concern basis.

## 2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30th June 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31st December, 2023.

The application of all the amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA are disclosed below.

### **Application of amendments to HKFRSs**

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

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

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



### 3. REVENUE

Revenue represents the aggregate of income from operation of hotels, property rental and dividend income, and is analysed as follows:

	<b>Six months ended 30th June,</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Income from operation of hotels	259,757	190,509
Income from property rental	59,818	60,479
Dividend income	–	45
	<u>319,575</u>	<u>251,033</u>

Disaggregation of revenue for operation of hotels:

	<b>Six months ended 30th June,</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Types of goods or services (time of revenue recognition):		
Room revenue and other ancillary services (recognised over time)	252,270	188,518
Food and beverage (recognised at a point in time)	7,487	1,991
	<u>259,757</u>	<u>190,509</u>
Geographical markets:		
Hong Kong	249,234	190,509
The People's Republic of China (the "PRC")	10,523	–
	<u>259,757</u>	<u>190,509</u>

#### 4. SEGMENT INFORMATION

The Group's operating and reportable segments, based on information reported to the chief operating decision maker (the "CODM"), being the Chairman of the Company, for the purpose of resources allocation and performance assessment are as follows:

1. Hospitality services – Best Western Plus Hotel Kowloon
2. Hospitality services – Best Western Plus Hotel Hong Kong
3. Hospitality services – Magnificent International Hotel, Shanghai
4. Hospitality services – Best Western Hotel Causeway Bay
5. Hospitality services – Ramada Hong Kong Harbour View
6. Hospitality services – Ramada Hong Kong Grand
7. Hospitality services – Ramada Hong Kong Grand View
8. Hospitality services – Wood Street Hotel
9. Hospitality services – Grand Bay View Hotel
10. Property investment – 633 King's Road
11. Property investment – Shun Ho Tower
12. Property investment – Shops, hotel and residential properties
13. Securities investment

Information regarding the above segments is reported below.

#### 4. SEGMENT INFORMATION (*Continued*)

##### Segment revenue and results

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

	Segment revenue		Segment results	
	Six months ended 30th June,		Six months ended 30th June,	
	2024	2023	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Hospitality services	<b>259,757</b>	190,509	<b>(1,066)</b>	30,674
– Best Western Plus Hotel Kowloon	<b>24,396</b>	25,521	<b>(4,389)</b>	1,747
– Best Western Plus Hotel Hong Kong	<b>40,851</b>	35,300	<b>11,990</b>	13,181
– Magnificent International Hotel, Shanghai	<b>10,523</b>	–	<b>1,555</b>	(7,427)
– Best Western Hotel Causeway Bay	<b>24,514</b>	21,995	<b>(850)</b>	1,877
– Ramada Hong Kong Harbour View	<b>40,936</b>	40,268	<b>11,373</b>	16,421
– Ramada Hong Kong Grand	<b>41,658</b>	36,429	<b>2,637</b>	1,722
– Ramada Hong Kong Grand View	<b>34,798</b>	30,996	<b>853</b>	3,153
– Grand Bay View Hotel	<b>42,081</b>	–	<b>(24,235)</b>	–
Property investments	<b>59,818</b>	60,479	<b>(34,276)</b>	58,918
– 633 King's Road	<b>32,215</b>	34,198	<b>(39,377)</b>	32,928
– Shun Ho Tower	<b>7,166</b>	7,596	<b>(9,404)</b>	7,305
– Shops, hotel and residential properties	<b>20,437</b>	18,685	<b>14,505</b>	18,685
Securities investments	–	45	–	45
	<b><u>319,575</u></b>	<b><u>251,033</u></b>	<b>(35,342)</b>	89,637
Other income and expenses and gains and losses			<b>1,279</b>	3,099
Administrative expenses			<b>(30,573)</b>	(57,187)
Finance costs			<b>(31,732)</b>	(26,510)
(Loss) profit before taxation			<b><u>(96,368)</u></b>	<b><u>9,039</u></b>

#### 4. SEGMENT INFORMATION (*Continued*)

##### Segment revenue and results (*Continued*)

Segment results represent the loss from/profit earned by each segment without allocation of central administrative costs, other income and expenses and gains and losses and finance costs. This is the measure reported to the CODM, for the purposes of resources allocation and performance assessment.

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

##### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

	As at <b>30th June,</b> <b>2024</b> <b>HK\$'000</b> <b>(Unaudited)</b>	As at 31st December, 2023 <b>HK\$'000</b> <b>(Audited)</b>
<b>Segment assets</b>		
Hospitality services	<b>4,611,736</b>	4,697,737
– Best Western Plus Hotel Kowloon	<b>280,589</b>	284,143
– Best Western Plus Hotel Hong Kong	<b>302,311</b>	305,560
– Magnificent International Hotel, Shanghai	<b>54,369</b>	58,066
– Best Western Hotel Causeway Bay	<b>265,004</b>	271,689
– Ramada Hong Kong Harbour View	<b>473,257</b>	476,977
– Ramada Hong Kong Grand	<b>560,844</b>	577,643
– Ramada Hong Kong Grand View	<b>875,328</b>	885,510
– Wood Street Hotel	<b>409,043</b>	412,253
– Grand Bay View Hotel	<b>1,390,991</b>	1,425,896
Property investments	<b>4,805,870</b>	4,689,324
– 633 King's Road	<b>2,831,987</b>	2,903,461
– Shun Ho Tower	<b>657,039</b>	673,043
– Shops, hotel and residential properties	<b>1,316,844</b>	1,112,820
Securities investment	<b>45,320</b>	44,865
Total segment assets	<b>9,462,926</b>	9,431,926
Unallocated assets	<b>316,504</b>	470,136
<b>Consolidated assets</b>	<b>9,779,430</b>	9,902,062

#### 4. SEGMENT INFORMATION (*Continued*)

##### Segment assets and liabilities (*Continued*)

	As at 30th June, 2024 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2023 <i>HK\$'000</i> (Audited)
<b>Segment liabilities</b>		
Hospitality services	33,467	42,386
– Best Western Plus Hotel Kowloon	4,650	5,504
– Best Western Plus Hotel Hong Kong	4,137	6,467
– Magnificent International Hotel, Shanghai	1,786	961
– Best Western Hotel Causeway Bay	3,846	4,821
– Ramada Hong Kong Harbour View	5,289	5,978
– Ramada Hong Kong Grand	3,305	7,433
– Ramada Hong Kong Grand View	4,038	4,394
– Grand Bay View Hotel	6,416	6,828
Property investments	44,466	44,438
– 633 King's Road	25,986	27,890
– Shun Ho Tower	5,874	5,046
– Shops, hotel and residential properties	12,606	11,502
Securities investment	1	1
Total segment liabilities	77,934	86,825
Unallocated liabilities	1,258,831	1,255,201
<b>Consolidated liabilities</b>	<b>1,336,765</b>	<b>1,342,026</b>

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

- all assets are allocated to operating and reportable segments other than the Group's head office corporate assets (including certain property, plant and equipment), all bank balances and cash and certain other receivables and deposits; and
- all liabilities are allocated to operating and reportable segments other than the Group's head office corporate liabilities, amount due to an intermediate holding company, amount due to a shareholder, bank loans, tax liabilities and deferred tax liabilities.

## 5. FINANCE COSTS

	Six months ended 30th June,	
	2024	2023
	<b>HK\$'000</b>	<b>HK\$'000</b>
	(Unaudited)	(Unaudited)
Interests on:		
Bank loans	31,657	26,451
Amount due to an intermediate holding company (note 15(a))	<u>75</u>	<u>59</u>
	<b><u>31,732</u></b>	<b><u>26,510</u></b>

## 6. INCOME TAX EXPENSE

	Six months ended 30th June,	
	2024	2023
	<b>HK\$'000</b>	<b>HK\$'000</b>
	(Unaudited)	(Unaudited)
The taxation expense comprises:		
Current tax:		
Hong Kong	7,070	9,871
The PRC	–	13
The United Kingdom (the “UK”)	<u>2,459</u>	<u>2,722</u>
	<b>9,529</b>	12,606
Deferred tax	<u>(1,844)</u>	<u>(7,111)</u>
	<b><u>7,685</u></b>	<b><u>5,495</u></b>

Hong Kong Profits Tax is recognised based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year. The annual tax rate used is 16.5% for the six months ended 30th June, 2024 (six months ended 30th June, 2023: 16.5%).

## 6. INCOME TAX EXPENSE (*Continued*)

Taxation arising in the PRC and the UK are recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year prevailing in the relevant jurisdictions.

Deferred tax liabilities on the temporary differences attributable to the undistributed retained profit earned by the Company's PRC subsidiary amounted to HK\$140,000 (six months ended 30th June, 2023: HK\$Nil) were charged to profit or loss for the six months ended 30th June, 2024.

The Group is operating in certain jurisdictions where the Pillar Two Rules is enacted but not effective. However, as the Group's consolidated annual revenue is expected to be less than EUR 750 million, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

## 7. (LOSS) PROFIT FOR THE PERIOD

	Six months ended 30th June,	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Loss) profit for the period has been arrived at after charging (crediting) the following items:		
Depreciation of right-of-use asset	381	394
Depreciation of property, plant and equipment	82,458	49,320
Interest on bank deposits ( <i>Note</i> )	(2,981)	(3,152)
Loss (gain) on disposal of property, plant and equipment ( <i>Note</i> )	<u>2,497</u>	<u>(7)</u>

*Note:* The amounts are included in other income and expenses and gains and losses.

## **8. DIVIDEND**

During the six months ended 30th June, 2024 and 30th June, 2023, no dividend was declared and paid to shareholders for the year ended 31st December, 2023 and 31st December, 2022.

The directors have resolved not to declare or propose an interim dividend for the six months ended 30th June, 2024 and 30th June, 2023.

## **9. (LOSS) EARNINGS PER SHARE**

The calculation of the basic (loss) earnings per share is based on the loss for the period attributable to the owners of the Company of HK\$92,837,000 (six months ended 30th June, 2023: profit of HK\$9,162,000) and on 511,613,000 shares (six months ended 30th June, 2023: 511,613,000 shares) in issue during the period. The number of shares adopted in the calculation of the (loss) earnings per share has been arrived at after eliminating the shares in the Company held by a subsidiary of the Company.

Diluted (loss) earnings per share for both periods are not presented as there are no potential ordinary shares exist during both periods.

## **10. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES**

During the six months ended 30th June, 2024, the Group acquired property, plant and equipment of HK\$12,985,000 (six months ended 30th June, 2023: HK\$4,424,000).

The Group has disposed of property, plant and equipment with carrying amount of HK\$3,497,000 (six months ended 30th June, 2023: HK\$39,000) for cash proceeds of HK\$1,000,000 (six months ended 30th June, 2023: HK\$46,000), resulting in a loss on disposal of HK\$2,497,000 (six months ended 30th June, 2023: gain on disposal of HK\$7,000).



## 10. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES (*Continued*)

Investment properties are stated at fair value based on the valuations performed by independent professional valuers which are not connected with the Group. The fair value is derived by using income approach to assess the market value of the investment properties. During the assessment of the fair values of investment properties, the valuers and the Directors of the Company have exercised their judgement and are satisfied that the method of valuation and the key inputs, including term yield, reversionary yield and market rent are reflective of the current market conditions. If there are changes in the assumptions used for the valuations, the fair value of the investment properties will change in the future.

The resulting decrease in fair value of investment properties of HK\$92,232,000 (six months ended 30th June, 2023: HK\$Nil) has been recognised directly in profit or loss for the six months ended 30th June, 2024.

During the six months ended 30th June, 2024, the Group acquired investment properties at a cash consideration HK\$207,000,000 (six months ended 30th June, 2023: HK\$Nil).

The investment properties of the Group with an aggregate carrying amount of approximately HK\$3,959,334,000 (31st December, 2023: HK\$3,813,627,000) were rented out under operating leases at the end of the reporting period.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The income approach estimates the values of the properties on an open market basis by capitalising rental income on a fully leased basis having regard to the current passing rental income from existing tenancies and potential future reversionary income at the market level. The term value involves the capitalisation of the current passing rental income over the existing lease term. The reversionary value is taken to be current market rental income upon the expiry of the lease and is capitalised on a fully leased basis. In this approach, the valuers have considered the term yield and reversionary yield. The term yield is used for capitalisation of the current passing rental income as at the date of valuation whilst the reversionary yield is used to convert reversionary rental income.

## 11. TRADE AND OTHER RECEIVABLES

	As at <b>30th June,</b> 2024 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2023 <i>HK\$'000</i> (Audited)
Trade receivables from contracts		
with customers	<b>6,268</b>	17,781
Lease receivables	<b>1,821</b>	2,805
Other receivables	<b>2,379</b>	3,044
	<u><b>10,468</b></u>	<u>23,630</u>

Except for a credit period of 30 to 60 days granted to travel agencies and certain customers of the hotels, the Group does not allow any credit period to customers. The following is an aged analysis of the Group's trade receivables from contracts with customers and lease receivables presented based on the invoice date at the end of the reporting period:

	As at <b>30th June,</b> 2024 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2023 <i>HK\$'000</i> (Audited)
Not yet due	<b>7,834</b>	19,964
Overdue:		
0 – 30 days	<b>56</b>	137
31 – 60 days	<b>43</b>	25
61 – 90 days	<b>156</b>	460
	<u><b>8,089</b></u>	<u>20,586</u>

## 12. TRADE AND OTHER PAYABLES AND ACCRUALS

	As at <b>30th June, 2024</b> <i>HK\$'000</i> (Unaudited)	As at 31st December, 2023 <i>HK\$'000</i> (Audited)
Trade payables	4,514	4,129
Interest payables	1,979	2,295
Others payables	3,695	1,010
Legal and professional fee payables	3,428	3,287
Rental receipt in advance	10,062	8,981
Accrued staff costs	6,434	15,044
Other accruals	12,837	18,816
	<u>42,949</u>	<u>53,562</u>

The following is an aged analysis of the Group's trade payables presented based on the invoice date at the end of the reporting period:

	As at <b>30th June, 2024</b> <i>HK\$'000</i> (Unaudited)	As at 31st December, 2023 <i>HK\$'000</i> (Audited)
0 – 30 days	4,500	4,118
31 – 60 days	5	9
61 – 90 days	9	2
	<u>4,514</u>	<u>4,129</u>

### 13. BANK LOANS

	As at <b>30th June, 2024</b> <i>HK\$'000</i> <b>(Unaudited)</b>	As at 31st December, 2023 <i>HK\$'000</i> <b>(Audited)</b>
Secured bank loans	<u><b>1,024,589</b></u>	<u>1,023,419</u>
The carrying amounts of bank loans are repayable (based on scheduled repayment dates set out in the loan agreements):		
Within one year	<b>33,200</b>	33,200
Within a period of more than one year but not exceeding two years	<b>263,268</b>	265,250
Within a period of more than two years but not exceeding five years	<u><b>610,121</b></u>	<u>626,721</u>
	<u><b>906,589</b></u>	<u>925,171</u>
The carrying amounts of bank loans that contain a repayment on demand clause (shown under current liabilities) but repayable:		
Within one year	<u><b>118,000</b></u>	<u>98,248</u>
	<u><b>1,024,589</b></u>	<u>1,023,419</u>
Amounts shown under current liabilities	<b>151,200</b>	131,448
Amounts shown under non-current liabilities	<u><b>873,389</b></u>	<u>891,971</u>
	<u><b>1,024,589</b></u>	<u>1,023,419</u>

All the Group's bank loans are floating rate borrowings. The bank loans are secured over certain of the Group's assets as disclosed in note 16. Effective interest rate is 5.80% per annum (31st December, 2023: 5.76% per annum).

## 14. SHARE CAPITAL

	<b>Number of shares '000</b>	<b>Amount HK\$'000</b>
Ordinary shares		
Issued and fully paid:		
At 1st January, 2023 (audited), 30th June, 2023 (unaudited), 31st December, 2023 (audited) and 30th June, 2024 (unaudited)	<u>579,753</u>	<u>1,084,887</u>

At 30th June, 2024, the Company's 68,140,000 (31st December, 2023: 68,140,000) issued shares were held by a subsidiary of the Company. In accordance with the Hong Kong Companies Ordinance, members of the Group who are shareholders of the Company have no right to vote at meetings of the Company.

## 15. RELATED PARTY TRANSACTIONS AND BALANCES

Other than those disclosed in the condensed consolidated financial statements, the Group had the following transactions and balances with related parties during the periods and as at period/year ends:

	<b>Six months ended 30th June, 2024 HK\$'000 (Unaudited)</b>	<b>2023 HK\$'000 (Unaudited)</b>
Transactions during the period:		
<b>Shun Ho Holdings Limited (the Company's intermediate holding company) and its subsidiaries*</b>		
Corporate management fee income for administrative facilities provided	75	75
Interest expenses	75	59
Rental income from Mr. William Cheng Kai Man	420	420
Compensation of key management personnel ( <i>note c</i> )	<u>10,649</u>	<u>9,666</u>

## 15. RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

	<b>As at 30th June, 2024 HK\$'000 (Unaudited)</b>	As at 31st December, 2023 HK\$'000 (Audited)
Balances as at period/year end:		
Amount due to the intermediate holding company at the end of the reporting period <i>(Note a)</i>	<b>7,063</b>	7,830
Amount due to Mr. William Cheng Kai Man <i>(Note b)</i>	<b><u>5,088</u></b>	<b><u>5,088</u></b>

\* exclude the Company and its subsidiaries

### *Notes:*

- (a) The amount due to intermediate holding company was unsecured, carried interest at fixed rate 2% per annum (31st December, 2023: 2%) and repayable on demand.
- (b) The amount due to a shareholder which is non-traded related, unsecured, interest-free and repayable on demand.
- (c) The compensation of key management personnel comprised short-term and post employment benefits attributable to such personnel.

## 16. PLEDGE OF ASSETS

At the end of reporting period, the bank loan facilities of the Group were secured by the followings:

- (a) investment properties and hotel properties of the Group with carrying amounts as at 30th June, 2024 of approximately HK\$3,799 million (31st December, 2023: HK\$3,880 million) and HK\$1,519 million (31st December, 2023: HK\$1,545 million), respectively;
- (b) pledge of shares in certain subsidiaries of the Company with an aggregate net asset value as at 30th June, 2024 of approximately HK\$3,984 million (31st December, 2023: HK\$4,031 million);
- (c) assignment of property rental of certain subsidiaries of the Company; and
- (d) assignment of insurance on certain investment properties.

## 17. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

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

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

Financial asset	Fair value as at		Fair value hierarchy	Valuation technique and key input
	30th June, 2024 <i>HK\$'000</i> <i>(Unaudited)</i>	31st December, 2023 <i>HK\$'000</i> <i>(Audited)</i>		
Equity instruments at FVTOCI	<u>45,320</u>	<u>44,865</u>	Level 1	Quoted bid prices in an active market

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